

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2730
ANSWERED ON:12.12.2005
REPEAL OF AGRICULTURE PRODUCE CESS ACT
Chitthan Shri N.S.V.

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government has planning to repeal the Agriculture Produce Cess Act, 1940 and the Produce Cess Act, 1966;
- (b) if so, the details thereof; and
- (c) the measures being adopted to boost the farm industry?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a):&(b): Yes Sir. Government has decided to introduce a Bill in Parliament for repealing :

- (i) The Agriculture Produce Cess Act, 1940; and
- (ii) The Produce Cess Act 1966

(c): Government provides grant at the rate of 25% subject to a ceiling of Rs. 50 lakhs in general areas and at a rate of 33.3% subject to a ceiling of Rs. 75 lakhs in difficult areas for modernization and setting up of food processing industry. Government also provides support for setting up of food parks where infrastructure in the shape of improved facilities provides to such units. Further, the Government also implements a number of development programmes to increase the competitiveness of the Indian farmer. These include introduction of improved farming technology, improved availability of inputs including water, credit and fertilizer and price support through the Minimum Support Price (MSP) scheme and Market Intervention Scheme (MIS).