

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

STARRED QUESTION NO:167
ANSWERED ON:27.11.2007
PROMOTION OF AGRO INDUSTRIES
Gaddigoudar Shri P.C.

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

"the steps taken/proposed to be taken by the Government to promote agro-based industries in each State in the country?"

Answer

MINISTER FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

A statement has been placed on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO. 167 FOR ANSWER ON 27.11.2007
RAISED BY SHRI P.C. GADDIGOUDAR

Agro based industries that are promoted by the Government in the Ministry of Micro, Small and Medium Enterprises (MSME) through its schemes and programmes mainly cover the industries involved in the processing and production of products like pulses, cereals, gur & khandsari, papad, honey, palmgur, fruit, vegetable, edible oil, etc. The Ministry of MSME implements two national level credit-linked subsidy schemes, namely, the Rural Employment Generation Programme (REGP) and the Pradhan Mantri Rozgar Yojana (PMRY) for employment generation through promotion of industries including agro based industries in the rural areas of the country. REGP is implemented through the Khadi and Village Industries Commission (KVIC) to assist eligible entrepreneurs in setting up village industries (including agro based industries) in rural areas and small towns with population up to 20,000. State-wise number of agro based units assisted under REGP during the last three years is given in Annex I.

Other schemes implemented by KVIC for the promotion and development of village industries include:

- (i) Rural Industries Service Centres (RISC) Scheme for setting up common facility centres to provide infrastructural support and services to such industries.
- (ii) Product Development, Design Intervention and Packaging (PRODIP) Programme for improving the design and packaging of village industry products.
- (iii) Assistance to village industry units to participate in exhibitions at the international, national and sub-national levels for improving marketing of the products.
- (iv) "Scheme of Fund for Regeneration of Traditional Industries (SFURTI)" a new Central Sector scheme has been launched in 2005-06 for the development of around 100 traditional clusters in khadi, village industries and coir sector. The Scheme envisages need-based assistance for replacement of production equipment, setting up of common facility centres (CFC), product development, quality improvement, improved marketing, training and capacity building, etc.

Besides, by amending Khadi and Village Industries Commission Act, 1956 the fixed capital investment per head of artisan or worker has been increased from Rs. 50,000 to Rs. one lakh (Rs. one lakh and fifty thousand in case of village industry located in a hilly area) for industry located in a rural area which produces any goods or renders any service with or without the use of power.

Pradhan Mantri Rozgar Yojana (PMRY) is implemented through the District Industries Centres (DICs) of States and Union Territory Governments to assist educated unemployed youth for setting up self employment ventures including agro based units. PMRY is implemented in both rural and urban areas. As the scheme is implemented through DICs and funds are disbursed through Reserve Bank of India (RBI) and State/UT Governments, details of category-wise units established has not been maintained centrally. However, as per the data provided by RBI, State-wise number self-employment ventures assisted under PMRY during the last three years is given in Annex II.