

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

UNSTARRED QUESTION NO:3682

ANSWERED ON:02.12.2010

PRIVATE SECTOR IN FPI

Ponnam Shri Prabhakar; Rao Shri Sambasiva Rayapati; Reddy Shri Komatireddy Raj Gopal; Siricilla Shri Rajaiah

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

- (a) whether the food security aspect focusses on sharing technological expertise and promotion of private sector extension in food processing sector;
- (b) if so, the details thereof;
- (c) the steps taken by the Government in this regard during the 11th Five Year Plan, State-wise; and
- (d) the views of the public, experts and industry in this regard?

**Answer**

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

(a): Yes, Sir.

(b): In order to provide requisite technology and extension support to the farmers to improve agricultural production and productivity and ensuring food security, a Centrally Sponsored Scheme 'Support to State Extension Programmes for Extension Reforms launched in 2005- 06 by Ministry of Agriculture is currently in operation in 591 districts of the country. The scheme promotes multi-agency extension strategies and has provision for spending minimum 10% of allocations for district level recurring activities in Public- Private- Partnership (PPP) mode. Various Non-Governmental Agencies - Agri-preneurs; Non- Governmental Organizations; Farmer Organizations; Farmer Cooperatives; Input dealers and Private Sector are also eligible to get a service charge of a maximum of 10% of the cost of training/extension activity carried out through them.

For promotion of food processing sector to attract the level of investment required, the Ministry has urged all the State Government to take measures that would seek to address procedural bottlenecks in attracting private sector investment, create a conducive policy environment by having a separate food processing policy, better brand building, promote R&D for having high processable varieties, skill development and strengthening rural farm gate infrastructure.

(c): In the 11th Plan, the Government has approved a new scheme to establish 30 Mega Food Parks with a view to provide state-of-the-art infrastructure for food processing sector in the country on a pre-identified cluster basis with a strong backward and forward linkage and to provide value addition of agricultural commodities including poultry, meat, dairy, fisheries etc. in a demand driven manner. The projects are to be implemented, owned, operated and maintained by a Special Purpose Vehicle (SPV) consisting of a group of stakeholders like entrepreneurs, investors, processors, farmer groups, NGOs, State Governments and/or its undertakings etc. Out of total 30 approved Mega Food Parks, 10 are to be taken up in the 1st phase in the States of Andhra Pradesh, Assam, Jharkhand, Karnataka, Maharashtra, Punjab, Tamil Nadu, Uttar Pradesh, Uttarakhand and West Bengal. Detailed Project Report (DPR) in case of Andhra Pradesh (Chittoor), Assam (Nalbari), Jharkhand (Ranchi) and Uttarakhand (Haridwar) has been approved.

Financial assistance is not provided to the State Governments for setting up of Food Parks. However, State Governments and/or its undertakings may be the partners in the SPV with a stake of less than 26% to retain the private sector character of the SPV.

(d): There is a positive response to this initiative both from the State Government and the Non-Governmental/Private agencies to this initiative. Out of 10 approved projects, 2 PSUs/ Government body have participated in the SPV of North East Mega Food Park in Nalbari, Assam, 1 in Jangipur, West Bengal and 2 in Firozpur, Punjab.