

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

UNSTARRED QUESTION NO:362  
ANSWERED ON:28.02.2008  
WASTAGE OF AGRICULTURAL FOOD ITEMS  
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**Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:**

- (a) whether the wastage of agricultural food items is to the tune of US \$ 13 billion annually in the country;
- (b) if so, the steps taken by the Government to contain this wastage of agricultural food items;
- (c) whether the Vision 2015 on Food Processing Industries has sufficient provisions in this regard; and
- (d) if so, the details thereof and the mechanism through which this vision helps in maximum utilization of agricultural food items?

**Answer**

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

(a) to (d): According to the Vision 2015 report prepared by Rabo Bank, wastage of agricultural food items including fruits is estimated to be about US\$13 billion (Rs. 58,000 crore) annually, occurring at various stages of handling after harvesting due to lack of adequate post-harvest infrastructure, lack of cold chain facilities, transportation, proper storage facilities etc. Vision Document 2015 finalized by the Ministry envisages 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 food trade from 1.5% to 3% by 2015. The Cabinet has approved the Integrated Strategy for Promotion of Agribusiness – Vision, Strategy and Action Plan for the Food Processing Sector, based on the recommendations made by the Group of Ministers (GOM) for growth of food processing sector. The Government, through its schemes for financial assistance and other promotional measures, facilitates creation of food related infrastructure including processing facilities aimed at reducing wastages, enhancing value addition and increasing shelf life. The Ministry has been implementing various schemes for promotion and development of food processing industries. Under the Scheme for Technology Upgradation / Modernization/Establishment of Food Processing Industries, Ministry of Food Processing Industries extends financial assistance to food processing units in the form of grants-in-aid @ 25% of the cost of plant and machinery and technical civil works subject to a maximum of Rs. 50.00 lakhs in general areas or 33.33% subject to maximum of Rs. 75.00 lakhs in difficult areas such as Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Sikkim and North Eastern States, A&N Islands, Lakshadweep and ITDP Areas. In addition, under the Technology Mission for Integrated Development of Horticulture in North Eastern States, Jammu & Kashmir, Himachal Pradesh and Uttarakhand, higher levels of assistance @ 50% upto Rs. 4.00 crore for setting up and Rs. 1.00 crore for Upgradation of fruit and vegetables processing is allowed. The Government of India has also launched the National Horticulture Mission (NHM) for holistic development of Horticulture in the country. The Government has been implementing various other Plan schemes for promotion and development of food processing industries in the country. Under these schemes financial assistance in the form of grant-in-aid is provided for Development of Infrastructure, Human Resource Development, Promotion of Quality Assurance, Codex Standards and R & D and other promotional measures to encourage development of the food processing industries. Ministry has identified thrust areas for strategic intervention in the 11th Plan, by establishing Mega Food Parks, creation of integrated cold chain infrastructure at different levels and farm level primary processing Centre-cum-cold chain, collection / aggregation centres and Strategic Distribution Centres, capacity building by setting up of National Institute of Food Technology Entrepreneurship & Management (NIFTEM) and establishment / upgradation of quality control laboratories, which could result in increasing the level of processing, value addition of food products including perishables. The initiative being undertaken by the Ministry are aimed at filling the gaps in the supply chain, strengthening of cold chain infrastructure leading to overall development of food processing industries and reduction in wastages.