

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

UNSTARRED QUESTION NO:1920
ANSWERED ON:08.03.2011
NEW AVENUES IN FOOD PROCESSING
Rama Devi Smt. ,Singh Rajkumari Ratna

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

- (a) whether creation of new avenues in the field of food processing, cold chain / refrigeration was proposed in the XI Five Year Plan;
- (b) if so, the details thereof;
- (c) the details of progress made in this regard so far; and
- (d) the reaction of the Government thereto?

Answer

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

(a) to (d): To create new avenues in the field of food processing , cold chain / refrigeration during the XI Five Year Plan, Ministry of Food Processing Industries (MFPI) has been implementing various schemes for promotion and development of food processing industries and cold chain facilities in the country. MFPI through its various schemes for financial assistance and other promotional measures, facilitates creation of food related infrastructure including processing and cold chain facilities aimed at reducing wastages, enhancing value addition and increasing shelf life.

The Scheme for Technology Upgradation/Establishment/ Modernisation of Food Processing Industries is aimed at creation of new processing capacity and up-gradation of existing processing capabilities, modernization of Food Processing Industries. Under the Scheme, MFPI extends financial assistance to food processing units in the form of grant-in-aid @ 25% of the cost of plant and machinery and technical civil works subject to a maximum of Rs. 50.00 lakh in general area or 33.33% subject to maximum of Rs. 75.00 lakh in difficult areas such as Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Sikkim and North Eastern States, A&N Islands, Lakshadweep and ITDP areas. 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.

To encourage setting up of cold chain facilities in the country, Government is operating several Plan Schemes under which financial assistance is provided for setting up of cold storages / cold chain facilities. Ministry of Food Processing Industries (MFPI) has also 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. 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.

Further, to promote setting up of more cold storages in the country, Government, in the Union Budget 2010-11, has announced to allow external commercial borrowings for cold storage or cold room facilities including farm level pre-cooling for preservation or storage of agricultural and allied produce, marine products and meat, as a part of the farm to market initiative and to promote private sector investment in setting up of cold storages. In addition, Government has also announced project import status at a concessional customs duty of 5% with full exemption from service tax to the initial setting up and expansion of cold storage, cold room including farm pre-coolers for preservation or storage of agriculture and related sectors produce and full exemption from custom duty to refrigeration units required for the manufacture of refrigerated vans or trucks.

The scheme of MFPI is project based and not state wise Under the scheme for Cold Chain, Value Addition and Preservation Infrastructure, MFPI has assisted 10 cold chain projects in the States viz. Maharashtra, Bihar, Tamil Nadu, Rajasthan, Karnataka, Uttarakhand, West Bengal, Andhra Pradesh, Gujarat and Haryana. The statement indicating status of these 10 cold chain projects is at Annexure.

Rs.210 crore has been allocated by MFPI for the purpose of development of Cold Chain, Value Addition and Preservation Infrastructure during the 11th Plan. Grant- in-aid of Rs. 86.937 crore has been approved for above mentioned 10 cold chain projects and out of this, an amount of Rs. 66.007 crore has been released so far towards implementation these projects.