

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

UNSTARRED QUESTION NO:3137  
ANSWERED ON:12.08.2010  
NATIONAL POLICY ON FOOD PROCESSING  
Rathwa Shri Ramsinhbhai Patalbhai

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

- (a) the guidelines issued by the Government for project approvals/ appraisal of food processing industries units;
- (b) whether the Government is considering to have a single window system for project approvals;
- (c) if so, the details thereof;
- (d) whether the Government proposes to bring out a new National Policy on Food Processing; and
- (e) if so, the details thereof?

**Answer**

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

(a) to (c): 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 or 33.33% subject to a maximum of Rs.75 lakhs in difficult areas under the Scheme of Technology Upgradation/ Establishment/ Modernization of food processing industries.

Earlier all the applications for such grants were received by the Ministry through the State Nodal Agencies. These applications were then Centrally processed and grants disbursed directly by the Ministry. From 2007-08, the receipt of applications, their appraisal, calculation of grant eligibility as well as disbursement of funds has been completely decentralized. Under the new procedure, an entrepreneur/ applicant can file application with the neighborhood Bank branch/ Financial Institution (FI). The Bank/ FI would then appraise the application and calculate the eligible grant amount as per the detailed guideline given to them by the Ministry. The Banks/ FIs appraisal report and its recommendation for the release of grant is transmitted to the Ministry through e-portal established for this purpose. After the recommendation is received from the Bank/ FI, the Ministry sanctions the grant and transfer the funds through the e-portal.

(d) & (e): The formulation of food processing policy is the subject matter of the State Governments. This Ministry has urged all the State Governments/ Union Territories to frame suitable food processing policies catering to their specific needs. During the recently held 1st Conference of State Ministers of Food Processing Industries, the State Governments had expressed support for having policies for development of food processing sector.