

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:831
ANSWERED ON:24.11.2009
CAPITAL FORMATION IN AGRICULTURE SECTOR
Masram Shri Basori Singh

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether any study has been conducted to understand the capital formation trends in the agriculture sector;
- (b) if so, the details thereof;
- (c) whether the lead indicators representing the capital formation in agriculture sector match the other sectors of the economy;
- (d) if so, the details thereof; and
- (e) if not, the steps taken to encourage the capital formation trends in agriculture sector?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) & (b): A Committee on Capital Formation in Agriculture under the Chairmanship of Prof. B.B. Bhattacharya was constituted to identify the components of capital formation which are meant for use exclusively in agriculture and the allied sectors and those which predominantly impact on agriculture, such as rural electrification, rural roads, construction of market yards, storage facilities, expenditure on agricultural research and development etc., to recommend a procedure for apportioning capital formation into agriculture and non-agriculture sectors, to suggest improvements in the estimation procedure, to examine the contribution of public sector in agriculture capital formation and to suggest a mechanism to be set up in the Ministry of Agriculture for periodic collection and publication of data on agriculture capital formation etc.

(c) to (e): For estimation of capital formation in agriculture as well as all other sectors, the major component is Gross Fixed Capital Formation (GFCF). During 2007-08, GFCF in agriculture and allied sectors and all other sectors are Rs. 109021 crore and Rs. 1496418 crore respectively.

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 to incentivise the states to increase public investment in Agriculture sector.

National Food Security Mission to promote improved production technologies like hybrids, System of Rice Intensification, resource conservation technologies, integrated nutrient, pest and weed management and usage of farm implements.

Gramin Bhandaran Yojana for investment by private sector for the development of agriculture storage infrastructure in the country.

Development and Strengthening of Infrastructure Facilities for Production and Distribution of Quality Seed to develop and strengthen the existing infrastructure for the production and distribution of certified /quality seeds to farmers.

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