

Capital Formation in Indian Agriculture

8.63 The share of the agricultural sector's capital formation in GDP declined from 2.2 per cent in the late 1990s to 1.9 per cent in 2005-06 (Table 8.19). This disturbing decline was partly due to the stagnation or fall in public investment in irrigation, particularly since the

mid-1990s. However, there is indication of a reversal of this trend with public sector investment in agriculture accelerating since 2002-03. The share of public investment in gross investment in agriculture increased by 6.5 percentage points from 1999-2000 to reach 24.2 per cent in 2005-06.

Table 8.19 : Gross Capital Formation in Agriculture						
Year	Investment in Agriculture (Rs. crore)			Share in agricultural gross investment (per cent)		Investment in Agriculture as a per cent of GDP at constant prices
	Total	Public	Private	Public	Private	
Old Series (at 1993-94 prices)						
1990-91	14836	4395	10441	29.60	70.40	1.92
1995-96	15690	4849	10841	30.90	69.10	1.57
1996-97	16176	4668	11508	28.90	71.10	1.51
1997-98	15942	3979	11963	25.00	75.00	1.43
1998-99	14895	3870	11025	26.00	74.00	1.26
1999-00	17304	4221	13083	24.40	75.60	1.37
New Series (at 1999-00 prices)						
1999-00	43473	7716	35757	17.7	82.3	2.2
2000-01	38735	7155	31580	18.5	81.5	1.9
2001-02	47043	8746	38297	18.6	81.4	2.2
2002-03	46823	7962	38861	17.0	83.0	2.1
2003-04	45132	9376	35756	20.8	79.2	1.9
2004-05	48576	10267	38309	21.1	78.9	1.9
2005-06*	54539	13219	41320	24.2	75.8	1.9
* Quick Estimates.						
Source : CSO						