

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:6693

ANSWERED ON:10.05.2005

AGRICULTURAL EXPORTS

Owaisi Shri Asaduddin;Scindia Shri Jyotiraditya Madhavrao

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Government has taken steps to augment agricultural exports in the supplement to new foreign trade policy;
- (b) if so, the details thereof alongwith target fixed for export of various commodities;
- (c) whether Government has removed the export cess on agriculture and plantation commodities;
- (d) if so, the reasons therefor;
- (e) whether Government has also reduce export obligations from 8% to 6% in farms sectors under Export Promotion Capital Goods (EPCG) scheme;
- (f) if so, the details thereof and reasons therefor;
- (g) whether Government has launched cold storage chains and warehousing parks in the country to promote exports of agricultural products and small and medium entrepreneurs; and
- (h) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a) & (b): The Government announced Vishesh Krishi Upaj Yojana (Special Agricultural Produce Scheme) in the Foreign Trade Policy announced on 31.8.2004 with an objective to promote export of fruits, vegetables, flowers, minor forest produce and their value added products by incentivising exports of such products. In the Annual Supplement of the Foreign Trade Policy announced on 8th April, 2005 and updated with effect from 1.4.2005, export of `dairy, poultry and their value added products` have also been included for benefits under the Scheme.

Export being dependent on a host of factors, including external factors, no targets for exports are fixed.

(c) & (d): The Government has approved the proposal for removal of export cess on agricultural and plantation commodities with the policy perspective that taxes and duties ought not to be exported. Specific reasons for removal of cess are incentivising exports; increasing competitiveness of Indian agricultural exports, and to reduce the transaction in exporting agricultural products.

(e) & (f): To achieve the objectives laid down under the Foreign Trade Policy 2004-09 and to increase the export competitiveness of the Agriculture Sector, certain export promotion measures have been announced for this sector under the EPCG Scheme. These include allowing import of capital goods at 5% customs duty in the case of agro units under the EPCG Scheme subject to a fulfillment of an export obligation equivalent to 6 times the duty saved over a period of 12 years from the date of issue of licence instead of 8 times the duty saved over a period of 8 years.

(g): Yes, Sir.

(h): Agricultural and Processed Food Products Export Development Authority (APEDA) has provided support for establishment of cold chain and centres for perishable cargo at all major international airports. APEDA has also set up packhouses for mangoes and other fruits at Saharanpur, Lucknow, Malda, Fatehabad, Ratnagiri, Vashi, Jalna and Sindhudurg and one for onions at Indapur. APEDA has also provided support to exporters for setting up of specialized cold storages to enhance shelf life of produce.