

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2920

ANSWERED ON:11.12.2012

INVESTMENT IN AGRICULTURE

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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Union Government is considering to attract large scale public, private and Foreign Direct Investment (FDI) in the agriculture sector;
- (b) if so, the details thereof and the steps taken by the Government in this regard;
- (c) whether the Government has conducted any study on the likely impact of FDI on agriculture sector in the country;
- (d) if so, the details thereof along with the manner in which farmers are likely to be benefited by FDI; and
- (e) the remedial measures being taken by the Government to address the likely adverse impact of FDI on farmers?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FOOD PROCESSING INDUSTRIES (SHRI TARIQ ANWAR)

(a) & (b): The Government of India has launched several schemes to increase public investment in agriculture sector, such as, the Rashtriya Krishi Vikas Yojana (RKVY), National Food Security Mission (NFSM), Development and Strengthening of Infrastructure Facilities for Production and Distribution of Quality Seeds, National Horticulture Mission (NHM), Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM), Gramin Bhandaran Yojana etc. In addition, Government has substantially improved the availability of farm credit and increased Minimum Support Price to improve investment in the farm sector. Allocation of the Department of Agriculture & Cooperation has increased considerably from Rs.5560.00 crore in 2007-08 to Rs.20208.00 crore in 2012-13 facilitating more investment in agriculture sector.

Besides, the Government has issued a "Framework for Public Private Partnership for Integrated Agricultural Development" under RKVY for facilitating large scale integrated projects, led by private sector in the agriculture and allied sectors, with a view to aggregating farmers and integrating the agricultural supply chain.

FDI, upto 100% is permitted, under the automatic route, subject to conditions, as mentioned in para 6.2.1.1 of Circular 1 of 2012 – Consolidated FDI Policy, in the following agricultural activities:

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

Besides the above, FDI is not allowed in any other agricultural sector/activity.

(c): No, Madam.

(d) & (e): Does not arise.