

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

STARRED QUESTION NO:485

ANSWERED ON:12.08.2014

INDUSTRY STATUS TO AGRICULTURE

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**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether the Government is satisfied with the various concessions/incentives offered to the farmers for the growth of farm sector, if so, the details thereof and the reaction of the Government thereto;
- (b) whether suggestions have been received from various quarters to accord the status of industry to agriculture and if so, the details thereof;
- (c) the benefits likely to accrue to the farmers as a result thereof; and
- (d) the detailed action plan initiated by the Government for sustainable development of the agriculture sector and the outcome thereof?

**Answer**

MINISTER OF AGRICULTURE (SHRI RADHA MOHAN SINGH)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 485 DUE FOR REPLY ON 12TH AUGUST, 2014.

(a) to (d): Government has taken several measures for the sustainable development of the agriculture sector including provision of various concessions/incentives, increasing investment, improving farm practices and delivery of credit, technology and other inputs, extension, development of marketing & other infrastructure etc. Government also provides subsidy on various agricultural inputs including seeds, fertilizers, plant protection chemicals, agricultural machinery, godowns, cold chains, irrigation systems, infrastructural development under various schemes/programmes. Various programmes/schemes for the development of agriculture sector are being implemented in a decentralized manner with flexibility to State Governments to formulate and implement appropriate projects to suit their specific requirements. The focus of Government is primarily on expansion of farm income, creation of non-farm income opportunities, improvement in productivity of rainfed agriculture, increasing coverage of farming areas under protective irrigation and forging appropriate backward and forward linkages. Other measures taken by the Government for the benefit of farmers include enhancement in minimum support prices of agricultural commodities, increase in credit flow to agriculture sector, debt waiver/relief, interest subvention on crop loans, revival package for strengthening Short Term Rural Cooperative Credit Structure.

Government has been receiving suggestions from various quarters to accord status of industry to agriculture. However, agriculture sector has been identified by Government as priority lending sector, which constitutes at least 18% of the total loan portfolio of the banks. Crop loans are provided to farmers at a concessional rate of 7% per annum with 3% interest subvention for timely repayment. Post harvest loan is also available to farmers on the basis of negotiable warehouse receipts for a period of six months on the same terms so as to prevent distress sales. Thus, crop loans are available to farmers at more favourable terms than loans available to the industries sector. However, loans for post harvest management activities including marketing, processing etc. are available on rates decided by the banks concerned.

Government is also implementing several plan schemes through Ministry of Food Processing Industries for providing financial assistance for establishment and modernization of food processing units, development of infrastructure, implementation of quality systems etc. in the field of food processing. Soil Testing Laboratories and Agri Processing Units including Cold-storages and Cold-chain have been included in the harmonious list of infrastructure to promote their development. Government has also taken several fiscal incentive measures such as tax deduction, waiver/reduction of Excise Duty, reduction of Custom Duty on specific food items etc. with a view to encouraging the growth of food processing industries. Agricultural & Processed Food Products Export Development Authority (APEDA) is also implementing various schemes for promotion of export of agricultural and processed food products.