

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3589
ANSWERED ON:10.09.2007
SPECIAL AGRICULTURE AND VILLAGE INDUSTRY SCHEME
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Will the Minister of AGRICULTURE be pleased to state:

- (a) the salient features of the special agriculture and village industry scheme;
- (b) the details of the work undertaken under the said scheme so far alongwith the benefits accrued to the farmers;
- (c) whether it is likely to affect the export of agro products and processed agro items; and
- (d) if so, the details thereof and the reaction of the Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a) & (b): Vishesh Krishi and Gram Udyog Yojana has been introduced w.e.f. 1st April 2004.

The objective of the scheme is to promote exports of

- (i) Agricultural produce and their value added products;
- (ii) Minor Forest Produce and their value added variants;
- (iii) Gram Udyog Products;
- (iv) Forest based products.

Duty credit scrip benefits are granted with the aim to compensate high transport costs. Exporters, of products notified in Appendix 37A of Hand Book of Procedures (Vol.I) shall be entitled for duty credit scrip equivalent to 5% of FOB value of exports (realized in free foreign exchange). However, where exporter has availed benefits under Chapter 4 of Foreign Trade Policy (FTP) for import of agricultural inputs (other than catalysts, consumables and packing materials) relating to export item under this scheme, duty credit scrip benefits shall be granted at a reduced rate of 3.5% of FOB value of exports (realized in free foreign exchange). The benefits granted to the exporters under the Scheme during 2005-06 and 2006-07 is Rs.169.74 crores and Rs.532.43 crores respectively.

(c) & (d): The scheme is intended to encourage the export of agro products and processed agro items.