

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

UNSTARRED QUESTION NO:4524
ANSWERED ON:19.12.2001
AGRO BASED INDUSTRIES IN NEWLY CONSTITUTED STATES
RAVINDRA KUMAR PANDEY

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

- (a) whether the Government have a proposal to set up Agro-based industries in newly constituted three States;
- (b) if so, the details in this regard; and
- (c) the steps taken by the Government for promotion of Agro based industries in each of these States?

Answer

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

(a): No, Sir. However, the Khadi and Village Industries Commission (KVIC), through its Rural Employment Generation Programme (REGP), motivates people to set up industries including agro based industries in rural areas including the newly created States.

(b): Does not arise.

(c): Under the REGP, the KVIC provides subsidy in the form of margin money to the borrowers through the banks to promote the setting up of rural industries including agro based industries. The Government has decided to continue with REGP during the 10th Plan also. 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.