

PARLIAMENTARY QUESTION NO B/395

**B/395 The Honourable Fifth Member for La Caverne and Phoenix
(Mr. Soodhun)**

To ask Dr the Honourable Minister of Agro Industry and Fisheries: -

Whether, in regard to the production of hydroponic food, he will state (a) the number of producers who carry out same and (b) if he will consider improving the fiscal incentives granted to the small planters for the acquisition of the required equipment and material, in view of the high investment costs involved?

Reply

Mr Speaker Sir,

It is the policy of Government to encourage farmers to adopt the hydroponic culture given that there is a remunerative market for hydroponic food crops. The first hydroponic trials were carried out at Barkly Experimental Station in 1950s. However, it was commercialized in 1990 with Mon Desert Alma, Brizcom Co. Ltd. and the Mauritius Chemical and Fertilizer Industry as pioneers. Research work in hydroponic started in 1996 with the Agricultural Research and Extension Unit and the Chinese Agricultural Technical Team. This culture gained momentum when Government, in year 1999 through the Development Bank of Mauritius, provided a concessionary rate of 3% interest loan to potential producers along with duty and vat exemption on equipment for hydroponic. The fiscal incentives currently granted include the exemption from payment of custom duty and Value Added Tax on complete

hydroponic unit imported and loan at the concessionary rate of 9 per cent at the Development Bank of Mauritius.

2. With regard to part (a) of the question, there are at present 216 farmers involved in hydroponic production over an area of around 12 ha. 324 green houses are in operation producing tomatoes, sweet pepper, english cucumber, melon, lettuce and some ornamental crops like roses and gerbera. Their production is estimated at 2,500 tons annually. There are also 35 producers in the corporate sector producing over an area of 17 ha with an estimated annual production of 3,400 tons.

3. A hydroponic village has been set up at Beemanique which can accommodate 30 producers. Currently, one unit is operational and three projects are at planning stage. I met some of the new promoters who were having difficulty to start their business because they considered that the 9 per cent interest rate claimed by the DBM was too high. I subsequently had a meeting with the DBM, SEHDA, and the Empowerment Programme to see how the difficulty of these promoters could be addressed. Facilities are now being extended to promoters by the SME Partnership Fund Ltd. and three projects have been approved.

4. With regard to part (b), I have announced, in reply to recent PQs, that my Ministry in consultation with association of vegetable farmers has worked out a new package of incentives and facilities to be offered to the Agricultural Sector including the hydroponic sector to enable producers to operate in a more conducive business environment. The proposed package has already been examined and discussed with the Ministry of Finance and Economic Development in the context of the next budget and will be announced in due course.