

### Capital formation in Indian agriculture

8.41 The decline in the share of agriculture sector's capital formation in GDP from 1.92 per cent in the early 1990s to 1.28 per cent in the early 2000s is a matter of concern (Table 8.22). This declining share was mainly due to the stagnation or fall in public investment in agriculture, particularly since the mid-1990s.

However, there is indication of a reversal of this trend of late, with the public sector investment in agriculture reaching the highest level since the early nineties at Rs 5,249 crore in 2003-04. This has helped in improving the share of agriculture sector's capital formation in GDP from 1.28 per cent in 2001-02 to 1.31 per cent in 2003-04.

**Table 8.22 : Gross capital formation in agriculture (at 1993-94 Prices)**

(Rs crore)

Year	Investment in Agriculture			Per cent Share		Investment in Agriculture as per cent of GDP
	Total	Public	Private	Public	Private	
1	2	3	4	5	6	7
1990-91	14836	4395	10441	29.6	70.4	1.92
1995-96	15690	4849	10841	30.9	69.1	1.57
1996-97	16176	4668	11508	28.9	71.1	1.51
1997-98	15942	3979	11963	25.0	75.0	1.43
1998-99	14895	3870	11025	26.0	74.0	1.26
1999-00	17304	4221	13083	24.4	75.6	1.37
2000-01	16906	3927	12980	23.2	76.8	1.28
2001-02	17219	4969	12250	28.9	71.1	1.24
2002-03	18240	4359	13881	23.9	76.1	1.27
2003-04*	20510	5249	15261	25.6	74.4	1.31

\* Quick Estimates

Source: Central Statistical Organisation.