

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:740
ANSWERED ON:17.05.2000
FOOD PROCESSING INDUSTRIES
RAM SHAKAL

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether any concrete steps are being taken by the Government for providing self-employment to the rural youths by setting up Food Processing Industries;
- (b) if so, whether the Government are encouraging Food Processing Industries based on agricultural produces like foodgrains, pulses, fruits, flowers, vegetables, oilseeds etc.;
- (c) if so, the details thereof;
- (d) whether the Government propose to prevent the entry of Multi National Companies and big industrial houses in the field of Food Processing Industries based on agricultural produces; and
- (e) if so, the details thereof?

Answer

MINISTER OF AGRICULTURE

(SHRI SUNDER LAL PATWA)

(a): Yes, Sir.

(b): Yes, Sir.

(c) to (e): A statement is laid on the Table of the House.

Statement referred to in reply to parts (c) to (e) of Lok Sabha Starred Question No.740 due for answer on May 17, 2000.

(c): Though the Department of Food Processing Industries does not set up food processing units, under the Plan Schemes of the Department, financial assistance in the form of soft loan and grant is provided to private industries, public sector undertakings, Non-Governmental Organisations, Cooperatives, Human Resources development Organisations and Research & Development Institutions etc., for the development of processed food sector. Which facilitates generation of employment opportunities covering among others the rural youth.

The development of food processing industries is undertaken by State Governments in accordance with their respective Policies and Plans, and Government of India provides technical and financial assistance and guidance through the designated Nodal Agencies of the States in this regard.

Steps to encourage food processing industries include exemption of most of the Processed Food items from the purview of licensing under Industries (Development & Regulation) Act, 1951, inclusion of food processing industries in the list of priority sector for bank lending and automatic approval for foreign equity upto 100% for most of the processed food items excepting alcohol and beer and those reserved for small scale sector, subject to certain conditions.

(d) & (e): Multi National companies and big Industrial Houses, generally, are not allowed to set up industrial units to manufacture items reserved for small scale sector which in the field of food processing include the following items:

(i) Pickles & Chutneys

(ii) Vinegar

(iii) Bread

(iv) Confectionery except chocolates, chewing gums & toffees.

- (v) Rapeseed oil extracted.
- (vi) Mustard oil except solvent extracted.
- (vii) Sesame oil except solvent extracted.
- (viii) Groundnut oil except solvent extracted.
- (ix) Sweetened cashewnut products.
- (x) Ground and processed spices.
- (xi) Tapioca Sago.
- (xii) Tapioca Flour.