

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:46
ANSWERED ON:07.07.2009
INVESTMENT IN AGRICULTURE SECTOR
Chitthan Shri N.S.V.

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the present level of investment being made in agriculture sector is inadequate;
- (b) if so, the details and reasons therefor;
- (c) whether any scheme has been contemplated for public/private investment in agriculture sector; and
- (d) if so, the details thereof?

Answer

MINISTER OF AGRICULTURE(SHRI SHARAD PAWAR)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO.46 DUE FOR REPLY ON 7TH JULY, 2009.

(a) & (b): For the Eleventh Plan, it has been recognized that there is need to enhance investment in agriculture sector to achieve 4% growth. The details of the investment, measured in terms of Gross Capital Formation, made in the agriculture sector during the last four years at 1999-2000 prices are as follows:-

Public and Private Investment in Agriculture Sector (at 1999-2000 prices) (Rs. in crore)

Sl.No Year Investment in Agriculture Gross Domestic % of Investment to GDP
Sector Product from (in Agriculture Sector)
Agriculture Sector

	Public	Private	Total	Public	Private	Total	
1. 2004-05	12273	36925	49198	441647	2.8	8.4	11.1
2. 2005-06	15007	41452	56459	467984	3.2	8.9	12.1
3. 2006-07	17633	45030	62663	487010	3.6	9.2	12.9
4. 2007-08	21027	46837	67864	511274	4.1	9.2	13.3

Source: Central Statistical Organization Investment in the agriculture sector has increased over the years.

(c) & (d): Government has launched several schemes to increase investments in agricultural sector and to encourage private investment. The major schemes are as follows:

Rashtriya Krishi Vikas Yojana (RKVY), to incentivise the states to increase public investment in agriculture sector

National Food Security Mission (NFSM), a Centrally sponsored scheme with the objective to promote improved production technologies like hybrids, System of Rice Intensification (SRI), resource conservation technologies, integrated nutrient, pest and weed management and usage of farm implements.

"Gramin Bhandaran Yojana". With the implementation of this scheme, private sector has invested in the development of agriculture storage infrastructure in the country.

Central Sector Scheme "Development and strengthening of Infrastructure Facilities for Production and Distribution of Quality Seed" with the objective to develop and strengthen the existing infrastructure for the production and distribution of certified/quality seeds to farmers.

Centrally Sponsored Scheme of "National Horticulture Mission" for holistic development of horticulture sector duly ensuring forward and backward linkages with the active participation of all the stakeholders.

Further, the Government has announced the following proposals in Union Budget for 2009-10:

a) Agriculture credit flow shall be increased from Rs.2.87 lakh crore in 2008-09 to Rs.3.25 lakh crore for the year 2009-2010 at the interest rate of 7% per annum by giving 2% interest subvention.

b) An additional Rs.1000 crore has been provided over interim BE for the Accelerated Irrigation Benefit Programme (AIBP), making an increase of 75% over the allocation in 2008-09 (BE).

c) The allocation for the Rashtriya Krishi Vikas Yojana (RKVY) is being stepped up by 30% during 2009-10 over budget estimates of 2008-09.

d) Investment-Linked Tax incentives have been extended to the businesses of setting up and operating 'cold chain' and warehousing facilities for storing agricultural produce. Under this method, all capital expenditure, other than expenditure on land, goodwill and financial instruments will be fully allowable as deduction.