

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

UNSTARRED QUESTION NO:583
ANSWERED ON:11.11.2010
PROMOTION OF FPI
Yadav Shri Dharmendra

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

- (a) the details of the steps taken by the Government to promote the food processing industries;
- (b) the financial assistance provided to the units of food processing industries during the last three years, and the current year, State-wise; and
- (c) the steps taken by the Government for providing marketing facilities to sell the processed food products in the foreign countries?

Answer

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

(a): To promote food processing in the country, 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 or 33.33% subject to a maximum of Rs. 75 lakhs in difficult areas under the Scheme of Setting up/Modernization/Expansion of food processing industries. In order to ensure speedy disbursement of financial assistance, the Ministry has decentralized the disbursement procedure through banks/ financial institutions under the scheme of setting up/Establishment/ Modernization/Expansion of Food Processing Industries w.e.f. 01.04.2007.

In order to ensure speedy disbursement of financial assistance, the Ministry has decentralized the disbursement procedure through banks via an e-portal under the Scheme of Setting up/Modernization/Expansion of food processing industries with effect from 01.04.2007.

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 steps 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.

(b): The details of the financial assistance provided to the units of food processing industries under the plan scheme of Technology Upgradation/ Establishment/Modernization of Food Processing Industries during last three years and the current year, State-wise is at Annexure.

(c): As far as providing marketing facilities to sell the processed food products in the foreign countries is concerned, besides Agricultural & Processed Food Products Export Development Authority (APEDA) this Ministry has formulated and is implementing several Plan Schemes to provide financial assistance for the establishment and modernization of Food processing units in the country i.e. 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 rationalization 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 comply with international standards for quality of products and compete in the international market.