

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1607**  
TO BE ANSWERED ON 29<sup>th</sup> JULY, 2025

**SETTING UP OF AGRICULTURAL BY-PRODUCTS INDUSTRIES**

1607. Shri Virendra Singh:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether the Government has any special scheme to set up industries based on the by-products of agricultural produce in various States of the country;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) if so, the time by which the sugar mill will be set-up;
- (d) whether the Government proposes to give exemption grant for setting up said industries based on the by-products of agriculture; and
- (e) if so, the details and percentage of exemption/grant likely to be given?

**ANSWER**

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE  
कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAM NATH THAKUR)

(a) to (e) There is no special scheme to set up industries based on the by-products of agricultural produce. However, under Creation/ Expansion of Food Processing/ Preservation Capacities, a component scheme of Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) Scheme, Ministry of Food Processing Industries, one of the objectives is to create capacities for value addition leading to reduction of waste.

The Government in order to achieve the blending targets mandated under Ethanol blended with Petrol (EBP) Programme has notified various ethanol interest subvention schemes for sugar mills/distilleries from 2018 to 2022 to set up new ethanol plants/capacity expansion of existing ethanol plants based on sugarcane; its by-products such as B-heavy molasses & C-heavy molasses and grain based feedstock across the country.

Further, the Central Government does not set up sugar mill in any part of the country. Further, sugar industry was deleted from list of industries required compulsory licensing, vide press note dated 31.08.1998. After that any entrepreneur is free to set up sugar mill in any part of the country as per provisions laid down in clause 6A to 6E of Sugarcane (Control), Order as amended from time to time.

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