

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

UNSTARRED QUESTION NO:2435  
ANSWERED ON:10.03.2011  
PRODUCTION BY AGRO AND RURAL INDUSTRIES  
Patel Shri R.K. Singh

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

- (a) the share of agro and rural industries in the total industrial production of the country during each of the last three years;
- (b) whether there is a constant decrease in the production of agro and rural industries in the country in comparison to the total industrial production;
- (c) if so, the details thereof; and
- (d) the steps being taken by the Government in this regard?

**Answer**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES(SHRI VIRBHADRA SINGH )

(a) to (c): Production of khadi and village industries including agro and rural industries in the country has shown an increasing trend as reported by Khadi and Village Industries Commission(KVIC) (a statutory organization established under the KVIC Act 1956 engaged in promoting and developing khadi and village industries in the country) during the past three years as given below:

(Rs. crore)  
YEAR Production of khadi and village industries  
including agro and rural industries

	Khadi Industries#	Village Industries#	Total Industries#	
	(1)	(2)	(3)	(4)
2007-08	543.39	16134.32	16677.71	
2008-09	585.25	16753.62	17338.87	
2009-10	628.98	17508.00	18136.98	

#Estimated

Compared to total industrial production in the country, the share of khadi and village industries is around 1.8%, though the details of the share of agro and rural industries in such production is not centrally maintained in the Ministry.

(d) Government in the Ministry of Micro, Small and Medium Enterprises has taken a number of steps in recent times, inter alia the following, in order to promote the khadi and village industries including agro and rural industries:

i) to assist first generation entrepreneurs and artisans to establish micro-enterprises by providing margin money subsidy through a credit linked subsidy scheme called the Prime Minister's Employment Generation Programme (PMEGP) with effect from 2008-09. An estimated 9.60 lakh additional opportunities are estimated to have been created with a margin money assistance of Rs 2,134.06 crore through 96,614 projects sanctioned since 2008-09 till current year, so far.

ii) to incentivize production and sale of khadi and polyvastra by introducing the new scheme of Market Development Assistance (MDA) with assistance to khadi institutions @ 20% of the value of production to be shared among spinners/weavers, producing institutions and selling institutions in the ratio 25:30:45.

iii) Government of India has also tied up funding from Asian Development Bank to the tune of US \$ 150 million (around Rs.700 crore) to re-vitalise the khadi sector by implementing a comprehensive Khadi Research and Development Programme through 300 khadi institutions over a period of three years from 2009-10.