

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

STARRED QUESTION NO:197  
ANSWERED ON:02.12.2002  
INFRASTRUCTURAL SUPPORT FOR FOOD PROCESSING  
BHARTRUHARI MAHTAB

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

- (a) whether the Government are aware that a number of States, particularly Orissa produce a wide range of fruits, vegetables, medicinal plants and herbs, which are at present neglected and go waste due to absence of rural processing and marketing set ups;
- (b) if so, whether the Government propose to give its full support through its infrastructure and bodies like NABARD, CAPART and Food Processing Services, Banks etc. for this purpose; and
- (c) if so, the details thereof?

**Answer**

THE MINISTER OF STATE FOR AGRO & RURAL INDUSTRIES ( SHRI NIKHIL KUMAR CHOUDHARY )

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

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 197 BY BHARTRUHARI MAHTAB, M.P. FOR ANSWER ON 02.12.2002

(a): Yes, Sir.

(b): Yes, Sir.

(c): The Government through the Khadi and Village Industries Commission (KVIC) under the Rural Employment Generation Programme (REGP) is encouraging people to set up industries in rural areas throughout the country including Orissa for promoting rural industries including agro based industries i.e. vegetable, fruit processing industries, herbal cosmetic, medicinal plants based industries, etc. Under this Scheme, 25% of the project cost is provided as margin money for the project cost upto Rs. 10 lakh. For project costs above Rs. 10 lakh and upto Rs. 25 lakh, the rate of margin money is 25% of Rs. 10 lakh plus 10% of the balance cost of the project. For waker 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 lakh) it is 10%. This Scheme is being implemented through Public Sector Banks, Regional Rural Banks etc.

The Government of India has also announced a package for the promotion of Khadi and Village Industries Sector on 14th May, 2001. the main features of the package inter-alia include rebate policy for Khadi for five years, option of Rebate or Market Development Assistance (MDA) to Khadi Institutions, Insurance cover to Khadi artisans, emphasis on improvement in quality of products, creation of packaging and design facilities, measures to promote marketing, brand building etc.

In addition to this package, the National Programme on Rural Industrialisation (NPRI) Scheme of the Ministry provides financial assistance to rural industrial clusters towards diagnostic studies, skill upgradation and upgradation of common facilities. This scheme is being implemented in collaboration with NABARD, SIDBI, KVIC etc.