

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2063

ANSWERED ON:02.12.2002

SCHEME FOR EXPANSION OF AGRICULTURAL BASED INDUSTRIES

P.R. KHUTE

Will the Minister of AGRICULTURE be pleased to state:

(a) whether any proposal to formulate a special scheme for expansion of the agricultural based industries in order to tide over the problem of unemployment in the country is under consideration of the Government;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a)to(c): In order to generate more employment the Government through Khadi and Village Industries Commission (KVIC) is already implementing the Rural Employment Generation Programme throughout the country, wherein Margin Money is provided for setting up agro and rural industries. Under this scheme the KVIC provides margin money assistance at the rate of 25% of the project cost upto Rs.10 lakhs and for the project above Rs.10 lakhs and upto Rs.25 lakhs rate of margin money is 25% of Rs.10lakhs plus 10% on remaining cost of the project.

In the case of SC/ST/OBC/Women/Physically Handicapped/Ex-Servicemen and Minority Community beneficiary/Institution and for hill border and tribal areas. North East Region, Sikkim, Andaman & Nicobar Island, Lakshadweep, the margin money grant is 30% of the project cost upto Rs.10 lakhs but above this amount and upto Rs.25 lakhs it is 10% of the remaining cost of the project.

It has been decided to continue the programme during the 10th Plan period i.e. upto 31.3.2007, as well. The target set for the 10th Plan is to generate an additional employment opportunities for 2.0 million persons with a proposed investment of Rs.1250 crores.

A special package for strengthening the Khadi and Village Industries sector was announced by the Government in the year 2001, which is under different phases of implementation. The package inter- alia provides for Insurance cover to Khadi artisans, option between rebate and Market Development Assistance (MDA), creation of packaging and design facilities, measures to promote marketing, brand building and cluster development, technology upgradation, quality control, marketing through publicity and advertisement etc. so that the sector may fulfill the objectives of generating rural employment and improving the quality of life of the rural people.

The agro based industry include both food and non-food items. The Government under its plan schemes provides financial assistance for the development including setting up/expansion/modernization of the processed food sector.