

**GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA**

STARRED QUESTION NO:420
ANSWERED ON:19.12.2001
PROMOTION OF AGRO BASED PRODUCTS
SANJAY PASWAN

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

- (a) the details of the efforts being made by the Government for the promotion and development of agro based products;
- (b) whether lakhs of people are losing their employment on account of indifference of the Government towards rural industries based on herbs and medicinal plants;
- (c) if so, the reasons therefor;
- (d) if not, the details thereof;
- (e) whether the Government propose to give special concession to registered Organisations/Institutions under the rural industries to encourage them; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI KARIYA MUNDA)

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

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 420 BY DR. SA PASWAN, M.P. FOR ANSWER ON 19.12.2001

(a): The Government through the Khadi and Village Industries Commission (KVIC) gives support to promote the setting up of industries in rural areas under the Rural Employment Generation Programme (REGP). The REGP is implemented throughout the country covering all industries including herbal and medicinal plant based industries. Under this scheme, 25% of the project cost is provided as margin money for the projects cost upto Rs. 10 lakh. For project costs above Rs.10 lakhs and upto Rs. 25 lakhs, the rate of margin money is 25% of Rs.10 lakhs plus 10% of the balance cost of the project. For weaker sections, the margin money is given at the rate of 30% of the project cost upto Rs. 10 lakhs and for the balance amount (upto Rs. 25 lakhs) it is 10%.

Moreover, the Government of India has announced a package for the promotion of Khadi and Village Industries Sector on 14th May, 2001, with the prime objective of creating more jobs in rural areas and empowering the women and backward classes. The main features of the package comprise of a rebate policy for five years, option of Rebate or Market Development Assistance (MDA), Insurance cover to Khadi artisans, emphasis on improvement of Khadi products, creation of packaging and design facilities measures to promote marketing brand building and cluster development.

(b): No, Sir.

(c): Does not arise.

(d): The KVIC under the REGP is encouraging people to set up industries including herbal cosmetic and herbal medicinal industries in rural areas.

(e): No, Sir.

(f): Does not arise.