

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

UNSTARRED QUESTION NO:1024
ANSWERED ON:01.03.2011
SCHEMES FOR VALUE ADDITION OF FOOD
Jawale Shri Haribhau Madhav

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

- (a) the details of present schemes for value addition for fruits and vegetables by means of processing;
- (b) if so, the details thereof;
- (c) whether the Government proposes any schemes which is workable directly at farmers-end for processing of fruits and vegetables; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (SHRI HARISH RAWAT)

(a) & (b): Ministry of Food Processing Industries (MFPI) extends financial assistance in the form of grant-in-aid to 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. The Scheme is aimed at creation of new processing capacity and up-gradation of existing processing capabilities, modernization of Food Processing Sector to include Milk, Fruit & Vegetables, Meat, Poultry, fishery, cereal, consumer items, oil seeds, rice milling, flour milling, pulse etc. in various States including backward areas. The financial assistance are provided to the proposals received from eligible agencies for setting up of food processing units as per guidelines of scheme. This scheme is project specific, not State specific.

In order to increase level of processing and to promote food processing industries to exploit both the domestic and international market potential for processed food products, Vision 2015 Document has been finalized by the Ministry of Food Processing Industries (MFPI), which envisages tripling the size of the processed food sector by increasing the level of processing of perishables from 6% to 20% value addition from 20% 35% and share in global food trade from 1.5% to 3% by 2015. An integrated strategy for promotion of agribusiness-Vision, Strategy and Action Plan for the Food Processing Sector has also been approved by the Government.

(c) & (d): 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.

In addition, under the Technology Mission for integrated Development of Horticulture in North Eastern and Himalayan States, higher levels of assistance @ 50% upto Rs. 4.00 Crore for setting up and Rs. 1.00 crore for Upgradation of fruit and vegetables processing is available. A National Horticulture Mission has been launched with an objective to boost the horticulture sector.

To encourage setting up of cold chain facilities 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 including J&K. The initiatives are aimed at filling the gaps in the supply chain, strengthening of cold chain infrastructure, establishing value addition with infrastructural facilities like sorting, grading, packaging and processing for horticulture including organic produce, marine, dairy, poultry, etc.