

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:2036
ANSWERED ON:27.08.2007
DEVELOPMENT AND EXPANSION OF AGRO INDUSTRIES
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Government has received suggestion for development and expansion of ancillary agro industries to bail out the farmers of the country from the present severe financial crisis;
- (b) if so, the reaction of the Government thereto;
- (c) whether the Government has identified such ancillary agro industries which can be developed in the country;
- (d) if so, the details thereof; and
- (e) the annual growth rate of each of the said industries during each of the last three years, State-wise?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

(a): No, Sir.

(b) : Does not arise.

(c) to (e) : No specific suggestion for development and expansion of ancillary agro industries has been received in the Ministry of Micro, Small and Medium Enterprises and no specific identification of such industries could be therefore undertaken. However, the farmers desirous of setting up agro and rural industries may seek financial assistance under the Rural Employment Generation Programme (REGP) implemented through the Khadi and Village Industries Commission (KVIC). Activities under the Agro and Food Processing Industry Group of the village industries under REGP, where agriculture raw material is used, help the farmers for achieving value addition in Agro based products. Considering the importance of Agro and Food Based projects, 40 per cent target under REGP is earmarked /allocated to this group of industry. During 2006-07, 8015 such projects were established and about 14800 projects are targeted for the current year.

The units based on processing of pulses, fruits and vegetables, preparation of jam, jelly, pickles, squash, papad, masala making, cattle feed, poultry feed, bio-manure, etc., are some of the prominent agro based and food processing activities, using agricultural raw material, identified under the village industries sector for development under REGP. The State / Union Territory-wise details of agro and food processing based village industry units set up under the REGP during 2004-05, 2005-06 and 2006-07 are given at Annex.