

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

UNSTARRED QUESTION NO:2295
ANSWERED ON:27.03.2012
GRANTS TO FPIS IN DESERT AREAS
Meghwal Shri Arjun Ram

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

- (a) whether the Government proposes to enhance the grants for promoting food processing industries in the desert areas of the country;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

Answer

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (DR. CHARAN DAS MAHANT)

(a) to (c): No, Madam. There is no proposal to enhance grants for promoting food processing industries in desert areas of the country. However, 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, Food Testing Labs, Implementation of Quality Systems such as Hazard Analysis Critical Control Points (HACCP), Human Resource Development besides other promotional measures to encourage development of food processing industries in the country including desert areas. 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 in global market.

Under its plan scheme for Technology Upgradation/ Establishment/ Modernization of Food Processing Industries extends financial assistance to food processing units in the form of grant-in-aid @ 25% of the cost of plant & machinery and technical civil works subject to maximum of Rs. 50.00 lakhs in general areas and @33.33% subject to a maximum of Rs. 75.00 lakhs in difficult areas such as Jammu and Kashmir, Himachal Pradesh, Uttarkhand, Sikkim and North Eastern States, A&N Islands, Lakshadweep and ITDP areas.