

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

UNSTARRED QUESTION NO:1489

ANSWERED ON:18.11.2010

FINANCIAL ASSISTANCE TO STATES

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

- (a) the financial assistance provided by the Union Government for food processing sector, during the last three years, State- wise;
- (b) whether the farmers have been benefited economically as a result of setting up of food processing units;
- (c) if so, the details thereof, State-wise;
- (d) whether the Government is considering to raise the current loan limit for food processing industries; and
- (e) if so, the percentage share of subsidy in the new loan limit?

Answer

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

(a): The Ministry of Food Processing Industries extends financial assistance 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 Technology Upgradation/Establishment/Modernization of food processing industries. The details of financial assistance provided during the last three years State-wise is at Annexure.

(b) & (c): Setting up of food processing industries results in value addition hence, the farmers are benefited. Apart from above, in the 11th Plan, the Ministry has approved 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. Financial assistance up to 50% of project cost excluding land component in general areas and 75% in difficult areas, subject to a maximum of Rs. 50.00 Crore is provided for setting up of Mega Food Parks.

To encourage setting up of cold chain facilities and backward linkages in the country, Ministry of Food Processing Industries (MFPI) has a Plan Scheme for Cold Chain, Value Addition and Preservation Infrastructure during the 11th Plan to provide financial assistance to project proposals received from public / private organizations for cold chain infrastructure development. The scheme envisages financial assistance in the form of grant-in-aid @ 50% of the total cost of plant and machinery and technical civil works in general areas and 75% for North Eastern Region and difficult areas subject to a maximum of Rs.10.00 Crore. For the benefit of farmers in the food processing sector, no separate data regarding financial assistance provided by this Ministry is centrally maintained.

(d): No, Sir.

(e): Does not arise.