

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

UNSTARRED QUESTION NO:471

ANSWERED ON:25.02.2010

NEW FOOD PROCESSING UNITS IN MADHYA PRADESH

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

(a) whether the Union Government has received proposals from the Government of Madhya Pradesh to set up new food processing units in the State;

(b) if so, the details thereof and the present status of the proposals; and

(c) the steps taken by the Government to expedite the process of setting up of new food processing units in the State?

Answer

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

(a) to (c): Ministry of Food Processing Industries (MFPI) under its Plan Scheme for Technology Upgradation, Establishment and Modernization of Food Processing Industries provides financial assistance to the proposals received from eligible agencies for setting up of food processing units as per guidelines of scheme. MFPI schemes are project specific, not State specific. MFPI has not received any proposals directly from State Governments including that of Madhya Pradesh for financial assistance for setting up of food processing units on its own during the last three years.

To promote food processing in the country, Ministry of Food Processing Industries extends financial assistance in the form of grant-in-aid to implementing agencies/entrepreneurs @ 25% of the cost of Plant & machinery and Technical Civil Works subject to a maximum of Rs. 50 lakhs in general areas or 33.33% subject to a maximum of Rs. 75 lakhs in difficult areas under the Scheme of Setting up/Modernization/Expansion of food processing industries. In order to ensure speedy disbursement of financial assistance, the Ministry has decentralized the disbursement procedure through banks/financial institutions under the scheme of setting up/Establishment / Modernization/Expansion of Food Processing Industries w.e.f. 01.04.2007.

Under the decentralized procedure, the applications are received directly by the Banks/FIs, hence the data for receipt of the applications for 2007-08, 2008-09 and 2009-10 is not maintained centrally by the Ministry. However, during last three years total 63 proposals have been received through e-portal in the Ministry in respect of Madhya Pradesh State which are at various stage of implementation.

In order to ensure speedy disbursement of financial assistance, the Ministry has decentralized the disbursement procedure through banks via an e-portal under the Scheme of Setting up/Modernization/ Expansion of food processing industries with effect from 01.04.2007.

Government has formulated and is implementing 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. Moreover, the Government has taken several steps like tax 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 and make them more competitive. Further, the Ministry under its Plan Scheme of establishing Food Testing Labs, Implementation of Quality Systems such as Hazard Analysis Critical Control Points (HACCP), Promotion of Research and Development, Capacity Building and Human Resources Development provide assistance to food processing industries to enable them to compete in the international market.