

**GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:3426

ANSWERED ON:26.04.2007

WASTAGE OF FARM PRODUCTS

Adsul Shri Anandrao Vithoba;Bhakta Shri Manoranjan;Owaisi Shri Asaduddin;Verma Shri Ravi Prakash

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether the Government is aware that Global Consultant Dun & Pradstreet last year estimated that India wastes roughly 13 billion dollars worth of farms products including dairy items only because of inadequate processing and cold storage facilities as has been reported in 'The Times of India' dated February 27, 2007 ;

(b) if so, the facts and details in this regard;

(c) the remedial measures taken to overcome the problem;

(d) whether his Ministry has also joined with the Ministry of Commerce for opening doors to foreign direct investment in agri-business with a view to pushing food retailing and promoting mega food parks on the lines of software technology parks in the country; and

(e) if so, the details thereof and its impact on domestic market ?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHA)

(a) to (c): According to the report of M/s Rabo India Finance Pvt. Ltd., wastage of agricultural food items is estimated to be about Rs. 58,000 crores occurring at various stages of handling after harvesting due to fragmented farming, provisions in Agricultural Produce Marketing

(Development & Regulation) Act, lack of adequate post- harvest infrastructure such as lack of cold chain facilities, transportation, proper storage facilities, etc. The loss due to wastages could be reduced by a developed food processing industry, strengthening of the post-harvest infrastructure and filling the gaps in the supply chain.

A Vision 2015 on Food Processing Industries has been finalized by the Ministry of Food Processing Industries, which envisages, inter-alia, cluster based and demand driven farming, achieving integration of food processing infrastructure from farm to market, promoting a dynamic food processing industry which could result in trebling the size of the processed food sector by increasing the level of processing of perishables from 6% to 20%, value addition from 20% to 35% and share in global trade from 1.5% to 3% by 2015. Under the Vision 2015, the thrust areas identified for strategic intervention are establishing Mega Food Parks, Modernization of abattoirs, Cold-chain/value addition and preservation infrastructure, capacity building by setting up of National Institute of Food Technology, Entrepreneurship & Management (NIFTEM), enacting Food Safety and Standards Act, 2006, upgrading safety and quality of street food and establishment/upgradation of Quality Control Laboratories. Government has identified strategies along with a detailed action plan in this regard to realize the Vision 2015. An estimated investment of Rs. 100,000 crores is required to achieve the Vision 2015.

Government has formulated and implemented several Plan Schemes to provide financial assistance for the establishment and modernization of food processing units, creation of infrastructure, support of R&D, human resource development besides other promotional measures to encourage development of food processing industries. The Government has taken several steps like taxation reduction, waiver/reduction of excise duty, reduction of custom duty on specific food items with a view to encourage the growth of Food Processing Industries.

(d) to (e): The FDI Inflow in Food Processing Sector during last 3 years viz. 2003-04, 2004-05 & 2005-06 is Rs. 511 crores, Rs. 174 crores and Rs. 183 crores respectively.

The Ministry has proposed a new scheme of Mega Food Parks in the country which is envisaged to be a well defined agriculture/ horticultural processing zone containing state of the art processing facilities with support infrastructure and well established supply chain. The proposed scheme aims to provide a mechanism to bring together farmers, processors and retailers and link agricultural production to the market so as to ensure maximization of value addition, minimize wastages and improve farmer's income. 100% FDI is already permissible in Food Processing Sector through automatic route except in food retailing, Plantation and Alcoholic beverages. The scheme is under consideration/consultation for inclusion in the XI Five Year Plan. It is tentatively envisages to support 30 Mega Food Parks, spread across the country at locations to be determined through feasibility studies, during the XI Plan period on approval of the scheme.

