

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

UNSTARRED QUESTION NO:1911  
ANSWERED ON:11.08.2011  
AGRO BASED INDUSTRIES  
Danve Shri Raosaheb Patil

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

- (a) whether the Government proposes to give priority to the agro-based industries during current Five Year Plan period;
- (b) if so, the details thereof; and
- (c) the details of the schemes launched/steps taken by the Government in this direction?

**Answer**

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

(a) to (c) The Government in the Ministry of Micro, Small and Medium Enterprises has been promoting the setting up of new micro enterprises in non- farm sector by implementing Prime Minister's Employment Generation Programme (PMEGP), a credit-linked subsidy programme since 2008-09 through Khadi and Village Industries Commission(KVIC) a statutory body under the administrative control of the Ministry. PMEGP is particularly aimed at generating self-employment opportunities through establishment of micro enterprises including agro based industrial units by organizing traditional artisans and unemployed youth, helping in preventing their migration besides increasing their earning capacity. At the State/Union Territories level, the scheme is implemented through field offices of KVIC, State/Union Territory Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) with involvement of Banks. Under this Programme, beneficiaries can establish micro enterprises including agro based units by availing of margin money subsidy of 25 percent of project cost for units in rural areas to be set up by beneficiaries belonging to general category which will be 35 percent for beneficiaries belonging to special categories such as scheduled caste/scheduled tribe /women and others through the implementing agencies and loans from Banks, etc., for projects costing up to Rs.25 lakh each in the manufacturing sector and upto Rs.10 lakh each in the service sector. In urban areas, the quantum of margin money subsidy is 15% and 25% for beneficiaries belonging to general and special categories respectively.