

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:92
ANSWERED ON:01.03.2011
INVESTMENT IN AGRICULTURE SECTOR
Chaudhary Shri Jayant;Rajaram Shri Wakchaure Bhausahaeb

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the agricultural growth is lagging behind the target fixed during the current Five Year Plan period due to inadequate investments in the said sector;
- (b) if so, the details thereof;
- (c) the details of investments made in the sector during each of the last three years and the current year;
- (d) whether there is any proposal to increase the investment in the said sector through Public Private Partnership (PPP) mode;
- (e) if so, the details thereof; and
- (f) the comprehensive measures taken by the Government to increase the investments in the sector to achieve the targeted growth rate?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHARAD PAWAR)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 92 DUE FOR REPLY ON 1ST MARCH, 2011.

(a) & (b): As against the growth target of 4% in the agriculture and allied sector fixed for the 11th Five Year Plan, the average annual growth during the 1st four years of the Plan Period i.e. 2007-08 to 2010-11 has been 2.9 %; mainly due to severe drought conditions in most parts of the country during 2009-10 and drought/deficient rainfall in some States namely Bihar, Jharkhand, East U.P. and West Bengal in 2010-11. However low level of investment in Agriculture Sector is also one of the underlying factors for slow growth. Through the conscious efforts of the Government, the investment in Agriculture and Allied sectors as a percentage of agriculture sector Gross Domestic Product(GDP) increased from 13.5 per cent in 2004-05 to 20.3 per cent in 2009-10 at constant prices. Annual budget allocation for the Agriculture Sector (Department of Agriculture and Co-operation) has also increased from Rs 6927.94 crore in 2007-08 to Rs.17254.00 crore in 2010-11. The flagship scheme of Rashtriya Krishi Vikas Yojana (RKVY) aims at incentivising states to increase public investment in agriculture and allied sectors to significantly contribute to the target of 4 percent growth in the Eleventh Plan. State Plan allocations for the Agriculture and Allied sector increased from Rs. 9103. 06 crore in 28 States in the base year 2006-07 to Rs. 20274.36 crore in 2009-10, an increase from 5.22% of State Plan in 2006-07 to 6.30% in 2009-10. These measures have contributed to the estimated growth of 5.4% for Agriculture and Allied sector in 2010-11, as per advance estimates of GDP released by the Central Statistics Office.

(c): As per latest available estimates from Central Statistics Office, investment in Agriculture & Allied sector during each of the last four years is given in the table below:

Year Gross Capital formation (Investment)
in Agriculture & Allied sector
(Rs. crore)

Public Private Total

2006-07 22987 67723 90710

2007-08 23257 81777 105034

2008-09 22628 106031 128659

2009-10 23635 109742 133377

Source: CSO, Ministry of Statistics and Programme Implementation

(d) & (e): Several schemes of the Government provide for Public Private Partnerships (PPP) in the agriculture sector, especially in the areas of extension, marketing, infrastructure development, etc.

Under the Centrally Sponsored Scheme, National Horticulture Mission (NHM), investment through Public Private Partnership (PPP) mode is being encouraged in establishment of Terminal Market Complexes (TMC). Under this, assistance, up to 40% of project cost of Rs.150 crore with maximum limit of Rs. 50 crore, which includes 25% as floor subsidy and 15% subsidy on bidding is available. Under NHM, 2 TMC have been sanctioned at Patna and Perundurai, Erode (Tamil Nadu) and 'in principle' approval has been accorded for 4 TMC (2 each in Maharashtra and Tamil Nadu) and 1 TMC in Sambhalpur (Orissa).

The Centrally Sponsored Scheme "Support to State Extension Programmes for Extension Reforms" provides for a minimum of 10% of allocations on recurring activities at District level to be used through Non -Governmental Sector, viz., NGOs, Farmers Organizations (FOs), Panchayat Raj Institutions (PRIs), Cooperatives, Para Extension Workers, Agri-preneurs, Input Suppliers, Corporate Sector etc. The Non-Governmental Sector participation is encouraged by providing requisite flexibility of having the Extension Work Plan prepared and approved at State Level.

(f): Government has taken a large number of measures to increase investments in the Agriculture and Allied sector. The flow of agricultural credit has been increased and is likely to reach about Rs. 4 lakh crore in 2010-11 from the level of about Rs.87,981 crore in 2003-04. Minimum Support Prices of major crops such as paddy, wheat and Arhar have increased by 81.8%, 77.8% and 120.6% respectively between 2003-04 and 2010-11. Adequate & timely supply of agricultural inputs including seeds & fertilisers has been ensured. Several schemes including Rashtriya Krishi Vikas Yojana (RKVY), National Food Security Mission (NFSM), National Horticulture Mission (NHM), Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM) and Macro Management of Agriculture (MMA) are being implemented with a view to increase public investment in Agriculture & Allied sector, to achieve the targeted growth.