

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

LOK SABHA
UNSTARRED QUESTION NO. 291
TO BE ANSWERED ON THE 26TH APRIL, 2016

FDI IN AGRICULTURAL SECTOR

291. SHRI JAGDAMBIKA PAL:

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

- (a) whether FDI is permitted in the agricultural sector in the country and if so, the details thereof, activity-wise;
- (b) the details of agricultural activities where FDI is not allowed along with the reasons therefor;
- (c) whether the Government has taken any steps to identify the impact of FDI in agricultural sector and if so, the details and outcome thereof; and
- (d) the inflow of FDI in the agriculture sector in the country during the last three years, Sector-wise?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्रालय में राज्य मंत्री (SHRI MOHANBHAI KUNDARIYA)

- (a): FDI up to 100 percent is permitted under automatic route in specified activities of the agriculture and allied sectors. The details as per para 6.2.1 of "Consolidated FDI Policy Circular of 2015" are at Annexure I. Further, 100 percent FDI is also allowed under automatic route in the plantation sector namely tea, coffee, rubber, cardamom, palm oil tree and olive oil tree.
- (b): Besides the above, FDI is not allowed in any other agriculture activities/sector to safeguard the interests of poor farmers of our country for whom agriculture is mainstay of livelihood.
- (c): No steps have been taken by Government in this regard.
- (d): The FDI inflows from April 2012 to February 2016 is at Annexure –II.

ANNEXURE-I

Para 6.2.1 of “ Consolidated FDI Policy Circular of 2015” on Agriculture			
Sl. No.	Sector/Activity	% of Equity/ FDI Cap	Entry Route
Agriculture			
6.2.1	Agriculture & Animal Husbandry		
	a) Floriculture, Horticulture, Apiculture and Cultivation of Vegetables & Mushrooms under controlled conditions; b) Development and Production of seeds and planting material; c) Animal Husbandry (including breeding of dogs), Pisciculture, Aquaculture, under controlled conditions; and d) Services related to agro and allied sectors Note: Besides the above, FDI is not allowed in any other agricultural sector/activity	100%	Automatic
6.2.1.1	Other Conditions:		
	I. For companies dealing with development of transgenic seeds/vegetables, the following conditions apply: (i) When dealing with genetically modified seeds or planting material the company shall comply with safety requirements in accordance with laws enacted under the Environment (Protection) Act on the genetically modified organisms. (ii) Any import of genetically modified materials if required shall be subject to the conditions laid down vide Notifications issued under Foreign Trade (Development and Regulation) Act, 1992. (iii) The company shall comply with any other Law, Regulation or Policy governing genetically modified material in force from time to time. (iv) Undertaking of business activities involving the use of genetically engineered cells and material shall be subject to the receipt of approvals from Genetic Engineering Approval Committee (GEAC) and Review Committee on Genetic Manipulation (RCGM). (v) Import of materials shall be in accordance with National Seeds Policy. II. The term “under controlled conditions” covers the following: (i) ‘Cultivation under controlled conditions’ for the categories of floriculture, horticulture, cultivation of vegetables and mushrooms is the practice of cultivation wherein rainfall, temperature, solar radiation, air humidity and culture medium are controlled artificially. Control in these parameters may be effected through protected cultivation under green houses, net houses, poly houses or any other improved infrastructure facilities where micro-climatic conditions are regulated anthropogenically. (ii) In case of Animal Husbandry, scope of the term ‘under controlled conditions’ covers – (a) Rearing of animals under intensive farming systems with stall-feeding. Intensive farming system will require climate systems (ventilation,		

	<p>temperature/humidity management), health care and nutrition, herd registering/pedigree recording, use of machinery, waste management systems as prescribed by the National Livestock Policy, 2013 and in conformity with the existing ‘Standard Operating Practices and Minimum Standard Protocol.’</p> <p>(b) Poultry breeding farms and hatcheries where micro-climate is controlled through advanced technologies like incubators, ventilation systems etc.</p> <p>(iii) In the case of pisciculture and aquaculture, scope of the term ‘under controlled conditions’ covers –</p> <p>(a) Aquariums</p> <p>(b) Hatcheries where eggs are artificially fertilized and fry are hatched and incubated in an enclosed environment with artificial climate control.</p> <p>(iv) In the case of apiculture, scope of the term ‘under controlled conditions’ covers –</p> <p>(a) Production of honey by bee-keeping, except in forest/wild, in designated spaces with control of temperatures and climatic factors like humidity and artificial feeding during lean seasons.</p>
--	---

Para 6.2.2	Plantation		
	Sector/ Activity	% of Equity FDI Cap	Entry Route
	<p>(i) Tea sector including tea plantation</p> <p>(ii) Coffee plantations</p> <p>(iii) Rubber plantations</p> <p>(iv) Cardamom plantations</p> <p>(v) Palm oil tree plantations</p> <p>(vi) Olive oil tree plantations</p> <p>Note: Besides the above, FDI is not allowed in any other plantation sector/ activity.</p>	100%	Automatic

Annexure-II

The FDI inflows from April 2012 to February 2016 in agriculture sector are as under:

Sl No	Year (Apr-Mar)	FDI (in Rs crore)	FDI (in US\$ million)
1	2012-13	875.90	161.47
2	2013-14	559.66	91.01
3	2014-15	365.31	59.95
4	2015-16 (Apr, 2015 to Feb, 2016)	553.14	84.65
	Grand Total	2,354.02	397.08

Source: DIPP
