

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

STARRED QUESTION NO:206

ANSWERED ON:16.08.2011

GLOBAL COMPETITIVENESS IN FPIS

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

- (a) whether Government is building global competitiveness in food processing industries (FPIs) in various parts of the country including rural areas and backward regions;
- (b) if so, the details thereof during the Eleventh Five Year Plan, State-wise;
- (c) the response received, so far, from each State-wise; and
- (d) the further measures being taken in this regard?

Answer

THE MINISTER OF FOOD PROCESSING INDUSTRIES (SHRI SHARAD PAWAR)

(a) to (d) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 206 FOR ANSWER ON 16.08.2011 REGARDING GLOBAL COMPETITIVENESS IN FPIs.

The Ministry of Food Processing Industries has been implementing various plan schemes for promotion, development and building global competitiveness in food processing sector in the country including rural areas and backward regions viz. (i) Scheme for Infrastructure Development with components of Mega Food Parks, Cold Chain, Value addition & Preservation Infrastructure and Modernization of Abattoirs, (ii) Technology Upgradation/ Establishment/Modernisation of Food Processing Industries(FPIs), (iii) Scheme for Quality Assurance, Codex Standards and Research & Development (iv) Scheme for Human Resource Development and (v) Scheme for Strengthening of Institutions.

Under the scheme for Infrastructure Development, the Government has taken various initiatives to strengthen the enabling Food Processing Infrastructure. Government has approved a scheme for Mega Food Parks. The Mega Food Park scheme envisages a well-defined agri/horticultural- processing zone containing state of the art infrastructure to enable processing facilities. It aims to provide a mechanism to bring together farmers, processors and retailers and link agricultural production to the market so as to ensure maximization of value addition, minimization of wastages and improving farmers' income.

Financial assistance in the form of grant-in-aid @ 50% of the project cost in General areas (75% for NE Region & difficult areas) subject to maximum of Rs. 50 crore is provided. Current status of 15 Mega Food Parks sanctioned in 11th Plan is at annexure-I.

Scheme for Cold Chain, Value addition and Preservation Infrastructure envisages financial assistance in the form of grants in aid @ 50% of the total cost of plant and machinery and technical civil works in general areas (75% for North Eastern Region and difficult areas) subject to a maximum of Rs. 10.00 crores. The scheme aim at providing farm to market supply chain without break. Ministry has accorded approval to 49 cold chain projects during 11th Plan. The current status is at annexure-II.

Modernization of Abattoirs is a scheme targeting for creation of infrastructure for the meat processing industry. It aims to upgrade qualitative and quantitative capacities of the abattoirs, which will be linked, with commercial processing of meat, both for domestic consumption and exports. The financial assistance is being extended @50% and 75% of the cost of plant & machineries and technical civil works in general and difficult areas respectively subject to a maximum of Rs. 15 crores for each project. The Ministry has approved setting up ten abattoirs in the country. Current status is given at annexure-III.

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, including Milk, Fruit & Vegetables, Meat, Poultry, fishery, wine, consumer items, oil seeds, rice milling, flour milling, pulse etc. Ministry of Food Processing Industries 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 (33.33% subject to a maximum of Rs. 75 lakhs in North Eastern and difficult areas). Status of achievement for 11th Plan is at annexure-IV.

Scheme for Quality Assurance, Codex Standards, Research & Development and Promotional Activities, is aimed at motivating the food processing industries for adoption of food safety and quality assurance mechanisms such as Total Quality Management

including ISO 14000, ISO 22000, HACCP, GMP, GHP and preparing them to face global competition in post WTO Regime.

The Scheme for Human Resource Development focuses on developing technologists, managers, Entrepreneurs and manpower for quality management in Food Processing. The scheme also aims at development of rural entrepreneurship and transfer of technology for processing of food products by utilizing locally grown raw material and providing hands- on experience at such production cum training centres.

The Scheme for Strengthening of Institutions is aimed at strengthening of existing institutes like Indian Institute of Crop Processing Technology & establishing National Institute of Food Technology and Entrepreneurship Management (NIFTEM). The objective of NIFTEM is to promote cooperation and networking amongst existing institutions both within the country & international bodies, create a complete data base on domestic resources and bring in international best practices for improving the food processing sector. Besides above mentioned institutions, two Boards have been set up under the Ministry i.e Indian Grape Processing Board and National Meat and Poultry Processing Board.

In addition to the above mentioned schemes, major fiscal incentives have also been given to the food processing industry. Foreign Direct Investment is under 100% automatic route for most of the processed food products.

The Ministry is also taking up various promotional initiatives like conducting awareness programmes, workshops, seminars, publicity and participation in international events.