

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

UNSTARRED QUESTION NO:1856

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

- (a) whether the Government has prepared any 'Vision Document' to promote the Food Processing Industry in the country;
- (b) if so, the details thereof;
- (c) the existing food processing capacity in the country; and
- (d) the steps taken by the Government to improve food processing industry in the country?

Answer

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

(a) & (b): Yes, Sir. Ministry has sponsored a study to suggest a roadmap for the growth of food processing sector. M/s Rabo Bank has conducted a study and submitted a Vision Document suggesting strategy & action plan for food processing sector in India namely, Vision 2015. The Vision Document was prepared in the year 2005 and the same was adopted by the Government. Vision Document suggested strategy to ensure faster growth of the sector. The adopted Vision 2015 provides for enhancing the level of processing of perishable from 6% to 20%, enhancing value addition from 20% to 35% and increasing India's share in global food trade from 1.5% to 3% by the year 2015. To achieve these targets, investment of Rs. 100 thousand crores was estimated by year 2015, out of which Rs. 10,000 crores was to come from Government. Accordingly, Ministry formulated its 11th plan schemes to attract the required investment in the sector.

(c): The food processing sector is dominated by the un-organised sector. As such, the data on food processing capacity in the country is not centrally maintained by the Ministry of Food Processing Industries.

(d): 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 fiscal incentive measures 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.

Apart from above, Ministry of Food Processing Industries extends financial assistance in the form of grant-in-aid @ 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 Settingup/Modernization/Expansion of food processing industries.

Under the Scheme of Infrastructure Development, Government has approved establishment of 10 Mega Food Parks in the first phase out of 30 Mega Food Parks envisaged for the 11th Five Year Plan. The States selected for setting up of Mega Food Parks in the 1st phase are Andhra Pradesh, Assam, Jharkhand, Tamil Nadu, Uttarakhand, West Bengal, Karnataka, Maharashtra, Punjab & Uttar Pradesh. Ministry has initiated steps to upscale the scheme for setting up of more Mega Food Parks in different States.