

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

STARRED QUESTION NO:137

ANSWERED ON:21.08.2012

FOOD PROCESSING UNITS

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

- (a) the norms for establishment of food processing units in the country;
- (b) the number of food processing units provided financial assistance by the Government during the last three years and the current year along with the amount of the said assistance, State-wise;
- (c) whether the Government is considering to set up more food processing units and training centres in various States including rural areas of the country;
- (d) if so, the details thereof, State-wise; and
- (e) the details of the steps/initiatives taken including formulation of schemes to encourage and give impetus to food processing industries in the country?

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 IN REPLY TO PART (a) to (e) OF LOK SABAH STARRED QUESTION NO.137 FOR ANSWER ON 21st AUGUST, 2012 REGARDING FOOD PROCESSING UNITS.

(a): Ministry of Food Processing Industries implements the scheme for Technology Upgradation/ Establishment/ Modernisation of Food Processing Industries (FPIs), which is meant for setting up/expansion of food processing units. The Scheme provides for financial assistance for setting up of new food processing units as well as Technological Upgradation and Expansion of existing units in the country. Ministry extends financial assistance in the form of grants-in-aid to entrepreneurs @ 25% of the cost of Plant and Machinery and Technical Civil Works subject to a maximum of Rs. 50 lakhs per project in general areas and @ 33.33% subject to maximum of Rs. 75 lakhs per project in difficult areas.

(b): The details of financial assistance provided by the Ministry of Food Processing Industries under the Scheme for Technology Upgradation/Establishment/ Modernization of Food Processing Industries (FPIs) during the last three years and current year, State-wise is at Annexure.

(c) & (d): Ministry of Food Processing Industries does not set up any food processing units and training centres in various States including rural areas of the country. However, Ministry provides financial assistance for benefit of food processing sector both to the Food Processing Units as well as to the Food Processing Training Centers under Schemes for Technology Upgradation/ Establishment/ Modernisation of FPIs and Human Resource Development (HRD) Scheme of the Ministry, respectively. The assistance for single line Food Processing Training Centre (FPTC) is Rs. 4 lakhs and for multi line FPTC is Rs. 11 lakhs towards Plant and Machinery. Rs. 2 lakhs and Rs. 4 lakhs is also given for seed capital to single line and multi lines FPTCs, respectively.

(e): 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 to R&D, Human Resources Development, Food Testing Labs, Implementation of Quality Systems such as Hazard Analysis Critical Control Points (HACCP), besides other promotional measures to encourage development of food processing industries. 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 addition, other Government of India organizations like National Horticulture Mission (NHM), National Horticulture Board (NHB), Agricultural and Processed Food Products Export Development Authority (APEDA), National Cooperative Development Corporation (NCDC) and State Governments also provide assistance for Food Processing Units under their respective schemes.

Apart from the above, 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 to realize the next leap forward in terms of ensuing requisite growth impetus and value addition to the sector; decentralized approach; greater role of State/UTs; better outreach and 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 would give an impetus to food processing industries in the country.