

Investment in Agriculture

8.62 Investment in agriculture has grown by 21.7 per cent during the period 1993-94 to 1998-99 (1993-94 prices). This growth is entirely attributable to enhanced private investment whose share in total investment rose to 76.4 per cent in 1998-99 from 67 per cent in 1993-94. In contrast, the share of public investment has declined to 23.6 per cent in 1998-99 from 33 per cent in 1993-94 (Table 8.26 and Figure 8.2). It has been pointed out in earlier Economic Surveys that the decline in public investment in agriculture is mainly due to the diversion of resources into current expenditure in the form of subsidies for food, fertilizers, electricity, irrigation, credit and other agricultural inputs rather than on creation of assets.

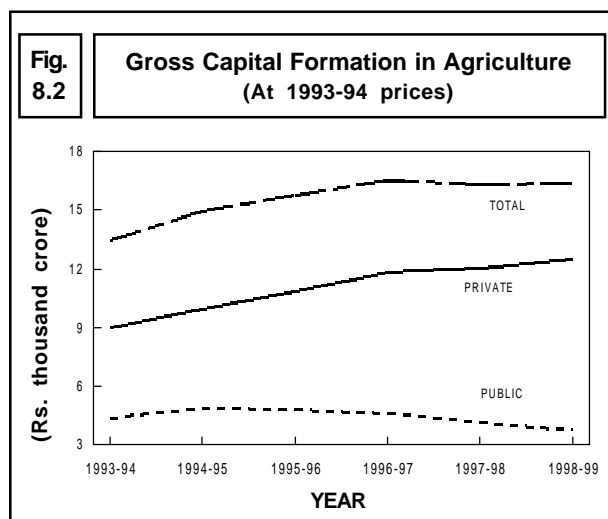


TABLE 8.26

Gross Capital Formation in Agriculture
(AT 1993-94 prices)

(Rs. crore)

| Year | Total | Public | Private | Per cent share | |
|----------|-------|--------|---------|----------------|---------|
| | | | | Public | Private |
| 1993-94 | 13523 | 4467 | 9056 | 33.0 | 67.0 |
| 1994-95 | 15021 | 4971 | 10050 | 33.1 | 66.9 |
| 1995-96 | 15876 | 4928 | 10948 | 31.0 | 69.0 |
| 1996-97 | 16610 | 4689 | 11921 | 28.2 | 71.8 |
| 1997-98 | 16344 | 4240 | 12140 | 25.9 | 74.1 |
| 1998-99* | 16457 | 3876 | 12581 | 23.6 | 76.4 |

*Quick Estimates