

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

STARRED QUESTION NO:306

ANSWERED ON:11.12.2000

. FOOD PROCESSING SECTOR

UMMAREDDY VENKATESWARLU; ZORA SINGH MANN

**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether the Government are considering a 10 year tax holiday for food processing industries;
  - (b) if so, the details thereof;
  - (c) the steps proposed to attract investment in the food processing sector;
  - (d) whether the investment in this sector has gone down after levy of 8 per cent excise duty on the food processing industries in 1997-98 and 16 percent during the last year;
  - (e) if not, the break up of annual additional capital investment in the industry during the last three years;
  - (f) whether the Government propose to set up more high quality R & D Institutions; and
  - (g) if so, the details of the comprehensive plan which is likely to be implemented to boost investment in this sector?
- ANSWER

**Answer**

THE MINISTER OF AGRICULTURE ( SHRI NITISH KUMAR )

(a) to (g): A Statement is laid on the table of the House.

Statement referred to in reply to parts (a) to (g) of Lok Sabha Starred Question No. 306 due for answer on 11.12.2000.

(a) & (b): Department of Food Processing Industries organized four Regional Seminars at Calcutta, Mumbai, Bangalore and Lucknow to elicit regional inputs towards formulation of a National Food Processing Policy. Subsequently a National Conference was also held at Delhi. In these Seminars there was a general consensus that one of the steps in the proposed policy should be a tax holiday for food processing units for a period of 10 years. Accordingly a draft National Food Processing Policy has been drawn up.

(c): Government has been taking a number of policy initiatives to promote the growth of processed food sector in the country. These include creation of an appropriate environment for increased investment in the sector.

(d): Yes, Sir.

(e): Does not arise.

(f) & (g): Department of Food Processing Industries through its Plan Schemes provides financial assistance in the form of soft loan and grant to Private Industries, Public Sector Undertakings, Non-Governmental Organisations, Cooperatives etc. for promotion of processed food sector which inter alia includes assistance for Research & Development Projects. Department of Food Processing Industries however does not set up any units or institution on its own. Such financial assistance helps in boosting investment in the sector.