

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:8025  
ANSWERED ON:17.05.2000  
PROMOTION OF FPI  
A. VENKATESH NAIK;RAMSHETH THAKUR

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

- (a) whether India's position at international level in the field of food processing is the lowest;
- (b) if so, the facts thereof and reasons therefore;
- (c) whether the Government are taking any action to bring about policy changes in the field of food processing and thereby improving country's ranking at the international level;
- (d) if so, the details thereof;
- (e) whether the Government was not able to utilize the amount allocated during the last three years; and
- (f) if so, the reasons therefor?

**Answer**

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES ( SHRI SYED SHAHNAWAZ HUSSAIN )

(a) to (d): Department of Food Processing Industries have not received any information indicating that India's position in international level in the field of food processing is the lowest. For the development of processed food sector, the steps taken by the Government includes the following :-

- (i) Provision of soft loan and grant-in-aid for the development of processed food sector;
- (ii) Inclusion of food processing industries in the list of priority sectors for bank lending;
- (iii) Exemption of most of the processed food items from the purview of licensing under Industries (Development & Regulation) Act;
- (iv) Automatic approval for foreign equity up to 100% for most of the processed food items except alcohol and beer and those reserved for small scale sector subject to certain conditions.
- (e) & (f): The plan funds allocated and utilized for the schemes of the Department of Food Processing Industries during the last three years are as follows:

( Amt. Rs. in Crores )

Year	B.E.	R.E.	Actual
97 -98	44.10	40.00	22.87
98 -99	44.10	30.00	30.00
99 -00	47.00	40.00	37.78

Low demand-low volume of production-high per unit cost and again low demand are the main constraints faced by the Processed Food Sector. On account of high risk and low margin, not many entrepreneurs venture to enter although potential of this sector is reported to be immense.