

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:432

ANSWERED ON:02.08.2011

FDI IN SEED AND HORTICULTURE SECTOR

Acharia Shri Basudeb;Dome Dr. Ram Chandra;Rajesh Shri M. B.

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government has taken note of a recent notification in regard to concessions given to the Multi National Companies (MNCs) which allows hundred per cent Foreign Direct Investment (FDI) in the development of seeds, horticulture and planting materials without any restriction;

(b) if so, the details thereof;

(c) whether the Government is also aware that this may adversely affect Indian seed Industry and the farmers may be at the mercy of MNCs for the supply of seeds;

(d) if so, the details thereof; and

(e) the corrective measures taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE, FOOD PROCESSING INDUSTRIES AND PARLIAMENTARY AFFAIRS (SHRI HARISH RAWAT)

(a) & (b): Yes, Madam. Department of Industrial Policy and Promotion, Ministry of Commerce and Industry allowed Foreign Direct Investment (FDI) up to 100% under the automatic route vide Circular No.1 of 2011-Consolidated FDI Policy, for the following activities in the 'Agriculture & Animal Husbandry' sector subject to the condition given therein:

- i. Floriculture, Horticulture and Cultivation of Vegetables & Mushrooms under controlled conditions;
- ii. Development and production of seeds and planting material;
- iii. Animal Husbandry (including of breeding of dogs), Pisciculture, Aquaculture under controlled conditions; and
- iv. Services related to agro and allied sectors.

(c) to (e): 100% FDI in Seed Development will not affect Indian Seed industry as it will attract more investment in the seed sector making the sector more competitive and vibrant thereby enabling it to serve the interests of the farmers by ensuring timely availability of quality seeds at reasonable prices.