

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

UNSTARRED QUESTION NO:848
ANSWERED ON:09.07.2009
PROCESSING OF FRUITS AND VEGETABLES
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Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

- (a) whether a little quantity of fruits and vegetables is processed in the country;
- (b) if so, the potential of each State including Maharashtra in the processing of the fruits and vegetables; and
- (c) the steps taken/proposed to be taken by the Government for promoting the food processing industry in the country?

Answer

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

(a) to (c): The level of processing of fruits & vegetables in the country is estimated at 2.20%. The installed capacity of fruits and vegetables processing units licensed under Fruit Products Order (FPO), 1955 in the country has increased from 26.80 lakhs tones as on 01.01.08 to 30.89 lakhs tones as on 01.01.09. Total number of fruit and vegetable processing units in the country registered with FPO, 1955 are 5166 and out of which 1048 fruit and vegetable processing units are in Maharashtra. As per Ministry of Small Scale Industries and Department of Industrial Policy and Promotion, total number of food processing units in the country were 17.873 lakhs upto 2005-06, out of which 2.713 lakhs units were registered and 15.16 lakhs units were unregistered. A statement indicating state-wise fruit and vegetable processing units licensed under FPO 1955 in the country is at Annexure.

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. There has been increase in substantial rate of growth of the food processing industry from 7% in 2003-04 to 13.14 % in 2006-07.

The Government, through its schemes for financial assistance and other promotional measures, facilitates creation of food related infrastructure including processing facilities aimed at reducing wastages, enhancing value addition and increasing shelf life. Ministry of Food Processing Industries (MFPI) has been implementing various schemes for promotion and development of food processing industries in the country. Under the Scheme for Technology Upgradation/ Modernization/ Establishment of Food Processing Industries, 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. MFPI has also been implementing various other Plan schemes for promotion and development of food processing industries in the country. Under these schemes, financial assistance in the form of grant in aid is provided for development of infrastructure, human resource development, promotion of quality assurance and research & development and other promotional measures to encourage development of the food processing industries. Under the scheme of strengthening of institutions, the various development activities have been undertaken in the area of Human Resource Development including food processing sector such as grapes, meat and poultry processing, through setting up of National Institute of Food Technology, Entrepreneurship and Management (NIFTEM), Indian Grape Processing Board, National Meat and Poultry Processing Board and upgradation of Indian Institute of Crop Processing Technology (IICPT).

In order to give boost to growth of FPI sector, the Government has allowed under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables. Fruit & vegetable products are already exempted from payment of excise duty. A National Horticulture Mission has been launched with an objective to boost the horticulture sector.