

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

UNSTARRED QUESTION NO:4987
ANSWERED ON:09.12.2010
INCENTIVISING ORGANIC FOOD PRODUCTS
Tandon Annu

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

- (a) whether the Government is considering to incentivise organic food products by giving benefits to food processing industries, using organic food materials;
- (b) if so, the details thereof;
- (c) whether the Government is considering measures to integrate food processing industries with the benefits available to Micro, Small and Medium Enterprises (MSMEs); and
- (d) if so, the details thereof?

Answer

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

(a) & (b): Under the 11th Plan Schemes, there is no specific incentive for Food Processing Industries using organic food materials. However, the Government operates a scheme namely, Scheme of Technology upgradation/Establishment/Modernization of Food Processing Industries under which financial assistance in the form of grant-in-aid is provided to all the Food Processing Sectors including Organic food products @ 25% of the cost of Plant and Machinery and Technical Civil Works subject to a maximum of Rs. 50.00 lakhs in general areas or 33.33% subject to a maximum of Rs. 75.00 lakhs in difficult areas.

(c) & (d): During the operation of 8th to 10th Plan periods under the Scheme of Infrastructure Development, Government had approved setting up of 56 Food Parks in various locations of the country with a view to make available common infrastructure facilities for food processing industries, especially Micro, Small and Medium Enterprises (MSMEs) pertaining to all sectors including Organic Food Products. The scheme provided for a grant up to 25% of the project cost subject to a maximum of Rs. 4.00 Cr. in general areas. Higher scale of assistance @ 33.3% was admissible for difficult areas of North-Eastern States, J&K, Himachal Pradesh and Uttarakhand subject to a maximum of Rs.4.00 crore for each project.

Under 11th Plan Schemes, the Government has approved a new scheme namely Infrastructure Development Scheme for Mega Food Parks which aims at creating state of art infrastructure facilities for the food processing industries from farm gate to retailer's outlet with an efficient supply chain management having strong backward and forward linkages. The Scheme provides for Plug and Play facility which consists of standard factory sheds for Micro and Small Enterprises (MSEs), built on a maximum of 10 per cent of the area of Central Processing Units (CPC), of the Mega Food Park projects. In the 1st phase of implementation, 10 Mega Food Park projects have been approved in the States of Andhra Pradesh, Assam, Jharkhand, Karnataka, Maharashtra, Punjab, Tamil Nadu, Uttarakhand, Uttar Pradesh & West Bengal.