

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

STARRED QUESTION NO:383

ANSWERED ON:22.04.2010

FINANCIAL ASSISTANCE FOR FOOD PROCESSING INDUSTRIES

Mithlesh Shri

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

- (a) the financial assistance provided by the Union Government to the States for food processing sector, during the last three years, State-wise;
- (b) whether the farmers have been benefited economically as a result of setting up of food processing units;
- (c) if so, the details thereof, State-wise;
- (d) whether the Government is considering to raise the current loan limit for food processing industries; and
- (e) if so, the percentage share of subsidy in the new loan limit?

Answer

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

(a) to (e): A Statement is laid on the Table of the House. Statement referred to in reply to part (a) to (e) of Lok Sabha Starred Question No.383 for answer on 22.04.2010 regarding Financial Assistance for Food processing industries.

(a): The Ministry of Food Processing Industries has been implementing various plan schemes for promotion and development of food processing sector in the country viz. i) Scheme for Infrastructure Development with major components i.e. Mega Food Park, Cold Chain, Value addition, Preservation Infrastructure and Modernization of Abattoirs, ii) Scheme for Technology Upgradation/ Establishment/ Modernisation of FPI, iii) Scheme for Quality Assurance, Codex Standards and R&D iv) Scheme for Human Resource Development, v) Scheme for Strengthening of Institution and vi) Scheme for Upgradation of Quality of Street Food. Financial assistance in these schemes are released to various implementing agencies which may be Central/ State Agencies/ SPV/ Private Entrepreneurs/ NGO/ Industries Associations.

MFPI schemes are project specific and not State specific. A Statement showing State-wise, Scheme-wise details of financial assistance released to implementing agencies during last three years is enclosed as at Annexure.

(b) & (c): The value addition as a result of setting up of food processing industries have certainly benefited farmers economically by way of higher value of farm produce, enhancing shelf life of their produce and generation of additional employment.

Under flagship scheme of Mega Food Park, around 10-20 clusters of producers (farmers' groups/societies) are envisaged to be established/strengthened in each Mega Food Park. Through backward linkages, the SPV will enter into an arrangement with the farmers/farmers' group in the catchment area for production of desired variety and quantity of farm produce to ensure regular supply of raw material to the Mega Food Park. This will facilitate clusterised farming and co-operative as well as community farming in demand driven manner with market orientation. The farmers will be assured of the market of its farm produce and get remunerative prices thereby increasing their income considerably. Each cluster will comprise of 20-30 self help groups/farmer associations, each having a membership ranging between 10-20 farmers. Thus in all at least 6000 farmers/producers are supposed to be involved through various group formation mechanisms and directly linked to the supply chain of the Mega Food Park and the components therein to ensure assured and regular supply of raw materials to the food park in the catchment area. The investments in the catchment area are expected to impact about 25,000 – 30,000 farmers indirectly i.e. other than the farmers directly involved through various groups. Thus 30 parks will ensure benefits flowing to about a million farmers over and above 180,000 directly associated farmers.

(d): No, Sir.

(e): Does not arise.