

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:2762  
ANSWERED ON:12.12.2005  
SUBSIDY ON AGRO- INFRASTRUCTURAL PROJECTS  
Rawale Shri Mohan

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

- (a) whether the Government has started a scheme to provide subsidy on capital investment in agro-infrastructural projects;
- (b) if so, the details of this scheme and its likely impact on agriculture sector;
- (c) the time by which the scheme is likely to be started; and
- (d) the projects included in the agro-infrastructural sector?

**Answer**

MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR)

(a) and (b): Yes, Sir. Ministry of Agriculture is implementing a Scheme for `Development/ Strengthening of Agricultural Marketing Infrastructure, Grading and Standardization`. Under the scheme, investment subsidy is provided @ 25% on the capital cost of the project subject to a maximum of Rs.50 lakh for each project in general and @ 33.3% of capital cost subject to a maximum of Rs.60 lakh for each project in case of North Eastern States, hilly areas and to Scheduled Castes/ Scheduled Tribes entrepreneurs. In respect of infrastructure projects of State Governments/ State Agencies, there is no upper ceiling on subsidy to be provided under the scheme. The assistance is available to individuals, Group of farmers/ growers/ consumers, Partnership/ Proprietary firms, Non-Government Organizations (NGOs), Self Help Groups (SHGs), Companies, Corporations, Cooperatives, Cooperative Marketing Federations, Local Bodies, Agricultural Produce Market Committees & Marketing Boards in the entire country. The scheme is reform linked to be implemented in those States/ Union Territories that amend the law dealing with Agricultural Produce Marketing Regulation (APMC) Act to allow setting up of competitive markets in private and cooperative sectors, direct marketing and contract farming.

The financial assistance provided under the scheme would motivate private and cooperative sectors in the development of alternative competitive markets and thus provide freedom to farmer to sell his produce in the market providing better prices and services without the necessity of going through licensed traders and regulated markets. It would also incentivise the States to undertake reforms in the APMC Act.

(c): The Scheme has been approved for implementation with effect from 20.10.2004. The States of Madhya Pradesh, Tamil Nadu, Kerala, Manipur, Himachal Pradesh, Andhra Pradesh, Nagaland, Sikkim, Punjab and Andaman & Nicobar Islands have so far been notified as eligible for grant of Central assistance under the scheme.

(d): Assistance under the scheme is provided for the development of infrastructure projects in agriculture and allied sectors, including dairy, meat, fisheries and minor forest produce. Marketing Infrastructure may comprise of any of the following:

- (i) Functional infrastructure for collection/assembling, grading, standardization and quality certification, labeling, packaging etc.
- (ii) Market user common facilities in the project area like shops/offices, platforms for loading/ unloading/ assembling and auctioning of the produce etc.;
- (iii) Infrastructure for Direct marketing, supply of production inputs and need-based services to the farmers; and for E-trading, market intelligence etc. and Mobile infrastructure for post-harvest operations.