

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

UNSTARRED QUESTION NO:4370
ANSWERED ON:22.04.2010
MEGA FOOD PARKS
Anandan Shri K.Murugesan

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

- (a) whether the Government has invited French companies to invest in Mega Food Parks and in development of cold chains in the country;
- (b) if so, the details of proposed Mega Food Parks to be set up in the country, State-wise; and
- (c) the details of the subsidy and other incentives being provided for the establishment of cold storage in different States?

Answer

THE MINISTER FOR FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAJ)

(a):Yes, Sir. During my visit to France I had an opportunity to meet the French Industry Representatives and held discussion with them regarding business in Food Processing Sector. During the course of my inter-action, I had invited French companies to invest in India and also to participate in Mega Food Park Scheme. I had also proposed that the Industry from France should open their units in the Mega Food Park Projects in India.

Mega Food Parks are being showcased as an investment destination to attract Foreign Direct Investment from any country including companies from France. FDI is under 100 % automatic route for most of the processed food items. FDI may come for setting up of Cold Chain and Mega Food Park and/or processing units in the Mega Food Parks. It intends to bring new technologies, processes and products as well as O&M support.

(b):In the first phase 10 Mega Food Parks out of total 30 proposed to be set up during 11th Plan Period are being set up in the states of Andhra Pradesh, Assam, Jharkhand, Karnataka, Maharashtra, Punjab, Tamil Nadu, Uttar Pradesh, Uttarakhand and West Bengal.

(c):To encourage setting up of cold chain facilities and backward linkages in the country, Ministry of Food Processing Industries (MFPI) has a Plan Scheme for Cold Chain, Value Addition and Preservation Infrastructure during the 11th Plan to provide financial assistance to project proposals received from public / private organizations for cold chain infrastructure development. The scheme envisages financial assistance in the form of grant-in-aid @ 50% of the total cost of plant and machinery and technical civil works in general areas and 75% for North Eastern Region and difficult areas subject to a maximum of Rs.10.00 crore. The initiatives are aimed at filling the gaps in the supply chain, strengthening of cold chain infrastructure, establishing value addition with infrastructural facilities like sorting, grading, packaging and processing for horticulture including organic produce, marine, dairy, poultry, etc. Other agencies of the Government like National Horticulture Board (NHB), Agricultural and Processing Food Products Development Authority (APEDA), National Cooperative Development Corporation (NCDC) and State Government also provide assistance for cold storages under their respective schemes.

In the Union Budget 2010-11, Government has announced to allow external commercial borrowings for cold storage or cold room facilities including for farm level pre-cooling for preservation or storage of agricultural and allied produce, marine products and meat, as a part of the farm to market initiative and to promote private sector investment in setting up of cold storages. In addition, Government has also announced project import status at a concessional customs duty of 5% with full exemption from service tax to the initial setting up and expansion of cold storage, cold room including farm pre-coolers for preservation or storage of agriculture and related sectors produce and full exemption from custom duty to refrigeration units required for the manufacture of refrigerated vans or trucks.