

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:2431  
ANSWERED ON:04.12.2000  
FOOD PROCESSING INDUSTRIES  
DAGGUBATI RAMANAIDU

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

- (a) whether it is necessary to explore the possibilities of setting up food processing industries on the basis of production and average yield in various regions of the country;
- (b) if so, the details thereof;
- (c) whether the Government propose to take fresh steps to promote Food Processing Industries in the country;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

**Answer**

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES ( SHRI TH. CHAOBA SINGH )

(a) to (e): Setting up of food processing industries would depend upon several factors such as availability of processable varieties of raw material, their productivity, demand for processed food, cost of production and price etc.

The Government have taken number of policy initiatives to promote the growth of processed food sector in the country. Some of these are as under :

(i) Under the Plan Schemes of the department of Food Processing Industries, financial assistance in the form of soft loan and grant is provided to private industries, public sector undertakings, Non- governmental Organisations, Co-operatives, Human Resource Development Organisations and Research & Development Institutions etc. for the development of processed food sector.

(ii) Food Processing Industries have been included in the list of priority sector for bank lending.

(iii) Most of the processed food items have been exempted from the purview of licensing under Industries (Development & Regulation) Act, 1951.

(iv) Approval for foreign equity in automatic route is available for most of the processed food items except alcohol and beer and those reserved for small scale sector, subject to certain conditions.