

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

UNSTARRED QUESTION NO:2
ANSWERED ON:02.07.2009
FOOD PROCESSING INDUSTRIES IN ANDHRA PRADESH
Yadav Shri M. Anjan Kumar

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

- (a) the total number of food processing industries functioning presently in Andhra Pradesh;
- (b) industry-wise, quantity-wise details of items exported by these industries and the details of foreign exchange earned during the last three years and the current year; and
- (c) the steps taken by the Government to provide financial assistance to these industries so that they are able to face competition in the international market?

Answer

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

(a) & (b) : The data on Food Processing Industries/units and details of foreign exchange earned in the country, including that of Andhra Pradesh is not centrally maintained. Ministry of Food Processing Industries extends financial assistance in the country 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 and 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.

(c) : Since financial assistance schemes are project oriented, no funds have been allocated State-wise. The financial assistance provided to the various units under various major schemes of Ministry of Food Processing Industries (MFPI) in Andhra Pradesh during 2007-08 and 2008- 09 are as under:-

Name of the scheme	2007-08	2008-09
	Nos. Financial assistance (Rs. in lakhs)	Nos. Financial assistance (Rs.in lakhs)
Scheme for setting up/Technology upgradation/expansion/modernization of Food Processing Industries	43 947.49	48 908.999
Scheme for Infrastructure Development	- -	4 989.715

Food Testing Laboratories	2	1.75	1	1.32
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Scheme for Human Resource Development	1	0.25	1	0.245
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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.