

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

STARRED QUESTION NO:262

ANSWERED ON:24.04.2012

SETTING UP OF FPIs

Dhurve Jyoti;Nagar Shri Surendra Singh

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

- (a) whether the Government proposes to set up new food processing units in the country including in Gujarat, Madhya Pradesh, Tamil Nadu, Kerala and rural areas of the country;
- (b) if so, the details thereof alongwith the funds allocated for the purpose, State-wise and location-wise;
- (c) whether the Government has formulated any plan/scheme to give an impetus to food processing industries in the country;
- (d) if so, the salient features of the proposed scheme; and
- (e) the details of assistance/ incentives proposed to be provided to entrepreneurs for setting up of such units in various States?

**Answer**

THE MINISTER OF FOOD PROCESSING INDUSTRIES (SHRI SHARAD PAWAR)

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

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 262 FOR ANSWER ON 24th APRIL, 2012 REGARDING SETTING UP OF FPIs.

(a): Ministry of Food Processing Industries (MFPI) does not setup food processing units in the country on its own. However, MFPI under its plan scheme for Technology Upgradation/ Establishment/ Modernization of Food Processing Industries provides financial assistance to the food processing units in the country including Gujarat, Madhya Pradesh, Tamil Nadu, Kerala and in rural areas. Under the scheme, grant-in-aid is provided @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, Uttarakhand, Sikkim and North Eastern States, A&N Islands, Lakshadweep and ITDP areas.

(b): The funds are not allocated State-wise or Unit-wise under the Scheme for Technology Upgradation/ Establishment/ Modernization of Food Processing Industries. Details of financial assistance provided to the food processing units in the country during the last five years is at Annexure-I.

(c): Yes, Madam. The Working Group constituted on Food Processing Sector for Ministry of Food Processing Industries for 12th Five Year Plan has recommended the launch of a new centrally sponsored scheme - National Mission on Food Processing (NMFP) w.e.f. 2012-13. Government has approved a proposal for State Governments to start preparatory activities for this scheme and has approved release of Rs. 51 crores for this purpose.

(d): The salient features of the NMFP are:

(i) to realize the Ministry's next leap forward in terms of ensuing requisite growth impetus and value addition to the sector;

(ii) decentralized approach;

(iii) greater role of State/UTs;

(iv) better outreach and

(v) effective supervision and monitoring. The NMFP would also provide flexibility to States / UTs in the selection of beneficiaries, location of projects etc. for the development of food processing sector. This initiative of the Ministry would give an impetus to food processing industries in the country.

(e): In 2012-13, NMFP scheme envisages to provide financial assistance on the pattern of 11th Plan scheme guidelines as stated in para (a) above for setting up of food processing industries in the country.