

# State proposes to cut financial benefits in agro-business policy

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**Gandhinagar:** The Gujarat government will shortly announce its new agro-business policy for the period of 2021-2026 to give a boost to the employment-generating sector.

While the government has proposed to reduce key financial benefits being offered in the current policy (2016 to 2021), agro-business industries will be able to enjoy dual benefits from Centre and state policies for the sector.

Chief minister Bhupendra Patel and agriculture minister Raghavji Patel are expected to formally announce the policy in the coming few days.

Sources said the policy is expected to generate an output of Rs9,000 crore over the next five years.

Key sources close to the development said, "In the



upcoming new agro-business policy of the state agriculture and farmer welfare department, financial benefits will be available for investments of up to 35 lakh. This amount was Rs 50 lakh in the earlier policy. Also, in the new policy, interest subsidy will be 7% instead of 7.5% as per the earlier policy."

Sources added that although the financial benefits

have been reduced in the proposed policy, it is expected that considering higher demand, more number of applications will be admitted and more industries will be given benefits. In the proposed policy, most of the obligations on the side of industries like minimum 85% local employment will be required to get benefits under the policy.

"Under the proposed

new policy, the most significant feature will be that industries will be allowed to avail dual benefits of policies offered by the government of India and government of Gujarat. Under the present policy, benefits can be availed under any one policy only. This policy change is expected to attract more industries to state," added the sources.

The source further said, "At present, units registered under the agro-business policy generate output of around Rs 1,200 crore per annum. Under the proposed policy, it is expected to cross Rs1,800 crore value every year and over Rs9,000 crore during the five-year policy term. In next five years, the state government aims to give maximum benefits to organic agro product-based industries in the state which will generate more value for the farmers."