

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:781

ANSWERED ON:28.11.2005

DECLINE IN CAPITAL INVESTMENT IN AGRICULTURAL SECTOR

Jogi Shri Ajit

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether there has been a continuous decline in capital investment in agricultural sector during the recent years;
- (b) if so, the details thereof during the last three years;
- (c) the reasons identified for this decline; and
- (d) the steps proposed to be taken to reverse this trend?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a)&(b): No, Sir. The total investment measured in terms of Gross Capital Formation in agriculture including allied sectors of forestry, logging & fishing in real terms (at 1993-94 prices) has shown an increase from Rs.20360 crore in 2001-02 to Rs.24186 crore in 2003-04. The total investment in last three years is as given below:

Year Total Investment
(Rs crore)

2001-02	20360
2002-03	21500
2003-04#	24186

#Quick estimates

Source: Central Statistical Organization.

(c): Does not arise

(d): Keeping in view the importance of Agriculture in the economy, the Union Budget 2005-06 has provided substantial outlays in the areas like horticulture and irrigation including micro irrigation. The budget has provided Rs.630 crore in 2005-06 for National Horticulture Mission, which will ensure end- to-end approach having backward and forward linkages covering research, production, post harvest management, processing and marketing, under one umbrella, in an integrated manner. The budget has provided Rs.4800 crore for Accelerated Irrigation Benefit Programme for 2005-06 compared with Rs.2800 crore in 2004-05. With a view to improving water use efficiency in Indian agriculture, the Budget has provided Rs.400 crore for promoting micro irrigation in 2005-06. Since the flow of credit is important in accelerating the pace of investment in agriculture, the disbursement of agricultural credit is proposed to be stepped up by 30% per cent per annum from commercial banks, regional rural banks and cooperative banks to the agriculture sector during 2005-06 to 2007-08