

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:800  
ANSWERED ON:12.07.2004  
RATIO OF AGRO INVESTMENT  
Adhalrao Patil Shri Shivaji

**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether the ratio of agro investment to GDP has gone down over the years;
- (b) if so, the comparative figures for the last three years;
- (c) whether the Government are considering focusing second generation reforms in the agriculture sector;
- (d) if so, whether investment ratio in this sector would be increased;
- (e) if so, the details thereof; and
- (f) the details of incentives proposed to attract investment towards the agro sector?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a) & (b): According to the estimates of the Central Statistical Organisation (CSO), the ratio of gross capital formation (investment) in agriculture, excluding allied sectors, to GDP declined from 1.9% in 1990-91 to 1.3% in 1998-99. Though it increased to 1.4% in 1999-2000 it declined to 1.3% in 2000-01 and remained at that level in 2001-02 and 2002-03.

(c) to (f): In order to increase investment and growth in agriculture, the Government has identified thrust areas for focused and priority attention, which include doubling of rural credit in three years, market / price support to farmers for ensuring fair and remunerative prices, insurance of crops against production loss arising from natural calamities, creation of additional irrigation facilities and assistance to farmers under various agricultural, including horticultural, crop production programmes and market reforms. Promotion of direct marketing and contract farming and development of competitive agricultural markets in private and cooperative sectors have been identified as key areas of reform in the sector, requiring, inter-alia, amendments to the relevant State Acts.