

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

LOK SABHA
STARRED QUESTION NO. 29
TO BE ANSWERED ON THE 21TH JULY, 2026

EXPANSION OF AGRO-BASED INDUSTRIES

*29. SHRI KAUSHALENDRA KUMAR

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

- (a) the steps being taken by the Government to expand agriculture-based industries in villages;
- (b) whether around 70 per cent of the population in the country is dependent on agriculture and agri-related work;
- (c) whether the economic condition of farmers in the country has not improved even today; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE
कृषि एवं किसान कल्याण मंत्री (SHRI SHIVRAJ SINGH CHOUHAN)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT MADE IN REPLY TO PARTS (a) to (d) OF LOK SABHA STARRED QUESTION NO. 29 REGARDING EXPANSION OF AGRO-BASED INDUSTRIES RAISED BY SHRI KAUSHALENDRA KUMAR, DUE FOR REPLY ON 21ST JULY, 2026

(a): Agriculture is a State subject. The Government of India supplements the efforts of the State Governments through policy support, budgetary assistance and various schemes/programmes for promoting agriculture and allied sectors, including the expansion of agriculture-based industries in rural areas.

To support agriculture based industry, Agriculture Infrastructure Fund (AIF) facilitates medium and long-term financing through eligible lending institutions for the creation of post-harvest infrastructure at the farm-gate and viable farming assets such as warehouses, cold storages, processing units, godowns and logistics facilities. The scheme provides loans at an interest rate capped at 9% for up to 7 years, with 3% interest subvention and credit guarantee coverage up to ₹2 crore. As on 10.07.2026, a total of 2,05,960 agriculture infrastructure projects have been sanctioned under the Agriculture Infrastructure Fund (AIF), with a loan amount of ₹92,570.63 crore and investment mobilization of ₹1,60,023.34 crore. The sanctioned projects include 51,567 Custom Hiring Centres, 30,808 Processing Centres, 33,718 Farm Automation units, 30,742 PM-KUSUM (B & C) projects, 18,776 Warehouses, 4,533 Sorting & Grading Units, 3,065 Cold Stores & Cold Chains, and 32,751 other infrastructure projects, including logistics vehicles, pack houses and ripening chambers.

Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs) Scheme, launched in 2020, promotes agriculture-based industries by organizing small and marginal farmers into economically viable collectives. It provides five years of handholding support in production, processing, value addition, marketing, credit and technology of farm commodities. Under the scheme, 10,000 FPOs (Farmer Producer Organizations) have been registered, comprising 6.50 million farmer shareholders. Equity grants of ₹621.07 crore have been released to 8,263 FPOs, including full equity assistance of ₹15 lakh to 1,851 FPOs. Further, 6,623 FPOs have been registered on the e-NAM platform and 7,305 FPOs have been onboarded on the Open Network for Digital Commerce (ONDC). Management cost assistance of ₹817.34 crore has also been released to 9,856 FPOs.

Mission for Integrated Development of Horticulture (MIDH) is a Centrally Sponsored Scheme being implemented w.e.f. 2014-15, for holistic growth of the horticulture sector covering fruits, vegetables, root and tuber crops, mushrooms, spices, flowers, aromatic & medicinal plants, coconut, cashew, cocoa. The Scheme envisages support for creation of post-harvest management (PHM) and marketing for better price realization of produce. From 2014-15 to 2025-26, 1,009 nurseries, 1.65 lakh post-harvest units, 22,226 market infrastructure units, and 1,949 cold storages with a capacity of 8.50 million tonnes have been established.

National Mission on Edible Oils (NMEO)-Oil Seeds supports and strengthens the value chain through support for seed production, post-harvest management, processing and value addition. The Mission promotes investment in oil extraction by providing financial assistance for the establishment of oil mills and extraction units at 33% of the project cost, subject to a maximum assistance of ₹9.90 lakh per unit, thereby fostering the growth of agro-based industries. During 2025–26, financial assistance was provided for the establishment of 400 oil mills under the Mission.

The National Mission on Edible Oils–Oil Palm (NMEO-OP) was launched on 10 August 2021 with an outlay of ₹11,040 crore to promote oil palm cultivation and enhance domestic edible oil production, with special focus on the North-Eastern States. The Mission provides assistance for quality planting material, intercropping, maintenance during the four-year gestation period, replanting of old plantations, farm machinery and irrigation facilities. It also provides a Viability Gap Payment (VGP) mechanism to protect farmers against price volatility and ensure assured returns. Oil palm processing capacity has increased from about 595 tonnes /hour before 2014 to 918.5 Oil palm processing capacity has increased from about 595 TPH before 2014 to 918.5 TPH in 2025-26, an increase of over 54% in 2025-26.

National Beekeeping and Honey Mission (NBHM) supports scientific beekeeping, improving crop productivity, and strengthening the honey value chain. The scheme supports post-harvest infrastructure, processing, storage, value addition, marketing, and research, thereby generating rural employment, promoting entrepreneurship, and enhancing farmers' income. To enhance processing and value addition, 83 Honey Processing Units, 38 Beekeeping Equipment Manufacturing Units, 90 Collection, Branding and Packaging Units, 48 Custom Hiring Centres, 9 Disease Diagnostic Laboratories, and 50 Packaging and Cold Storage facilities have been approved.

Integrated Scheme for Agriculture Marketing (ISAM) - ISAM supports state governments in governing the agricultural produce marketing through creation and improvement of market structures, capacity building and generating access to market information. From 2014-15 and up to 10.07.2026, a total of 16814 godowns with a capacity of 504.44 lakh MT have been assisted and subsidy of ₹ 3488.37 crore has been released. Further, 9884 marketing infrastructure projects (other than storage) have been assisted and subsidy of ₹ 1147.51 crore has been released.

National Bamboo Mission (NBM) supports the development of complete value chain of the bamboo sector. Assistance under NBM is being provided to farmers, artisans, entrepreneurs for establishment of Bamboo Nursery, Bamboo Plantation and value chain units such as primary processing, product management and market infrastructure. During 2018-19 to 2025-26, 885 bamboo value chain development units, including processing, manufacturing and market infrastructure, have been established.

The Mission for Aatmanirbharta in Pulses was launched on 11th October 2025 with a budget of ₹11,440 crore. The Mission is being implemented for a period of six years,

from 2025–26 to 2030–31 with the objective to enhance pulses production with a special focus on Tur, Urad, Masoor, promoting production and availability of climate resilient seeds for farmers, increase area under pulses cultivation, promote post-harvest storage and management technology. To promote value addition and strengthen post-harvest infrastructure, the Mission provides financial assistance for the establishment of pulse processing and packaging units. Under the Mission, financial assistance of up to ₹25 lakh or 33 per cent of the total project cost, whichever is lower, is provided to Farmers, Farmer Producer Organisations (FPOs), Self Help Groups (SHGs), and Primary Agricultural Cooperative Societies (PACS) for establishing pulse processing units. The Mission envisages the establishment of 1,000 pulse processing units during the Mission period. In the first phase, 528 processing units have already been allocated to States and Union Territories for implementation.

The Ministry of Food Processing Industries (MoFPI) is promoting the overall development of the food-processing sector, including rural areas, through its flagship schemes namely the Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), the Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) and the Centrally Sponsored Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme.

Under the Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), as on 30.06.2026, the Ministry has sanctioned 1,735 projects under component-schemes with a total project cost of ₹ 33163.34 crore and approved grants-in-aid/subsidy of ₹9258.60 crore. Out of these 1,256 projects are operational/completed. Under the Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme, as on 30.06.2026, the Ministry has approved credit-linked incentives to 2,00,421 micro food processing enterprises amounting to ₹ 5954.57 crore and seed capital assistance to 4,18,293 members of Self Help Groups (SHGs) amounting to ₹ 1438.28 crore. As on 30.06.2026 under Production Linked Incentive Scheme for Food Processing Industry (PLISFPI), a total of 163 proposals under different categories have been approved. These proposals have a committed investment of ₹ 7722 crore.

The Animal Husbandry Infrastructure Development Fund (AHIDF) promotes agro-based industries by supporting investment in dairy and animal husbandry infrastructure through eligible entrepreneurs, FPOs, MSMEs, cooperatives and private companies to establish and modernize processing and value addition facilities. It encourages private sector participation, generates rural employment, and enhances farmers' income through value addition and improved market linkages. As on date, 591 projects have been approved under the AHIDF, involving a total project cost of ₹23,693.87 crore and term loans of ₹16,410.01 crore. Interest subvention of ₹678.11 crore has been released.

The Department of Fisheries is implementing Fisheries and Aquaculture Infrastructure Development Fund (FIDF) since 2018-19 with outlay of ₹ 7522.48 crore to strengthen fisheries infrastructure through concessional finance and interest subvention for enhanced production, value addition, market access and employment.

Based on the techno-financial proposals received, the concerned Department has, so far, approved 18 projects with a total project cost of ₹527.13 crore under the Fisheries and Aquaculture Infrastructure Development Fund (FIDF) Scheme. Of these, projects involving eligible loans amounting to ₹345.89 crore have been approved for interest subvention to support export promotion-related fisheries infrastructure established by various private companies and entrepreneurs across the country.

The Ministry of Micro Small and Medium Enterprises (MSME) through the Coir Vikas Yojana, promotes agro-based rural industrialization by transforming coconut husks into value-added commercial products, thereby supporting village-level entrepreneurship. The Ministry is also implementing Scheme of Fund for Regeneration of traditional Industries (SFURTI) on cluster basis in which the project /activities under agro based industries are encouraged. Under the scheme, exports of coir and coir products have increased from ₹1,630.33 crore in 2014-15 to ₹5,257.33 crore in 2025-26. Financial assistance of around ₹82 crore has been provided to coir cooperative societies and institutions engaged in coir production.

The Ministry of Rural Development also promotes agro-based industries through Deendayal Antyodaya Yojana–National Rural Livelihoods Mission (DAY-NRLM) .The Mission provides financial support for agriculture, livestock, fisheries and other allied livelihoods through provision of Revolving Fund, community investment fund and interest subvention to self-help groups . It also supports women-owned Producer Enterprises/FPOs, value addition, market linkages and rural entrepreneurship. As of June 2026, under DAY-NRLM, 5.10 crore Mahila Kisans have been covered for adoption of agro-ecological practices and 2.84 crore have been supported for enhanced livelihood activities. To strengthen market access, 1,340 women-owned Producer Enterprises/FPOs and 2.16 lakh Producer Groups have been promoted.

(b): As per the Periodic Labour Force Survey (PLFS) conducted by National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI) about 43% of the total workforce of the country is engaged in agriculture and agri-related work during 2025.

(c) & (d): The National Sample Survey Office (NSSO), Ministry of Statistics and Programme Implementation (MoSPI) conducted a Situation Assessment Survey (SAS) of Agricultural Households during NSS 77th round (January, 2019 – December, 2019) with reference to the agricultural year July, 2018- June, 2019 in the rural areas of the country. According to these surveys, the estimated average monthly income per agricultural household increased from ₹6,426 in 2012-13 (NSS 70th round) to ₹10,218 in 2018-19 (NSS 77th round).

As per NSSO Survey on Household Consumption Expenditure (2023-24), a comparison of the estimates of all-India average Monthly Per Capita Consumption Expenditure (MPCE) shows increase in household expenditure in both rural & urban areas as below:

Sector	Average MPCE (₹) over different periods	
	2011-12 NSS (68th round)	2023-2024
Rural	1,430	4,122
Urban	2,630	6,996

Indian Council on Agricultural Research (ICAR) has released a compilation of success stories of 75,000 farmers who have increased their income more than two times by convergence of schemes of DA&FW and the allied Ministries/Departments.

Government of India is implementing various schemes/programmes for the welfare of the farmers by way of increasing production, remunerative returns and income support. Details at Annexure. The Government of India has also substantially enhanced the Budget allocation of the Department of Agriculture and Farmers Welfare from ₹ 21,933.50 cr (Budget Estimates) during 2013-14 to ₹ 1,30,561.38 cr during 2026-27.

1. Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)
2. Pradhan Mantri Kisan Maan Dhan Yojana (PM-KMY)
3. Pradhan Mantri Fasal Bima Yojana (PMFBY)/Restructured Weather Based Crop Insurance Scheme (RWBCIS)
4. Modified Interest Subvention Scheme (MISS)
5. Agriculture Infrastructure Fund (AIF)
6. Formation and Promotion of 10,000 new Farmer Producers Organizations (FPOs)
7. National Bee Keeping and Honey Mission (NBHM)
8. Namo Drone Didi
9. Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-AASHA)
10. Agri Fund for Start-Ups & Rural Enterprises' (AgriSURE)
11. National Mission on Natural Farming (NMNF)
12. Per Drop More Crop (PDMC)
13. Sub-Mission on Agriculture Mechanization (SMAM)
14. Paramparagat Krishi Vikas Yojana (PKVY)
15. Soil Health & Fertility (SH&F)
16. Rainfed Area Development (RAD)
17. Agroforestry
18. Crop Diversification Programme (CDP)
19. Sub-Mission on Agriculture Extension (SMAE)
20. Sub-Mission on Seed and Planting Material (SMSP)
21. National Food Security and Nutrition Mission (NFSNM)
22. Integrated Scheme for Agriculture Marketing (ISAM)
23. Mission for Integrated Development of Horticulture (MIDH)
24. National Mission on Edible Oils (NMEO)-Oil Palm
25. National Mission on Edible Oils (NMEO)-Oilseeds
26. Mission Organic Value Chain Development for North Eastern Region
27. Digital Agriculture Mission
28. National Bamboo Mission
29. Pradhan Mantri Dhan Dhanya Krishi Yojana
30. Mission for Atmanirbharta in Pulses
