



**COMMITTEE ON AGRICULTURE  
(2011-2012)**

**FIFTEENTH LOK SABHA**

**MINISTRY OF FOOD PROCESSING INDUSTRIES**

**DEMANDS FOR GRANTS (2011-12)**

**{Action Taken by the Government on the Observations/  
Recommendations contained in the Twenty Fifth Report  
of the Committee on Agriculture (2010-2011)}**

**THIRTIETH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**February, 2012/Magha, 1933 (Saka)**

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<b>Presented to Hon'ble Speaker, Lok Sabha on</b>	<b>16.02.2012</b>
<b>Presented to Lok Sabha on</b>	<b>27.03.2012</b>
<b>Laid on the Table of Rajya Sabha on</b>	<b>27.03.2012</b>



**LOK SABHA SECRETARIAT  
NEW DELHI**

**February, 2012/Magha, 1933 (Saka)**

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**COMPOSITION OF THE COMMITTEE ON AGRICULTURE (2011-12)****Shri Basudeb Acharia - Chairman****MEMBERS****Lok Sabha**

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3. Shri K.C. Singh 'Baba'
4. Shri Thangso Baite
5. Smt. Shruti Choudhary
6. Smt. Ashwamedh Devi
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**SECRETARIAT**

1. Shri Deepak Mahna - Joint Secretary
2. Shri P. V. L. N. Murthy - Director
3. Shri P.C. Koul - Additional Director

## INTRODUCTION

I, the Chairman, Committee on Agriculture (2011-2012) having been authorized by the Committee to submit the Report on their behalf, present this Thirtieth Report on Action Taken by the Government on the Observations/ Recommendations contained in the Twenty-fifth Report of the Committee on Demands for Grants (2011-12) of the Ministry of Food Processing Industries.

2. The Twenty-fifth Report of the Committee on Agriculture (2010-2011) on Demands for Grants (2011-12) of the Ministry of Food Processing Industries was presented to Lok Sabha and laid on the Table of Rajya Sabha on 29 August, 2011. The Action Taken Replies on the Report were received on 25 November, 2011.

3. The Report was considered and adopted by the Committee at their Sitting held on 10 February, 2012.

4. An analysis of the Action Taken by the Government on the Observations/ Recommendations contained in the Twenty-fifth Report of the Committee is given in **Annexure – III**.

**NEW DELHI;**  
**10 February, 2012**  
**21 Magha, 1933 (Saka)**

**BASUDEB ACHARIA**  
***Chairman,***  
***Committee on Agriculture.***

## **CHAPTER I**

### **REPORT**

This Report of the Committee on Agriculture deals with the action taken by the Government on the Observations/ Recommendations contained in the Twenty-fifth Report of the Committee on Agriculture (2010-2011) on 'Demands for Grants' 2011-12 of the Ministry of Food Processing Industries which was presented to Lok Sabha and laid on the Table of Rajya Sabha on 29 August, 2011 respectively.

1.2 The Ministry of Food Processing Industries have furnished Action Taken Replies in respect of all the 16 Observations/ Recommendations contained in the Report. These have been categorised as under:

- Observations/Recommendations that have been accepted by the Government .  
Recommendation Para Nos. 1.9, 2.16, 2.17, 2.18, 2.19, 2.20, 2.21, 3.28, 3.29, 3.30, 3.32, 3.35, and 3.36.
- Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply.  
Recommendation Para No. Nil
- Observations/Recommendations in respect of which action taken replies of the Government have not been accepted by the Committee. - Nil
- Observations/Recommendations in respect of which final replies of the Government are still awaited.  
Recommendation Para Nos. – 3.31, 3.33 and 3.34

**1.3 The Committee trust that utmost importance would be given to implementation of the Observations/ Recommendations accepted by the Government. In cases, where it is not possible for the Ministry to implement the recommendations in letter and spirit for any reason,**



**the matter should be reported to the Committee with reasons for non-implementation. The Committee desire that further Action Taken Notes on the Observations/ Recommendations contained in Chapter-I and final Action Taken Replies to the Recommendations contained in Chapter-V of this Report should be furnished to them at an early date.**

1.4 The Committee will now deal with the action taken by the Government on some of the Recommendations in the succeeding paragraphs.

**OVERVIEW OF DEMAND**  
**(Recommendation Para No.2.16)**

1.5 The Committee were aghast at the way the financial requirements of the Ministry of Food Processing Industries have been attended to by the Planners and the Governments starved the Ministry of the funds in four of the five years of the Eleventh Plan resulting in hampering the implementation of schemes at the proper pace They had expected the planners and the policy makers to do justice with the financial requirements of the Ministry at least in Fiscal 2011-12. The Committee were, however, hugely disappointed to note that against a sum of Rs. 1490.86 crore sought by the Ministry, they had been allotted a paltry Rs. 600 crore for the terminal year of the Eleventh Plan against the backdrop of the fact that the Ministry were allocated a sum of Rs. 4031 crore for the Eleventh Plan by the Planning Commission against their earlier projections in respect of 30 Mega Food Parks, 30 Cold Chain projects and 30 Modernised Abbatoirs. Wondering how the Planners and the Government expected the Ministry to perform if they are not provided sufficient where-withal for the purpose and feeling clearly that their attitude

towards this fundamental requirement of the Ministry defied logic when in plain statistical terms, the Ministry got about Rs. 1130 crore during first four years of the Eleventh Plan which is one fourth or so of the Rs.4031 crore allocated to them for the Eleventh Plan and when even with the Rs. 600 crore BE for 2011-12 the Ministry would not even reach halfway mark of their total allocation (Rs.1730 crore), the Committee had recommended that though it may not be worth much to the food processing industries sector at large, the Government should, at least in the interest of the projects in pipeline enhance the allocation of the Ministry substantially at the RE stage during Fiscal 2011-12.

1.6. The Ministry of Food Processing Industries, in their Action Taken Note have stated that they did not propose for any additional allocation at RE stage as the existing BE provisions are adequate. For clearing backlog of Scheme for Technology Upgradation/ Establishment/ modernization of Food Processing Industries, the Ministry have proposed to seek required fund in First two years of the Twelfth Plan. Rs. 50.00 Crores has been proposed as re-appropriation from internal savings in the Ministry during this year.

**1.7 The Committee find this about turn in the attitude of the Ministry quite inexplicable. Time and again, during the course of the examination of Demands for Grants (2011-12) the Ministry had submitted before the Committee that the budgetary allocation of Rs. 600 crore for 2011-12 would not suffice and would lead to down sizing of several ongoing Schemes. Moreso, when the Government had also allowed them further expansion of some of their Schemes. The Committee, therefore, view this development as unfortunate and against the interest of various Schemes being implemented by the**

**Ministry. Now that the Ministry have frittered this opportunity, the Committee desire them to work out their financial requirements meticulously and work purposefully to secure them in the Twelfth Plan in general and the initial year of the Twelfth Plan in particular so as to ensure that their inaction does not cost dear to their various Schemes. While delving upon this issue, the Committee would also like the Ministry to apprise them in detail as to how they proposed to re-appropriate the amount of Rs. 50 crore from internal savings in the Ministry during the year 2011-12 for the purpose.**

**PLAN ALLOCATION**  
**(Recommendation Para No. 2.18)**

1.8 Saddened that inspite of the Committee pointing out to the Planners and the Government time and again about the need to fund this would be Sunshine Sector of Indian economy adequately, in several of their Reports, neither of the two had been spurred into requisite action, the Committee had highlighted the staggering savings that could have been effected by more focus on the food processing industry sector particularly when the post harvest losses, as per conservative estimates are a mammoth Rs. 50000 crore per annum in fruits and vegetables sector alone. Still feeling that though the Planners and the Government had upto then not appreciated the exact import of their Recommendations about the massive investment needed in the food processing industry sector, all was not lost, they had earnestly hoped the Planners and the Government could make amends by infusing this fund starved sector with optimum amount of funds at least in the Twelfth Plan so as to plug the massive losses occurring year after year, for decades together, to the agriculture and allied sector produce because of the lack of food processing and storage infrastructure.

1.9 In their Action Taken Note the Ministry have while taking note of the Observation/Recommendations of the Committee also communicated the same to the Ministry of Finance and Planning Commission to take a view on the enhancement of funds in the Twelfth Five Year Plan for the Food Processing Industry.

**1.10 The Committee note that their recommendation about enhancing the allocation of funds to the financially starved food processing industry sector has not only been noted by the Ministry but they have also conveyed it to the Planning Commission and the Ministry of Finance. The Committee hope that the last two named agencies would consider their recommendation in right earnest this time, moreso, when the industrial downturn is a reality. The Committee also expect that the Ministry won't assume their job being over by merely passing on their recommendation to Planning Commission and Ministry of Finance but would strive at all relevant fora to obtain optimum infusion of funds in the Twelfth Plan for the food processing industry sector.**

**PREPARATION FOR THE TWELFTH PLAN**  
**(Recommendation Para No. 2.20)**

1.11 Having analysed the cascading effect of delays in planning and approvals during the Eleventh Plan, the Committee had hoped that a similar fate will not befall the Twelfth Plan. They had, therefore, recommended that all the formalities and preparatory work pertaining to the Twelfth Five Year Plan should be completed on a war footing basis. The Plan should be communicated to all line Ministries/Departments at the latest by 31 December, 2011. The Ministries/Departments should also be

directed to complete all formalities and incidental procedures in the last quarter of the ongoing Fiscal so that the implementation of the Schemes included in the Twelfth Plan commences from the very first day of the Plan viz. 1 April, 2012.

1.12 The Government in their Action Taken Note have stated that the Planning Commission have constituted the Working Group on Food Processing Industries under the Chairmanship of Secretary, FPI. The Report has been finalized by the Working Group on Food Processing Sector and the same has been sent to Planning Commission on 11 November, 2011 for consideration.

Ministry have undertaken evaluation of their Plan Schemes and based on in depth review, the proposals for Twelfth Plan have been incorporated in the Working Group Report.

**1.13 The Committee note that pursuant to their Recommendations the Ministry have undertaken evaluation of their Plan Schemes and based on an in-depth review the proposals for Plan have been incorporated in the Report of the Working Group constituted by Planning Commission. The Committee further note that the Report has been finalized by the Working Group and has been sent to Planning Commission on 11 November, 2011 for their consideration. However, the Committee are not sure whether these very initial steps would lead to the Plan being conveyed to all Ministries/Departments in advance as the 31 December, 2011 deadline has already gone by. With hardly any time left for the Commencement of the Twelfth Plan on 1 April, 2012, the Committee exhort the Planners and the Government to work overtime to ensure that the finalization of**

**Twelfth Plan should not be delayed as happened in the case of the Eleventh Plan. The present economic situation also warrants that the developmental process should be precisely delineated in advance so as to ensure there are no hiccups or delays in implementation leading to further worsening of the situation. Without such an extra effort it would be well nigh impossible for the Government to give clear cut directions about Schemes to various Ministries/ Departments when the Twelfth Plan commences on 1 April, this year.**

**SCHEME FOR INFRASTRUCTURE DEVELOPMENT**  
**(Recommendation Para Nos. 3.28 and 3.29)**

1.14 The Committee had noted that Scheme for Infrastructure Development is the main Scheme of the Ministry which aims to provide infrastructure and common facilities, which enhance value addition, for use by small and medium enterprises. The Scheme has three components viz. (a) Mega Food Parks (b) Cold Chain, Value Addition and Preservation Infrastructure and (c) Establishment of new/modernisation of existing Abattoirs.

They had further noted that though in the first phase only 10 Mega Food Parks and Cold Chains respectively were approved out of 30 envisaged for the Eleventh Plan. There was underutilisation of funds under this Scheme during the first four years of the Eleventh Plan. The underspending was mainly attributable to the inordinate delays in approval of the Scheme as also staggering of timelines of the three components of the Scheme. The Committee also observed from the financial performance of the Scheme, that the implementation had improved and

the Scheme had gained momentum from the fourth year onwards of the Eleventh Plan. Since this Scheme is likely to continue in the Twelfth Plan as well, the Committee had recommended that allocation for this Scheme be suitably enhanced by the Government so that substantial ground work for Twelfth Plan is done before hand.

1.15 In their Action Taken Note the Government have stated that the Working Group on Food Processing had highlighted the importance of Plan Scheme of Infrastructural Development for Mega Food Park, Cold Chain and Abattoir and had recommended that the existing Cold Chain Scheme should be continued during Twelfth Plan period with higher allocation. The Working Group had also recommended that for ensuring proper storage, enhancement in shelf-life and value addition of non-horticultural produce, village level cold chain infrastructure should be promoted.

Similarly, the Infrastructure Development Scheme for Mega Food Park has been proposed to be continued and expanded in the Twelfth Plan.

During the Twelfth Plan period, the Ministry proposed to approve 120 projects and an outlay of Rs. 1675 crore had been envisaged for cold chain projects.

There are 3600 recognised slaughter houses in the country. As on date 10 abattoirs have been approved. Moreover, the MoFPI has further received 41 proposals for setting up and modernization of abattoirs. As the funds allocated for this scheme are limited, the Ministry of Urban Development have been approached for assisting this scheme under the JNNURM. The Department of Animal Husbandry, Dairying and Fisheries have also suggested inclusion of setting / modernization of existing abattoir under JNNURM. The MoFPI have also approached the Planning Commission, Department of Expenditure, Ministry of Finance for infusion

of large funds for construction of new abattoirs/ modernization of existing abattoirs to be funded from JNNURM. The National Meat & Poultry Processing Board (NMPPB), a registered society under the Societies Registration Act 1860 working under the aegis of Ministry of Food Processing Industries conducts outreach programmes in various parts of the country to train meat sector workers regarding various aspects of hygienic slaughtering and handling of meat. Moreover NMPPB has also conducted industry meets in meat concentrated districts to educate the industry. The proposal for upscaling of the scheme at a cost of Rs. 252.62 crores for setting up 25 new projects and modernisation of 25 existing projects is being processed for approval by the EFC/approval by CCEA which will be implemented by the Central sector in the first two years of the Twelfth Five Year Plan. Development and modernisation of abattoirs would be a part of National Mission for Food Processing in the Twelfth Five Year Plan. Expenditure would be only from the third year. This is because the states would take some time to develop their facilities. The scheme would be implemented by State Governments since most of the proposals are from the Municipal Bodies who are closely connected to the State Governments. It is proposed to establish 90 new abattoirs and modernize 150 existing abattoirs at a cost of Rs.795.00 crores during 12th Plan under NMFP.

**1.16 The Committee note with satisfaction that the Plan Scheme of Infrastructure Development for Mega Food Parks, Cold Chain and Abattoir, etc. has caught the eye of the Working Group of the Planning Commission on Food Processing Industry Sector. Appreciating the importance of this crucial link between the farm gate and consumers and the massive slippages taking place in the form of post harvest crop losses due to the inherent weaknesses of**



the extant set-up, the Working Group has recommended several measures to promote development of infrastructure. These include creation of proper storage space, enhancement of shelf-life and value addition of non-agricultural produce, village level cold chain infrastructure, etc. They have also recommended continuation of Mega Food Park Scheme in the Twelfth Plan in view of critical need of infrastructure for development of food processing industry sector.

While all these developments are pointers in right direction it is needless for them to remind that we must not forget that all these measures suggested by the Working Group require massive infusions of funds. The Committee, therefore, strongly feel that unless the Planning Commission wakes-up to this reality and allocates sufficient funds to the food processing industry sector in the Twelfth Plan all efforts to revamp the food processing industry sector, to stop the massive amount of post harvest crop losses and to enhance the income of the hapless farmer will come to a naught.

The Committee, therefore, strongly recommend the Planning Commission to heed to the advice of their own Working Group and ensure that the food processing industry sector does not continue to languish for want of funds in the Twelfth as happened during the Eleventh Plan as at the time of allocation of funds, more often than not, the Committee have been provided with the oft repeated reasons that competing inter sectoral demands, etc have forced the Planning

**Commission to withhold the infusion of the requisite funds for various schemes recommended by different Working Groups of Planning Commission itself. This in their considered opinion amounts to the defeat of the very purpose of setting up of working Groups.**

**SCHEME FOR TECHNOLOGY UPGRADATION, ESTABLISHMENT AND MODERNISATION OF FOOD PROCESSING INDUSTRIES**  
**(Recommendation Para No. 3.30)**

1.17 The Scheme for Technology Upgradation, Establishment and Modernisation of Food Processing Industries is meant for the existing Units in the food processing industry sector. The Scheme provides financial assistance with a view to increase the level of processing, reduction of wastage, value addition, enhancement of income of farmers as well as increase exports. The Scheme has been provided BE of Rs. 333 crore during the four completed years of the Eleventh Plan which were modified to Rs. 393.53 crore at the RE stage. The RE allocations were more than fully utilized in the first three Fiscals and as per the indications were expected to be spent fully in the year 2010-11 resulting in reasonably good financial performance benefitting to the existing units in the food processing industry sector innumerable. However, noting the apathetic attitude of the Government in the form of minimal allocations towards this Scheme, year after year, leading to increase in number of pending applications for assistance to 2500 plus has forced the Ministry to resort to rationing of the Scheme, which is not a healthy state-of affairs. The Committee had strongly recommended that the Ministry to immediately work out their funds requirements for this Scheme for the ongoing Fiscal with a view to liquidate as many eligible applications as possible and present it to the Ministry of Finance. They had further

recommended that additional requirements of funds for this Scheme should be released by the Ministry of Finance on top priority basis.

1.18 In their Action Taken Note the Government have stated that in the Eleventh Five Year Plan a total allocation of Rs. 600 crores was made by Planning Commission for the Scheme. Out of total allocation, an amount of Rs 488.51 crore has been allocated to the Scheme so far including Rs.98 crore BE of 2011-12. Ministry have utilized almost the entire budget allocated under this scheme (except NER) and has assisted 2532 Food Processing Industries (till 31 October, 2011).

They have further stated that as on today over 2700 cases are pending for grants of assistance. The shortage of funds has resulted in this large pendency of applications. Ministry have proposed for an additional allocation of Rs. 50.00 crore for this Scheme during the current year at RE stage.

**1.19 The Committee are happy to note that the Ministry have utilized the budget allocated under the scheme for Technology Up-gradation, Establishment and Moderni-sation of Food Processing Industries except in NER. They are, however, deeply concerned to further note that due to paucity of funds with the Ministry the pending applications have gone further up to 2700 now. Since the reply of the Ministry is silent on the fate of their RE request, the Committee are not in a position to comment on the exact situation in the matter. They would, therefore like to be apprised of the disposal of the RE request of the Ministry at the earliest. They are also equally concerned to note the non-utilisation of funds under the**

**Scheme in NE Regions and desire a detailed explanation from the Ministry in this regard. Moreover, it is also not clear from the Action Taken Notes as to what happened to RE projection. The large pendency of applications due to shortage of funds is another matter of grave concern which the Committee have noted. The Committee, therefore, desire, the Ministry to sort out the matter at the earliest possible time and furnish a detailed note on the issues raised, herein, at the earliest.**

### **SCHEME FOR UPGRADATION OF QUALITY OF STREET FOOD**

#### **(Recommendation Para No.3.31)**

1.20 The Committee opined that the Scheme for Upgradation of Quality of Street Food is another instance of the Government's apathetic attitude towards schemes of public welfare. Almost the entire Eleventh Five year Plan has gone by and this scheme is still looking askance for approvals. The assurance of the Ministry of Finance that the scaled down pilot project version can be considered subject to availability of funds sounded hollow at the fag end of the Eleventh Plan. More so, when they in view of the inherent benefits of the Scheme had asked the Ministry in their Fifth Report to operationalise the scheme well before the commencement of the Commonwealth Games held in October, 2010. In spite of the step motherly treatment meted out to this Scheme by the Ministry of Finance, the Committee had recommended release of additional funds for it at the RE stage so that the ambit of the Scheme is extended a bit beyond the scaled down version thereby enable the Ministry to implement it with full speed during the Twelfth Plan with the benefit of experience gained now.

1.21 The Government in their action taken note stated that the scheme has not been supported by Planning Commission and Ministry of Finance.

In view of recommendation of the 12<sup>th</sup> Plan Working Group, the subject matter has been taken up with the Ministry of Housing and Urban Poverty Alleviation

**1.22 The Committee are surprised to note that the Planning Commission had not supported the 'Scheme for Upgradation of Quality of Street Food' thereby negating the efforts of the Ministry in the implementation of a Scheme which in their considered opinion could have made a huge difference not only in the Quality of Street Food presently being consumed by a vast majority of poor and deprived sections of population in the metropolitan and major cities of the Country but also would have vastly contributed to the lessening of avoidable unquantified expenditure being now incurred on healthcare. The Committee however, see a ray of hope in that the Working Group on Twelfth Plan has also recommended for the implementation of the Scheme and that the subject matter has been taken up by the Ministry with the Ministry of Housing and Urban Poverty Alleviation. The Committee would like to be apprised of the developments in this regard and desire the Ministry to vigorously pursue with Planning Commission in getting approvals for the Scheme for implementation in the first year itself of the Twelfth Plan.**

**NATIONAL INSTITUTE OF FOOD TECHNOLOGY,  
ENTREPRENEURSHIP AND MANAGEMENT (NIFTEM)**

**(Recommendation Para Nos.3.33 and 3.34)**

1.23 The Committee were constrained to note that National Institute of Food Technology, Entrepreneurship and Management (NIFTEM) is being set up as an institute of global excellence in education and research in the areas of food technology at Kundli, Sonapat, Haryana. CCEA had approved setting up of the institute on 31 August, 2006 at an estimated cost of Rs. 244.60 crore. The estimated cost was revised to a staggering Rs. 604.75 crore compelling the Committee to recommend in depth review of the same by the Government. The cost of the project later on was further revised to Rs. 479.94 crore. Further probing of this vexed matter of fluctuating estimates revealed that it was the then Secretary's inputs after his overseas visits that lead to the upscaling of earlier estimates of Rs. 244.60 crore to a massive Rs. 604.75 crore. This was apparently done with a view to make the Institute a world class facility.

On the execution part also the Committee found that the situation is far from satisfactory. During last five years only the institutional building has been completed. The status of the Institute as a Deemed University is a big question mark as on date. With the recruitment process also yet to be completed, they wondered as to what would happen to the students seeking admission in NIFTEM with high hopes. They were doubtful if the Ministry would be able to start the Institute even in this Academic Session in the prevailing chaos.

1.24. The Ministry in their action taken note stated that CCEA in its meeting held on 31.8.2006 approved setting up of NIFTEM at an estimated cost of Rs. 244.60 crore including foreign exchange component of US \$ 8.1 million.

With a view to obtain deemed to be University status from UGC, the legal status of NIFTEM as a company registered under Section 25 of the Companies Act 1956 had to be changed to the Society. Accordingly, the Union Cabinet in its meeting held on 23.4.2010 approved registering NIFTEM as an autonomous organization under the Indian Societies Act, 1860. Subsequently, Ministry of Food Processing Industries registered NIFTEM as a Society under Societies Registration Act, 1860 on 19.5.2010. Further, follow up action to transfer all assets and liabilities of NIFTEM as a Section 25 Company to the newly incorporated Society and winding up of the Company is being simultaneously taken as per provisions of Companies Act.

CCEA in its meeting held on 28.4.2011 approved Revised Cost Estimates of project from Rs.244.60 crore to Rs.479.94 crore. The construction of NIFTEM campus covering 12000 sqm. is at an advanced stage. Infrastructure to commence activities in the institute from current financial year and 1<sup>st</sup> academic session is ready (subject to UGC granting deemed to be University status under De Novo category).

NIFTEM has drawn up an operationalization plan to undertake several activities in the areas such as infrastructure development viz. residential complex, lab infrastructure, auditorium, library resources and neighbourhood facilities. Recruitment of the academic and non academic staff is at an advanced stage. The present status of various activities is indicated in **Annexure-I**.

To meet the compliance of the directions of UGC, the Institute is taking all possible steps for obtaining approval for Deemed to be University status under De Novo category from Ministry of HRD. The academic session can only commence after approval of the Ministry of HRD is received. The infrastructure has been made ready to run first two years of the B.Tech (Food Technology & Management) course for the present. The Expert Committee appointed by UGC is expected to visit the

Institute shortly to make an on-the-spot assessment of all the facilities created in the Institute.

**1.25 The Committee are constrained to note that the reply of the Government is silent with regard to their recommendation that an in-depth review of the revision of cost estimates of NIFTEM as approved by CCEA from Rs. 244.60 crore though they have been informed that CCEA approved the revised cost estimates at Rs. 479.94 crore on 28 April, 2011. They further observed that the reply of the Government gives details of present status of various activities viz infrastructure, recruitment process etc. leading to operationalisation of NIFTEM. They, however, observe that their doubts about commencement of the first Academic Session in the current academic session is still hanging fire as the same is subject to approval of Ministry of Human Resource Development with regard to Deemed to be University Status under De Novo category have come true. They cannot but conclude that improper planning and lack of vision on the part of the Ministry has resulted in wasting of the entire Eleventh Plan period in the operationalisation of NIFTEM which was touted to be an Institute of Global excellence in education and research in the areas of food technology which could have contributed to some extent in reduction of huge post harvest crop losses being incurred by the country. In the backdrop of the present scenario in this regard, they would at the cost of being repetitive urge the Ministry to put their house in order and get all requisite**



**approvals and strive to make NIFTEM fully functional before the Twelfth Plan commences in April, 2012. They would like to be apprised of the status of NIFTEM at the earliest.**

**UTILISATION CERTIFICATES**  
**(Recommendation Para No.3.36)**

1.26 The Committee were constrained to find that while 2117 numbers of Utilisation Certificates amounting Rs. 330.65 crore were pending in respect of grants-in-aid paid up to 31 March, 2008 and due as on 31 March, 2009 the number had swelled to 2389 for an amount Rs. 385.70 crore for grant-in-aid paid up to 31 March, 2009 and due as on 31 March, 2010. What perturbed more is the Ministry's own admission that many pending UCs were very old. The situation further aggravated by current pendency, mostly with respect to last installments as the grant recipients were not submitting UCs in time. It was apparent that contrary to the claims of the Ministry that they were vigorously and continuously pursuing the matter with a view to expedite all pending utilization certificates things were not showing any improvement. The Ministry's practice of stopping release of further installments also was not a sufficient deterrent. In fact the Ministry had sought the advice of the Ministry of Finance on this vexed issue of pendency was still awaited inspite of their follow ups. The Committee in their previous Reports on Demands for Grants for the years 2009-10 and 2010-11 had exhorted that Ministry to pursue the liquidation of pending UCs with all seriousness so that such huge backlog is cleared at the earliest. But nothing tangible has happened. Being of the firm opinion that fiscal discipline is essential for implementation of Schemes as well as for accounting of precious public funds, they had desired the Ministry to take up the matter more forcefully with all concerned including the Ministry of Finance and to find out a lasting solution to this chronic problem.

1.27 In their Action Taken Note the present trend of outstanding UCs year wise based on the latest information supplied by the Pay and Account Office has been furnished in the following table by the Government:

(Rs in crore)

Date	No. of UCs	Amount of Pending UCs	Unspent Balance	Total Amount of pending UCs Including Unspent Balance
1.4.2009	2117	321.88	8.77	330.65
1.4.2010	2544	402.76	8.15	410.91
1.4.2011	2829	454.29	1.47	455.76
31.10.2011	2706	432.28	1.47	433.75

Ministry have taken an initiative by writing to all the State Nodal Agencies (SNAs) and to Principal Secretaries of the State Governments seeking their assistance to ensure timely submission of UCs. There have been positive responses in this regard and SNAs are sending UCs and also enclosing copies of the UCs sent in the past to the concerned divisions. This resulted in 123 UCs getting liquidated and amount has reduced by Rs.22.01 crore. A policy decision has been taken in consultation with Ministry of Finance in respect of Schemes where grants are released on reimbursement basis and will not invite provision of submission of UCs in terms of GFR rules. This will help to bring down the number of outstanding UCs in the future.

**1.28 The Committee, take note of the various steps taken by Ministry to reduce the pending UCs. They also take note of the policy**

decision taken by them in consultation with the Ministry of Finance. Though the immediate gains of these measures are not yet visible in the performance of the Ministry in liquidation of the pending UCs, the Committee are hopeful that as long term measures these may prove to be of help.

Coming to the policy decision taken in consultation with the Ministry of Finance, the Committee would at the outset like to be apprised of the exact contours and also the implications of the said policy decision. They would also like to be further apprised about the time schedule laid down for implementation of the said decision and the number of UCs alongwith their total worth which may stand liquidated under the said policy when implemented.

**CHAPTER-II****RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT****RECOMMNDATION SERIAL NO. 1.9**

The Committee are greatly perturbed with the manner in which Statements under Direction 73A of Directions by the Speaker, Lok Sabha are being made in the context of the status of implementation of Recommendations contained in their Reports. Previously also, they had taken up this matter in their Fifth Report when they had found that the Statement under Direction 73A in the context of the Fortieth Report (Fourteenth Lok Sabha) was not only made after more than fifteen months from the presentation of that Report to the Parliament but also contained incomplete information. In spite of their well meaning advice, it seems, the situation has not improved. The Statements in the context of the Fifth and Ninth Report have been inordinately delayed and made after more than a year and 10 months respectively. Both the Statements were deficient on several counts requiring them to be updated and made again. Furthermore, though they were to be made in the ongoing Session of Parliament, the needful is yet to be done. The Committee strongly deprecate this casual attitude towards a Direction by Speaker, Lok Sabha and recommend that Statements under Direction 73A in the context of the Fifth and Ninth Report duly updated and completed in all respects, be made in the ongoing Session of Parliament.

**REPLY OF THE GOVERNMENT:**

The Ministry has laid both the reports in the Parliament in comprehensive and updated manner i.e. on dated 06.09.2011 in Lok Sabha and on dated 05.09.2011 in Rajya Sabha. Ministry has noted the

observation for strict compliance in making of statements under the direction 73 A.

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**(Letter No. 6-8/2011.Parl dated 25<sup>th</sup> November, 2011)**

### **RECOMMNDATION SERIAL NO. 2.16**

The Committee are really aghast at the way the financial requirements of the Ministry of Food Processing Industries have been attended to by the Planners and the Governments throughout the Eleventh Plan. As has been amply brought out in the Fifth and Ninth Reports of the Committee pertaining to the Demands for Grants of the Ministry for 2009-10 and 2010-11 respectively, the Ministry was starved of the funds in the initial two years of the Plan due to delays in approvals/clearances of the Schemes, most of whom were new initiatives. In the next two years also, when the momentum was picking up, the schemes of the Ministry though already reduced in the scale by the CCEA were again not provided the requisite funds, thereby hampering their implementation at the proper pace. For the ongoing Fiscal, at least, the Committee expected the planners and the policy makers to do justice with the financial requirements of the Ministry. The Committee are, however, hugely disappointed to note that against a sum of Rs. 1490.86 crore sought by the Ministry, they have been allotted a paltry Rs. 600 crore for what is the terminal year of the Eleventh Plan. It would be noteworthy to mention here that the Ministry was allocated a sum of Rs. 4031 crore for the Eleventh Plan by the Planning Commission against their earlier projections in respect of 30 Mega Food Parks, 30 Cold Chain projects and 30 Modernised Abbatoirs. The approvals were belatedly given for only 10 each of them. The fund allocation, therefore, got pruned in the initial years due to delays in approvals as also scaling down of targets. The targets

have, however, been enhanced in the penultimate year of the Plan presumably after the Government and Planners were satisfied with the progress of the ongoing projects. Under such circumstances the Ministry were not only fully justified in asking for enhanced allocation, they ought to have been rightfully provided the same. How can the Planners and the Government expect the Ministry to perform if they are not provided sufficient where-withal for the purpose. Clearly their attitude towards this fundamental requirement of the Ministry defies logic. In plain statistical terms, the Ministry have got about Rs1130 crore during first four years of the Eleventh Plan. This is one fourth or so of the Rs.4031 crore allocated to them for the Eleventh Plan. Even with the Rs. 600 crore BE for 2011-12 the Ministry will not even reach halfway mark of their total allocation (Rs.1730 crore). The Committee, therefore, recommend that though it may not be worth much to the food processing industries sector at large, the Government should, at least in the interest of the projects in pipeline enhance the allocation of the Ministry substantially at the RE stage, this year.

#### **REPLY OF THE GOVERNMENT:**

Ministry has not proposed for any additional allocation at RE stage as the existing BE provisions are adequate. For clearing backlog of Scheme for Technology Upgradation/ Establishment/ modernization of Food Processing Industries, Ministry has proposed to seek required fund in 1<sup>st</sup> two years of 12<sup>th</sup> Plan. Rs. 50.00 Crores has been proposed as re-appropriation from internal savings in the Ministry during this year.

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**(Letter No. 6-8/2011.Parl dated 25<sup>th</sup> November, 2011)**

#### **COMMENTS OF THE COMMITTEE**

For comments of the Committee please refer to Para No. 1.7 of Chapter I of this Report

**RECOMMNDATION SERIAL NO. 2.17****Plan Allocation**

As has been stated previously in this Report, as also in several other Reports of the Committee, the food processing industries sector has never been a priority area for the Planners and Government alike for decades together though a separate Ministry is in place for over two decades now. As a part of skewed priorities, both these entities have very smugly focused on increasing the production of foodgrains, cereals, oilseeds, dairy products, animal husbandry and fisheries produce over the last so many years but nobody has cared to ensure that post harvest and storage losses are minimized. Resultantly, while the farming community has kept on contributing their might selflessly towards making the nation self reliant and secure in food, the fruits of their toil are still being wasted in humungous quantities all over the Country for want of adequate processing measures and technologies.

**REPLY OF THE GOVERNMENT:**

Minimization of Wastage and increasing the level of processing are dependent on adequate infrastructure facilities and effective supply chain management. Based on the learning experience of 11<sup>th</sup> Plan Schemes, the efforts are being made to re-orient the present scheme in the 12<sup>th</sup> Plan initiatives so as to cater to the needs of the time.

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**(Letter No. 6-8/2011.Parl dated 25<sup>th</sup> November, 2011)**

**RECOMMNDATION SERIAL NO. 2.18**

It is very sad that inspite of the Committee pointing out to the Planners and the Government time and again about the need to fund this would be Sunshine Sector of Indian economy adequately, in several of their Reports, neither of the two have been spurred into requisite action. One can only imagine the staggering savings that could have been effected by more focus on the food processing industry sector particularly when the post harvest losses, as per conservative estimates are a mammoth Rs. 50000 crore per annum in fruits and vegetables sector alone. The Committee can, therefore, at best say that though the Planners and the Government have uptil now not appreciated the exact import of their Recommendations about the massive investment needed in the food processing industry sector, all is not lost. They earnestly hope the Planners and the Government could make amends by infusing this funds starved sector with optimum amount of funds at least in the Twelfth Plan so as to plug the massive losses occurring year after year, for decades together, to the agriculture and allied sector produce because of the lack of food processing and storage infrastructure.

**REPLY OF THE GOVERNMENT:**

The observation/ recommendations of the committee has been communicated to Ministry of Finance and Planning Commission to take a view on the enhancement of funds in the 12<sup>th</sup> Five Year Plan for the Food Processing Industry.

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**(Letter No. 6-8/2011.Parl dated 25<sup>th</sup> November, 2011)**

**COMMENTS OF THE COMMITTEE**

For comments of the Committee please refer to Para No. 1.10 of Chapter I of this Report



**RECOMMNDATION SERIAL NO. 2.19****Preparation for the Twelfth Plan**

The delayed finalization and approval of Eleventh Plan, as is evident from the implementation proper of Schemes by the Ministries/Departments under the jurisdiction of the Committee has led to staggering of timelines and resultant inflation in costs of almost the entire developmental process during these five years. This according to the Committee is not a happy situation. It goes without saying that proper and timely planning are *sine qua non* of any activity, the planning process of a developing economy not excluded. The Committee have been, therefore, critical of the way the Eleventh Plan was dealt with by the Planners and Policy makers in all their Reports on the Demands for Grants of last two Fiscals pertaining to the Ministries/Departments under their jurisdiction. While ascertaining the preparedness of the Planners and the Government for the Twelfth Plan the Committee were informed by the representative of the Planning Commission that the Commission wished to encourage the Ministry to do stock taking of all on going programmes at Mid-Term Appraisal Stage so that they get two years for course correction. The Committee find the advice of the Planning Commission totally uncalled for in view of the fact that the Mid-Term-Appraisal of the Eleventh Plan inspite of Committee's Recommendations in their previous Reports for being expedited, was actually completed somewhere in the second half of the Fourth year of the Plan. What would the Ministries/Departments be able to do in the last year of the Plan as Course Correction vis-à-vis the Schemes being implemented, is anybody's guess.

**REPLY OF THE GOVERNMENT:**

The observations of the Committee have been forwarded to the Planning Commission for suitable action.

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**(Letter No. 6-8/2011.Parl dated 25<sup>th</sup> November, 2011)**

**RECOMMNDATION SERIAL NO. 2.20**

The Committee, however, hope that a similar fate does not befall the Twelfth Plan. They, therefore, recommend that all the formalities and preparatory work pertaining to the Twelfth Five Year Plan should be completed on a war footing basis. The Plan should be communicated to all line Ministries/Departments at the latest by 31 December, 2011. The Ministries/Departments should also be directed to complete all formalities and incidental procedures in the last quarter of the ongoing Fiscal so that the implementation of the Schemes included in the Twelfth Plan commences from the very first day of the Plan viz. 1 April, 2012.

**REPLY OF THE GOVERNMENT:**

The Planning Commission has constituted the Working Group on Food Processing Industries under the Chairmanship of Secretary, FPI. The Report has been finalized by the Working Group on Food Processing Sector and the same has been sent to Planning Commission on 11.11.2011 for consideration.

Ministry has undertaken evaluation of its plan schemes and based on in depth review, the proposals for 12<sup>th</sup> Plan have been incorporated in the Working Group Report.

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**(Letter No. 6-8/2011.Parl dated 25<sup>th</sup> November, 2011)**

### **COMMENTS OF THE COMMITTEE**

For comments of the Committee please refer to Para No. 1.13 of Chapter I of this Report

### **RECOMMNDATION SERIAL NO. 2.21**

The Committee observe that the Ministry of Food Processing Industries only implements Central Sector Schemes and unfortunately Centrally Sponsored Schemes, which have their reach to common man, are not implemented by the Ministry. They further observe from the statement of the Minister of Food Processing Industries before full Planning Commission Meeting, that the Ministry will be preparing National Food Processing Mission as a Centrally Sponsored Scheme for the Twelfth Plan period. The Committee desire that this should be done in a comprehensive and holistic manner so that the benefits of the implementation of Schemes of the Ministry can reach the common man in an efficient and prompt manner. The Committee would like to be informed of the progress made by the Ministry in this direction at the earliest.

**REPLY OF THE GOVERNMENT:**

To ensure more decentralization in implementation of this Ministry's schemes as well as to enhance the schemes outreach to the different stakeholders including States/ UTs, Ministry has proposed a new Centrally Sponsored Scheme (National Mission of Food Processing) during the 12<sup>th</sup> Plan, which is a major shift in the Ministry's approach from that of Central sector scheme in 11<sup>th</sup> Plan. Accordingly, the new centrally sponsored scheme of National Mission of Food Processing (NMFP) has been proposed by the Working Group on Food Processing Industries constituted by Planning Commission. Draft Note of NMFP has already been circulated to all the states / UTs and two rounds of video conferencing had been done in the months of Aug. & Oct. 2011 in this regard. Further, the States / UTs have also been requested to undertake preparatory activities / advance action to put required infrastructure and systems in place so that the NMFP scheme could be implemented immediately after obtaining necessary approvals for NMFP during the 12<sup>th</sup> Plan. A SFC Note for transfer of funds for preparatory activities in the current financial year to the States / UT Governments has also been circulated to the related Ministries / Departments for seeking their comments on the proposal. Separately proposals have also been sent to Ministry of Finance and Planning Commission for approval of this new scheme.

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**(Letter No. 6-8/2011.Parl dated 25<sup>th</sup> November, 2011)**

**RECOMMNDATION SERIAL NO. 3.28**

The Committee note that Scheme for Infrastructure Development is the main Scheme of the Ministry which aims to provide infrastructure and common facilities, which enhance value addition, for use by small and

medium enterprises. The Scheme has three components viz. (a) Mega Food Parks (b) Cold Chain, Value Addition and Preservation Infrastructure and (c) Establishment of new/modernisation of existing Abattoirs.

### **RECOMMNDATION SERIAL NO. 3.29**

In the first phase only 10 Mega Food Parks and Cold Chains respectively were approved out of 30 envisaged for the Eleventh Plan. The Committee note underutilisation of funds under this Scheme during the first four years of the Eleventh Plan. Against the BE figures of Rs.90 crore, Rs.90 crore, Rs.135 crore and Rs.137.50 crore respectively for the four Fiscals of the Eleventh Plan, the RE figures have been Rs. 15 crore, Rs. 42.20 crore, Rs. 73.81 crore and Rs. 120.89 crore only. The Actuals in these years have been Rs. 14.79 crore, Rs. 48.28 crore, Rs. 72.94 crore and Rs. 86.67 crore (upto 31 January, 2011), respectively. The underspending is mainly attributable to the inordinate delays in approval of the Scheme. Glitches in implementation of the Scheme have also resulted in under utilization as also staggering of timelines of the three components of the Scheme. As can be seen from the financial performance of the Scheme, the implementation has improved and the scheme has gained momentum from the fourth year onwards of the Eleventh Plan. The Committee also find that the Government have accorded approval for five more Mega Food Parks and upscaled the Cold Chain, Value Addition and Preservation Infrastructure Component to the extent of balance, approved Eleventh Plan allocation. With these additional items of expenditure the Committee are sure the Ministry will be able to utilize the Rs. 300 crore allocated as BE to them for the ongoing Fiscal. Since this Scheme is likely to continue in the Twelfth Plan as well, the Committee recommend that allocation for this Scheme be suitably enhanced by the Government so that substantial ground work for Twelfth Plan is done before hand.

**REPLY OF THE GOVERNMENT (Recommendations No. 3.28 & 3.29)**

The Working Group on Food Processing has highlighted the importance of plan scheme of Infrastructural Development for Mega Food Park, Cold Chain and Abattoir. Cold Chain logistics sector and it has recommended that the existing cold chain scheme should be continued during 12<sup>th</sup> Plan period with higher allocation. Working Group has also recommended that for ensuring proper storage, enhancement in shelf-life and value addition of non-horticultural produce, village level cold chain infrastructure should be promoted.

Keeping in view the critical need of infrastructure for development of Food Processing sector, the infrastructure development scheme for Mega Food Park has been proposed to be continued in the 12<sup>th</sup> Plan with proposal for expansion of the scheme during 12<sup>th</sup> Plan. The Working Group has submitted its recommendation which includes enhancement of plan allocation to meet the requirement of creating infrastructure throughout the nation.

For the 12<sup>th</sup> Plan Period, it is proposed to take up 120 new projects including 20 of them for irradiation projects with an outlay of Rs. 1200 crore. Apart from these, a fund of Rs. 425 crore will also be required towards implementation of projects approved & proposed during 11<sup>th</sup> plan. A provision of Rs. 50 crore towards implementation expenses at around 3% of total outlay of Rs. 1625 crore is also envisaged. Thus, during the 12<sup>th</sup> plan period, the Ministry proposes to approve 120 projects and outlay of Rs. 1675 crore is envisaged.

Approval Committee for the Scheme of Abattoir had approved 10 projects to be taken up during 2008-09 at a cost of Rs.129.00 Crores (Actual amount after DPR correction amounts to Rs.125.69 Crores). The expenditure incurred upto year 2010-11 under this scheme is Rs. 35.55

Crores. 2 abattoirs projects have been completed till date. A proposal for up-scaling the Scheme for Setting up of new Abattoirs and Modernization of existing abattoir is being proposed for EFC approval for Rs. 291.28 crores as per EFC Note dated 13-10-2011. Out of this allocation of Rs. 291.28 Crores, it is expected to fund approximately 25 new abattoirs and modernize 25 existing Abattoirs at a cost of Rs. 252.62 crores as well as complete the remaining eight running projects at a cost of Rs. 38.66 crores. Each of these projects is likely to be completed in 18 months. However, small projects for modernization are likely to be completed in 12 months. As far as the location of the projects is concerned it is submitted that:-

- a.) The details of location of the project is submitted by State Govt. Agencies at the time of submission of DPR itself. The projections, estimated expenditure details are made by the State Government on the basis of the location of land for which the DPR is sent by the project promoter / State Government. Thus, MoFPI approves the project on the basis of DPR submitted by project promoter/ State Government Agency in which the location of the project is already indicated by the State Government / project Promoter.
- b.) The agitations by the local people are made only after the DPR is approved by the MoFPI. Hence, MoFPI is having no control of project site as these are recommended and chosen by the State Government itself before approval of project by the MoFPI.

There are 3600 recognised slaughter houses in the country. As on date 10 abattoirs have been approved. Moreover, the MoFPI has further received 41 proposals for setting up and modernization of abattoirs. As the funds allocated for this scheme are limited, the Ministry of Urban Development has been approached for assisting this scheme under the JNNURM. The Department of Animal Husbandry, Dairying and Fisheries has also suggested inclusion of setting / modernization of existing abattoir

under JNNURM. The MoFPI has also approached the Planning Commission, Department of Expenditure, Ministry of Finance for infusion of large funds for construction of new abattoirs/ modernization of existing abattoirs to be funded from JNNURM. This will enable State Governments to take up large number of abattoirs for modernization resulting in better urban environment and availability of more hygienic meat to the consumer. The National Meat & Poultry Processing Board (NMPPB), a registered society under the Societies Registration Act 1860 working under the aegis of Ministry of Food Processing Industries organizes Mayors Conference to educate the Mayors, Municipal Commissioners and Veterinary officers regarding the various aspects of hygienic and modern abattoirs. Two such conferences have already taken place. In addition, NMPPB also conducts outreach programmes in various parts of the country to train meat sector workers regarding various aspects of hygienic slaughtering and handling of meat. Moreover NMPPB has also conducted industry meets in meat concentrated districts to educate the industry. The proposal for upscaling of the scheme at a cost of Rs. 252.62 crores for setting up 25 new projects and modernisation of 25 existing projects is being processed for approval by the EFC/approval by CCEA which will be implemented by the Central sector in the first two years of the 12<sup>th</sup> Five Year Plan. Development and modernisation of abattoirs would be a part of National Mission for Food Processing in the 12<sup>th</sup> Five Year Plan. Expenditure would be only from the third year. This is because the states would take some time to develop their facilities. The scheme would be implemented by State Governments since most of the proposals are from the Municipal Bodies who are closely connected to the State Governments. It is proposed to establish 90 new abattoirs and modernize 150 existing abattoirs at a cost of Rs.795.00 Crores during 12th Plan under NMFP.

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**(Letter No. 6-8/2011.Parl dated 25<sup>th</sup> November, 2011)**



**COMMENTS OF THE COMMITTEE**

For comments of the Committee please refer to Para No. 1.16 of Chapter I of this Report

**RECOMMNDATION SERIAL NO. 3.30****Scheme for Technology Upgradation, Establishment and Modernisation of Food Processing Industries**

This scheme is meant for the existing Units in the food processing industry sector. The scheme provides financial assistance with a view to increase the level of processing, reduction of wastage, value addition, enhancement of income of farmers as well as increase exports. The Scheme has been provided BE of Rs. 72 crore, Rs. 90 crore, Rs. 90 crore and Rs. 81 crore during the four completed years of the Eleventh Plan. These amounts were modified to Rs. 113.50 crore, Rs. 91.50 crore, Rs. 82.52 crore and Rs. 106.01 crore respectively at the RE stage. The RE allocations were more than fully utilized in the first three Fiscals and as per the indications be spent fully in the year 2010-11. Apart from the reasonably good financial performance of the Scheme its benefit to the existing units in the food processing industry sector are innumerable. Unfortunately, however, the Government's attitude towards this Scheme can at best be termed apathetic. With such pittance as a budget, year after year, the number of pending applications for assistance have burgeoned to 2500 plus. And the Ministry, have virtually been compelled to resort to rationing of the Scheme, which is not a healthy state-of affairs. The Committee, therefore, strongly recommend that the Ministry should immediately work out their funds requirements for this Scheme for the ongoing Fiscal with a view to liquidate as many eligible applications as

possible and present it to the Ministry of Finance. The Committee further recommend that additional requirements of funds for this scheme should be released by the Ministry of Finance on top priority basis.

#### **REPLY OF THE GOVERNMENT:**

In the 11<sup>th</sup> Five Year Plan a total allocation of Rs. 600 crores was made by Planning Commission for the Scheme. Out of total allocation, an amount of Rs 488.51 crore has been allocated to the scheme so far including Rs.98 crore BE of 2011-12. Ministry has utilized almost the entire budget allocated under this scheme (except NER) and has assisted 2532 Food Processing Industries (till 31.10.2011).

As on today over 2700 cases are pending for grants of assistance. The shortage of funds has resulted in this large pendency of applications. Ministry has proposed for an additional allocation of Rs. 50.00 crore for this scheme during the current year at RE stage.

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**(Letter No. 6-8/2011.Parl dated 25<sup>th</sup> November, 2011)**

#### **COMMENTS OF THE COMMITTEE**

For comments of the Committee please refer to Para No. 1.19 of Chapter I of this Report

**RECOMMNDATION SERIAL NO. 3.32****Scheme for Quality Assurance, Codex Standard and Research and Development and Other Promotional Activities.**

The Committee observe that the above Scheme has been launched by the Ministry with a view to motivate food processing industries to adopt food safety and quality assurance mechanisms so as to prepare themselves for global competition. They further observe that the BE for the Scheme required upward revision at RE stage during the first three years of the Plan viz. 2007-08, 2008-09 and 2009-10. In all these years the BE was pegged at Rs. 18 crore and was hiked at RE stage to Rs. 19.30 crore Rs. 19 crore and Rs. 32.08 crore respectively. In the next year the trend got reversed. The BE amounts of Rs. 38 crore was reduced at RE stage to Rs. 31.40 crore. Inexplicably, however, the actuals during the first three years have been less than the RE allocations at Rs. 15.12 crore, Rs. 17.37 crore and Rs. 29.07 crore respectively in 2007-08, 2008-09 and 2009-10. During the Fourth year of the Plan the Scheme has gained momentum and the Ministry have been able to spend Rs. 31.22 crore i.e. about 98% of the RE, which is a good sign. The low expenditure in this Scheme is mainly due to the fact that assistance and the Scheme is released on request basis. The Committee are, however, happy to note that the Ministry have now issued special calls seeking proposals under the food testing laboratories and R&D. The Committee recommend that apart from this welcome initiative, the Ministry should also launch a suitable publicity campaign to popularize this Scheme. This will not only facilitate the limited purpose of full utilization of the allocation of Rs. 45 crore this year but also enable the local food processing sector to adhere to the stringent quality in hygiene norms with a view to enhance the acceptance of local produce overseas.

**REPLY OF THE GOVERNMENT:**

The Ministry in its 11<sup>th</sup> Plan document had proposed an overall budget outlay of Rs. 250 crores for the scheme of setting up of Food Testing Labs/HACCP/R&D/Promotional Activities etc. The overall objectives of the scheme is to motivate the various stakeholders in the food processing sector to adopt food safety and quality assurance mechanism.

To achieve the targets of the 11<sup>th</sup> Plan, the Ministry is continuously publicizing the scheme through print media with special focus on North Eastern Region. Ministry has released advertisement on the salient features of the components of the scheme during March, 2011 to generate awareness about the schemes and also inviting proposals, to enable the local food processing sector to adhere to the quality and safety standards / norms laid down by the food regulatory authorities. Ministry has also released advertisements through print media in Oct., 2011 again to give wide publicity to the scheme on a pan India basis with special focus on North Eastern Region.

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**(Letter No. 6-8/2011.Parl dated 25<sup>th</sup> November, 2011)**

**RECOMMNDATION SERIAL NO. 3.35****Growth Rate in Food Processing Industry Sector**

The apparent lack of a suitable information system to monitor and collate data pertaining to the food processing industry sector has been engaging the attention of the Committee for quite a long time now. They have recommended for creation of a reliable information system for the purpose within the Ministry instead of the present practice of using the inputs of stakeholders. Precisely for these reasons, the Committee have also put to question the reliability of the data regarding post harvest crop losses, growth rate of the sector as well as the Vision 2015 Document, etc. After persistent follow-up, the Ministry now seem to have realised the importance of having a in-house information system. The Ministry are contemplating taking up the matter with National Manufacturing Competitiveness Council or outsourcing for computation of growth rate in the food processing industry sector. They are also in the process of engaging a professional agency which will also help in establishing a mechanism for compilation of growth rate in the sector. Furthermore, the Committee note, that the Ministry have engaged a professional agency to develop web based financial and physical progress monitoring system. The Food Processing Information System, so developed, will compile State-wise and Sector-wise data on various aspects of the Sector for the Plan Schemes of the Ministry. The Committee while welcoming this belated initiative, exhort the Ministry to take all these initiatives to their logical conclusion at the soonest so that the information system is operationalised without any further loss of time and in any case before the Twelfth Plan commences in April, 2012.

**REPLY OF THE GOVERNMENT:**

The lack of a comprehensive and reliable data base on Food Processing Industry sector is a constraint in policy formulation and decision making. A professional agency has been engaged to assist the Economic Adviser (newly created post) in creating and updating the data base. Efforts have been made to collect authentic data that has been generated by Ministry of Statistics & Programme Implementation for both organized and unorganized units. A reliable data base is being created and consultations are on with all stake-holder departments to firm up the data base. The data available with this Ministry is as follows:

**(Rs. in Crore)**

<b>Contribution to GDP of Food Processing (Regd. &amp; Unregd.)</b>							
<b>Activity</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>Average</b>
<b>Manufacturing (Registered &amp; Unregistered) under Food Processing Sector</b>							
Meat, Fish, Fruits, Vegetables and Oils	9236	8682	9548	10349	12043	12224	<b>10347</b>
Dairy Products	3509	4342	4319	4608	5419	4762	<b>4493</b>
Grain Mill Products	13467	12347	11903	12846	15947	17741	<b>14042</b>
Other Food Products	14722	17794	20895	22522	25775	23664	<b>20895</b>
Beverages	3421	4525	5499	6995	7938	7687	<b>6011</b>
(X) Total	44355	47690	52164	57320	67122	66078	<b>55788</b>
<b>(A) Growth in contribution to GDP (FP Industries) (YoY)</b>	-	7.52	9.38	9.88	17.1	-1.56	

(Y) Agriculture	GDP	47663 4	50299 6	52374 5	55695 6	55345 4	55301 0	<b>527799</b>
<b>(B) Growth in contribution to GDP (Agriculture) (YoY)</b>		-	5.53	4.13	6.34	-0.63	-0.08	
Fishing		27152	28749	30650	32427	33561	35215	<b>31292</b>
(Z) (Agriculture+Fishing)	GDP	50378 6	53174 5	55439 5	58938 3	58701 5	58822 5	<b>559092</b>
<b>(C) Growth in contribution to GDP (Agriculture+Fishing) (YoY)</b>		-	5.55	4.26	6.31	-0.40	0.21	
X/Z		0.088	0.090	0.094	0.097	0.114	0.112	

Source: NAS 2011

As seen in the table above, the food processing sector has been growing faster than the agriculture sector. This is a positive development.

2. **Performance Indicators of Registered Units:** As far as the registered Food Processing Industry sector is concerned, the latest data available is for 2007-08, the source being Annual Survey of Industries. Important indicators are given below:

#### Data of registered Food Processing Industries

Indicators	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
<b>No. of units</b>	2385 3	2394 2	2398 8	2348 5	2381 6	2384 0	2536 2	2572 5	2575 9	2621 9
<b>Employment (Nos)</b>	1346 826	1347 418	1332 588	1306 677	1308 335	1297 073	1342 925	1391 616	1476 351	1505 246

<b>Capital invested (Fixed Capital) (Rs. in Cr.)</b>	26756	31642	31887	33907	37627	37412	41388	45357	57460	68335
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Source: Annual Survey of Industries, MoSPI

3. **Data on Un-organized Units:** As far as un-organized Food Processing Industry sector is concerned, the latest available data is for 2005-06:

i.	No of enterprises	:	26,02,807
ii.	No. of workers employed	:	63,45,768
iii.	Fixed capital (owned + hired) Rs.per unit	:	1,00,834
iv.	Value added Rs. per enterprise	:	59,189

Source: NSSO 62<sup>nd</sup> round data

4. **Wastage of Agriculture produce:**

- A nation-wise study on quantitative assessment of harvest and post harvest losses for 46 agricultural produces in 106 randomly selected districts was carried out by CIPHET.  
Percentage of losses estimated for major produces.

<b>Crop</b>	<b>Cumulative wastage (%)</b>
<b>Cereals</b>	3.9 – 6.0%
<b>Pulses</b>	4.3-6.1%
<b>Oil seeds</b>	6.0%
<b>Fruits &amp; Vegetables</b>	5.8-18.0%
<b>Milk</b>	0.8%
<b>Fisheries</b>	2.9%
<b>Meat</b>	2.3%
<b>Poultry</b>	3.7%

Source : A study by CIPHET, 2010



## 5. Data on FDI in Food Processing Sector :

(From April 2000 to August 2011)

S.No.	Sector	Amount of FDI Inflows		% age with total FDI Inflows (+)
		(In Rs crore)	(In US\$ million)	
1	FOOD PROCESSING INDUSTRIES	5872.16	1,286.53	0.89
2	FERMENTATION INDUSTRIES	4269.92	979.74	0.65
3	VEGETABLE OILS AND VANASPATI	1103.22	238.72	0.17
4	TEA AND COFFEE	446.61	99.38	
	<b>Total Food Processing Sector</b>	<b>11691.91</b>	<b>2604.37</b>	<b>1.78</b>
	<b>TOTAL</b>	<b>658586.43</b>	<b>147088.13</b>	<b>100</b>

Source: Department of Industrial Policy and Promotion

Note: Data includes some investment for rubber, which is not a food processing industry.

## 6. Value of Exports of food processing related commodities is given below:

Year	Rs. in Crore	Year	Rs. in Crore
1997-98	15876	2004-05	26802
1998-99	18699	2005-06	29211
1999-00	16559	2006-07	34204
2000-01	19313	2007-08	43783
2001-02	19257	2008-09	49352

<b>2002-03</b>	23685	<b>2009-10</b>	50759
<b>2003-04</b>	23766	<b>2010-11</b>	63733

Source : DGCI&S

The information system is already in place and will be continually updated as and when data is available from Government Agencies which are responsible for collecting primary data. Consultation with Ministry of Statistics and Programme Implementation, DGCI&S, Department of Agriculture and Co-operation, DARE, Planning Commission etc. are on-going to consider various options to add to the data base. Consultations are also being undertaken to analyze the data trends and understand how these can help in policy formulation.

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**(Letter No. 6-8/2011.Parl dated 25<sup>th</sup> November, 2011)**

### **RECOMMNDATION SERIAL NO. 3.36**

#### **Utilisation Certificates**

**3.36** The Committee are constrained to find that while 2117 numbers of Utilisation Certificates amounting Rs. 330.65 crore were pending in respect of grants-in-aid paid up to 31 March, 2008 and due as on 31 March, 2009 the number has swelled to 2389 for an amount Rs. 385.70 crore in respect of grant-in-aid paid up to 31 March, 2009 and due as on 31 March, 2010. What is more perturbing as per the Ministry's own admission is that many pending UCs are very old. The situation has been further aggravated by current pendency mostly with respect to last installments as the grant recipients are not submitting UCs in time. It is apparent that contrary to the claims of the Ministry that they are vigorously and continuously pursuing the matter with a view to expedite all pending utilization certificates things are not showing any improvement. The Ministry's practice of stopping release of further installments also is not a

sufficient deterrent. In fact the Ministry had sought the advice of the Ministry of Finance on this vexed issue of pendency but that advice of Ministry of Finance (Department of Expenditure) is still awaited inspite of their following up. The Committee in their previous Reports on Demands for Grants for the years 2009-10 and 2010-11 exhorted that Ministry to pursue the liquidation of pending UCs with all seriousness so that such huge backlog is cleared at the earliest. But nothing tangible has happened. They are of the firm opinion that Fiscal discipline is essential for implementation of Schemes as well as for accounting of precious public funds. They, therefore, desire the Ministry to take up the matter more forcefully with all concerned including the Ministry of Finance with a view to find out a lasting solution to this cronic problem. They desire to be apprised of the steps taken/progress made in this regard.

#### **REPLY OF THE GOVERNMENT:**

Trend of outstanding UCs year wise based on the latest information supplied by the PAO is as follows:

**(Rs in  
crore)**

<b>Date</b>	<b>No. of UCs</b>	<b>Amount of Pending UCs</b>	<b>Unspent Balance</b>	<b>Total Amount of pending UCs Including Unspent Balance</b>
1.4.2009	2117	321.88	8.77	330.65
1.4.2010	2544	402.76	8.15	410.91
1.4.2011	2829	454.29	1.47	455.76
31.10.2011	2706	432.28	1.47	433.75

- Ministry has taken an initiative by writing to all the State Nodal Agencies and to Principal Secretaries of the State Governments seeking their assistance to ensure timely submission of UCs. There have been positive responses in this regard and SNAs are sending UCs and also enclosing copies of the UCs sent in the past to the concerned divisions. All divisions undertook a drive to retrieve the pending UCs and as a result, there has been reduction in number of pending UCs in the last 5 months. Thus 123 UCs have been liquidated and amount has reduced by Rs.22.01 crore. A policy decision has been taken in consultation with Ministry of Finance in respect of Schemes where grants are released on reimbursement basis and will not invite provision of submission of UCs in terms of GFR rules. This will help to bring down the number of outstanding UCs in the future.
- Action will be initiated by the concerned officers of the Ministry to closely monitor pending UCs and not to allow any further payments to any grantee bodies who have not submitted UCs of previous releases.

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**(Letter No. 6-8/2011.Parl dated 25<sup>th</sup> November, 2011)**

### **COMMENTS OF THE COMMITTEE**

For comments of the Committee please refer to Para No. 1.28 of Chapter I of this Report

**CHAPTER-III**

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT REPLY.**

**-NIL-**

**CHAPTER-IV**

**RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH  
REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY  
THE COMMITTEE.**

**-NIL-**

**CHAPTER-V****RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH THE FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED.****RECOMMNDATION SERIAL NO. 3.31****Scheme for Upgradation of Quality of Street Food**

The Scheme for Upgradation of Quality of Street Food, in the opinion of the Committee is another instance of the Government's apathetic attitude forwards schemes of public welfare. Almost the entire Eleventh Five year Plan has gone by and this scheme is still looking askance for approvals. The lack of hygienic conditions, etc. are the main reasons behind sub-standard food being sold on streets almost on a pan India basis resulting in avoidable diseases in the consumers and avoidable unquantified expenditure on their healthcare. This scheme could have gone a long way in improving the quality of street food and thereby serving the cause of unsuspecting consumers, who belong to the poorer section of the society and for whom healthcare is still a pipedream. The assurance of the Ministry of Finance that the scaled down pilot project version can be considered subject to availability of funds sounds hollow at the fag end of the Eleventh Plan. More so, when the Committee had in

view of the inherent benefits of the Scheme asked the Ministry in their Fifth Report to operationalise the scheme well before the commencement of the Commonwealth Games held in October, 2010. Still, notwithstanding the step motherly treatment meted out to this Scheme by the Ministry of Finance, the Committee recommend release of additional funds for it at the RE stage so that the ambit of the Scheme is extended a bit beyond the scaled down version so that the Ministry is able to implement it with full speed during the Twelfth Plan with the benefit of experienced gained now.

#### **REPLY OF THE GOVERNMENT:**

The scheme has not been supported by Planning Commission and Ministry of Finance. In view of recommendation of the 12<sup>th</sup> Plan Working Group, the subject matter has been taken up with the Ministry of Housing and Urban Poverty Alleviation.

\*\*\*\*\*

**(Letter No. 6-8/2011.Parl dated 25<sup>th</sup> November, 2011)**

#### **COMMENTS OF THE COMMITTEE**

For comments of the Committee please refer to Para No. 1.22 of Chapter I of this Report



**RECOMMNDATION SERIAL NO. 3.33****National Institute of Food Technology, Entrepreneurship and Management (NIFTEM)**

The Committee are constrained to note the sordid state of affairs in the National Institute of Food Technology, Entrepreneurship and Management (NIFTEM). This Institute is being set up as an institute of global excellence in education and research in the areas of food technology at Kundli, Sonapat, Haryana. CCEA had approved setting up of the institute on 31 August, 2006 at an estimated cost of Rs. 244.60 crore. The estimated cost was revised to a staggering Rs. 604.75 crore compelling the Committee to recommend in depth review of the same by the Government. The cost of the project later on was further revised to Rs. 479.94 crore. Further probing of this vexed matter of fluctuating estimates revealed that it was the then Secretary's inputs after his overseas visits that lead to the upscaling of earlier estimates of Rs. 244.60 crore to a massive Rs. 604.75 crore. This was apparently done with a view to make the Institute a world class facility.

**REPLY OF THE GOVERNMENT:**

CCEA in its meeting held on 31.8.2006 approved setting up of NIFTEM at an estimated cost of Rs.244.60 crore including foreign exchange component of US \$ 8.1 million.

With a view to obtain deemed to be University status from UGC, the legal status of NIFTEM as a company registered under Section 25 of the Companies Act 1956 had to be changed to the Society. Accordingly, the Union Cabinet in its meeting held on 23.4.2010 approved registering NIFTEM as an autonomous organization under the Indian Societies Act, 1860. Subsequently, Ministry of Food Processing Industries registered NIFTEM as a Society under Societies Registration Act, 1860 on

19.5.2010. Further, follow up action to transfer all assets and liabilities of NIFTEM as a Section 25 Company to the newly incorporated Society and winding up of the Company is being simultaneously taken as per provisions of Companies Act.

CCEA in its meeting held on 28.4.2011 approved Revised Cost Estimates of project from Rs.244.60 crore to Rs.479.94 crore. The construction of NIFTEM campus covering 12000 sqm. is at an advanced stage. Infrastructure to commence activities in the institute from current financial year and 1<sup>st</sup> academic session is ready (subject to UGC granting deemed to be University status under De Novo category).

\*\*\*\*\*

**(Letter No. 6-8/2011.Parl dated 25<sup>th</sup> November, 2011)**

### **RECOMMNDATION SERIAL NO. 3.34**

On the execution part also the Committee find that the situation is far from satisfactory. During last five years only the institutional building has been completed. The status of the Institute as a Deemed University is a big question mark as on date. With the recruitment process also yet to be completed, the Committee wonder as to what would happen to the students seeking admission in NIFTEM with high hopes. They are doubtful if the Ministry would be able to start the Institute even in this Academic Session in the prevailing chaos.

### **REPLY OF THE GOVERNMENT:**

NIFTEM has drawn up an operationalization plan to undertake several activities in the areas such as infrastructure development viz. residential complex, lab infrastructure, auditorium, library resources and

neighbourhood facilities. Recruitment of the academic and non academic staff is at an advanced stage. The present status of various activities is indicated below:

**Infrastructure:**

Administration Block, Academic Block for meeting the requirement for 100 students for B.Tech (Food Technology & Management) are ready.

- (i) NBCC has started construction of residential buildings, hostels, studio apartments and other amenities required including horticulture work, STP, health club, play grounds etc. in the second phase.
- (ii) The work for designing and development of teaching labs including procurement and installation of equipments is in an advanced stage. Teaching Lab for the first year courses have been completed.
- (iii) Work relating to creation of IT infrastructure and Library in NIFTEM is being made functional in accordance with UGC norms.
- (iv) The status of first phase of Recruitment process is as under:
  - a. For the post of Director, Search cum selection Committee process has been completed and the approval of ACC is awaited. Offer of Appointment to the candidate selected as Registrar has been issued.
  - b. Against the 5 sanctioned posts of Professor, none of the applicants interviewed have been found suitable by the Committee. The posts have been readvertised.
  - c. 3 candidates selected as Associate Professor out of 5 sanctioned posts have already joined. The remaining 2 candidates are expected to join shortly.
  - d. 11 posts of Assistant Professor were sanctioned; out of which selection process has been completed in respect of 09 posts. 3

candidates for the posts of Assistant Professors have joined; remaining 07 will join in due course. The remaining 2 posts have been re-advertisement.

- e. 24 Non-Faculty posts have been sanctioned. Selection process for 15 Non Faculty posts has been completed out of which 11 candidates have joined. 4 Candidates will join in due course. Remaining 9 posts are in advanced stage of recruitment.

NIFTEM has reviewed its Staffing Pattern and submitted a proposal for creation of additional posts.

- (v) NIFTEM has applied for grant of Deemed to be University status under De Novo category to Ministry of HRD/UGC in May, 2010. The proposal is at advanced stage of consideration. Once the statutory recognition of its courses is granted by Ministry of HRD, admission of students in B.Tech (Food Technology & Management) will commence.
- (vi) NIFTEM has set up the following three divisions :
  - (a) **Consultancy Division:** to act as a centralized nodal body to design and develop systems/processes to the desired need to FPI across the food value chain and resolve the problems by acquiring 360 degree approach.
  - (b) **SME Upgradation Division:** this division will coordinate with Ministry of Food Processing Industries in its efforts to upgrade SMEs in FP Sector, prepare a network to upgrade and facilitate the SMEs through MFPI, Banks, NGOs, Industry Associations, MSME schemes, prepare standard modules for SMEs, undertake diagnostic study and maintain data of SMEs for the benefit of all stakeholders.

- (c) **Skill Development Division** : to organize training courses of various durations for developing the skill base of management level people working in small and medium organized as well as unorganized food processing sectors. As part of its skill development initiative, NIFTEM has conducted two short term training programmes at its campus from 20<sup>th</sup> to 22<sup>nd</sup> July 2011 in association with IICPT & Quality Council of India on “Cold Chain Management in Food Processing Sector” and “Emerging Trends in Food Safety”.
- (d) Two more short training programmes on “Packaging of Fresh and Processed Foods” and “Upgradation of Food Processing Skills in Small and Medium Enterprises” were conducted from 19<sup>th</sup> to 21<sup>st</sup> September 2011 in association with Indian Institute of Packaging and Shri Ram Institute for Industrial Research.
- (e) In Nov’2011 2 Short term training programmes are being conducted from 16-18<sup>th</sup> Nov’2011 with IGNOU & QCI as knowledge partner. In Dec’2011 two more Training programmes are planned with Anand Agricultural University and IICPT as knowledge partners.

To meet the compliance of the directions of UGC, the Institute is taking all possible steps for obtaining approval for Deemed to be University status under De Novo category from Ministry of HRD. The academic session can only commence after approval of the Ministry of HRD is received. The infrastructure has been made ready to run first two years of the B.Tech (Food Technology & Management) course for the present. The Expert Committee appointed by UGC is expected to visit the Institute shortly to make an on-the-spot assessment of all the facilities created in the Institute.

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**(Letter No. 6-8/2011.Parl dated 25<sup>th</sup> November, 2011)**

**COMMENTS OF THE COMMITTEE**

For comments of the Committee please refer to Para No. 1.25 of Chapter I of this Report

**New Delhi;**  
**10 February, 2012**  
**21 Magha, 1933 (Saka)**

**BASUDEB ACHARIA,**  
**Chairman,**  
**Committee on Agriculture.**

**Annexure- I****(Please see Para No. 1.24)****NIFTEM****(Present status of various activities as on 25 November, 2011)****Infrastructure:**

Administration Block, Academic Block for meeting the requirement for 100 students for B.Tech (Food Technology & Management) are ready.

- (i) NBCC has started construction of residential buildings, hostels, studio apartments and other amenities required including horticulture work, STP, health club, play grounds etc. in the second phase.
- (ii) The work for designing and development of teaching labs including procurement and installation of equipments is in an advanced stage. Teaching Lab for the first year courses have been completed.
- (iii) Work relating to creation of IT infrastructure and Library in NIFTEM is being made functional in accordance with UGC norms.
- (iv) The status of first phase of Recruitment process is as under:
  - a. For the post of Director, Search cum selection Committee process has been completed and the approval of ACC is awaited. Offer of Appointment to the candidate selected as Registrar has been issued.
  - f. Against the 5 sanctioned posts of Professor, none of the applicants interviewed have been found suitable by the Committee. The posts have been readvertised.
  - g. 3 candidates selected as Associate Professor out of 5 sanctioned posts have already joined. The remaining 2 candidates are expected to join shortly.
  - h. 11 posts of Assistant Professor were sanctioned; out of which selection process has been completed in respect of 09 posts. 3 candidates for the posts of Assistant Professors have joined; remaining 07 will join in due course. The remaining 2 posts have been re-advertisement.
  - i. 24 Non-Faculty posts have been sanctioned. Selection process for 15 Non Faculty posts has been completed out of which 11 candidates have joined. 4 Candidates will join in due course. Remaining 9 posts are in advanced stage of recruitment.

NIFTEM has reviewed its Staffing Pattern and submitted a proposal for creation of additional posts.

- (v) NIFTEM has applied for grant of Deemed to be University status under De Novo category to Ministry of HRD/UGC in May, 2010. The proposal is at advanced stage of consideration. Once the statutory recognition of its courses is granted by Ministry of HRD, admission of students in B.Tech (Food Technology & Management) will commence.
- (vi) NIFTEM has set up the following three divisions :
  - (a) **Consultancy Division:** to act as a centralized nodal body to design and develop systems/processes to the desired need to FPI across the food value chain and resolve the problems by acquiring 360 degree approach.
  - (b) **SME Upgradation Division:** this division will coordinate with Ministry of Food Processing Industries in its efforts to upgrade SMEs in FP Sector, prepare a network to upgrade and facilitate the SMEs through MFPI, Banks, NGOs, Industry Associations, MSME schemes, prepare standard modules for SMEs, undertake diagnostic study and maintain data of SMEs for the benefit of all stakeholders.
  - (c) **Skill Development Division :** to organize training courses of various durations for developing the skill base of management level people working in small and medium organized as well as unorganized food processing sectors. As part of its skill development initiative, NIFTEM has conducted two short term training programmes at its campus from 20<sup>th</sup> to 22<sup>nd</sup> July 2011 in association with IICPT & Quality Council of India on “Cold Chain Management in Food Processing Sector” and “Emerging Trends in Food Safety”.
  - (d) Two more short training programmes on “Packaging of Fresh and Processed Foods” and “Upgradation of Food Processing Skills in Small and Medium Enterprises” were conducted from 19<sup>th</sup> to 21<sup>st</sup> September 2011 in association with Indian Institute of Packaging and Shri Ram Institute for Industrial Research.
  - (e) In Nov’2011 2 Short term training programmes are being conducted from 16-18<sup>th</sup> Nov’2011 with IGNOU & QCI as knowledge partner. In Dec’2011 two more Training programmes are planned with Anand Agricultural University and IICPT as knowledge partners.



**COMMITTEE ON AGRICULTURE  
(2011-12)**

**MINUTES OF THE TWENTY THIRD SITTING OF THE COMMITTEE**

The Committee sat on Friday, the 10 February, 2012 from 1430 hours to 1810 hours in Room No. '53', Parliament House, New Delhi.

**PRESENT**

Shri Basudeb Acharia – Chairman

**MEMBERS**

**LOK SABHA**

2. Shri Narayansingh Amlabe
3. Smt. Ashwamedh Devi
4. Shri Sk. Nurul Islam
5. Shri Devji M. Patel
6. Shri Nripendra Nath Roy
7. Shri D. Venugopal

**RAJYA SABHA**

8. Shri Shashi Bhusan Behera
9. Shri Narendra Budania
10. Shri Satyavrat Chaturvedi
11. Shri Mohd. Ali Khan
12. Shri Upendra Kushwaha
13. Shri Bharatsinh Prabhatsinh Parmar
14. Shri Rajpal Singh Saini

**SECRETARIAT**

- |    |                          |   |                     |
|----|--------------------------|---|---------------------|
| 1. | Shri Deepak Mahna        | - | Joint Secretary     |
| 2. | Shri P. V. L. N. Murthy- |   | Director            |
| 3. | Shri P.C. Koul           | - | Additional Director |
| 4. | Shri C. Vanlalruata      | - | Deputy Secretary    |

2. At the outset, the Hon'ble Chairman welcomed the members to the Sitting of the Committee. Thereafter, the Committee took up the following Draft Reports for consideration : -

\* (i)    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*  
          \*\*\*

\* (ii)    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*  
          \*\*\*

(iii)    Action    taken    by    the    Government    on    the  
          Observations/Recommendations contained in the Twenty-fifth  
          Report of the Committee on Agriculture (2010-11) on Demands for  
          Grants (2011-12) of Ministry of Food Processing Industries

3. After some deliberations, the Committee adopted the draft Reports without any modifications. The Committee then authorized the Chairman to finalise the Reports after getting them factually verified from the concerned Ministry/Department. The Committee also decided that since the House is not in Session these Reports may be presented to Hon'ble Speaker, Lok Sabha.

\*4.    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*    \*\*\*

- \*5.   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*
- \*6.   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*
- \*7.   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*
- \*8.   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*
- \*9.   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*
- \*10.  \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*   \*\*\*

**The Committee then adjourned.**

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**\*Matter not related to this Report.**

(Vide Para 4 of Introduction of the Report)

**ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON  
THE TWENTY THIRD REPORT OF COMMITTEE ON AGRICULTURE  
ON  
DEMANDS FOR GRANTS (2011-12) PERTAINING TO MINISTRY  
OF FOOD PROCESSING INDUSTRIES**

(i)	Total number of Recommendations	16
(ii)	Recommendations/Observations which have been Accepted by the Government	
	Para Nos. 1.9, 2.16, 2.17, 2.18, 2.19, 2.20, 2.21, 3.28, 3.29, 3.30, 3.32, 3.35 and 3.36	
	Total	13
	Percentage	81%
(iii)	Recommendations/Observations which the Committee Do not desire to pursue in view of the Government's replies	
	Total	NIL
	Percentage	0%
(iv)	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee	
	Para No.	
	Total	NIL
	Percentage	0%
(v)	Recommendations/Observations in respect of which Final replies of the Government are still awaited	
	Para Nos. 3.31, 3.33 and 3.34	
	Total	03
	Percentage	19%