

49

COMMITTEE ON AGRICULTURE
(2012-2013)

FIFTEENTH LOK SABHA

MINISTRY OF FOOD PROCESSING INDUSTRIES

DEMANDS FOR GRANTS
(2013-14)

FORTY NINTH REPORT



LOK SABHA SECRETARIAT
NEW DELHI

APRIL, 2013 / VAISAKHA, 1935 (Saka)

FORTY NINTH REPORT
COMMITTEE ON AGRICULTURE
(2012-2013)

(FIFTEENTH LOK SABHA)

MINISTRY OF FOOD PROCESSING INDUSTRIES

DEMANDS FOR GRANTS
(2013-14)

Presented to Lok Sabha on 30.04.2013

Laid on the Table of Rajya Sabha on 30.04.2013



LOK SABHA SECRETARIAT
NEW DELHI

APRIL, 2013 / VAISAKHA, 1935 (Saka)

COA No. 2....

Price : Rs.

© 2013 By Lok Sabha Secretariat

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Fourteenth Edition) and Printed by

CONTENTS

		PAGE
COMPOSITION OF THE COMMITTEE.....		
(iii) INTRODUCTION.....		(v)
ABBREVIATIONS.....		(vii)
CHAPTER I	IMPLEMENTATION OF RECOMMENDATIONS OF THE COMMITTEE	01
CHAPTER II	INTRODUCTORY	03
	(i) Introductory	03
	(ii) Food Testing Laboratory, R&D and Promotional Activities of the Food Processing Sector	09
	(iii) Overview of Demands	10
	(iv) Allocation and Utilisation of Funds during Eleventh Plan Period	11
	(v) Twelfth Five Year Plan	15
	(vi) New Schemes	18
	(vii) Results Framework Document	26
	(viii) Outstanding Utilization Certificates	28
CHAPTER III	SCHEMATIC ANALYSIS	42
	(i) Scheme for Infrastructure Development	42
	(a) Mega Food Parks (MFP)	43
	(b) Cold Chain, Value-Addition and Preservation Infrastructure	53
	(c) Establishment of New/Modernization of Existing Abattoirs	61
	(ii) Scheme for Technology Upgradation/ Establishment/ Modernisation of Food Processing Industries	65
	(iii) Scheme for Quality Assurance, Codex Standards and Research and Development and other Promotional Activities	71

(a)	Quality Assurance	72
(b)	<i>Codex Alimentarius</i>	74

ANNEXURES

I	Scheme wise Outlay & Expenditure during 11 th Plan, 2012-13 & BE for 2013-14 for the Ministry of Food Processing Industries	86
II	Implementation Status of 30 Mega Food Parks	88
III	Status of Implementation of Integrated Cold Chain Projects approved with the financial assistance of Ministry of Food Processing Industries	91
IV	Details of the Units Assisted during the Financial Year 2012-13 (Upto 31.12.2012) under the Scheme for Cold Chain, Value Addition and Preservation Infrastructure	95

APPENDICES

I	Minutes of the 24 th Sitting of the Committee held on 03 April, 2013	97
II	Minutes of the 26 th Sitting of the Committee held on 25 April, 2013	100

COMPOSITION OF THE COMMITTEE ON AGRICULTURE (2012-13)

Shri Basudeb Acharia - Chairman

MEMBERS

LOK SABHA

2. **Shri Narayansingh Amlabe**
3. **Shri Sanjay Singh Chauhan**
4. **Shri H.D. Devegowda**
5. **Smt. Ashwamedh Devi**
6. **Shri L. Raja Gopal**
7. **Smt. Paramjit Kaur Gulshan**
8. **Shri Anant Kumar Hegde**
9. **Shri Premdas Katheria**
10. **Shri P. Kumar**
11. **Dr. (Smt.) Botcha Jhansi Lakshmi**
12. **Sardar Sukhdev Singh Libra**
13. **Dr. Jyoti Mirdha**
14. **Shri Naranbhai Kachhadia**
15. **Shri Devji M. Patel**
16. **Smt. Bhavana Gawali (Patil)**
17. **Shri Jagdish Singh Rana**
18. **Shri Rajaiah Siricilla**
19. **Shri Patel Kishanbhai V.**
20. **Dr. Vinay Kumar Pandey 'Vinnu'**
21. **Shri Hukamdeo Narayan Yadav**

RAJYA SABHA

22. **Shri Satyavrat Chaturvedi**
23. **Shri A. Elavarasan**
24. **Smt. Mohsina Kidwai**
25. **Shri Dharmendra Pradhan**
26. **Dr. K.V.P. Ramachandra Rao**
27. **Shri Parshottam Khodabhai Rupala**
28. **Shri Rajpal Singh Saini**
29. **Shri Shivanand Tiwari**
30. **Shri S. Thangavelu**
31. **Shri Darshan Singh Yadav**

(iii)

SECRETARIAT

1. Shri R.S. Kambo - Joint Secretary
2. Shri T.H. Rao - Deputy Secretary

INTRODUCTION

I, the Chairman, Committee on Agriculture, having been authorized by the Committee to submit the Report on their behalf, present this Forty-ninth Report on the Demands for Grants (2013-14) of the Ministry of Food Processing Industries.

2. The Committee under Rule 331E (1)(a) of the Rules of Procedure considered the Demands for Grants (2013-14) of the Ministry of Food Processing Industries which were laid in Lok Sabha on 22 March, 2013. The Committee took evidence of the representatives of the Ministry of Food Processing Industries and Planning Commission at their Sitting held on 03 April, 2013. The Committee wish to express their thanks to the officers of the Ministry of Food Processing Industries and Planning Commission for appearing before them and for furnishing the information they desired in connection with the examination of Demands for Grants (2013-14) of the Ministry.

3. The Report was considered and adopted by the Committee at their Sitting held on 25 April, 2013.

4. For facility of reference, the Observations/Recommendations of the Committee have been printed in bold at the end of each Chapter of the Report.

NEW DELHI;
25 April, 2013
05 Vaisakha, 1935 (Saka)

BASUDEB ACHARIA
Chairman,
Committee on Agriculture

ABBREVIATIONS

ASI	Annual Survey of Industries
AAGR	Average Annual Growth Rate
AHDF	Animal Husbandry Dairying and Fisheries
AP	Andhra Pradesh
BE	Budget Estimates
BOT	Build-Operate-Transfer
BOO	Build –Operate-Own
CMRSD	Centre for Market Research and Social Development
CCEA	Cabinet Committee on Economic Affairs
CSS	Centrally Sponsored Scheme
CA	Controlled Atmosphere
DPR	Detailed Project Report
DAC	Department of Agriculture and Corporation
DMI	Directorate of Marketing and Inspection
DARE	Department of Agricultural Research and Education
DST	Department of Science and Technology
EFC	Expenditure Finance Committee
EC	Executive Committee
EDP	Entrepreneurship Development Programme
EoI	Expression of Interest
FDI	Foreign Direct Investment
FTL	Food Testing Laboratory
FPTC	Food Processing Training Centre
FSSAI	Food Safety and Standards Authority of India
FAO	Food and Agriculture Organisation
FBOs	Food Business Operators
FSS Act	Food Safety Standards Act
GDP	Gross Domestic Product
GMP	Good Manufacturing Practices
GHP	Good Hygienic Practices
GoI	Government of India
HACCP	Hazard Analysis and Critical Control Points
HRD	Human Resource Development
HPC	High Powered Committee
HP	Himachal Pradesh
HUDA	Haryana Urban Development Authority
IIP	Index of Industrial Production
IF	Innovation Fund
ICAR	Indian Council of Agricultural Research
ISO	International Organisation for Standardization
IL&FS	Infrastructure Leasing and Financial Services
IT	Income Tax
IQF	International Quality Federation
JV	Joint Venture

J&K	Jammu and Kashmir
KIADB	Kolar Industrial Area Development Board
MSEs	Micro and Small Enterprises
MFP	Mega Food Park
MFPI	Ministry of Food Processing Industries
MNRE	Ministry of New Renewable Energy
MFPO	Meat Food Products Order
MA	Modified Atmosphere
MT	Metric Tonne
NHB	National Horticulture Board
NMFP	National Mission on Food Processing
NFPDC	National Food Processing Development Council
NCSE	Non-Conventional Sources of Energy
NERAMAC	North Eastern Regional Agricultural Marketing Corporation Limited
NDC	National Development Council
NER	North Eastern Region
NABARD	National Bank for Agriculture and Rural Development
PMA	Programme Management Agency
PMC	Process Management Consultants
PSUs	Public Sector Undertakings
PPC	Progress Payment Certificate
PPP	Public Private Partnership
R&D	Research and Development
RFD	Result Framework Document
RKVY	Rashtriya Krishi Vikas Yojna
SERB	Science and Engineering Research Board
SLEC	State Level Empowered Committee
SFPDC	State Food Processing Development Councils
SME	Small and Medium Enterprises
SPV	Special Purpose Vehicle
SEZ	Special Economic Zone
TQM	Total Quality Management
TRA	Total Risk Assessment
UT	Union Territory
UP	Uttar Pradesh
UCs	Utilisation Certificates
VCF	Venture Capital Fund
VAT	Value Added Tax
WTO	World Trade Organisation

CHAPTER – I

IMPLEMENTATION OF RECOMMENDATIONS OF THE COMMITTEE

The Thirty-third Report of the Committee on Agriculture on Demands for Grants 2012-13 of Ministry of Food Processing Industries was presented to Lok Sabha on 25 April, 2012 and laid on the Table of Rajya Sabha on 26 April, 2012. The Report contained 16 Recommendations.

1.2 On the basis of Action taken Notes furnished by the Ministry of Food Processing Industries in respect of the Recommendations contained in the Thirty-third Report, the Committee presented their Forty-Second Report to Speaker, Lok Sabha on 26 February, 2013. The Report was presented to Lok Sabha and laid on the Table of Rajya Sabha on 25 February, 2013. After analyzing the Action Taken Notes furnished by the Ministry, the Committee commented on the action taken by the Government in the context of Recommendations at Para Nos. 2.20 and 2.21, 2.22, 2.23 and 2.24, 3.33, 3.34 and 3.38, of the Thirty-third Report. The Analysis further revealed that out of 16 Recommendations contained in the Thirty-third Report of the Committee, 13 Recommendations (81.25%) have been accepted by the Government. The remaining 03 Recommendations (18.75%) have not been accepted by the Government.

1.3 In terms of Direction 73-A of the Directions by Speaker, Lok Sabha, the Minister concerned is required to make a Statement in Lok Sabha about the status of implementation of Recommendations contained in the original Report of the Committee within six months of the said Report to Parliament. A Statement under Direction 73 A in

the context of the Thirty-third Report was made on 21 August, 2012 adhering to the time frame stipulated for the purpose.

1.4 The Committee note that the Action Taken Replies regarding the action taken by the Government on the Observations / Recommendations contained in the Thirty-third Report, the Committee were furnished by the Government within the stipulated time. The Committee further note that in pursuance of Direction 73-A of Directions by the Speaker, Lok Sabha, the Minister concerned is required to make a Statement on the status of implementation of Observations / Recommendations contained in the Original Reports of the Committee within six months of their presentation to the Parliament. Accordingly, a Statement under Direction 73 A in the context of the Thirty-third Report was made on 21 August, 2012 adhering to the time frame stipulated for the purpose. The Analysis of the action taken by the Government reveals that out of 16 Recommendations contained in the Thirty-third Report of the Committee, 13 Recommendations (81.25%) have been accepted by the Government. The remaining 03 Recommendations (18.75%) have not been accepted by the Government. The Committee desire the Government to take conclusive action in respect of the eight Recommendations commented upon in their Forty-second Action Taken Report and furnish further action taken notes to the Committee expeditiously.

CHAPTER-II
INTRODUCTORY

(i) Introductory

A major issue facing the Country is to ensure remunerative prices to the farmers for their produce. While increased productivity is an essential component of a vibrant agricultural sector, improved post-harvest handling and processing is essential to ensure value addition, reduction in wastage and good quality products reach the market. A strong and dynamic food processing sector plays a vital role in diversification and commercialization of agriculture, enhances shelf life, ensures value addition to the agricultural produce, generates employments, enhances income of farmers and creates markets for export of agro foods.

2.2 Food processing involves many type of value addition to agricultural or horticultural produce and also includes processes such as grading, sorting, packaging etc. which enhances shelf life of the produce. The sector provides vital linkages and synergies between industry and agriculture.

2.3 The food processing aims to make food more digestible, nutritious and extend its shelf life. Due to seasonal variations, high level of wastage or shortages can arise if adequate measures are not taken to preserve and store the foods. Food processing includes the basic activities like cleaning, grading and packaging as in case of fruits and vegetables and alteration of the raw material to a stage just before the final preparation. Value addition is ensured through the processes to make ready-to eat food like bakery products, instant foods, flavored and health drinks, etc.

2.4 Food processing offers an opportunity for the creation of sustainable livelihoods and economic development for rural communities. Food processing help the farmers to get better returns, higher yield, and lower the risks of perishability. It helps the consumers to have access to a greater variety at better prices and new products. The economy also gets benefitted with new business opportunities for the entrepreneurs and the work force gets employment.

2.5 India has a huge agricultural production base and can easily become one of the leading food suppliers to the world while at the same time serving the vast growing domestic market of over a billion people. It creates incredible market opportunities for food producers, food processors, machinery makers, food technologists and service providers in this sector.

2.6 The growth of the food processing sector would be critical for the Indian economy with main objective to meet the twin national objectives of “inclusive growth” and “food security”. In spite of such positive factors, significant investment opportunities are yet to be tapped in the areas of supply chain management, cold storages, financing, retailing and exports. Historically, agriculture and food processing sector have been plagued by factors such as low public investment, poor infrastructure, inadequate credit availability and high levels of fragmentation. However, this scenario is changing fast in the last few years. Most food processing enterprises have been exempted from industrial licensing under the Industries (Development and Regulation) Act, 1951 with the exception of beer and alcoholic drinks and items reserved for the small scale sector. Automatic approval is given upto 100 per cent equity for foreign investment for a majority of processed foods.

2.7 Effective post-harvest management allows not only the minimization of losses but also increases the value of the marketed agricultural products by transforming the agricultural raw materials. The policy initiatives of the government also include assistance for opening up of Mega Food Parks (MFPs), Cold Chain, skill development and Research and Development (R&D) activities. Apart from the few schemes from the Central Government, various State Governments are implementing their own food processing promotion policies and schemes.

The following Table indicates the contribution of food processing sector in the recent years:

Contribution and Growth of FPI sector							(GDP in Rs Crore)
S. No.	Description	2006-07	2007-08	2008-09	2009-10	2010-11	
	GDP at Factor Cost, Of which.....	35,64,364	38,96,636	41,58,676	45,07,637	48,85,954	
1	GDP Agriculture*	5,54,395	5,89,383	5,88,757	5,93,696	6,38,301	
2	GDP Manufacturing	5,70,458	6,29,073	6,56,302	7,19,728	7,74,162	
3	GDP - FPI	52,164	57,320	60,379	58,753	62,933	
Growth (per cent)							AAGR\$
4	GDP at factor cost	9.6	9.3	6.7	8.4	8.4	8.5
5	GDP Agriculture*	4.3	6.3	-0.1	0.8	7.5	3.8
6	GDP manufacturing	14.3	10.3	4.3	9.7	7.6	9.2
7	GDP FPI	9.4	9.9	5.3	-2.7	7.1	5.8
Share (per cent)							Average
8	GDP FPI as a share of GDP in Agriculture*	9.4	9.7	10.3	9.9	9.9	9.8
9	GDP FPI as a share of GDP in Manufacturing	9.1	9.1	9.2	8.2	8.1	8.7
Source: National Accounts Statistics, MOSPI							
* Includes Milk, Egg, Fish but excludes Forestry & Logging, AAGR\$: Five year Average Annual Growth Rate							

2.8 Food processing sector forms an important segment of Indian economy in terms of its contribution to the Gross Domestic Product (GDP). It contributes 9.0 to 10.0 per cent of GDP in agriculture and manufacturing sectors. During the last 5 years ending

2010-11, this sector has been growing at an Average Annual Growth Rate (AAGR) of around 6 per cent as compared to around 4 per cent in agriculture and 9 percent in manufacturing. In 2011-12 as per the Index of Industrial Production (IIP), FPI grew at 15.1 per cent and manufacturing growth rate was close to 3.0 per cent.

Sector-wise Strength of Registered Food Processing Units

S. No.	Year	Meat, Fish, Fruits, Vegetables and Oils	Dairy Products	Grain Mill Products	Other Food Products	Beverages	Total
1	1998-1999	4241	737	12164	5682	1029	23853
2	1999-2000	3819	795	12405	5810	1113	23942
3	2000-2001	3740	735	12446	5985	1082	23988
4	2001-2002	3454	865	12429	5688	1049	23485
5	2002-2003	3284	769	12856	5899	1008	23816
6	2003-2004	3352	912	12741	5757	1078	23840
7	2004-2005	3484	927	13639	6093	1219	25362
8	2005-2006	3549	1049	13893	6009	1225	25725
9	2006-2007	3459	1015	13880	6245	1160	25759
10	2007-2008	3667	1096	13805	6300	1351	26219
11	2008-2009	3580	1100	14599	6577	1362	27218
12	2009-2010	3697	1112	14673	6681	1316	27479
13	2010-2011(P)	4910	1493	18549	9071	1815	35838

(Source: Annual Survey of Industries), P: Provisional Results

2.9 Foreign Direct Investment (FDI) is permissible for all the processed food products up to 100 percent on automatic route, except for the items reserved for Micro and Small Enterprises (MSEs). For manufacturing of items reserved for MSEs, FDI is permissible under automatic route up to 24 per cent. Foreign Direct Investment (FDI) in Food Processing Sector (April 2007 to May 2012) is shown in the table below:-

S. No.	Year (Apr-Mar)	FDI in Rs crore	FDI in US\$ million
1	2007-08	279.01	70.17
2	2008-09	455.59	102.71
3	2009-10	1,314.23	278.89
4	2010-11	858.03	188.67
5	2011-12	826.16	170.21
6	2012-13 (Apr-August)	336.10	66.12

(Source: Department of Industrial Policy and Promotion)

2.10 As per the Annual Survey of Industries (ASI) 2010-11 (P), the Invested Capital in food processing industries stood at Rs.2,49,337 crore growing at an AAGR of 22.17 per cent during five years ending 2010-11.

Capital Investment in Registered Food Processing Industries

Year	2006-07	2007-08	2008-09	2009-10	2010-11 (P)	AAGR
Invested Capital (Rs. crore)	1,12,484	1,38,996	1,57,062	1,93,850	2,49,337	
Growth Rate	22.21	23.57	13.00	23.42	28.62	22.17

*Total of Fixed capital and Physical working capital. P: Provisional Results
Source: Annual Survey of Industries, MOSPI

2.11 The important challenges in the sector include avoidance of the significant wastage at every level, value addition at each value, high food inflation, high post-harvest wastage particularly in fruits and vegetables, low level of processing etc.

2.12 When the Committee asked as to how the Ministry propose to gear themselves to overcome these challenges and ensure its commitment of providing enhanced income to the farmers, they stated in a note furnished to the Committee:

“Ministry of Food Processing Industries has identified certain areas for development of food processing sector like development of infrastructure,

creation of food processing facilities, human resource development to meet the requirement of the sector, research and development of technologies/ processes/ products, creation of food testing lab infrastructure for quality assurance etc. to provide impetus to the growth of the food processing sector. Ministry has taken up a number of schemes to make intervention in these areas. The scheme of infrastructure development is being implemented with components like mega food parks, integrated cold chain and setting up / modernization of abattoirs. The scheme aims to provide infrastructure to bring together farmers, processors and retailers by linking agricultural production to the market to ensure maximization of value addition, minimization of wastages and improving farmers income. To create adequate processing infrastructure in the country the scheme of technology upgradation/ establishment/ modernization of food processing industries is being implemented. The scheme has been subsumed in the National Mission on Food Processing which is being implemented through State/ UT Government. To ensure safety and quality of food products and infrastructure of food testing labs is being created under the scheme of quality assurance, codex standards and R&D. Research & Development is also an important area which is receiving focused attention of the Ministry. Through strengthening of Institutions and providing financial assistance under National Mission of Food Processing, human resource development programme is being implemented in the country to cater to the growing need of the sector for skilled and qualified manpower. “

2.13 Following are the number of persons employed under Registered Food Processing Industries:

Year	2006-07	2007-08	2008-09	2009-10	2010-11 (P)	AAGR \$
Persons (In lakh)	14.76	15.05	15.64	16.06	16.75	
Growth (%)	6.09	1.96	3.87	2.71	4.30	3.79

Source: Annual Survey of Industries, MOSPI; P: MOSPI; P: Provisional Results; \$: Average Annual Growth Rate.

The above Table clearly indicates that since 2006-07, the strength of persons engaged in the registered food processing sector has increased by 2 lakhs. Further, the growth rate which was 6.09 per cent 2006-07 has dipped to 1.96 per cent in the subsequent year, which stands at 4.30 per cent in the 2010-11.

2.14 When asked about the steps taken by the Ministry to enhance the employment generation in the country by the food processing sector, the Secretary, MFPI during evidence stated that a large number of food processing units, both registered and non-registered, provide ample opportunities for employment in the sector. He stated:

“employment in the unregistered sector is a matter of concern, although output and capital employed have gone up, employment has come down and that is because it appears that industry is moving to more capital intensive methods. We do not have any targets as such for employment nationally and we even do not get the information about the total employment on a year to year basis. In the past we had been trying to project it on the basis of certain assumptions and that is why I gave the numbers for two years because for the unregistered sector the survey is done only once in five years. But for the registered units we have annual survey and we do not have the information for 2011-12. We have information only for 2009-10 and 2010-11. In 2009-10 it was 16.06 and in 2010-11 it was 16.75. This is all in terms of lakh. So, there was an increase of about 0.69 lakhs in 2010-11 over 2009-10. We do not have the figures for 2011-12. We will get in a few months. This is in the registered sector. But, even now, if you see the employment intensity food processing sector have a large share of employment and it is still a more relatively employment intensive sector. But, definitely this sector is also moving towards more capital intensive methods”.

2.15 The Ministry furnished in the Post Evidence Reply that the food processing units are set up by the entrepreneurs in the private sector. Employment has gone up in the Registered Sector from 13.92 lakhs in 2005-06 to 16.75 lakhs in 2010-11. However, for the Unregistered Sector, it has gone down from 63.46 lakhs in 2005-06 to 47.93 lakhs in 2010-11. No target of employment, however, is set by the Ministry.

(ii) **Food Testing Laboratory, R&D and Promotional Activities of the Food Processing Sector**

2.16 The Committee was informed that in order to implement schemes more effectively and to ensure better and more effective utilization of funds, work of the Food Testing Laboratory (FTL), which is a component of the Scheme for Setting up/Up-

gradation of Quality Control/Food Testing Laboratory has been assigned to Indian Council of Agricultural Research (ICAR) under the Ministry of Agriculture, Department of Agricultural Research and Education (DARE) with effect from 01 April 2012. Similarly, the R&D component of the Scheme has been entrusted to the Science and Engineering Research Board (SERB), under the Ministry of Science and Technology for implementation. Further, the cold chain projects for horticulture produce are being implemented through National Horticulture Board (NHB). This would enable the Ministry to focus on policy issues confronting the food processing sector and effective monitoring of the programme implementation.

(iii) Overview of Demands

2.17 The Ministry of Food Processing Industry is concerned with formulation and implementation of the policies and plans for the food processing sector within the overall national priorities and objectives. The Ministry acts as a catalyst for bringing in greater investment into this sector, guiding and helping the industry and creating a conducive environment for healthy growth of the food processing sector.

2.18 Demand No. 46 pertaining to the Ministry of Food Processing Industries for the fiscal year 2013-14 was presented to the Lok Sabha on 22.03.2013. The details of allocation proposed in Demand No. 46 are given below:

(Rs. in crore)				
Sl.No.	Section	Plan	Non-Plan	Total
1.	Revenue			
	Voted	708	11.11	719.11
	Charged	-	-	-
2.	Capital			

	Voted	-	-	-
	Charged	-	-	-
	Grand Total	-	-	719.11

2.19 The total allocation for the Ministry of Food Processing Industries is Rs. 719.11 crore for the Fiscal 2013-14. Out of this, Rs. 708.00 crore and Rs.11.11 crore are on Plan and Non-Plan sides, respectively, under the Revenue Section. There is no allocation on Capital side.

It may be pertinent to mention here that during 2013-14, the Ministry had proposed an allocation of Rs.1309.00 crore on Plan side, against which, an amount of Rs.708.00 crore has been allocated by the Planning Commission.

2.20 The details of Revised Estimates (RE) for 2012-13 and Budget Estimates (BE) for 2013-14 are given below:

(Rs. in crore)

	RE 2012-13		BE 2013-14	
	Plan	Non-Plan	Plan	Non-Plan
Revenue	660	10.16	708	11.11
Capital	--	--	--	--

2.21 It may also be noted that on the Plan side the allocation to the Ministry is Rs.708 crore which is 6.77% higher than their RE 2012-13 allocation of Rs.660 crore. On the Non-Plan side, this year's allocation is marginally higher than last year's allocation of Rs.10.16 crore.

(iv) Allocation and Utilisation of Funds during Eleventh Plan Period

2.22 The following are the Budget Estimates, Revised Estimates and Actual Expenditure during the Eleventh Plan period:

[Rs. in Crores]

Years	Plan Outlay	BE	RE	Actual Expenditure
2007-08	250.00	250.00	200.00	182.97
2008-09	870.30	290.00	242.00	223.14
2009-10	1137.75	340.00	280.00	277.53
2010-11	1126.95	400.00	400.00	394.40
2011-12	646.00	600.00	550.00	518.84
	4031.00	1880.00	1672.00	1596.88

2.23 The outlay for the different schemes, during the years 2012-13 (BE), 2012-13(RE), 2012-13 (Actual Expenditure) and 2013-14 (BE) is as under:

S. No.	Name of the Scheme	BE 2012-13	RE 2012-13	Expenditure as on 25.03.2013	BE 2013-14
1.	Scheme for Infrastructure Development (Mega Food Park, Cold Chain, Value Addition & Preservation Infrastructure, Abattoir)	191.00	184.19	176.76	247.00
2.	Scheme for Technology Upgradation/ Establishment/ Modernisation of Food Processing Industries.	100.00	186.46	154.59	165.00
3	Scheme for Quality Assurance, Codex Standards , R&D and other Promotional Activities	35.00	31.91	30.27	35.00
4.	Scheme for Human Resource Development	4.00	4.00	3.98	4.00
5.	Scheme for Strengthening of Institutions	80.00	68.12	66.91	75.00
6.	National Mission on Food Processing	250.00	185.32	184.31	182.00
	Total	660.00	660.00	616.82	708.00

2.24 The Ministry had proposed an allocation of Rs.5,261.64 crore for Eleventh Plan, whereas the approved outlay was only Rs.4,031 crore and the actual allocation was far

less at just Rs.1,672 crore. Out of this significantly reduced amount, the Ministry were able to spend only Rs.1596.88 crore. The details of Scheme-wise Outlay & Expenditure during 11th Plan, 2012-13 and BE for 2013-14 for the Ministry of Food Processing Industries are given at **Annexure – I**.

2.25 When the Committee enquired about the reasons for not achieving the assigned targets, the Ministry informed that most of schemes were approved about a year and half after commencement of the Eleventh Plan. As against approved 30 Mega Food Park, only 10 Mega Food Parks were approved in Phase-I of schemes of Infrastructure Development. In 2008-09, 10 projects were approved, 5 Parks were approved in 2010-11 and remaining 15 projects were approved in 2011-12. In Cold Chain, Value Addition and Preservation Infrastructure, 39 additional projects were approved in 2011-12. In Modernization of Abattoir as against approval of 50 projects, only 10 projects were approved for Phase-I. As a result thereof, the schemes could not be taken up. Hence, the overall progress was slow. During implementation, certain issues relating to individual schemes cropped up which slowed down the pace of implementation (e.g. land related issues for MFP).

2.26 The Committee noted that a huge disconnect exists between funding proposals of the Ministry and actual spending, which is evident over the entire Eleventh Plan and first fiscal of the Twelfth Plan. The Committee also desired to know as to whether the Ministry have analysed the reasons behind this alarming situation to find out where does the fault lies. Is it with the planning of proposals, or working out the proposals or in implementation process? And what systemic improvements would the Ministry like to

take with a view to eliminate this disconnect so that the sector is not deprived of its due funding. The Secretary, Ministry of Food Processing Industry during their Oral Evidence stated that:—

“ for the 11th Plan, we had an approved outlay of a little over Rs.4,000 crore and against that we were able to spend only about a little over Rs.1600 crore. There are two reasons for this. One is on a year to year basis you are constrained by the allocation that you have got. Secondly, for some of the schemes the approvals came late and in the 11th Plan, there was a big shift in the Ministry in the sense that we took up these new infrastructure projects of which we had no experience at all. So, in comparison in the 12th Plan, we feel we are in a better position for the following reasons. One is infrastructure which still accounts for a major chunk of our plan outlay, we have now experience of about four years in implementing these projects. And as you can see from the year to year expenditure figures, on all the infrastructure schemes the expenditure levels have been going up and this is commensurate with the physical activity, in particular cold chain.”

2.27 When the Committee enquired about the deficiencies/bottlenecks observed in the implementation of the Schemes and the corrective action taken, the Ministry in a note stated: -

“the major deficiency is the limited staff available to carry out the various schemes as also the availability of funds. With a view to removing the deficiencies and for better implementation of the schemes, Ministry of Food Processing Industries has launched a new Centrally Sponsored Scheme (CSS) - National Mission on Food Processing (NMFP) during 12th Plan (2012-13) for implementation through States / UTs. The basic objective of NMFP is decentralization of implementation of Ministry's schemes, which will lead to substantial participation of State Governments/UTs. The NMFP contemplates establishment of a National Mission as well as corresponding Missions in the State and District level. NMFP is likely to improve significantly the Ministry's outreach in terms of planning, supervision and monitoring of various schemes.

2.28 Evaluation of Schemes/projects is undertaken from time to time, so as to correct any deficiency/bottleneck in the implementation. In this regard, the Ministry informed that: –

“the Ministry undertook independent evaluation of the schemes being implemented by the Ministry. Based on the observations of the evaluation study and the experience gained during the implementation, action for course correction is being taken by the Ministry by modifying the respective scheme guidelines.”

(v) Twelfth Five Year Plan

2.29 Explaining the procedure required to be followed for projecting financial requirement, Ministry of Food Processing Industries informed that while working out the financial requirements for their various activities, both for the Five Year Plan and the Annual Plan, the Planning Commission had constituted a Working Group to make Recommendations for 12th Five Year Plan. Subsequently, the Ministry had constituted six Sub-Groups for focused discussion and recommendation on various key areas. The Working Group submitted its Report after intensive consultation with industries, academia, scientists and representatives of the State Governments. The Report also included inputs from six separate Sub-groups and deliberations held during four Working Group meetings over this period. The approach to the 12th Five Year Plan has also taken into consideration the mid-term evaluation of plan schemes and learning experiences of implementation during the 11th Plan. Based on the recommendations of the Working Group, the financial requirements had been worked out for various activities for the 12th Five Year Plan.

2.30 Based on the Recommendations of the Working Group on FPI, the Ministry had proposed an allocation of Rs.14,606 crore for the 12th Plan. The Planning Commission has allocated Rs.5,990 crore, which is barely around forty per cent of the proposed allocation. However, the actual allocation for first year (2012-13) was Rs.660 crore barely touching half the proposed average outlay for 2012-13. Similarly, for the year 2013-14, the Plan outlay proposed by the Ministry was Rs.1309 crore whereas only Rs.708 crore have been allocated.

2.31 The delays in approval of 11th Plan had impacted the implementation of many Schemes of the Ministry. When the Committee asked as to how the Ministry has geared itself to ensure that proposed schemes during 12th Plan are not affected by the delay in finalization of Twelfth Plan document, the Secretary, MFPI, during evidence stated :-

“the big shift we wanted to make in the 12th Plan was to decentralise the implementation which we feel that in the long run will help in spreading the activities and also of course on the financial side there will be a corresponding increase in the expenditure. So, we did not wait for the 12th Plan to be finalised. As soon as the Working Group report was finalised in September 2011 and the Steering Committee okayed it in October, 2011, we moved the Planning Commission and they very quickly in December gave us the in principle approval. And that is why in January last year, even before the 12th Plan started, we started writing to the State Governments to take preparatory action for which the Government had given a sum of a little over Rs.50 crore.

The reason why we had to start early was because in most of the States they do not have a food processing Department. It is generally looked after by agriculture or it is looked after by industry. In most of the States they do not even have a Head of Account for food processing. So, we required a lot of lead time. Both the Planning Commission and the Finance Ministry were very supportive and that is how we were able to start the activities, we were able to operationalise the scheme in August last year, and several of the States have already started the process of actual distribution of benefits and support to the sector on the ground.

So, we do not have any new scheme which we now will have to take up which is very different from the 11th Plan. We had two new schemes, the Innovation Fund and the Venture Capital Fund. But looking to allocation that we have got of Rs.5,990 crore and the requirements of our other schemes, we have deferred the implementation of these two schemes.”

He further added -

“since we wanted to do it from the first year of the 12th Plan, we had gone to the Planning Commission in November 2011 and in December, they had given us their in principle clearance, that pending finalization of the 12th Plan, this is only an administrative arrangement, rather than doing it from Delhi, it should be done in a decentralized manner; this is in keeping with the general principles that the Planning Commission has been indicating of decentralization. So, there is no problem, I presume, in that. Since the steering group had already recommended, they had no problem in that. Similarly, the Finance Ministry also had indicated in January itself that in principle, they would approve it. The Finance Minister, in his budget speech last year, announced the scheme. We implemented it from the 1st April 2012, which is the start of the 12th Plan, but because the 12th Plan had not been finalized, we had only the outlay available last year for 2012-13, we took Cabinet’s approval only for 2012-13. So, when it went to the Cabinet, it went with the concurrence of the Planning Commission and the Finance Ministry. There was an EFC held last year, for the first year of the 12th Plan. That is why; I had to hold one more EFC this year in February for the remaining four years. When we went last year, we did not have the 12th Plan outlay. We had the outlay for 2012-13. The question was do we want to continue doing it from Delhi because of the technicality that the Plan had not been approved and the answer that we got from all the forums was that this is a move in the right direction; the State Governments were also very enthusiastic about it. So, we had no difficulty, but to repeat once again, it was only for the first year of the 12th Plan. That is why, we had to go once again to the Cabinet this year.”

2.32 When the Committee enquired if it is desirable to have Plan Document prepared in advance, so that the implementation of Schemes, start on the very first day of the Plan period, the representative of Planning Commission stated during evidence: –

“It is definitely a desirable situation. I fully agree with you but one thing should be recognised in this. This time the Planning Commission has made an endeavour for a larger involvement of all the strata of people and stake-holders. That had taken some time. This time we have focused on not only decentralisation but also to see that the implementation mechanism should be more improved and more inclusive. Whenever you are going to implement certain changes, given the big size of stake-holders consultations that we had in the process during the

preparation of 12th Plan and side-by-side one manufacturing policy was being prepared, we had to synchronize with them and all this process took time. This is not new. Even during 11th Plan the preparation of Plan had taken some time and there was one year lag but we have taken care of the mission itself. We have gone all the way to have some positive departure.”

2.33 Asked further, as to which are the sectors, where Schemes have been delayed, he stated:

“So far as industry division is concerned, in fact not only food processing I deal with many sectors of our industry division. There we have not delayed the major projects”.

2.34 Commenting upon impact of delay on the on-going schemes, he further stated:

“There have been no adverse effects on the implementation of any scheme. In fact these Schemes have been continued in the first year of the XII Plan i.e. 2012-13. No need has been felt to take up this matter with any agency since the XII Plan allocations have been finalized.”

2.35 Ministry of FPI too agreed that ideally Twelfth Plan should commence from 1st April 2012. In the post evidence reply furnished to the Committee, the Ministry stated:—

“it is desirable that the Plan document is ready and schemes whether ongoing or new start operating from the very first day of the particular plan period. However, this Ministry has taken proactive action to ensure implementation of its schemes without any difficulty. During the first year of the XII Plan, the Ministry has been able to achieve an expenditure of 99.59% of the total allocation. During the current fiscal (2013-14), Ministry has already made advance planning for obtaining appraisals/approvals etc. of the competent authorities, so that implementation of the schemes continues without disruption.”

(vi) New Schemes

2.36 The Ministry have informed that following new schemes are proposed to be taken up during the 12th Plan period:-

- (a) National Mission on Food Processing**
- (b) Innovation Fund Scheme**
- (c) Venture Capital Fund.**

(a) National Mission on Food Processing (NMFP)

1. Introduction:

Ministry of Food Processing Industries (MFPI) has launched a new Centrally Sponsored Scheme (CSS) - National Mission on Food Processing (NMFP) during 12th Plan (2012-13) for implementation through States / UTs. The NMFP contemplates establishment of a National Mission as well as corresponding Missions in the State and District level. NMFP is likely to improve significantly the Ministry's outreach in terms of planning, supervision and monitoring of various schemes.

2. Objectives:

- i. To augment the capacity of food processors to upscale their operations through capital infusion, technology transfer, skill Upgradation and handholding support.
- ii. To support established self help groups working in food processing sector to facilitate them to achieve SME status.
- iii. Capacity development and skill upgradation through institutional training to ensure sustainable employment opportunities to the people and also to reduce the gap in requirement and availability of skilled manpower in food processing sector.
- iv. To raise the standards of food safety and hygiene to the globally accepted norms.
- v. To facilitate food processing industries to adopt HACCP and ISO certification norms
- vi. To augment farm gate infrastructure, supply chain logistic, storage and processing capacity.
- vii. To provide better support system to organized food processing sector.

3. Five Guiding Principles:

- a. Organizing the unorganized food processors, including Self-Help Groups, to help them reap advantages of Mission initiatives
- b. Ensuring advantages of programmes/ schemes/ institutions/ infrastructure of NMFP reach Micro and Small Enterprises on preferential basis

- c. Dedicated, professional, sensitive and accountable support structure to initiate and implement the Mission initiatives in a transparent manner
- d. Mission initiatives to be shaped and driven by proposed beneficiaries
- e. Adoption of best practices for scaling up programmes/initiatives

4. Structure:

(A) National Level:

(i). The Mission will be governed by the National Food Processing Development Council (NFPDC) headed by the Hon'ble Minister of Food Processing Industries as its Chairman.

(ii). To administer the Mission, a National Executive Committee headed by Secretary, MFPI has been constituted with Joint Secretary, MFPI as Member Secretary. The EC will ensure smooth functional linkages amongst the different agencies. The EC would meet once in every quarter

(B). State Level:

State Level Empowered Committee (SLEC)

- (a) To carry out administration of the State Food Processing Mission, a State level Empowered Committee (SLEC) will be constituted by the State Government under the Chairmanship of the Chief Secretary having representatives from other concerned Departments, as deemed proper by the concerned State Governments including the representative of Finance Department of the State. Central Government will nominate its representative who will be a Member in the SLEC. The State Mission Director to be appointed by the State Government will be the nodal agency and they may be invited in the implementation and monitoring of NMFP.
- (b) State food processing departments/Directorate of Food Processing Industry/any suitable organization so identified by the State will act as Mission Directorate for state food processing Mission.
- (c) States may decide whether to implement the NMFP scheme through State level bodies or district level bodies or as the case may be or as may be decided by SLEC.

At the operational level, State Governments would have the freedom to nominate, or create a suitable autonomous agency to be registered under the Societies Registration Act for implementing the Mission programmes at the State

and District levels. The Panchayati Raj Institutions existing in the State may be involved in the implementation structure

5. Funding Pattern for NMFP:

This scheme is implemented as a centrally sponsored scheme in all the States in the ratio of 75:25 (Govt. of India and States) except for North Eastern States, where the ratio would be 90:10. All the UTs would be funded on 100% grant basis.

Allocation of funds to the States / UTs would be based on their population (50%) and Area (50%) and Minimum base / floor rate /amount @ Rs. 2.00 crore for States and Rs. 1.00 crore for UTs.

6. Components of the Mission proposed to be implemented during 2012-13:

The Major Programmes/Schemes covered under NMFP during 2012-13 of 12th Plan are:

- (i) Scheme for Technology Up-gradation/ Establishment / Modernisation of Food Processing Industries.
- (ii) Scheme for Cold Chain, Value Addition and Preservation Infrastructure for Non Horticultural Products.
- (iii) Scheme for Human Resource Development (HRD)
 - a. Creation of Infrastructure Facilities for Running Degree/ Diploma/ Certificate Courses in Food Processing Technology.
 - b. Entrepreneurship Development Program (EDP)
 - c. Food Processing Training Centre (FPTC)
- (iv) Scheme for Promotional Activities
 - a. Organizing Seminar/Workshops
 - b. Conducting Studies/Surveys
 - c. Support to Exhibitions/Fairs
 - d. Advertisement & Publicity

(II) New Schemes proposed to be implemented during 2013-17:

- (i) Scheme for Creating Primary Processing Centers / Collection Centers in Rural Areas.

- (ii) Modernisation of Meat Shops.
- (iii) Reefer Vehicles.
- (iv) Old Food Parks

No physical and financial targets have been kept for the scheme for abattoirs during 2012-13 & 2013-14. The Abattoir Scheme will be subsumed in NMFP for implementation by the States w.e.f. 2014-17. During i.e. 2012-13 & 2013-14, the Abattoir Scheme will be implemented by Ministry of Food Processing Industries (MOFPI).

In case State / UT Governments desires to deviate from the Mission guidelines and / or add new components, they may submit proposals to the Mission Directorate in MOFPI, Govt. of India, which will be placed before NFPDC for a final decision.

6. Component-wise allocation of funds:

State level Empowered Committee (SLEC) will be competent authority to decide *inter-se* allocation of funds amongst the above components. However, not more than 10% and 20% of the allocation will be utilized for the Promotional Activities and Human Resource Development components, respectively. SLEC may allocate resources to the other two components as per the requirement of the states.

7. Approval Procedure:

The SLEC will decide the level competent to accord project specific approvals under all the 4 components. SLEC will also decide the modalities, including delegation of sanction powers of the schemes to sub committees / officers, including the scrutiny of individual proposals and release of funds. SLEC periodically will monitor, review and evaluate the implementation of NMFP in the State. The Area Officers of the Ministry will be responsible to participate in the SLEC meetings, regularly and help in monitoring the progress of implementation of NMFP in the concerned state, undertake the physical visits in the state, submit periodic reports to the Mission Directorate and also to ensure overall coordination with the State Mission Directorate and the Ministry.

State Mission Directorate would ensure identification of beneficiaries in the respective States / UTs for various schemes of NMFP during 2012-13. They will also ensure physical verification of the projects assisted including taking up concurrent evaluation as well as submission of monthly progress reports to the Ministry in soft and hard copies . Ministry of Food Processing Industries will also

undertake periodical evaluation of the implementation of the scheme by engaging professional agencies, if necessary.

8. Recall of Grant:

SLEC will have the authority to re-call the grant in case of misutilization of the grant by the applicant.

- (a) If the project is not completed even within the extended project period.
- (b) If the institute/ organization become non-functional or said activity/ organization is closed before 3 years of release of final installment.

9. Convergence with schemes of State Governments:

Benefits under this scheme can be given in addition to the benefits under the schemes of the State Governments, if any, at the discretion of the State Governments / SLEC. Each State may design State specific schemes under which additional benefits can be provided in addition to the NMFP assistance.

10. State Food Processing Development Councils (SFPDC)

Each State would have a SFPDC to be chaired by the Chief Minister/concerned Minister. This would help in the effective monitoring, supervision and monitoring of the scheme at the state level. Parliamentary Consultative Committee of MFPI had recommended to include Hon'ble MPs of the Consultative Committee in the State Food Processing Development Councils (SFPDCs) for effective monitoring of the implementation of NMFP at state level. Accordingly, State Governments had been suitably advised in the matter.

11. Flexibility to the states:

To give States / UTs flexibility for any deviation from guidelines / taking up of new schemes, if any, as per their local requirements, the National Food Processing Development Council (NFPDC) will consider such proposals of the State Governments.

12. Present status of NMFP:

- (a). Constituted National Food Development Council (NFPDC). First and second meetings held on 1.6.2012 and 19.02.2013, respectively.
- (b). Constituted Executive Committee (EC) for NFPDC. Two meetings held on 1.8.2012 and 11.12.2012

- (c). Conveyed Government of India (GOI) approval on 28.8.2012 and released GOI share to 32 states / UTs for implementation of NMFP main scheme.
- (d). Final Guidelines for components/schemes implemented during 2012-13 under NMFP also circulated on 28-08-2012.
- (e). Monthly video conferences have been organized regularly with the States/ UTs to monitor / obtain feedback on implementation of NMFP.
- (f). Workshops held for all the states at Delhi in June / July,2012 and an additional one for North Eastern states at Guwahati in Dec,2012
- (g). NERAMAC has been appointed PMA for North Eastern States. PMA for rest of the states / UTs is being finalised shortly.
- (h). Rs. 184.31 crores (Rs. 35.25 crores for preparatory activities / advance action + Rs. 149.06 crores for NMFP main Scheme) has been released to States/UTs.

Proposal for continuation of continuation of the Centrally Sponsored Scheme – National Mission on Food Processing (NMFP) during remaining four years of 12TH Plan (2013-17) has been recommended by EFC with some modifications / enhancements in the schematic assistance. The proposal would now be placed before the CCEA for approval.

(b). Innovation Fund for Food Processing:

The proposed Innovation Fund for Food Processing would aim at supporting potential entrepreneurs with sole focus of transforming their innovations into viable business opportunities. It has been proposed to provide with Incubation facilities, at designated institutions, for nurturing their ideas, along with financial support. Such financial assistance may be in form of soft loan or grant or a mix of both, based on nature of proposals.

The proposed Innovation Fund may encourage market-oriented applied research and innovation and would act as a bridge between lab and industry. The Fund is likely to assist small entrepreneurs, especially from rural areas, in bringing about indigenous and low cost solutions to address sector specific

concerns such as limited shelf-life and low processability of local agricultural produces.

(c). Venture Capital Fund for Food Processing Sector:

A large majority of food processing enterprises continue to face serious constraints in access to bank credit due to issues like low net worth, lack of tangible security and absence of a proven track record, usual concerns for SME sector. The food processing enterprises though suffer from additional limitations due to seasonal operations and thus lower capacity utilization. Further, the market development and quality assurance costs are relatively higher for food processing sector. All these constraining factors have resulted in bankers being wary of providing adequate finance to the sector.

The Ministry proposes to create a dedicated Venture Capital Fund (VCF) for food processing sector to address this concern. A dedicated VCF may allow food processing units to leverage their limited resources in a more effective manner. Further, the provision of Strategic Capital through VCF may be combined with management support and marketing linkages.

To be sure, there have been various efforts made for creating venture capital funds in India in recent years, both in public sector and corporate sector. Most of these capital funds though suffer from relatively narrower definition of —ventures/projects which are eligible for support and often feel inclined to support initiatives only in modern sectors like Information Technology and Biotech which promise projected returns justifying strategic stakes in them. In this process, food processing enterprises, which may have a much larger potential of creating livelihood opportunities, have little funding support.

The approach to the proposed Fund would be, therefore, different from normal venture/angel funds, often more interested in projections for divesting their strategic stakes at appropriate stage. The proposed Venture Capital Fund would though encourage viability but its touchstone would be livelihood and would thus prefer projects which have a potential to impact largest number of rural poor.

Outlay of Rs. 5990 crores for the full 12th Five Year Plan has been made available by Planning Commission for this Ministry. The above two initiatives / schemes recommended by Working Group are not being taken up for the present due to lack of resources.

(vii) Results Framework Document

2.37 The Ministry of Food Processing Industry, has set-upon itself the vision, objective, etc., for promoting and strengthening food processing sector, which also acts as a guiding tool to achieve the desired outcomes in terms of RFD. These are as under:

Vision

To make India, a global leader in Food Processing and export of safe, hygienic, nutritious and quality processed food items.

Objective

1. Enhancing Processing level and reduction in wastages.
2. Institutional Strengthening
3. Food Safety & Quality assurance
4. Capacity building
5. R&D; in food processing
6. Value Addition

Mission

To achieve 20% processing level, 35% value addition and 3% share in global trade by 2015 through promotional policy support, financial assistance, fiscal incentives and creation of state-of-the-art infrastructure.

Functions

1. Developmental initiatives through creation of a conducive environment for healthy growth of the sector.
2. Promotional support by promoting rationalization of tariffs and duties relating to the sector
3. Policy support through formulation and implementation of policies for the sector within the overall national priorities and objectives.

2.38 The Committee has been informed that at the beginning of each financial year, with the approval of the Minister concerned, each Department prepare a Results-

Framework Document (RFD) consisting of the priorities set out by the Ministry concerned, agenda as spelt out in the manifesto, if any, President's Address, announcements/agenda as spelt out by the Government from time to time. The Minister In-charge decide the inter-se priority among the departmental objectives.

After six months, the achievements of each Ministry / Department are reviewed by a Committee on Government Performance and the goals reset, taking into account the priorities at that point of time. This enable to factor in unforeseen circumstances such as drought conditions, natural calamities or epidemics.

At the end of the year, all Ministries / Departments review and prepare a report listing the achievements of their Ministry / Department against the agreed results in the prescribed format. This Report has to be finalized by the 1st May of each year.

2.39 The Ministry of Food Processing Industries have been preparing the RFD and placing them for greater transparency and public scrutiny. The High Powered Committee (HPC) headed by the Cabinet Secretary awards the composite score on the basis of performance of the Department against the targets set to fulfill its objectives.

2.40 For the year 2011-12, the composite score of the Ministry was 83%, which is considered to be below average compared to. The Committee when reasoned for such low composite score, the Secretary during evidence, stated: –

“the entire process of the RFD is based on certain structure where we at the start of the year sit down with the Task Force and we identify our targets and we identify our success indicators for the year. At times we find in retrospect those indicators to be very ambitious and we are not able to achieve them. That is why the success ratio did come down and the composite score, as you rightly mentioned, is lower than the average. But while every year we sit down and we reframe RFD strategy and we do try and improve that. But, I think, what we have

tried to do is that whatever are the resources available to us, we have tried to ensure that these resources are used to the maximum possible. So, it is in that context that I have mentioned that the best way to get more resources is through better performance. I think the steps that we have taken in the last few years, the increased focus on the infrastructure development, which was started in the 11th Plan, I think, it was a big step in the right direction. Till then we were not doing much for infrastructure. We were directly giving to the industries. So, investing in infrastructure, I think, is going to pay big dividends. Certainly we are a little disappointed with the progress in the mega food parks and the abattoir schemes. We do hope that the performance will improve and in the last couple of years it has improved. Some of the teething problems in these schemes have been overcome. Similarly, in the 12th Plan the big initiative that we have taken is decentralising scheme implementation so that we have more time to think about scheme designing and policy issues, like the issue that was just raised about Food Safety and Standards Authority of India (FSSAI). We should work more closely with the industries and the FSSAI so that we have sustainable industry. I think that would help to grow the industry. We have to build consumer confidence. These are the things that were relatively neglected when we were directly investing all our resources, in the direct management of the schemes.”

(viii) Outstanding Utilization Certificates (UCs)

2.41 The grants are issued as per General Financial Rules, which forbid issue of further grant, if UCs are pending for previous grant issued. Details of pending UCs furnished by the Ministry, as on 15-03-2013, are given below:

No. of Pending UCs	Amount of Pending UCs
2967	Rs.501.60 Crore

FOOD PROCESSING SECTOR

2.42 While increasing production and productivity are essential components of a vibrant agriculture sector, improved post harvesting handling and processing are essential to ensure value addition, reduction in waste and ensure quality food products reaching the market. A strong and dynamic food processing sector plays a stellar role in the diversification and commercialization of agriculture,

enhancing shelf-life, ensuring value addition to agriculture produce, generating employment, enhancing income of farmers and creating markets for export of agro-foods. Food security, food inflation, improved nutrition and rural poverty are some of the development concerns addressed by the food processing sector. The food processing sector acts as a bridge between agriculture and manufacturing sectors by providing healthy and affordable food to stimulate the overall growth of the Country. The importance of food processing sector is second to none since it contributes as much as 9-10% of GDP in agriculture, provide employment to 16.75 lakh persons and infuse capital investment to the tune of Rs. 249,337 crore in the registered processing industry. The multi-pronged strategy for enhancing processing level and reduction in wastages; institutional strengthening; food safety and quality assurance; capacity building; R&D and technical support; and value additions, are some of the key areas which can overturn the fortunes of the sector. However, the Committee are distressed to note that inspite of potential high value addition to the economy, the role of the sector has not been understood in the right perspective both by the Government and the planners. The Committee are of the view that unless drastic and radical steps are taken, the dream of India becoming global leader in the food processing and export of safe, hygienic nutritious and quality processed food items, will remain a distant dream. The Committee, while exhorting upon the Government to overcome these deficiencies, recommend the Ministry to enhance their ability to successfully implement major Schemes, so as to improve utilization of allocated funds substantially. This will facilitate the Ministry to play a meaningful

role not only for the food processing sector but also to the agriculture sector as a whole.

PLANNING PROCESS

2.43 The Committee are exasperated to be apprised that all the agencies concerned with the finalization of Twelfth Plan document have not paid any heed to their advise, rendered time and again, for streamlining the planning process, as the incumbent process is riddled with need for obtaining multi-agencies clearance, which are time consuming. The fate that befell the Eleventh Plan was the guiding factor for the instant recommendation. The Committee note that the Approach Paper to the Twelfth Five Year Plan was approved on 22 October, 2011 i.e. on the eve of operationalization of Plan w.e.f. 1.4.2012. In between, the planning process had to pass through plethora of working groups before being considered by NDC on 27 December, 2012. Ideally a scheme ought to be operationalized from day One of a Five Year Plan. Both the Ministry of Food Processing and Industry and Planning Commission too subscribe to this cardinal planning principle. The Committee, however, are concerned to note that this has seldom happened in the past. Since Tenth Plan period and before that also, there has been persistent delays in the finalization and operationalization of a Five Year Plan, thereby impacting outlays, timelines and even schemes to a large extent. The past planning experience has revealed that by the time, schemes / projects in a Five Year Plan period were approved formally, though retrospectively, one was in the midst of Plan period. In the opinion of the Committee this systematic ill has to be overcome, in the interest of development, including Food Processing

Industry Sector. In case of Twelfth Plan, synchronization with manufacturing policy; focus on decentralization so as to improve implementation mechanism for goal towards inclusive growth and wide-spread consultations were some of the factors, as stated by Planning Commission, were instrumental in delaying the approval. Conceding that the Planning Commission has powers to allocate and approve resources for the Plans; the inordinate delay in their finalization, frustrates planning process and a sign of Planning Commission abdicating their authority of a planner.

2.44 The Committee while strongly disapproving the protracted delay in the finalization of the Twelfth Plan, which has still to see the light of the day, do not find any merit and justification in according approval to schemes in piecemeal manner by EFC / SFC, when the Plan and the schemes are yet to be approved formally. The Committee are of the view that such action on the part of the Ministry strikes at the very root of the planning process and threatens the sanctity of planning itself. The Committee wonder whether the instant rules / regulations permit such unwarranted action on the part of the Ministries concerned and the Planning Commission. The Committee would like to be apprised thereof.

The Committee have been informed that all the major projects under Industry Division of Planning Commission and food processing sector, a component of Industry Division, are in time, except, projects of food processing sector. The Committee fails to understand this exception and step-motherly treatment accorded to schemes of Food Processing Sector. The Committee view

the neglect of food processing sector, by the Planning Commission seriously and desire that the sector should be accorded importance, as it warrants.

2.45 The performance of Working Groups constituted by the Planning Commission, to plan and suggest financial requirement of a sector, needs much to be desired. The recommendations of Working Groups are treated casually and often, the resources suggested by them are slashed by the Planning Commission itself. This shows the scant respect which Working Group receives at the hands of the Planning Commission and points towards their working in isolation, rather than in harmony with the different arms of the Government. Such incoherent actions, are another examples of deficient planning system, at macro level and in the process the better and more effective planning of resources is given a go by.

ALLOCATION AND UTILIZATION OF FUNDS DURING ELEVENTH PLAN PERIOD

2.46 During the course of the Eleventh Plan period the Committee have observed that Ministry were allocated an amount of Rs. 1880 crore only against the approved outlay of Rs. 4031 crore by the Planning Commission. The fact that the Ministry was able to utilize 95% of revised allocated funds, is a classical case of self aggrandisement and bemuse the Committee. In the opinion of the Committee, the ability to expand resources needs to be seen in the context of what was originally asked for at project formulation stage and or at the most Budget Estimates (BE) stage. Matching actual expenditure *vis-a-vis* Revised Estimates (RE) is no achievement at all. The Committee further observe that the

Plan outlay allocation *vis-a-vis* BE stage fluctuated widely especially in the fiscals 2008-09, 2009-10 and 2010-11. Similarly, stark mismatch was observed between BE & RE, for the years 2008-09, 2009-10. The Committee are aggrieved to note that their constant pleas to rectify the imbalances have gone unheard during the Eleventh Five Year Plan. As the sector provides a mechanism to bring together farmers, processors and retailers, linking agriculture production to market so as to improve livelihood in rural sector, the Committee would like to emphasise that all the agencies concerned i.e. the Planning Commission and Ministry of Finance (Department of Expenditure) should approach allocation of the Ministry on a new platform, taking into consideration the growth potential, especially critical rural infrastructure. The allocation of funds to the Ministry must be evenly spread across all the five fiscals to ensure greater flexibility in planning priorities and avoiding back loading of plan funds. The Ministry would thus be able to absorb these funds easily and ensure optimum utilization of allocated resources. The inability to utilize the reduced allocation in its entirety during the course of the Eleventh Plan, should awake the Ministry and they should now take proactive steps to ensure optimal utilisation of funds to the hilt in the coming fiscal.

FINANCIAL ALLOCATION AND UTILIZATION DURING FIRST YEAR OF THE TWELFTH PLAN

2.47 The Committee are aggrieved to note the huge variations between the funds sought by the Ministry and the actual allocation made by the Planning Commission. This seems to make a mockery of the instant planning process since Planning Commission and the Ministry work in close tandem, to arrive at

the projected allocation, as per their own admission. Having enlightened themselves with the viewpoint of the Ministry and the Planning Commission, the Committee impress upon both the agencies to arrive at a model, wherein, the figures of proposed allocation and actual allocation are brought on an even keel. Being concerned to note that the first fiscal of the Twelfth Plan is reminiscent of the past ones, the Committee urge all the agencies concerned to introspect at their working, identify their weak areas, work on them and thereby ensure that things turnaround in the next Fiscal and variation between proposals, allocation and utilization is negated to the extent possible.

ANALYSIS OF DEMAND

2.48 The Committee find from Demand No. 46 pertaining to the Ministry of Food Processing Industry that for the current financial year i.e. 2013-14, a sum of Rs. 719.11 crore has been allocated to the Ministry which is entirely under revenue section. Out of this, Rs. 708 crore has been allocated in the Plan side which is 18% more than the RE figure of 600 crore in the year gone by. On the non-plan side, there is no marginal change in the allocation during the years under reference. The total allocation of the Ministry for the FY 2013-14 needs to be seen in the context of outlay of Rs. 1309.03 crore proposed by the Ministry. In view of reduced allocation to the tune of Rs. 708 crore in the year 2013-14, the resultant reduction has been apportioned to various ongoing schemes of 11th Plan which are being continued during the 12th Plan. As such, the up-scaling of the schemes being targeted to desired extent, will not be possible due to lower allocation. The major schemes which are likely to be affected as a consequence

of reduced allocation, to a very large extent are: (i) schemes for infrastructure development (allocation reduced to Rs. 247 crore against the proposed allocation of Rs. 503 crore); (ii) scheme for technology up-gradation / establishment and modernization of food processing industry (allocation reduced to Rs. 165 crore as against the proposed allocation of Rs. 325 crore). Taking into consideration, the ample growth potential of the sector, the Committee desire that Government should pull up their sleeves and ensure that whatever the allocation assigned to them, is utilised prudently, and there is no occasion to reduce allocation at RE stage. Further, in order to utilize funds efficiently, the Ministry should also synergize some of their schemes with that of other Ministries/Departments like the Intensive Dairy Development Programme, Dairy Entrepreneurship Development Schemes of Department of Animal Husbandry, Dairying and Fisheries whereunder processing of milk and other dairy products, is one of the components & RKVY of Department of Agriculture and Cooperation. The Committee expect proactive action in the matter.

EMPLOYMENT IN FOOD PROCESSING SECTOR

2.49 The Committee find that one of the principle aims of promoting food processing sector is to provide gainful employment especially in rural and non-metro urban cities and arrest migration of labour to urban conglomerate. The food processing sector being highly labour absorptive and less capital intensive in nature, generates employment to the tune of 16.75 lakh persons in the country annually in the registered sector, constituting 12.2% of total employment. A large section of Micro Small and Medium Enterprises (MSME) owe their growth and

prosperity to the positive contributions made by food processing industries. The Committee are distressed to note that there has been downturn in the employment especially in the unregistered sector, despite rise in the output and capital employed. The employment in unregistered sector gone down dramatically from 63.46 lakh persons in 2005-06 to 47.93 lakh persons in 2011-12. The Committee desire that Government should assess the reasons for this unsavoury development of declining trend in employment in the sector and take appropriate steps in this direction. The Committee be apprised of the action taken in the matter.

NEW SCHEMES OF TWELFTH PLAN

NATIONAL MISSION ON FOOD PROCESSING

2.50 The Committee find that the food processing schemes, hitherto suffered from lack of enthusiasm by State Governments and district administration as the projects formulated were inflexible and did not suit local needs. To overcome such handicaps, the Government have formulated a Centrally Sponsored Scheme, known as National Mission on Food Processing (NMFP). The Scheme was launched on 1st April, 2012, aimed to decentralize the operation of schemes through involvement of State Governments / UTs for better outreach, supervision, monitoring and ensuring job creation in a Mission-Mode. The multi-pronged objectives of Mission envisages augmenting food processing capacity to upscale their operations through capital infusion, technology transfer, skill up-gradation and land-holding support, establish Self Help Groups (SHGs) working in food processing sector to facilitate them to achieve SME status; capacity development

and skill up-gradation through institutional training to ensure sustainable employment opportunities and also reduce gap in requirement and availability of skilled manpower in food processing sector; raise the standard of food safety and hygiene to globally accepted norms; augment farm gate infrastructure; supply chain logistic storage and processing capacity; facilitate the industry to adopt Internationally accepted certification norms; provide better support to organised food processing sector.

The scheme subsumed existing components / schemes such as technology up-gradation / establishment / modernization of food processing industry, cold-chain, value addition and preservation of infrastructure in non-horticulture products, modernisation of abattoir, human resource development, creation of infrastructure facilities for running degree, diploma, certificate course on food processing technology, entrepreneurship development programme, food processing training centre, etc. Further, new schemes such as creating primary processing centre, collection centre in rural areas, modernization of meat shop and reefer vans are some of the new components included under the Mission mode.

The Committee note that the Mission may enable the Ministry to access the States in addressing both institutional and infrastructure gap along the value chain and thus create efficient supply chain, promote initiatives for skill development, training and entrepreneurship to meet needs of both post-harvest management and food processing industry.

2.51 The Committee has taken note of structure of National Mission on Food Processing. The State Governments donning the role of implementing agencies, in the schemes and projects of the Ministry, is a welcome paradigm shift, and a true national initiative. The Committee is satisfied to note that in the first year of its operation, the Scheme has performed well. As against approved outlay of Rs. 185.32 crore, an expenditure of Rs. 181.44 crore was incurred. In the second year, a provision of Rs. 182 crore provided, as against projected allocation of Rs. 350 crore. The Committee hope and trust that the Ministry will keep this tempo of performance in future as well.

VENTURE CAPITAL FUND (VCF) AND INNOVATION FUND (IF)

2.52 The Committee note that majority of food processing entrepreneurs face serious constraints of easy access of bank credit due to low net worth, lack of tangible security, absence of proven track record etc. They also suffer from additional limitations due to seasonal operations and thus lower capacity utilization. Further, the market development and quality assurance cost are also relatively higher for them. The lack of incentive for innovation too impacts the entrepreneurs. Entrepreneurship and skill development are hallmark to growth of a sector. In order to address the constraints of long term credit and innovation, the Working Group constituted by the Planning Commission had recommended dedicated Venture Capital Fund (VCF) and Innovation Fund (IF), respectively, to address these issues during the Twelfth Plan period. The proposed Venture Capital Fund designed to allow food processing units to leverage their limited seasons in a more effective manner. The innovative Fund was to encourage

market oriented applied research, act as bridge between lab and industry and assist small entrepreneurs especially in rural areas. The Committee are distressed to note that the highly spirited twin initiatives of the Ministry of venture capital and innovation, which can be game changer in the food processing sector, have been deferred for want of resources, during the Twelfth Plan period. As the schemes under reference are likely to spur growth and act as catalyst to boost the sector, the Committee recommend that the funds for these schemes may be made available during Twelfth Plan period itself and the Plan proposal accordingly modified. The Committee would like to be apprised of the action taken in this regard.

FOOD TESTING LABORATORY, R&D AND PROMOTIONAL ACTIVITIES OF THE FOOD PROCESSING SECTOR

2.53 The Committee note that Food Testing Laboratory, R&D and promotional activities of the food processing sector have been assigned to ICAR. Similarly, R&D component of the scheme is entrusted to Science and Technology Ministry and the cold-chain project for horticulture is to be looked after by the National Horticulture Board. The specialists activities, assigned to different institutions, shall enable the Ministry to focus on policy issues entirely. The Committee appreciate the long awaited action on the part of Ministry, who hitherto were planner as well as executor of schemes of the Ministry. The Committee would, however, sound a word of caution and desire that the Ministry should actively coordinate and liaise with all these three institutions, to ensure that the objectives for which the activities outsourced are not lost sight of.

RESULT FRAMEWORK DOCUMENT

2.54 The concept of Result Framework Document (RFD) was introduced to measure the performance of Ministries / Departments of Government of India. The Ministry of Food Processing Industry have been coming out of RFD and putting the same in public domain. The Committee are concerned to note that the composite score obtained by the Ministry was below average i.e. 83% during the year 2011-12. Although slackness in the development of infrastructure projects, mega food parks, abattoir schemes did impact the performance, the reasoning that the targets and indicators fixed for measuring the achievements of the Ministries were too ambitious, for under-performance, as stated by the Secretary during evidence is hardly convincing. The Committee believe that the outcome of RFD provides an opportunity to the Ministry to introspect the areas where they are not performing well and hence can re-orient their focus and work towards achieving the targets. The Committee do not take it kindly to the below average composite score of the Ministry as it reflects the performance of the Ministry in poor light. The Committee, therefore, impress upon the Ministry to put their house in order and ensure that RFD score of the Ministry surges past 90% points during the coming years and stay intact there.

OUTSTANDING UTILIZATION CERTIFICATES (UCs)

2.55 The Committee are highly disappointed to note that the Ministry have not made concerted efforts in reducing the number of pending UCs. During the period from March 2011 to March 2013, 63 UCs, amounting to just Rs. 36 crore

were liquidated. However, the Outstanding Utilization Certificates (2967) amounting to Rs, 501.60 crore as on 15 March, 2013, are yet to be liquidated. The Committee desire that the Government should tackle the pendency of UCs on a war-footing and impress upon all the implementing agencies to clear their backlog. They further observe that this huge pendency is reflective of bad accounting and financial management being practiced by the State Governments / Implementing Agencies and urge upon them to initiate corrective measures at the earliest as in absence of the same, they are the ones who have to bear the consequences. Lastly, they also plead upon the Government to ensure that the case of outstanding utilization certificates is eliminated during the current fiscal itself.

CHAPTER-III
SCHEMATIC ANALYSIS

(i) SCHEME FOR INFRASTRUCTURE DEVELOPMENT

One of the major factor hindering the progress of Food Processing Industries in the Country is lack of infrastructure. In order to address the problem of infrastructure constraints in the Food Processing Sector, the Ministry launched a Scheme for Infrastructure Development during Eleventh Plan. Under the Plan Scheme, financial assistance in form of grant-in-aid is extended for setting up of (a) Mega Food Parks (b) Cold Chain, Value Addition and Preservation Infrastructure, and (c) Establishment of New/ Modernization of Existing Abattoirs.

3.2 During the 12th Plan period, allocation of funds for Infrastructure Development Scheme, including Mega Food Park is in the tune of Rs. 2800.00 crore. Out of this, Rs. 1800.00 crore has been allocated to the Mega Food Park component. The projected fund requirement for the Infrastructure Development Scheme for the Financial Year 2013-14 is Rs. 503.00 crore which includes Rs. 270.00 crore for Mega Food Park. The component against which the actual BE for entire Infrastructure Development as approved by the Government is Rs. 247.00 crore only.

Details of Approved Outlay for Annual Plan 2011-12, 2012-13 & 2013-14

S.No.	Scheme/Programme	Outlay for Annual Plan 2011-12 (BE)	Outlay for Annual Plan 2012-13 (BE)	Outlay for Annual Plan 2013-14 (BE)
1.	Scheme for Infrastructure Development (Including Mega Food Parks/Setting up New / Modernization of existing Abattoirs, Cold-chain facilities)	300.00	191.00	247.00

Budgetary allocation under the Scheme for 2012-13 & 2013-14 is as under:

<i>(Rs. in crore)</i>			
Year	BE	RE	Actuals (up to 31.12.2012)
2012-13	164.00	159.45	123.60
2013-14	215.00	-	-

3.3 When asked about the reasons for reduction of funds at RE stage, the Ministry informed that in Mega Food Parks Scheme, there has not been any reduction at RE stage for the year 2012-13. In this component, the BE was Rs. 86.00 crore, which was enhanced to Rs. 93.00 crore at the RE stage. In the component of Cold Chain, Value Addition & Preservation Infrastructure, BE figure of Rs. 86.00 crore was revised to Rs.81.52 crore at RE stage. The reduction in this component was necessitated as there was limited progress in the projects in North Eastern Region (NER). As a result, BE under Grant-in-aid for NE Region of Rs.8.00 crore was revised to Rs.4.02 crore. In the component of Modernization of Abattoir, some of the approved projects could not achieve prescribed milestones for consideration of release of next installment of Grant-in-aid which was projected during the preparation of BE based on progress already made. Therefore, BE of Rs. 19.00 crore was revised to Rs. 9.62 crore at RE stage for this component. The surplus funds in respect of Cold Chain and Modernization of Abattoirs components have been re-appropriated to other schemes where there were additional requirements of funds.

(a) MEGA FOOD PARKS

3.4 The Scheme of Mega Food Park (MFP) aims to provide a mechanism to bring together farmers, processors and retailers and link agricultural production to the market

so as to ensure maximizing value addition, minimizing wastages, increasing farmers' income and creating employment opportunities in rural sector. The Mega Food Park Scheme envisages a well-defined agri/horticultural-processing zone containing state-of-the-art processing facilities with support infrastructure and well-established supply chain.

(i) Objectives

- (a) To provide state of the art infrastructure for food processing in the country in selected clusters to be identified in a demand driven manner.
- (b) To ensure value addition of agricultural commodities including poultry, meat, dairy, fisheries etc.
- (c) To establish a sustainable raw material supply chain for each cluster.
- (d) To facilitate induction of latest technology.
- (e) To address the issues of small farm size and small and medium nature of processing industries through a cluster approach with stakeholders managing the supply chain.
- (f) To provide an institutional mechanism for producers, processors, and retailers to work together to build the supply chain.

(ii) Approval of the Scheme

The Government had approved the Scheme of Mega Food Parks in 2008 with the stipulation to take up 10 projects in the 1st phase out of total 30 Mega Food Parks (MFP) envisaged under the Infrastructure Development Scheme for Mega Food Parks in the country during 11th Plan period. Out of the 30 projects approved, 13 projects have been accorded final approval and 17 projects have been accorded "In principle" approval. The status of the 30 projects is given in **Annexure-II**.

(iii) Pattern of Financial Assistance

Financial assistance is provided for grant-in-aid @ 50% of project cost excluding land component in general areas and @ 75% in NER and difficult areas, subject to a maximum of Rs. 50.00 crore for setting up of Mega Food Parks.

3.5 Explaining the rationale of involving private parties in the Scheme so as to give fillip to the sector, the Ministry of Food Processing Industries informed: –

“The Mega Food Park scheme was launched to overcome the difficulties observed during the implementation of the Old Food Parks Scheme during 8th to 10th Plan periods. Most of the implementing agencies under the old scheme were State Government Undertakings/ PSUs. During the course of implementation, many factors were observed which caused delay or non-implementation of some of these projects. One of the major problems was inability on the part of the respective State Governments/ PSUs to contribute their share of equity. To overcome the bottlenecks of the food park scheme, the new scheme of Mega Food Park envisaged as a private driven scheme to make it more effective and market oriented. To ensure the private character, the equity participation of Government Agencies have been capped at 26%. Since the scheme is private driven in nature, selection of project site is decided by the SPV according to its business plan. However, the State Governments are actively associated both at the time of selection of the projects and subsequently in the management of the Board of Directors to coordinate matters requiring State Government intervention including selection of sites.

If viable areas are identified by the Government, suitable adequate land may not be available in those areas. Moreover, there is no shortage of proposals for setting up of mega food parks by the private sectors as has been noticed in response to EoI called for 15 projects. A total number of 63 proposals were received and 27 were found to be eligible against the approval of competent authority for only 15 projects.

The promotion of food processing sector is organically linked with agriculture sector. All the proposals received have justified their locations of projects and proposed facilities based on the agricultural produce being generated in the catchment area of the project. The project is based on hub and spoke model to spread the reach and benefit to larger areas and farmers. During the appraisal of the proposals emphasis is being given to forward and backward linkages, raw material availability, type of processing units suitable to that area etc.

At the time of formulation of the scheme during the beginning of the 11th Plan, a pre-feasibility study was conducted by a professional agency, viz. IL&FS in 5 States , one each from five different agro-climatic zones of the country such as Punjab in North, Assam in North East, Jharkhand in East, Maharashtra in West and Andhra Pradesh in South. These States were identified as potential destinations for Mega Food Parks. In spite of the pre-feasibility study, delay in implementation took place in all these States due to different reasons. Therefore,

feasibility study may not be a guarantee for speedier implementation of these projects.”

3.6 Based on the progress of implementation, the fund requirement for the Scheme for the year 2013 – 14 have been worked out by the Ministry as following :-

1. Grant-in-aid for 10 Mega Food Parks of Phase I	- Rs. 105.00 crore
2. Grant-in-aid for 5 Mega Food Parks of Phase II	- Rs 85.00 crore
3. Grant-in-aid for 15 Mega Food Parks of Phase III	- Rs. 75.00 crore
4. Other charges	
(i) PMA charges	- Rs. 3.90 Crore
(ii) Adv & Publicity	-Rs. 0.10 Crore
(iii) OAE	- Rs. 1.00 Crore
Total	- Rs. 270.00 Crore

3.7 When the Committee enquired whether the Ministry have conducted any Survey for location of Food Parks, the Secretary stated:-

“No. We do not do that. It is because now the mega food park scheme, in any case, is driven by the private sector. That was the shift from the 8th Plan to the 10th Plan to the 11th Plan. From the 8th to the 10th Plan it was just Food Park mainly implemented through State Governments. In the 11th Plan we started the mega food park scheme which is implemented by the private sector. Since it is done by the private sector they choose the location based on their understanding of the economics and also the most crucial thing, the availability of land. So, we have not done any survey as such to identify sites. “

3.8 Following are the assumptions, which a food producers and the farmers will yield on completion of the Mega Food Park Projects:

- Each MFP is expected to benefit 6000 farmers / producers directly and 25000-30000 farmers indirectly.
- Each MFP expected to invest about 100 crore in Common Facilities and leverage an additional investment about of Rs. 250 crore.
- Projected annual turnover of a MFP will be about Rs. 450.00 - 500.00 crore.
- Each MFP will generate about 30,000 direct and indirect employments.

3.9 Based on the these assumptions and also considering total private investment in the Park to the tune of Rs. 250 crore, including investments in infrastructure development and processing cum ancillary units, the estimated total employment generation in a Mega Food Park is estimated at around 30000 to 35000 (around 25000-30000 as direct employment and remaining 5000-10000 as the indirect employment).

3.10 When asked about the basis of these assumptions, the Ministry in their Post Evidence Reply stated that a professional agency, IL&FS was engaged for giving final shape to the scheme on the basis of their experience of the feasibility study. Further, during preparation of EFC note for the mega food parks Scheme in the beginning of the 11th Five Year Plan, based on the inputs from IL&FS, the following assumptions were considered for the projected benefits of the newly proposed Mega Food Park Scheme:-

- **Investment in a Mega Food Park:** The average project cost for setting up a Mega Food Park was estimated at Rs. 125-150 crore including Rs.75 to 100 crore of private investment and Rs. 50 crore of grant assistance.
- While arriving at the projected investment in the Park by prospective units against the estimated private investment in infrastructure development, a modest leverage of 2.5 to 3.0 times was projected, taking into account the relatively longer gestation period of infrastructure projects in food processing sector. Thus, considering an average private investment of Rs. 75 to 100 crore in each of the MFP project, the investment in the Park was arrived at around Rs.225-250 crore by way of setting up processing cum ancillary units at the Central processing Centre in the Park.
- **Estimated Aggregate Turnover of Units in the Park:** Further, based on the raw material mix available in the catchment area of the Park and most potential processing activities that could be taken up using the available raw material mix and also the envisaged number of units that could be set up in a Park, the estimated cumulative turnover of all such proposed units was arrived at around Rs.450-500 Crore, assuming a reasonable investment turnover ratio of 2.
- **Employment Generation:** As per the study conducted by Rabo Equity Advisors during preparation of the Vision Document: 2015, it was concluded that in the food processing sector, every One crore of investment leads to a total

employment generation of 140, including both direct & indirect. Assuming 70% of it as direct employment generation, the actual number of direct employment generated shall be around 100 per crore of investment in food processing industry.

3.11 The timeline for implementation of the project from the release of 1st installment, increased for 24 months to 30 months from the date of 'final approval'. None of the approved projects could meet this deadline. When the Committee enquired about the reasons for the same, the Ministry assigned following are the reasons for slow progress of the Scheme:

(i) Financial Closure of the Project (Sanction of Term Loan):

In case of some projects, sanction of term loan by Bank has taken more than a year which caused severe delay in commencement of project implementation. Financial closure (sanction of term loan) is also a critical milestone for the project for availing 2nd tranche of first installment of approved grant assistance. Thus, due to delay in financial closure, some of the approved projects could not avail this grant even after more than a year since Final approval.

(ii) Permission of Sub-lease clause in case of allotment of land by State agency:

The land for the project in certain cases has been allotted by State agency to SPV on a long term lease basis. In such cases, the lease agreement executed between State agency and SPV did not provide for sub-lease permission which caused restriction on SPV to sub-lease developed plots to prospective units. SPVs, in such cases, decided not to proceed for project implementation unless it receives approval for sub-lease.

3.12 Explaining the progress of Mega Food Parks, the Ministry informed that there has been inordinate delay in the sanctioning and implementation of the Scheme of MFP:-

“In the 1st Phase the Government had approved 10 Mega Food Park Projects in September, 2008. Subsequently, Scheme Guidelines were formulated and EOI was invited in October, 2008. Following the prescribed procedure 'In principle' approval was accorded to 10 projects on 16-12-2008. Out of the 10 projects accorded 'In Principle' approval, only 5 projects in the States of Andhra

Pradesh, Jharkhand, Uttrakhand, Maharashtra and North East (Assam) could meet the prescribed conditions to whom 'Final Approval' was accorded on 27-03-2009. Later on 2 more project one each in the States of Tamil Nadu and West Bengal were accorded 'Final Approval' on 16-03-2010 on fulfillment of prescribed conditions. Later on, the SPV of Maharashtra withdrew from the project stating its inability to implement it. The SPV of U.P. also withdrew from the Scheme and the SPV of Punjab and Karnataka could not meet the prescribed conditions for final approval. In case of all these four States, 'in principle/final approval' had to be cancelled and the entire selection process including issue of EOI had to be initiated afresh for selection of suitable SPVs in these States.

During 2nd phase of scheme implementation, the CCEA approval was accorded on 18.11.2010 for taking of 5 new projects. The EoI was issued on 28.12.2010 and the last date of submission of the proposals was kept at 28.02.2011. The selection process was completed in accordance with the scheme guidelines and in-principle approval was accorded to these five projects on 29.04.2011. It may be observed that the entire selection process was completed only in five months. However, one of the project promoters in Madhya Pradesh subsequently withdrew from the project and therefore, in-principle approval had to be accorded to the second proposal in the panel. All the five projects have been accorded final approval and are at different stages of implementation.

During 3rd phase of scheme implementation, the CCEA approval was accorded on 25.10.2011 for taking of 15 new projects. The EoI was issued on 21.11.2011 and the last date of submission of the proposals was kept at 17.02.2012. To give more transparency to the selection process, it was decided to give chance to the applicants to represent against the decisions of technical committee as well as approval committee. A panel of independent monitors was appointed to consider their representations. All the 15 projects accorded in-principle approval in September, 2012. 14 projects have submitted their DPRs within stipulated time period of six months which are under appraisal”.

3.13 Explaining the present status of implementation of project of old Food Parks, the

Secretary, MFPI stated: –

“I would say that 33 out of the 56 are fully operational. I would also say that 10 are partly operational. One more project has not been completed – the Rai Park. That is very close by. We had got some outside evaluation done. We will send the information about that also to you. This was done, if I remember right, by the Tariff Commission. They had done a detailed evaluation. That is another very successful Park. So, many of these Parks have been successful. From what I can make out from the records as to why in the Eleventh Plan we shifted from the

mainly public sector to the private sector is the time factor. They took a very long time in getting operationalised.”

Further, he stated that –

“I would submit that the major issues that we have confronted are land-related issue, not necessarily land availability, issues related to land. We had discussed that last year in the month of December. Then, the issue of sub-leasing had come up in Jharkhand, West Bengal, Assam. Sub-leasing permissions took time. At times, there have been problems between the promoters and the others. There have been delays in getting financial closure. We have implemented the scheme in three phases. In the first phase, we got 10 projects. In the second one, we have got 5 and in the third, we have got 15. At each stage, we have changed the guidelines or made modification in the guidelines learning from the previous experience. So, two major changes we have made in the guidelines for the 15 new projects which were approved in 2011. We will give them final clearance only after they are in possession of land. They have to obtain all the clearances including the change in land use classification. Secondly, they have to obtain financial closure. We will not give them final approval till they do that. These things were done after the final approval in earlier two phases.

I would further say that in infrastructure projects, large amounts of land are involved. It is possible that even after we do all these, a particular scheme may get delayed; a particular project may get delayed. I will give the example of Bihar. We had given in principle clearance. Then, we gave the final clearance. They have been allocated land by the Bihar Industrial Area Development Authority. They started work on the project. After that, there were some local objections on the amount of compensation that had been given to some of the land owners. Because of that, the project is stalled for the last 12 months. We have taken it up with the State Government. The promoters have been frequently visiting there. At one stage, the State Government asked the promoters to look at alternative pieces of land. None of them were found to be more promising than this. Those discussions are still going on, now, this is something that is totally unforeseen. I think no matter how well you design a scheme, these land-related problems will be there and these are not peculiar to the food processing industries. We see them in almost every sector. We are no exception to the rule. Whatever systemic changes we are making, the most important change we have done is, of course, the Mission where we are involving the State Governments more closely with us. So, we are building partnership with the State Governments. Most of these land-related issues are with the State Government.”

3.14 Growth of Mega Food Parks was imperative to give fillip to Food Processing Industries. Taking into consideration the slow progress, when asked, whether any mid-

course correction and improvement thought of the Ministry in Post Evidence Reply stated that they have assigned an independent evaluation of the scheme to a professional agency, viz. Centre for Market Research and Social Development for the Scheme. The agency submitted its Report and the major findings/recommendations of the Report are:

1. The Mega Food Parks should also get the benefits available to SEZs such as exemption/lower rates of Excise Duty and VAT.
2. PMCs should closely monitor for timely financial closure of the project.
3. The PMCs need to closely monitor the execution of all the components by SPV as per the DPR. There should also be close understanding between the SPV and PMC for successful implementation of project.
4. State Government and local Administration should be more actively involved in the project and should provide necessary support for expeditious project implementation.
5. Ministry and SPVs should actively organize Road Shows and participate in major events at National and International level to seek participation from major investors to act as a anchor-tenant for Mega Food Parks.
6. Necessary convergence should be done with the scheme of National Horticulture Board, NABARD, *Rastriya Krishi Vikas Yojna* (RKVY) and Terminal Market Scheme for more effective and successful implementation of the scheme.

The following remedial measures have been taken to streamline the implementation of the Mega Food Parks:-

- i. The Ministry has taken up with various States from time to time to provide fiscal incentives to make the projects more viable. Some State Governments such as Andhra Pradesh, Punjab and Rajasthan have announced various tax benefits and other incentives.

- ii. The Ministry ensures close interaction and effective professional inputs to facilitate smooth implementation of the project. Payment from TRA account is debited for every work order /contract only when the PMC countersigns it. The request for release of funds from the SPV needs to be accompanied by the recommendations of PMC for consideration of sanction by the Ministry.
- iii. The scheme guidelines already provides for effective participation of the State Government in implementation of Mega Food Parks. The State Government representatives are associated with the process of selection of the project and are appointed as Ministry's Nominee Director on the Boards of respective SPVs of the Mega Food Parks. In addition, Mega Food Park Coordination Committees have been constituted under the Chairmanship of respective District Collector for close coordination in various grass root level activities.
- iv. To attract more investment, the Ministry has been organizing various seminars, investors- meet, workshop etc. During the current financial year the Ministry has organized 4 workshops in Mumbai, Kolkata, Chandigarh and Bangalore. The SPVs of respective Mega Food Park projects were invited to participate and showcase the investment potential in their projects.
- v. The Ministry has been making efforts for developing synergy and convergence with various schemes of the Government of India and that of State Government. The intensity of the effort will continue during the current Plan period also.

In addition, learning from the experiences of implementation of the scheme during 11th Plan, Ministry has modified the scheme guidelines for more effective and faster implementation of the scheme. The major modifications in this direction are as under:-

1. The applicant/ SPV having land available with one or more promoters is given additional weightage so that the subsequently no time is lost for arranging land for the project.

2. The financial closure (term loan sanction) has been made a pre-requisite for according final approval of the project which otherwise used to take almost six months to one year after approval of the project.
3. Achievement of physical milestones including acquisition land for PPCs has been linked with release of different installments of grants to ensure commensurate physical work at site in time bound manner.

3.15 Regarding monitoring and implementation of Mega Food Parks, the Ministry informed that Ministry have engaged multi-skilled professional agencies as PMAs to assist in monitoring and implementation of the Mega Food Park projects. The PMAs conduct field visits to the sites periodically and submit their reports to the Ministry regarding status of project implementation. The PMAs also submit a monthly progress report in respect of each project on the basis of inputs received from the SPVs and respective PMCs. The Ministry has also appointed State-specific area officers to supervise and monitor the implementation of different schemes in each State. In addition, regular progress review meetings are held in the Ministry to monitor the status of implementation of various projects. Based on the deliberations of these meetings of further follow up actions are taken by the Ministry to expedite/ facilitate project implementation.

(b) COLD CHAIN, VALUE-ADDITION AND PRESERVATION INFRASTRUCTURE

3.16 The objectives of the Scheme are:

- (a) To provide Integrated and complete cold chain and preservation infrastructure facilities without any break, from the farm gate to the consumer.
- (b) To enable linking groups of producers to the processor and market through well equipped supply chain and cold chain.

The salient features of the Scheme are:

- (a) To provide integrated and complete cold chain facilities without any break from the farm gate to the consumer, Pre-cooling facilities at production sites, reefer vans and mobile cooling units has been covered under the Integrated Cold Chain facilities projects.
- (b) Horticulture produces has also been included for support under Integrated Cold Chain Facilities.
- (c) Value addition centres may also include infrastructural facilities including processing / multi-line processing / collection centres, etc. for horticulture including organic produce, marine, dairy, meat and poultry, etc.
- (d) Irradiation facilities may also cover warehousing, cold storage facilities etc. for storage of raw material and finished products for efficient utilization of the facility.

The Scheme provides financial assistance for the following components:

- (a) Minimal Processing Centre at the farm level and this centre is to have facilities for weighing, sorting, grading, packing, pre-cooling, Controlled Atmosphere (CA) / Modified Atmosphere (MA) cold storage, normal storage and IQF.
- (b) Mobile pre-cooling vans and reefer trucks as may be suitable for transport of Non-horticulture produce.
- (c) Distribution hubs with multi product and multi CA /MA chambers cold storage / Variable Humidity Chambers, Packing facility, CIP Fog treatment, IQF and blast freezing.
- (d) Irradiation facility.

To avail financial assistance, any two of the above components will have to be set up by the units. Considering the functional nature of the facility, Irradiation facility can be treated as a standalone one for the purpose of availing grant.

Pattern of Assistance

During the Eleventh Plan period and first year of the Twelfth Plan, the Ministry provided Financial assistance (grant-in-aid) of 50% of the total cost of plant and machinery and technical civil works in General areas and 75% for NE region and

difficult areas (North-East including Sikkim and J&K, Himachal Pradesh and Uttarakhand) subject to a maximum of Rs 10 crore to all implementing agencies such as Government organisations, Private sector organizations etc.

3.17 A total of 79 Cold Chain projects were approved to be taken during the Eleventh Plan, out of which 74 projects have been sanctioned by the Ministry in different parts of the country. Out of these 74 projects, 8 have already started commercial production. A total of 11 projects have been cancelled. In such case the promoters of 9 projects, were unable to submit the documents required for release of first installment of grant within the stipulated period of 9 months from the date of approval. 2 projects were cancelled due to violation of scheme guidelines and mis-representation of facts. Remaining 54 projects are at various stages of implementation.

3.18 To fill up the vacant slots, the Expression of Interest (Eoi) were invited with last date as 10.07.2012 and the proposals received are being scrutinized by the Ministry. Status of progress of setting up of Cold Chain Projects is enclosed at **Annexure – III**.

Expenditure during Financial Year 2012-13

3.19 During the financial year 2012-13 (upto 31.12.2012), Ministry has released grant-in-aid of Rs. 52.59 crore under the scheme. Details of the projects assisted by the Ministry are given in **Annexure-IV**.

Target capacity

3.20 The 63 projects approved so far will add 1,41,661 MT of Cold storage, 87,257 MT of CA/MA Chambers, 17,800 MT of Deep Freezers, 41.4 MT/hr of IQF and 293

Reefer carriers. So far a capacity of 1,09,070.5 MT of cold storage, CA/MA, deep freezer; 91 reefer carriers, 11.025 MT per hour of IQF, and capacity of 58.3 lakh litres per day (LLPD) of milk has already been created.

3.21 When asked whether any evaluation done to quantify the gains accrued, the extent of reduction in wastages and value addition, deficiencies in the implementation of the scheme and corrective follow-up action taken, the Ministry informed that it had engaged M/s. Centre for Market Research & Social Development [CMRSD] for evaluation of the infrastructure development scheme of the Ministry with the components – Cold Chain, Value Addition & Preservation Infrastructure for 11th plan.

3.22 The Evaluation Report reveals that:

- The wastage of vegetables and fruit has come down to 20% – 30% from 20% - 40% (reduction of 30%), while the wastage of milk and other dairy products has come down to 10% - 15% from 20% - 30% (reduction of 50%) due to cold chain infrastructure in the locality.
- Due to proper cold chain facilities, the shelf life of the food items has been increased to 6-8 months from 5-15 days. Through irradiation, even the shelf life of the perishable foods has been increased to 8-12 months.
- The direct employment has been increased near about 3 times and the indirect employment has been increased near about 4 times after the operation of cold chain projects. Overall, it was noticed that the scheme for integrated cold chain has a great impact in employment generation both directly as well as indirectly.
- Overall analysis reflects that 6%-8%of the total products of the cold chain projects throughout the country are being exported, and the middle-east countries are the main importer of the frozen products from the country.

3.23 When asked about action taken on the suggestions made in the Evaluation Report, the Ministry informed the Committee that:-

- The Study observed that some of the components in the DPR are not being executed by the project promoters.
- The Study observed that due to national level selection of projects some of the States have not been able to get any cold chain project.
- The Study observed that there is little interest and involvement of State Government and local administration in development of the projects.

As regard to monitoring mechanism, to oversee the schemes, Ministry in a note stated that -

- “For better implementation of the Cold Chain projects, the Ministry has decentralized the implementation process. During 12th Plan Non-horticulture cold chain projects are being implemented by respective state government under National Mission of Food Processing (NMFP). Horticulture based cold chain projects are being implemented through National Horticulture Board (NHB). The Ministry is regularly monitoring the progress of the implementation of the projects by holding review meetings with promoters and addressing the issues involved in implementation of the projects. Wherever necessary, concerned authorities like State/Central Govt., Banks and financial institutions have been approached to resolve the issues to expedite the implementation of the projects. The progress is also being monitored by field visit by Professional Management Agency. Ministry has also appointed its officers as area officers of certain number of states for focused monitoring and coordination with State Governments.”

3.24 The Working Group on Food Processing Industries in its Report has recommended for continuation of the Cold Chain, Value Addition & Preservation Infrastructure Scheme for horticulture and non-horticulture produce during the 12th Plan as Central Sector Scheme. The Working Group has recommended for taking up 140 new projects during 12th Plan. Accordingly, the Ministry have received 146 applications

in response to the EoI and on scrutiny found that about 75 proposals were prima facie eligible as per the scheme guidelines. The Planning Commission has provided an allocation of Rs. 700 crore for the 12th Plan period for the scheme. Since the funds provided by the Planning Commission are not adequate, the Ministry proposes to assist about 75 prima-facie eligible proposals during the 12th Plan.

3.25 Uninterrupted supply of power is a pre-requisite for the operation of cold storages whereas a major part of the country is deficient in power when enquired as to how the Ministry would implement the Scheme which is based on the power, the Ministry stated that Solar Energy Center of the Ministry of New Renewable Energy (MNRE) has developed a biomass/solar based hybrid system for generation of electricity. The waste heat generated in this plant can be used for cold storages. In consultation with MNRE it was decided that some demonstration projects based on this technology may be set up by the State Government with the assistance available under the schemes of MNRE and DAC. The State Governments of Andhra Pradesh, Assam, Bihar, Madhya Pradesh, Maharashtra and Tamil Nadu have been advised to take up cold chain pilot projects based on the technologies developed by the Solar Energy Center of MNRE.

Reefer Vehicles

3.26 When asked about the constraints faced by the Ministry in transportation of perishable items through refrigerated trucks, the Ministry informed during evidence:

“I briefly mentioned about the reefer vehicles. We also have in our cold chain schemes, a component for reefer vehicles; people do buy along with the rest of their cold chain. That is the whole idea of cold chain that you have a central hub and the vehicles provide the link between the collection centres and between the

ultimate markets. So, the entire product is carried in a cold chain. That is the idea. So these reefer vans are refrigerated trucks.

These are part of our cold chain scheme now and there was a request that we should have stand alone scheme for reefer vehicles because apparently people are now going in for hiring refrigerated vehicles. This can be a business by itself rather than the cold chain owner having to own his own vehicles. He can hire a fleet of refrigerated vehicles.”

Irradiation Facilities

3.27 Irradiation technology is widely used in scientific as well as commercial applications in the field of agriculture animal science, pharmaceuticals and medical science etc. One of the important applications of the radiation technology is post-harvest handling and management of foods. Food Irradiation involves treating certain types of foods with ionizing energy or radiation. Radiation processing of food strengthens food conservation, improves food hygiene and helps in: (a) extension of shelf-life of food products by killing micro-organisms causing spoilage (b) enhancement of safety by killing food borne pathogens and parasites (c) inhibiting sprouting in tubers, bulbs and rhizomes (d) delaying ripening of fruits (e) destroying insect pests in stored product and fruits.

3.28 Considering the technological advantages, Ministry of Food Processing Industries also provides financial assistance for setting up of irradiation facilities for food products. Financial assistance in the form of grants-in-aid @50% of the total cost of plant and machinery and technical civil works in general areas and 75% for North Eastern Region and difficult areas (North East including Sikkim and J&K, Himachal Pradesh and Uttarakhand) subject to a maximum of Rs.10 crore is available under the scheme for all implementing agencies.

3.29 The Ministry has so far approved 4 projects for setting up of irradiation facility. Out of the 4 projects, 1 project has started commercial production and the facility is being used by the farmers for irradiation of the agriculture produce. The Status of these projects is as under:-

S. No.	Name Project	Project cost (in Rs.Lakh)	Facilities	Implementation status
1	M/s Innova Agri Bio Park Ltd, No. 308, Phase-3, KIADB Industrial Area, Malur, Dist. Kolar, Karnataka.	1400	Irradiation facilities for fruits & vegetables such as onion, garlic, banana, potato, papaya, mango, spices and pulses	75 % complete
2	M/s Aligned Industries, at Plot No. 51-54, HUDA Industrial Area, Dharuhera, Rewari (Haryana)	2202.18	Irradiation Processing Facility (85260 MT/year; approximately 20 MT/hr), Cold Store (1000 MT), Testing Laboratory	25 % complete
3	Impartial Agrotech (P) Ltd E-Block, House No-1251, Rajaji Puram, Lucknow-226017	1478.97	Gamma Irradiation Plant with capacity of about 14.5 MT/Hr including 2 cold storage chambers and other related facilities.	75 % complete
4	Jhunsons Chemicals Pvt. Ltd, E-446, Chopanki Industrial Area, Near Bhiwadi, P.O- Tapukera, Rajasthan	1773	Gamma Irradiation processing facility	Commercial production started

(c) ESTABLISHMENT OF NEW/MODERNISATION OF EXISTING ABATTOIRS

Setting Up/ Modernization of Abattoirs

3.30 Hygienic and scientific slaughtering of animals and optimum utilization of by-products are the most important issues in the Indian meat industry. Quality and hygiene levels in the wet market are low due to imperfect bleeding, primitive and crude slaughtering and de-feathering techniques, lack of infrastructure facilities like water, electricity and facilities for handling carcass/ flaying, cross contamination in slaughter and improper handling during carriage. These result in tremendous waste of meat, contamination/ deterioration of meat and also avoidable cruelty to the animals during the whole process. The qualitative and quantitative capacities of the abattoirs need to be upgraded and these are required to be linked with commercial processing of meat, both for domestic consumption and exports besides discouraging unauthorized slaughtering. Accordingly, a Plan Scheme for establishing new abattoirs & modernising of old abattoirs was started in the 11th Five Year Plan.

Objectives

- Scientific and hygienic slaughtering of the animals.
- Application of modern technology for slaughter waste management and pollution control.
- More humane treatment of animals/minimizing transportation of animals.
- Better by-product utilization/value addition.
- Providing chilling facility to prevent microbial activity in slaughtered animals.
- Better hygiene, safety and retail cold chain management.
- Better forward linkage facility for finished meat and meat products.

Salient Features

- The scheme has been made flexible with provision for inducting private capital, better technology and backward and forward linkages.
- New Abattoirs will be most appropriately located outside city limits, since existing abattoirs of municipalities do not have enough land for expansion or modernization in most places which will also minimize need to transport animals by road or by train. Modernization of existing Abattoirs will be taken up at the existing site itself, wherever feasible.
- Land for Abattoirs will be contributed by the Panchayats/ Urban Local bodies/ State Agencies enabling them to participate in these ventures. Land can also be arranged by private investor, who is setting up Abattoirs.
- The scheme will be implemented with involvement of local bodies (Municipal Corporations and Panchayats) and will have flexibility for facilitating involvement of private investors through competitive bidding.
- Professional agencies are being engaged as Project Management Agency (PMA) to assist the Ministry in project appraisal, implementation and monitoring of projects.

Pattern of Financial Assistance

Based on detailed discussion with stakeholders, industries and State Governments, the Scheme has now been modified to induct private capital, better technology, backward and forward linkages. Financial assistance (grant-in-aid) is provided at 50% and 75% of cost of plant & machinery and technical civil work in general and difficult areas, respectively subject to maximum of Rs. 15.00 crores for each project. Technical Consultancy fee maximum @ 5% of grant is also provided to meet the cost of engaging Technical Consultancy firms at apex level to assist the Ministry.

Approval of Scheme

During financial year 2008-09, setting up of 10 new abattoirs was approved by the CCEA on 26.02.2009 and Approval Committee of MoFPI approved the setting up of 9 new abattoirs during the year 2008-09 and remaining one was approved during the year 2009-10. Out of this, 2 new abattoir projects have been commissioned at Ahmednagar (Maharashtra) and Dimpaur (Nagaland) respectively. During the current year 2012-13, total grant-in-aid amounting to 790.47 lakhs has been disbursed to Majhitar (Sikkim- 61.67 lakhs), Shimla (Himachal Pradesh - 342.60 lakhs) and Kolkata (West Bengal) - 386.20 lakhs) respectively.

3.31 The Scheme is being implemented preferably under Public-Private Partnership (PPP) mode with the involvement of local bodies (Municipal Corporations and Panchayats) and has flexibility for involvement of private investors/ Exporters/FDI on a Build-Operate-Own (BOO)/ Build-Operate-Transfer (BOT)/ Joint Venture (JV) basis. Regulatory functions continue to be discharged through local bodies. This will enable the local bodies to participate in the venture and also be assured of a stream of income.

3.32 The current status of Abattoir projects under the scheme is as under:-

Status of Abattoirs Project

S. No.	Name of Executor	State	Total Project Cost (Rs. in lakhs)	Total Amount Sanctioned (Rs. in lakhs)	Total amount disbursed till date (Rs.in lakhs)	Remarks
1	Dimapur Municipal Council	Nagaland	2288	1437.50	1402.17	Completed
2	Ahmednagar Goat Federation Co-op Ltd	Maharashtra	2352	851.02	851.02	Completed
3	Greater Hyderabad Municipal Corporation	A.P.	3284	1478.98	591.59	1 st and 2 nd installment released.
4	Municipal Corporation, Shimla	H.P.	2642	1500.00	600.00	1 st and 2 nd installment released.
5	Kolkata Municipal Corporation	West Bengal	2845	1287.34	514.93	1 st and 2 nd installment released.
6	Jammu Municipal Corporation	J&K	2300	1500.00	150.00	1 st installment released.
7	J&K Sheep and Sheep products Development Board, Srinagar	J&K	2800	1410.00	141.00	1 st installment released.
8	Municipal Corporation, Patna	Bihar	2638	1097.21	109.72	1 st installment released.

9	Municipal Corporation, Ranchi	Jharkhand	1867	864.55	86.46	1 st installment released.
10	Modern Abattoir at Majhitar, East Sikkim	Sikkim	926.36	616.72	61.67	1 st installment released.
TOTAL			23942.36	12043.37	4508.56	

Expenditure during 11th Plan

3.33 Grants-in-aid amounting to Rs. 40.93 crore have been disbursed during 11th Plan (i.e upto 2011-12). During 2012-13, assistance of Rs. 7.908 crore has been released upto 31.12.2012.

Upscaling of the 11th Plan Scheme

3.34 A proposal for upscaling of the scheme has been approved to cover setting up of 25 new abattoirs and modernization of 25 existing abattoirs at a total project cost of Rs 330.84 crore, inclusive of committed liabilities in respect of 8 on-going projects of 11th Plan.

The upscaling scheme will be implemented in the Central Sector for the first two years of the 12th Five Year Plan i.e 2012-13 and 2013-14. Thereafter, the Scheme for Setting up of New/Modernization of Existing Abattoirs will be implemented by the State Governments through the National Mission on Food Processing for the rest of the 12th Five Year Plan since most of the proposals are from the Municipal Bodies which are closely connected to the State Governments.

(ii) **SCHEME FOR TECHNOLOGY UPGRADATION/ ESTABLISHMENT/ MODERNISATION OF FOOD PROCESSING INDUSTRIES**

3.35 The Ministry of Food Processing Industries is concerned with a number of food processing sectors such as grain processing, meat processing, poultry & egg processing, milk products, fish processing, fruit and vegetable processing, consumer food industries. Government has implemented the Scheme for technology upgradation/ establishment/ expansion/ modernisation of Food Processing Industries to provide promotional support to potential entrepreneurs.

The scheme for Technology Upgradation/ Establishment/ Modernization of FPIs is applicable to promote latest technology in the preservation of perishable commodities including horticultural produce processing. The scheme envisages to extend the financial assistance for setting up of new food processing units as well as Technological Upgradation and Expansion of existing units in the country. Ministry extends financial assistance in the form of grants-in-aid to entrepreneurs @ 25% of the cost of Plant and Machinery and Technical Civil Works subject to a maximum of Rs. 50 lakhs in general areas and 33.33% subject to maximum of Rs. 75 lakhs in difficult areas. This Scheme's expenditure during 2012-13 sub sector-wise upto 31.12.2012 is furnished below and which is actually towards meeting the spillover of cases of 11th Plan which has ended on 31.03.2012.

3.36 During Ninth Plan, the Ministry had been operating different schemes to cover different segments like fruits and vegetables, meat and poultry, milk, grain processing, fisheries etc. The total budgetary outlay for the scheme during 11th Five Year Plan was Rs. 600 crores, out of which year wise expenditure has been given below:-

S. No.	Year	Expenditure (Rs. in crore)
1	2007-08	119.30
2	2008-09	96.87
3	2009-10	82.49
4	2010-11	105.67
5.	2011-12	179.22
Total		583.55

A total of 3209 cases with Rs. 795.26 crores liabilities were pending as on 01.04.2012. During 1st year of 12th Plan (2012-13) 644 units have been assisted with an amount of Rs. 99.32 crore (as on 31.12.2012) as against budgetary allocation of Rs. 100 crore for 2012-13. Full financial assistance could not be released due to non-availability of adequate funds. A total of 2,926 cases with a committed liability of almost Rs.699.18 crore still remain outstanding as on 10.10.2012, after exhausting the budget allocation of Rs. 100.00 crores in 2012-13 of 12th Plan. Keeping in view the huge back log of Committed Liability, the fund requirement for the year 2013-14 will be Rs. 325.00 crore.

The Scheme has been subsumed in the National Mission on Food Processing (NMFP) launched in the 12th Plan (2012-13) as a Centrally Sponsored Scheme. Hence, no new applications are being accepted w.e.f. 01.04.2012. In other words, the applications w.e.f. 01.04.2012 under the scheme for Technology Upgradation/Establishment/Modernization of Food Processing Industries, which is subsumed in the NMFP are being received by the respective State/UTs Governments under NMFP. Further, sanctions etc. under the NMFP will be done by the respective

State/UTs Governments, from the allocations of NMFP, which is a Centrally Sponsored Scheme.

3.37 Assistance in the form of grants-in-aid is extended under this Scheme for all segments of the food processing sector including fruits and vegetables, milk, fish, grain, meat, poultry etc.

Budgetary allocations under the Scheme are as under:

(Rs. in crore)

Year	BE	RE	Actuals
2012-13	100.00	186.46	154.59
2013-14	160.00	-	-

Performance for the years 2010-11, 2011-12 & 2012-13 (as on 31.12.2012):-

(Rs. In lakhs)

Year	2010-11		2011-12		2012-13	
	No. Of cases	Amount released	No. Of Cases	Amount released	No. Of Cases	Amount released
Rice Milling	58	784.40	349	4351.7	361	4877.56
Pulse Milling	52	451.88	97	1119.4	25	318.78
Flour Milling	57	105.07	53	1157.6	10	168.64
Wine & Beer	24	362.00	12	300.00	1	25.00
Oil Milling	20	455	113	1820.1	61	1051.37
F&VP Sector	133	2331	249	4164.1	54	1012.31
Consumer Industries	114	2001.00	173	2889.8	87	1450.28
Fisheries	9	193.10	27	575.8	16	345.70
Dairy	67	1424.21	60	1192.0	26	448.17
Meat & Poultry	20	455.10	9	164.46	2	33.00

F&VP Sector

During 2012-13, the Ministry has released financial assistance of Rs. 10.12 crore to 54 fruits & vegetable processing units in the form of 1st / 2nd installments.

Consumer Industries

As per allocation of business, Ministry of Food Processing Industries has been allocated the work relating to planning, development and control of, and assistance to, industries relating to bread, oilseeds, meals (edible), breakfast foods, biscuits, confectionery (including cocoa processing and chocolate making), malt extract, protein isolate, high protein food, weaning food and extruded food product (including other ready-to-eat foods).

The bakery industry is among the few processed food segments whose production has been increasing steadily in the country in the last couple of years. Bakery products include bread, biscuits, pastries, cakes, buns, rusk etc. This activity is mostly concentrated in the unorganized sector. Bread and biscuits constitute the largest segment of consumer foods. Bread manufacturing is reserved for the small scale sector. Out of the total production of bread, 40% is produced in the organized sector and the remaining 60% in the unorganised sector. There are around 60,000 bakeries, 20,000 traditional food units and several pasta food units.

The Ministry of Food Processing Industries provides financial assistance in consumer industries Sector under the Scheme of Technology Upgradation/Establishment/Modernization of FPIs. The Scheme has been decentralized w.e.f. 1st April 2007.

In 2010-11, assistance worth Rs. 94.32 crore has been provided to 437 units. In 2011-12, assistance worth Rs. 179.29 crore has been provided to 1157 units. In 2012-13 (up to 31.12.2012), assistance worth Rs. 97.30 crore (excluding MM-IV) has been provided to 643 units.

The broad status of different segments of the processed food sector is given below: -

A. Horticulture Based Industries (Fruit & Vegetable Processing Industries)

The utilization of fruits and vegetables for processing is estimated to be around 2% of the total production.

In order to give fresh impetus to processing of fruits and vegetables, Government has allowed under I.T. Act 100% deduction of profit for first five years and 25% deduction for another five years for new upcoming F & VP units.

In 2012-13 (upto 31.12.2012), 54 fruits & vegetables processing units have been assisted.

B. Meat and Meat Processing

Consumption of meat & meat products and consumers preference to these products is gradually increasing. Production of meat is governed under local by-laws as slaughtering is a state subject and local health authorities control Slaughter houses. Processing of meat food products is licensed under Meat Food Products Order, (MFPO), 1973 which was hitherto being implemented by the Directorate of Marketing & Inspection (DMI) and subsequently by Ministry of Food Processing Industries w.e.f. 19.03.2004. This subject has been transferred to Ministry of Health & Family Welfare and administered by Food Standards and Safety Authority of India. During the year 2012-13, 2 units have been assisted (up to 31.12.2012).

C. Dairy Processing

India ranks first in the world in terms of milk production. The growth rate of milk production over the past three decades has been about 4% against the growth rate of 2% in India's population. This has been possible due to various schemes of milk production enhancement undertaken by the Central and State Governments. About 35% milk produced in India is processed.

To increase the share in global trade milk-processing level requires to be increased and commercialization of traditional Indian milk products requires to be enhanced. During the year 2011-12 financial assistance to 60 milk & dairy sector amounting to Rs. 11.92 crore has been released. During the year 2012-13 (up to 31.12.2012), financial assistance to 26 milk & dairy sector amounting to Rs. 4.48 crore has been released.

D. Cereal-based Consumer Food Industry

As per Allocation of Business Rules, Ministry of Food Processing Industries has been allocated the work relating to planning, development and control of, and assistance to, industries relating to bread, oilseeds, meals (edible), breakfast foods, biscuits, confectionery (including cocoa processing and chocolate making), malt extract, protein isolate, high protein food, weaning food and extruded food product (including other ready-to-eat foods).

The bakery industry is among the few processed food segments whose production has been increasing steadily in the country in the last couple of years. Bakery products include bread, biscuits, pastries, cakes, buns, rusk etc. This activity is mostly concentrated in the unorganized sector. Bread and biscuits constitute the largest segment of consumer foods.

Bread manufacturing is reserved for the small scale sector. Out of the total production of bread, 40% is produced in the organized sector and the remaining 60% in the unorganised sector. There are around 60,000 bakeries, 20,000 traditional food units and several pasta food units.

The Ministry of Food Processing Industries provides financial assistance in consumer industries Sector under the scheme of technology upgradation/modernization/expansion. The Scheme has been decentralized w.e.f. 1st April 2007.

In 2011-12, 173 consumer food processing units have been assisted.

During the year 2012-13 (up to 31.12.2012) financial assistance to 87 food processing units relating to consumer industries amounting to Rs. 14.50 crore has been provided.

E. Fish Processing

Considerable infrastructure facilities for processing of marine products have been developed over a period of 50 years. However, a large number of processing and freezing units are required to realize the potential of the sector.

During the year 2011-12 financial assistance to 27 fish processing industries amounting to Rs. 5.75 crore has been released.

During the year 2012-13 (up to 31.12.2012), financial assistance to 16 fish processing industries amounting to Rs. 3.45 crore has been released.

F. Modernization of Grain Milling Industry, Oil & Pulses

Ministry of Food Processing Industries had discontinued entertaining proposals for assistance in the Grain Milling Sector (Comprising Rice Milling, Flour Milling, Pulse Milling) and Oil Milling since 6th February, 2009. The Indian Institute of Crop Processing Technology (formerly Paddy Processing Research Centre) supported by the Ministry continues to provide technical assistance to Industry.

During the year 2011-12, financial assistance to 613 grain processing units amounting to Rs. 84.02 Crore has been provided. During the financial year 2012-13 (up to 31.12.2012) financial assistance to 361 rice milling units, 25 pulse milling units and 10 flour milling units have been extended amounting to Rs. 4877.56 lakhs, Rs. 318.78 lakhs and Rs. 168.64 lakhs respectively.

Oil Milling Sector:

Oilseeds and edible oils are two of the most sensitive essential commodities. India is one of the largest producers of oilseeds in the world and this sector occupies an important position in the agricultural economy and accounting for the estimated production of 28.21 million tonnes of nine cultivated oilseeds during the year 2007-08. India contributes about 6-7% of the world oilseeds production. Export of oilmeals, oilseeds and minor oils has increased from 5.06 million Tones in the financial year 2005-06 to 7.3 million tons in the financial year 2006-07. In terms of value, realization has gone up from Rs. 5514 crore to Rs. 7997 crore. India accounted for about 6.4% of world oilmeal export.

The Ministry of Food Processing Industries provides financial assistance in Edible Oil Milling Sector under the scheme of technology upgradation/modernization/expansion. The scheme has been decentralized w.e.f. 1st April 2007.

During the financial year 2011-12, Ministry has released grants-in-aid of Rs. 18.20 crore to 113 units for Setting up/Modernization/Expansion of edible oil milling industries, under the decentralized pattern of the scheme.

During the year 2012-13 (up to 31.12.2012), financial assistance to 61 oil milling industries amounting to Rs. 10.51 crore has been released.

(iii) SCHEME FOR QUALITY ASSURANCE, CODEX STANDARDS AND RESEARCH AND DEVELOPMENT AND OTHER PROMOTIONAL ACTIVITIES

3.38 The objectives of the Scheme is to motivate Food Processing Industries for adoption of food safety and quality assurance mechanisms, to prepare them to face the global competition in international trade in post-WTO, to enable adherence to stringent quality in hygiene norms, to enhance product acceptance by overseas buyers, to keep Indian Industry technologically abreast of international best practices and that the end product/outcome/findings of R&D work to benefit Food Processing Industries.

(a) Quality Assurance

3.39 The Scheme would cover the following activities:

- a. Total Quality Management (TQM)
- b. Promotion of Quality Assurance/Safety Concept
- c. Strengthening of Codex Cell
- d. Setting up/Upgradation of Quality Control Laboratories
- e. R&D Programmes for FPI
- f. Other Promotional Activities

Budgetary allocations under the Scheme are as under:

(Rs. in crore)

Year	BE	RE	Actuals
2012-13	35.00	31.91	20.88*
2013-14	35.00	-	-

* Upto 31.12.2012

Plan fund utilization under the Scheme during 2010-11 was Rs. 16.37 crore. Plan fund utilization under the Scheme was Rs. 31.63 crore during 2011-12 and Rs. 20.665 crore during 2012-13 (up to 31.12.2012).

3.40 When asked about the details of the achievements of the Scheme, for each component, the Ministry informed that the physical and financial achievements for each of the components during the 11th Plan and during 2012-13 as under:

a. Performance during 11th Plan:

Scheme Components	Physical Achievement (New project assisted)	Financial Achievement (Rs. Lakh)
R&D projects assisted	50	#2392.00

Labs assisted	29	#5153.00
Units assisted for HACCP/ISO	29	232.00
Promotional Activities	**478	2495.0
Total		10272.00
<p># Includes grant released towards ongoing projects (2nd & 3rd installment). **National/International exhibitions /fairs participated /assisted, Studies/ Surveys/Feasibility Reports, Workshops/Seminars assisted/ commissioned, and international interactions made by the Ministry.</p>		

b. Progress during 2012-13 as on 25.03.2013:

Scheme Components	Physical Achievement (New project assisted)	Financial Achievement (Rs. Lakh)
R&D	38	*1167.74
Lab	6	#1264.59
HACCP/ISO 22000, etc.	5	93.11
Promotional Activities	44	**192.56
Other Expenditure		309.00
Total		3027.00
<p>* Includes grant released towards ongoing projects (2nd & 3rd installment) and funds transferred to SERB for implementation of the Scheme. # Includes grant released towards ongoing projects (2nd installment) and funds transferred to ICAR for implementation of the Scheme. ** Includes expenditure under budget heads 'Advertising & Publicity', 'Other Administrative Expenditure' and Professional Services' of the scheme.</p>		

3.41 In case of R&D projects, there is at present no provision under the scheme for assistance for filing of patents and for commercialization of the research output. Hence, the outcome of the projects assisted by this Ministry is not known. This is being addressed in the 12th Plan with addition of provision under the scheme guidelines for assistance for filing and obtaining of patents in respect of the projects assisted by this

Ministry. A provision is also being added in the 12th Plan for monitoring and review of the projects assisted under the scheme through a Programme Management Agency (PMA). In case of HACCP, grant-in-aid is released on reimbursement basis after the unit concerned has obtained the requisite HACCP/ISO certification.

3.42 When the Committee pointed out that the Ministry have not been able to fully utilize the allocated funds during 2012-13, the Ministry stated that the BE 2012-13 for the scheme is Rs. 35.00 crore and the RE 2012-13 is Rs. 31.91 crore. While the BE allocation for grant-in-aid for individual projects under the scheme has been fully utilized, there has been savings under the heads – ‘Advertising & Publicity’, ‘Professional Services’ and ‘Grant-in-aid to State Governments’ resulting in reduction of allocation in the RE. The allocation in BE 2012-13 had been provided on the basis of anticipated expenditure keeping in view certain activities and events which have not fructified and hence, the allocation under these heads has been reduced in the RE. The savings have been re-appropriated to other schemes where there was additional requirement of funds.

(b) Codex Alimentarius

3.43 *Codex Alimentarius* Commission is an international body constituted by Food and Agriculture Organisation (FAO) and World Health Organisations (WHO) with an objective to protect health of consumer and to ensure fair practice in the food trade. Codex prescribes international standards for safety and quality of food as well as good manufacturing practices, guidelines to protect health of the consumers.

3.44 When asked to elaborate the extent of international standards for safety and quality of food as well as good manufacturing practices, guidelines to protect health of the consumers in our country are being strictly followed, the Ministry in their written reply stated that the international standards for food products are not mandatory for the Food Business Operators (FBOs) in the country. However, every FBO in the country has to follow and comply with the Food Safety & Standards Act, 2006 and Rules and Regulations, 2011 made thereunder.

3.45 The Food Safety and Standards Authority of India (FSSAI) have been established under Food Safety & Standards Act, 2006. As per Section 29 of FSS Act, 2006, the Food Authority and the State Food Safety Authorities shall monitor and verify that the relevant requirements of law are fulfilled by FBOs at all stages of business. FSSAI is also harmonizing the national standards with international standards such as Codex where appropriate.

INFRASTRUCTURE DEVELOPMENT

3.46 The scheme for infrastructure development is one of the major schemes of the Ministry envisaging infrastructure and common facilities used in particular by small and medium enterprises to enhance the value addition of the products. The scheme has three components (i) Mega Food Park (ii) Cold-Chain Value Addition and Preservation of Infrastructure and (iii) Establishment of New / Modernization of existing Abattoirs. During Twelfth Five Year Plan, the scheme has been modified with regard to enhanced financial assistance in the component of scheme. A sum of Rs. 184.00 crore was provided for the financial year 2012-13. The expenditure for the fiscal gone by was Rs. 123.60 crore. Against the

projected allocation of Rs. 503 crore, the BE for the year 2013-14, is Rs. 247 crore. As the schemes are project oriented and not State or area specific, the grant for financial assistance extended, is based on viable project proposals received from the entrepreneurs or organizations. There have been drastic shortfalls in the achievement, in all the three schemes, for the reasons which are not convincing.

MEGA FOOD PARK

3.47 The Committee note that the scheme of Mega Food Park (MFP) was conceived to provide a mechanism for bringing together farmers, processors, retailers, linking agricultural production to the market, so as ensure maximum value addition, minimise wastage, increase farmers' income and create employment opportunities. During Eleventh Plan period, as against allocation of Rs. 1575 crore, the actual expenditure was just 217.25 crore. As many as 30 Mega Food Parks were approved in three phases i.e. 10 in Phase-I, 5 in Phase-II and 15 in Phase-III. As against this, 13 projects have been accorded final approval, 17 projects accorded in-principle approval. In the financial year, 2012-13 as against the budget estimates of Rs. 86 crore, an expenditure of Rs. 62.75 crore incurred. For the year 2013-14, the financial projections have been to the tune of Rs. 270 crore. Comprising of Grant-in-Aid for 10 Mega Food Park (Phase-I), 5 Mega Food Park (Phase-II) and 15 Mega Food Park (Phase-III) with allocation of 105, 85 and 75, respectively. Rs. 5 crore have been proposed for other activities of Project Management Agency charges, publicity etc. As against the projected allocation of Rs. 270 crore, the BE for the year 2013-14 is Rs. 110 crore. Though a Mega Food Park Project is required to be completed within a span of 30 months from

the release of first installment, the fastest progressing project was implemented in four years. The Committee find that in almost all the projects, which are operational and those under implementation, the progress has been far away from satisfactory. The contention of the Government that the past Food Parks did not come up due to inability of the States to contribute their share of equity and thus private sector was roped in, did not yield desired impact on the implementation of the scheme. The Committee feel that the leadership and proactive role expected from the Ministry to enlist private sector support for important Mega Food Park scheme has been wanting, as a large number of parks, have not started commercial production. In the opinion of the Committee, there are major shortcomings in the planning and implementation of Mega Food Park Schemes. The mid-term evaluation of the scheme revealed major deficiencies in the implementation. However, the mid course corrective action undertaken by the Government, did not impact significantly and improved the pace of progress. The Committee, therefore, desire that a critical appraisal of the scheme may be undertaken and corrective measures put in place immediately.

The Committee also note that the Mega Food Park project was launched with much fan-fare with a presumption that each MFP will cater to 30-35 food processing units, benefit 6000 farmers directly and 25000 to 30000 producers indirectly. Further, it was expected to bring about investment to the tune of Rs. 75 – 100 crore in common facilities and another Rs. 225 – 250 crore in processing and ancillary units. The Committee have reasons to believe that the assumptions were highly unrealistic and inflated to garner support for the

scheme. Taking these assumptions on their face value, the Committee would like to be apprised of the actual gain realised of each component as against those envisaged w.r.t. setting up of Mega Food Parks in the country. The socio-economic benefit studies of the Mega Food Park may also be undertaken so as to assess the benefits, reach and penetration of the scheme.

SCHEME FOR COLD CHAIN, VALUE ADDITION AND PRESERVATION OF INFRASTRUCTURE

3.48 To encourage setting up of cold-chain facilities and backward and forward linkages in the agriculture supply chain in the country and to provide integrated and complete cold chain and preservation infrastructure facilities, without any break, from the farm-gate to the consumer, the Ministry launched this plan scheme during Eleventh Plan. Under the scheme the projects are financed for integrated cold-chain infrastructure development. The initiatives were aimed at filling the gap in the supply chain, strengthening of cold-chain infrastructure, establishing value additions with infrastructure facilities like sorting, grading, packing and processing of horticulture including organic produce, marine, dairy and poultry. Out of 79 projects approved for financial assistance, the Ministry issued approval for 74 projects and another 9 project proposals cancelled. The progress of the projects is pathetic, as only 8 projects started commercial production. Although 18 months was the scheduled time of completion, which was subsequently raised to 24 months, on case to case basis, most of the 63 projects under implementation have incurred time overruns. The Committee is of the opinion that there exist major deficiencies in the formulation and

implementation of the projects. The Committee while like to be apprised of time overrun of each of the project, also desire that Ministry of Food Processing Industry should strengthen their monitoring mechanism so as to minimise slippages in the execution of the projects.

The Committee note that the Working Group of the Planning Commission recommended continuation of the scheme during Twelfth Five Year Plan and also proposed an allocation of Rs. 700 crore for the purpose. 140 new projects are proposed to be taken up during Twelfth Five Year Plan period. Further, the scheme for non-horticulture projects is to be merged with one of the components of Central Sponsored Scheme – the National Mission on Food Processing. The cold-chain project for horticulture projects is to be implemented through National Horticulture Board. Taking into consideration the past performance of the project, the Committee wonders as to how the Government would be able to realize the highly ambitious target of new 140 proposals for implementation. The Committee would like the Government to take pro-active actions so as to ensure that bottlenecks / deficiencies noticed in the past projects, do not come in way of implementation of new projects.

3.49 The availability of uninterrupted power, 24x7, is pre-requisite and an important conditionality for operating cold storage chain successfully. The shortage of power, in various parts of the country both in qualitative and quantitative terms, especially in rural areas, constraint the development of cold storage infrastructure. The Committee note that the Ministry of Food Processing Industry in coordination with Ministry of New and Renewable Energy (MNRE)

have undertaken demonstration projects using bio-mass / solar hybrid system for generation of electricity. Some of the State Governments have been advised to take up cold-chain pilot project based on the technologies developed by the Ministry of New and Renewable Energy. While the Committee wishes to promote the use of non-conventional sources of energy (NCSE) for the development of cold storage infrastructure, they would first like to be apprised of the outcome of these demonstration projects before dwelling upon the subject further.

IRRADIATION FACILITY

3.50 The Committee note that food Irradiation facility is one of the components under Cold-Chain, Value Addition and Preservation Infrastructure plan scheme, for infrastructure development. The scheme has since subsumed in the National Mission for Food Processing, a Centrally Sponsored Scheme, in the Twelfth Plan. Under this modern, cutting edge technology, food is subjected to ionizing energy or radiation which strengthens food conservation, improves food hygiene, help in extension of shelf-life, enhance safety by killing food borne pathogens and parasites, destroy insects, pests in stored products and fruits. The Committee further find that Grant-in-Aid @ 50% of the total cost of plant and machinery and technical civil work in general areas and 75% for North-Eastern States and difficult areas subjected to maximum of Rs. 10 crore is extended to implementing agencies for various components of cold-chain including irradiation. The Ministry have approved four irradiation projects, of which one, with project cost of Rs. 17.73 crore has commenced commercial production and rest are under various stages of implementation. The conflicting scientific evidence and literature available, world over are conflicting and mixed and tend to promote and

denounce the use of irradiation for food processing. Despite concerns expressed by various consumer / interest groups, globally over safety and security issues, irradiated food is permitted in more than 50 countries. In the interest of public health, the Committee would like to tread with caution and desire that matters such as irradiation dosages, food labelling, standards and other safety and security parameters of irradiation food, be assessed, monitored and regulated, before the facility is open on a large commercial scale. Concurrently, the Govt. should also educate the masses about irradiation food and step up publicity campaign before embarking upon this scheme on a larger pedestal.

SCHEME FOR SETTING UP / MODERNIZATION OF ABATTOIRS

3.51 The Committee note that the Plan scheme for establishing new abattoirs and modernizing the existing abattoirs was undertaken during Eleventh Plan period with an aim to provide facilities for scientific and less painful slaughter, chilling, rendering plant affluent treatment plant, better hygiene, safety and retail cold-chain management. The Committee further note that as against Plan allocation of Rs. 828 crore, the expenditure was Rs. 39.54 crore only. Further of 10 approved abattoir projects, only 2 were completed and rest are under various stages of implementation, though the time line prescribed for completion of the projects were 18 months each. The Committee further note that there has been enormous time overrun of the projects. As many as 8 projects were approved way back in the year 2008. Delay in the approval of the scheme, local agitation and objection of local people over land, delay in appointment of consultants and also inordinate time taken in completing tender relating formalities, were some of

the reasons assigned for delay in execution of the projects. The Committee further note that the scheme has been upscaled to cover 25 new projects and modernisation of existing 25 abattoirs with a total project cost of Rs. 330.84 crore, during Twelfth Five Year Plan. The Committee are concerned to note the inordinate delay in the implementation of the projects included in the Eleventh Plan, which have now slipped to 12th Plan. In the opinion of the Committee, there are some fundamental deficiencies in the project formulation and its implementation thereof. The Committee would like the Government to take proactive steps to ensure that the projects of Eleventh Plan period which are continuing in the Twelfth Plan are not delayed any more. At the same time, the Committee also recommend that Govt. should step up their monitoring mechanism to ensure that the larger mandate assigned to the Ministry due to additional proposals in their kitty do not under-perform for want of efficient monitoring mechanism. The Committee would like to be apprised of the action taken in the matter.

SCHEME FOR TECHNOLOGY UP-GRDATION / ESTABLISHMENT / MODERNIZATION OF FOOD PROCESSING INDUSTRY

3.52 The Committee note that the scheme for technological up-gradation, establishment, modernization of food processing industry promotes latest technology in the preservation of perishable commodities including horticultural produce processing. The scheme envisages financial assistance for setting up of new processing units as well as technological up-gradation and expansion of existing units in the country. Consumer industries which include bakery industry; fruit and vegetable processing units; fish, meat and dairy processing; rice, pulse milling, oil milling and flour milling sector, alcoholic, beverages etc. are some of the unorganised highly employable industries which are availing

benefit under the scheme. During Ninth Plan period, as against budgetary allocation of Rs. 600 crore, the utilisation under the scheme was 583.55 crore, which makes the scheme as one of the most popular plan scheme of the Ministry. During this period, Government assisted 3229 food processing units. The Committee further find that the scheme has now been subsumed in the National Mission on Food Processing (NMFP) with effect from 2012-13 as a Centrally Sponsored Scheme. As such, no new proposals are being accepted with effect from 1.4.2012 under the scheme for the Central sector. Hitherto, the applications received and sanctioned by respective State / UT Government under NMFP, the Union Government is sanctioning the old cases prior to 31.3.2012. Despite wiping off the past liabilities, as many as 2926 cases with committed liabilities of around Rs. 700 crore is still remains as an outstanding. The Committee desire that Government should approach the Planning Commission and Ministry of Finance to ensure that adequate budgetary provisions are made in the scheme so as to ensure that the past committed liability is wiped out at the earliest.

BOTTLING/PACKAGING OF SUGARCANE JUICE

3.53 The technology to bottle and tetra-pack tender coconut water, has revolutionised its usage amongst consumers. Another commodity, with equal promising returns, in the opinion of the Committee, is juice extracted from sugarcane. The Committee desire that Ministry of Food Processing Industry should undertake R&D work, so as to develop appropriate technologies for the bottling / package of sugarcane juice. If developed, this will go a long way in serving the interest of the food processing sector.

SCHEME FOR QUALITY ASSURANCE, CODEX STANDARDS AND RESEARCH AND DEVELOPMENT AND OTHER PROMOTIONAL ACTIVITIES

3.54 The objective of the scheme is to motivate food processing industries for adoption of food safety and quality assurance mechanisms such as total quality

management including ISO-22000, ISO-14000, the Hazardous Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP) and Good Hygienic Practices (GHP). The scheme also enables the food processing industry to face the global competition in International trade post-WTO, product acceptance by overseas buyers, keep Indian industry technological abreast of International post-WTO and R&D works to benefit the industry in terms of products and process development, improved packaging value addition and leading to innovative products and processes with commercial values. The Committee find that performance under the scheme has been somewhat tardy. During Eleventh Plan period, as against the outlay of Rs. 250 crore, the expenditure was only 131.07 crore. For the Twelfth Plan, an allocation of Rs. 290 crore has been proposed for the scheme. The budgetary allocation for the year 2012-13 was Rs. 31.91 crore against which, expenditure incurred was Rs. 22.23 crore (upto December 2012). A provision of Rs. 32 crore has been proposed for the year 2013-14. Lack of technology dissemination and commercialization, mechanism of disbursement of funds, are some of the areas of concern observed under R&D projects. The Committee are pained to note that in case of R&D projects, no provision exists under the scheme, for assistance for filing of patents and commercialization of research output. The Committee take this seriously and desire that adequate provisions may be made for the purpose in the R&D sector.

The Committee further find that International standards for food products are not mandatory for the food business operators in the country. However, they are to comply with the provision of Food Safety and Standards Act and Rules and Regulations framed thereunder. Further, Food Safety and Standards Authority of India is harmonising the National Standards with International standards such as codex wherever appropriate. The Committee desire that National standards be evolved and aligned with International standards so that food processing sector is not denied opportunity to compete in the International market.

NEW DELHI;
25 April, 2013
05 Vaisakha, 1935 (Saka)

BASUDEB ACHARIA
Chairman,
Committee on Agriculture

Annexure-I

Scheme wise Outlay & Expenditure during 11th Plan, 2012-13 & BE for 2013-14 for the Ministry of Food Processing Industries(Rs. in crores)

Sl. No.	Name of the Scheme/Project/ Programme	2007-08				2008-09				2009-10				2010-11			
		Proposed allocation	BE	RE	Actual Exp	Proposed allocation	BE	RE	Actual Exp	Proposed allocation	BE	RE	Actual Exp	Proposed allocation	BE	RE	Actual Exp
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	Scheme for Infrastructure Development	100.00	90.00	15.00	14.79	464.00	90.00	42.20	48.28	538.70	135.00	73.81	72.94	724.40	137.50	120.80	118.09
2	Scheme for Technology Upgradation/ Establishment and Modernization of Food Processing Industries	150.00	72.00	113.50	119.30	150.00	90.00	91.50	96.87	165.00	60.00	82.51	82.49	165.00	81.00	106.00	105.67
3	Scheme for Upgradation of Quality of Street Food	25.00	0.90	0.90	0.72	60.00	4.50	5.40	1.93	34.00	8.00	0.003	0.00	34.00	1.00	0.1	0.00
4	Scheme for Quality Assurance, Codex Standards and Research & Development and other Promotional Activities	75.00	18.00	19.30	15.12	54.70	18.00	19.00	17.37	51.00	30.00	32.08	29.07	51.00	38.00	31.13	31.32
5	Scheme for Human Resource Development	20.00	09.00	4.50	4.21	15.00	4.50	5.70	5.96	9.00	9.00	9.50	9.46	9.00	10.50	10.77	11.11
6	Scheme for Strengthening of Institutions	72.00	35.10	26.10	26.51	126.95	54.00	53.50	52.71	308.36	64.00	92.08	83.59	308.36	132.00	127.50	128.66
7	Lump sum provision for North East including Sikkim		(25.00)	(20.00)	(4.11)		(29.00)	(24.20)		123.00	34.00	29.00	18.50	123.00	40.00	40.00	38.50
	Total	442.00	250.00	200.00	182.00	870.65	290.00	242.00	223.12	1229.06	340.00	290.00	277.55	1229.06	400.00	400.00	394.75

Sl. No.	Name of the Scheme/Project/ Programme	2011-12				2012-13				2013-14	
		Proposed Allocation	BE	RE	Actual EXP.	Proposed Allocation	BE	RE	Actual EXP. (upto 31.12.2012)	Proposed allocation	BE
1	2	3	4	5	6	7	8	9	10	11	12
1	Scheme for Infrastructure Development	887.12	300.00	189	170.170	510.00	191.00	184.19	123.79	503.00	247.00
2	Scheme for Technology Upgradation/ Establishment and Modernization of Food Processing Industries	216.00	98.00	185.47	179.220	200.00	100.00	186.46	99.32	325.00	165.00
3	Scheme for Upgradation of Quality of Street Food	35.00	5.00	0.00	0.00	-	-	-	-	-	-
4	Scheme for Quality Assurance, Codex Standards and Research & Development and other Promotional Activities	67.00	45.00	43.52	40.031	50.00	35.00	31.91	22.43	46.50	35.00
5	Scheme for Human Resource Development	25.00	15.00	14.50	13.680	06.00	04.00	04.00	03.12	4.00	4.00
6	Scheme for Strengthening of Institutions	260.75	132.50	117.510	115.580	115.00	80.00	68.12	43.28	80.53	75.00
7	Lump sum provision for North East including Sikkim		60.00	55.00	31.080						
8	NMFP					319.00	250.00	185.32	181.44	350.00	182.00
	Total	1490.87	600.00	550.00	518.970	1200.00	660.00	660.00	473.38	1309.30	708.00

Annexure-II**Implementation Status of 30 Mega Food Parks**

S No.	Name	Project cost (Cr.)	Date of in-principle approval	Date of Final Approval	Amount of grant approved (Cr.)	Amount of grant released (Cr.)	Actual expenditure (Cr.)
1.	Srini Food Park Pvt. Ltd., Andhra Pradesh	116.94	16.12.2008	27.03.2009	50.00	45.00	105.25
2.	Patanjali Food & Herbal Park Ltd, Uttarakhand	95.08	16.12.2008	27.03.2009	50.00	30.00	62.11
3.	North East Mega Food Park Ltd., Assam	75.98	16.12.2008	27.03.2009	50.00	30.00	29.91
4.	Jharkhand Mega Food Park Pvt. Ltd., Jharkhand	113.95	16.12.2008	27.03.2009	50.00	15.00	13.78
5.	Tamil Nadu Mega Food Park Ltd., Tamil Nadu	133.45	16.12.2008	16.03.2010	50.00	5.00	10.78
6.	Jangipur Bengal Mega Food Park Pvt. Ltd., West Bengal	132.71	16.12.2008	16.03.2010	50.00	30.00	50.91
7.	M/s Integrated Food Park Pvt. Ltd., Kolar, Karnataka	144.33	03.08.2010	27.03.2011	50.00	15.00	31.36
8.	M/s International Fresh Farm Products (India) Ltd., Ferozpur, Punjab	130.38	03.08.2010	25.05.2011	50.00	15.00	39.79
9.	M/s Keventer Food Park Infra Ltd., Bhagalpur, Bihar	153.96	29.04.2011	30.11.2011	50.00	5.00	3.07
10.	M/s Sikaria Infra Projects Pvt. Ltd., Agartala, Tripura	87.45	29.04.2011	30.11.2011	50.00	15.00	11.29
11	M/s Anil Mega Food Park Pvt. Ltd., Vadodara,	141.07	29.04.2011	13.01.2012	50.00	5.00	24.53

	Gujarat						
12.	M/s MITS Mega Food Park Ltd., Rayagada, Orissa	80.17	29.04.2011	16.04.2012	50.00	5.00	3.08
13.	M/s, Madhya Pradesh Mega Food Park Ltd.	161.75	10.10.2011	27.08.2012	50.00	5.00	13.56
14.	M/s Paithan Mega Food Park Ltd., Aurangabad, Maharashtra	120.76	05.04.2011	"In principle" approval was accorded on 05.04.2011. The SPV is yet to fulfill the criteria related to possession of requisite land. The submission of SPV was considered in the IMAC meeting dated 12.11.2012. Clarifications on the land issues have been sought from Govt. of Maharashtra. Response awaited			
15.	M/s Aditya Birla Nuvo Ltd., Sultanpur, Uttar Pradesh	168.65	24.09.2010	'In principle' approval was accorded on 24-09-2010. The SPV has been granted extension of time till 30-09-2012 for fulfillment of prescribed conditions for final approval. A show cause notice was issued for cancellation of the project on account of non-fulfillment of prescribed conditions for final approval. The SPV has sought further extension of time till 31-03-2013 which is under consideration.			
16.	M/s Sindhu Farms Mega Food Park Pvt. Ltd., Raipur, Chhattisgarh	124.91	06.09.2012	"In-principle" approval has been accorded.			
17.	M/s Goenka Infrastructure Pvt. Ltd., Abhishekhpkam, Puducherry	149.89	06.09.2012	"In-principle" approval has been accorded.			
18.	M/s Chhattisgarh Agro Mega Food Park Ltd., Raipur, Chhattisgarh	129.65	21.09.2012	"In-principle" approval has been accorded.			
19.	M/s Greens Food Park India Pvt. Ltd., Pulwama, Jammu & Kashmir	81.02	21.09.2012	"In-principle" approval has been accorded.			
20.	M/s Soma New Towns (P) Ltd., Sirsa, Haryana	147.08	21.09.2012	"In-principle" approval has been accorded.			
21.	M/s Green Tech Mega Food Park Pvt. Ltd., Ajmer, Rajasthan	113.11	21.09.2012	"In-principle" approval has been accorded.			

22.	M/s Godavari Mega Aqua Park Pvt. Ltd., West Godavari, Andhra Pradesh	119.12	21.09.2012	"In-principle" approval has been accorded.
23.	M/s Pristine Logistics & Infraprojects Pvt. Ltd., Khagaria, Bihar	142.98	21.09.2012	"In-principle" approval has been accorded.
24.	M/s Gujarat Agro Infrastructure Mega Food Park , Surat, Gujarat	108.30	21.09.2012	"In-principle" approval has been accorded.
25	M/s Poliyan Mega Food Park Pvt. Ltd., Una, Himachal Pradesh	97.63	21.09.2012	"In-principle" approval has been accorded.
26	M/s Satara Mega Food Park Pvt. Ltd., Satara, Maharashtra	132.26	21.09.2012	"In-principle" approval has been accorded.
27	M/s Huma Coastal Mega Food Park Pvt. Ltd., Ganjam, Odisha	117.05	21.09.2012	"In-principle" approval has been accorded.
28.	M/s Himalayan Organic Mega food Park Ltd., South Sikkim, Sikkim	80.37	21.09.2012	"In-principle" approval has been accorded.
29.	M/s Himalayan Food Park Pvt. Ltd., Udham Singh Nagar, Uttarakhand	124.52	21.09.2012	"In-principle" approval has been accorded.
30.	M/s Bengal Mega Food Park Pvt. Ltd., Jalpaiguri, West Bengal	113.90	21.09.2012	"In-principle" approval has been accorded.

Status of implementation of integrated cold chain projects approved with the financial assistance of Ministry of Food Processing Industries

(Amount in Rs. Lakh)

S. No.	Name of the project	Date of approval	Project Cost	Grant approved	Grant released	Status of Implementation
1	M/s Creamline Dairy Products Ltd.	28.01.2009	2386.00	975.00	975.00	Commercial production started on 26.01.2011 (24 months)
2	M/s Synthite Industries Ltd	26.05.2011	2943.10	626.45	156.29	Under implementation (20 months).
3	M/s Bhupati Agro Enterprises	07.06.2011	1836.16	748.16	187.04	Under implementation (21 months).
4	M/s Dodla Dairy Ltd.	13.07.2012	3200.00	600.00	0.00	The implementation schedule of completion of the project is upto 08.01.2014.
5	M/s Siang Fresh	06.08.2012	1618.57	1000.00	0.00	The implementation schedule of completion of the project is upto 05.02.2014.
6	M/s Global Entrade	06.08.2012	1595.90	936.945	0.00	The implementation schedule of completion of the project is upto 05.02.2014.
7	M/s Ganga Dairy Ltd.	27.03.2009	2260.00	1000.00	935.1	Commercial production started in March, 2011 (24 months)
8	M/s L.L. Logistics Pvt. Ltd	25.07.2012	1868.33	733.93	0.00	The implementation schedule of completion of the project is upto 24.01.2014.
9	M/s Utsav Organic & Cold Chain	22.08.2012	2065.00	607.31	0.00	The implementation schedule of completion of the project is upto 21.02.2014.
10	M/s Hi-Tech Frozen Facilities Pvt Ltd.	27.03.2009	1683.00	719.00	719.00	Commercial production started on 08.04.2010 (15 months)
11	M/s Sabarkanta District Co-op. Milk Producers Union Ltd.	25.05.2011	2380.00	571.55	571.55	Commercial production started in Dec, 2012 (19 months)
12	M/s Natural Frozen & Dehydrated Foods	26.05.2011	1250.00	289.70	289.69	Commercial production started on 19.11.2012 (18 months)
13	M/s Gayatri Dairy Products Pvt. Ltd	04.07.2012	1515.16	477.52	190.80	The implementation schedule of completion of

						the project is upto 02.01.2014
14	M/s Aligned Industries Ltd	04.07.2012	2202.18	730.28	182.57	The implementation schedule of completion of the project is upto 02.01.2014
15	M/s M J Logistic Services Ltd.	01.08.2012	2138.07	1000.00	0.00	The implementation schedule of completion of the project is upto 31.01.2014
16	M/s Suri Agro Fresh Pvt. Ltd.	27.03.2009	2352.00	984.00	984.00	Commercial production started on 06.12.2010 (21 months)
17	M/s Canvas Integrated Cold Chain	26.05.2011	1462.76	760.568	190.14	Under implementation (22 months)
18	M/s Dev Bhumi Cold Chain	23.05.2011	1425.00	899.64	804.96	Commercial production started on 01.12.2012 (18 months)
19	M/s Aromatrix Flora Pvt Ltd	25.05.2011	2000.00	983.355	245.84	Under implementation (22 months)
20	M/s Hillcrest Foods	25.05.2011	1560.92	786.19	590.018	Commercial production started in Feb, 2013 (21 months)
21	M/s Narwanis Cold Chain	11.07.2012	1751.22	987.98	0.00	The implementation schedule of completion of the project is upto 17.03.2014
22	M/s Atharvass Traders Pvt Ltd.	30.10.2009	2861.00	1000.00	750	Under implementation (41 months)
23	M/s InnovaAgri Bio Park Ltd	07.06.2011	1400.00	336.25	252.188	Under implementation (21 months)
24	M/s Inkal Ventures	26.05.2011	2264.20	621.26	155.32	Under implementation (22 months)
25	M/s Frozen Fruits & Vegetables	25.05.2011	2533.57	716.88	537.66	Under implementation (22 months)
26	M/s SH Cold Storage	26.05.2011	2397.14	869.35	217.34	Under implementation (22 months)
27	M/s Om Agro Products	25.07.2012	1722.44	447.866	111.96	The implementation schedule of completion of the project is upto 24.01.2014
28	M/s Freshrop Fruits Ltd.	27.03.2009	3275.00	1000.00	847.00	Commercial production started in Sept, 2010 (18 months)
29	M/s I.G. International	25.05.2011	2225.00	876.48	657.34	Under implementation (22 months)
30	M/s Warana Dairy & Agro Industry	01.06.2011	4331.00	848.37	636.275	Commercial production started on 14.09.2012 (15 months)
31	M/s Saastha Warehousing Ltd	25.05.2011	4281.22	1000.00	750.00	Under implementation (22 months)
32	M/s Savla Foods & Cold Storage Pvt Ltd	25.05.2011	2700.00	792.40	594.30	Commercial production started in Jan, 2012 (8 months)

33	M/s B. Y. Agro & Infra Pvt. Ltd.	05.07.2012	2858.00	684.05	513.04	The implementation schedule of completion of the project is upto 02.01.2014
34	M/s Blue Fin Frozen Pvt. Ltd.	04.07.2012	2545.60	644.79	483.59	Commercial production started in March, 2013 (8 months)
35	M/s Cold Star Logistics Pvt. Ltd.	05.09.2012	2326.40	1000.00	0.00	The implementation schedule of completion of the project is upto 24.01.2014
36	M/s Merrygold Buildcon Pvt. Ltd.	20.07.2012	3526.68	999.19	0.00	The implementation schedule of completion of the project is upto 19.01.2014
37	M/s Daulat Agro (India) Private Limited	24.08.2012	2875.33	739.11	0.00	The implementation schedule of completion of the project is upto 23.02.2014
38	M/s Nath Bio-Genes (I) Ltd.	20.07.2012	2759.25	617.50	0.00	The implementation schedule of completion of the project is upto 19.01.2014
39	M/s Haldiram Foods International Limited	28.08.2012	2800.00	1000.00	250.00	The implementation schedule of completion of the project is upto 27.02.2014
40	M/s. Western Hill Foods Limited	31.07.2012	2096.00	786.04	0.00	The implementation schedule of completion of the project is upto 30.01.2014
41	M/s Associate Action for Progressive Dev. Society	26.05.2011	1849.00	1000.00	250.00	Under implementation (21 months)
42	M/s Mizofa Fish Seed Farm	27.05.2011	519.77	303.01	227.26	Under implementation (21 months)
43	M/s. Zoram Fish Seeds Production Centre	30.07.2012	1726.22	974.33	0.00	The implementation schedule of completion of the project is upto 29.01.2014
44	M/s Basantdevi Charitable Trust (BCT)	18.02.2013	1696.90	591.60	0.00	The implementation schedule of completion of the project is upto 17.08.2014
45	M/s Alchemist Ltd.	27.2.2012	4071.00	406.41	101.601	Under implementation (13 months)
46	M/s B.D. Agro Foods	25.05.2011	2263.91	984.49	738.364	Commercial production started in March, 13 (22 months)
47	M/s International Farm Fresh Products (India)	27.07.2012	2880.72	819.24	204.81	The implementation schedule of completion of

	Ltd.					the project is upto 26.01.2014
48	M/s Jhunsons Chemicals Pvt. Ltd.	20.01.2009	1773.00	733.00	705.00	Commercial production started on 10.03.2010 (14 months)
49	M/s Farm Fresh Banana	02.02.2009	1554.00	605.7	605.7	Commercial production started on 01.04.2010 (14 months)
50	M/s. Devraj Agro Industries Pvt. Ltd.	29.08.2012	1324.00	478.00	0.00	The implementation schedule of completion of the project is upto 28.02.2014
51	M/s Imperial Frozen Food	01.06.2011	992.95	412.58	309.43	Commercial production started in Feb, 13 (20 months)
52	M/s Impartial Agrotech (P) Ltd.	25.05.2011	1478.97	630.75	473.06	Under implementation (22 months)
53	M/s Rajshree Integrated Cold Chain Projects	01.06.2011	2257.00	1000.00	750	Commercial production started in Feb 13 (20 months)
54	M/s Akashdeep Cold storage	22.08.2012	2706.00	773.88	0.00	The implementation schedule of completion of the project is upto 21.02.2014
55	M/s Bio Life Foods Pvt. Ltd.	13.02.2009	1771.00	981.00	981.00	Commercial production started on 15.02.2011 (24 months)
56	M/s Brar Frozen Foods	25.05.2011	1480.00	737.63	706.85	Commercial production started on 16.01.2013 (20 months)
57	M/s Sharda Agri Foods (P) Ltd.	26.07.2012	1740.39	1000.00	250.00	The implementation schedule of completion of the project is upto 24.01.2014
58	M/s Ascon Agro Products Ltd.	27.03.2009	2127.00	696.00	643.33	Commercial production started on 24.02.2012 (35 months)
59	M/s Keventer Agro	25.05.2011	3111.00	1000.00	250.00	Under implementation (22 months)
60	M/s Prime Cold Stores	24.05.2011	2001.88	592.46	444.34	Under implementation (22 months)
61	M/s Basukinath Food Processors Pvt. Ltd	08.06.2011	3392.00	620.695	465.521	Commercial production started in Jan, 13 (19 months)
62	M/s Shimla Horticulture	05.12.2011	1480.42	569.29	0.00	Under implementation (15 months)
63	M/s Amicus Healthcare Services and Solution Pvt. Ltd.	25.07.2012	1627.84	593.83	148.46	The implementation schedule of completion of the project is upto 24.01.2014

**DETAILS OF THE UNITS ASSISTED DURING THE FINANCIAL YEAR
2012-13 (UPTO 31.12.2012) UNDER THE SCHEME FOR COLD CHAIN,
VALUE ADDITION AND PRESERVATION INFRASTRUCTURE**

(Rs. in crores)

Sl. No	State	Implementing Agency	Approved Grant-in-aid	Grant-in-aid				
				2008-09	2009-10	2010-11	2011-12	2012-13
1	A.P.	Creamline Dairy Products Ltd.	9.75	2.44	4.88	0	-	
2	Bihar	Ganga Dairy Ltd.	10	0	2.5	5	1.85	
3	Gujarat	Hi-Tech Frozen Facilities Pvt Ltd.	7.19	0	5.39	1.8	-	
4	Haryana	Suri Agro Fresh Pvt. Ltd.	9.84	0	7.39	2.46	-	
5	Karnataka	Atharvass Traders Pvt Ltd.	10	0	2.5	0	5.00	
6	Maharashtra	Freshtrop Fruits Ltd.	10	0	7.5	0	-	
7	Rajasthan	Jhunsons Chemicals Pvt. Ltd.	7.33	1.83	3.66	0	-	
8	Tamilnadu	Farm Fresh Banana	6.057	1.51	3.02	1.527	-	
9	Uttarakhand	Bio Life Foods Pvt. Ltd.	9.81	2.45	4.92	0	-	
10	W.B.	Ascon Agro Products Exporters & Builders Pvt. Ltd.	6.96	0	1.74	3.48	-	
11	W.B.	Keventer Agro	10.00	-	-	-	-	2.5
12	Punjab	Alchemist Ltd.	4.07	-	-	-	-	1.01
13	Kerala	Inkal Ventures	7.41	-	-	-	-	1.55
14	H.P.	Canvas Integrated Cold Chain	7.75	-	-	-	-	1.90
15	Kerala	Frozen Fruits & Vegetables	7.17	-	-	-	1.79	-
16	A.P.	Synthite Industries Ltd	6.27	-	-	-	-	-
17	West Bengal	Shimla Horticulture	5.69	-	-	-	-	-
18	H.P.	Aromatrix Flora Pvt Ltd	9.83	-	-	-	-	2.46
19	H.P.	Hillcrest Foods	7.86	-	-	-	1.965	3.93
20	Manipur	Associate Action for Progressive Development Soc.	10.00	-	-	-	-	2.50
21	Mizoram	Mizofa Fish Seed Farm	3.03	-	-	-	0.758	1.52
22	Maharashtra	I.G. International	8.77	-	-	-	2.19	4.38
23	Maharashtra	Warana Dairy & Agro Industry Ltd.	8.48	-	-	-	6.36	-
24	Punjab	B.D. Agro	9.84	-	-	-	7.395	-
25	W.B.	Prime Cold Stores Pvt. Ltd.	5.92	-	-	-	1.48	2.96
26	U.P.	Imperial Frozen Food Products	4.13	-	-	-	3.09	-
27	Karnataka	Innova Agri Bio Park Ltd	3.36	-	-	-	0.84	1.68
28	U.P.	Impartial Agrotech (P) Ltd.	6.31	-	-	-	1.37	3.36
29	Maharashtra	Saastha Warehousing Ltd	10.00	-	-	-	7.5	-
30	W.B.	Basukinath Food Processors (P) Ltd	6.21	-	-	-	1.56	-
31	Uttarakhand	Brar Frozen Foods	7.38	-	-	-	5.53	-

-97-

32	U.P.	Rajshree Integrated Cold Chain Projects	10.00	-	-	-	7.5	-
33	Maharashtra	Savia Foods & Cold Storage Pvt Ltd	7.92	-	-	-	5.94	-
34	A.P.	Bhupati Agro Enterprises	7.48	-	-	-	1.87	-
35	Kerala	SH Cold Storage Pvt. Ltd.	8.69	-	-	-	2.17	-
36	Gujarat	Sabarkantha District Co-op. Milk Producers Union Limited	5.71	-	-	-	1.43	2.86
37	H.P.	Dev Bhumi Cold Chain Ltd.	9.00	-	-	-	6.75	-
38	Gujarat	Natural Frozen & Dehydrated Foods	2.80	-	-	-	2.10	-
39	Mizoram	Zoram Fish Seeds	9.74	-	-	-	-	-
40	Assam	Global Entrade	9.36	-	-	-	-	-
41	Arunachal Pradesh	Siang Fresh	10.00	-	-	-	-	-
42	Chhatisgarh	L.L. Logistic	7.34	-	-	-	-	-
43	Chhatisgarh	Utsav Organic & Cold chain Ltd	6.07	-	-	-	-	-
44	Maharashtra	B.Y.Agro & Infra Pvt. Ltd	6.84	-	-	-	-	5.13
45	Gujarat	Gayatri Dairy Products	4.78	-	-	-	-	-
46	Maharashtra	Blue Fin Frozen Pvt. Ltd	6.45	-	-	-	-	4.84
47	Haryana	Aligned Industries Ltd	7.30	-	-	-	-	-
48	Andhra Pradesh	Dodla Dairy	6.00	-	-	-	-	-
49	Haryana	M J Logistic Services Ltd	10.00	-	-	-	-	-
50	Uttarakhand	Sharda Agri Foods(P) Ltd	10.00	-	-	-	-	-
51	West Bengal	Amicus Healthcare Services and Solutions Pvt. Ltd	5.94	-	-	-	-	-
52	Maharashtra	Cold Star Logistics Pvt. Ltd	10.00	-	-	-	-	-
53	Maharashtra	Merrygold Buildcon Pvt. Ltd	9.99	-	-	-	-	-
54	Maharashtra	Nath Bio Genes (I) Ltd	6.17	-	-	-	-	-
55	Maharashtra	Haldiram Foods International Ltd	10.00	-	-	-	-	-
56	Maharashtra	Western Hill Foods Limited	7.86	-	-	-	-	-
57	Maharashtra	Daulat Agro Industries Pvt. Ltd	7.39	-	-	-	-	-
58	Punjab	International Farm Fresh Products (India) Ltd	8.19	-	-	-	-	-
59	Madhya Pradesh	Om Agro Products	4.48	-	-	-	-	-
60	Uttar Pradesh	Akash Deep Cold Storage Pvt. Ltd	7.74	-	-	-	-	-
61	Tamil Nadu	Devaraj Agro Industries Pvt. Ltd	4.78	-	-	-	-	-
62	Himachal Pradesh	Narwaris Cold Chain	9.88	-	-	-	-	-
		Released to NHB for horticultural projects						10
		Total	474.33	8.23	43.5	14.267	76.438	52.59

-98-

COMMITTEE ON AGRICULTURE

(2012-13)

MINUTES OF THE TWENTY FOURTH SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 03 April, 2013 from 1450 hours to 1630 hours in Room No. '53', Parliament House, New Delhi.

PRESENT

Dr. Jyoti Mirdha - Acting Chairperson

MEMBERS

LOK SABHA

2. **Shri Narayansingh Amlabe**
3. **Smt. Ashwamedh Devi**
4. **Dr. (Smt.) Botcha Jhansi Lakshmi**
5. **Sardar Sukhdev Singh Libra**
6. **Shri Devji M. Patel**
7. **Shri Rajaiah Siricilla**
8. **Dr. Vinay Kumar Pandey 'Vinnu'**

RAJYA SABHA

9. **Smt. Mohsina Kidwai**
10. **Shri Parshottam Khodabhai Rupala**
11. **Shri S. Thangavelu**
12. **Shri Darshan Singh Yadav**

SECRETARIAT

1. **Shri R.S. Kambo** - **Joint Secretary**
2. **Shri T.H. Rao** - **Deputy Secretary**

WITNESSES

MINISTRY OF FOOD PROCESSING INDUSTRIES

<u>S.No.</u>	<u>NAME OF THE OFFICER</u>	<u>DESIGNATION</u>
1.	Shri Rakesh Kacker	Secretary
2.	Shri P.K. Pujari	AS&FA
3.	Shri Jagdish Prasad Meena	Joint Secretary (Parliament)
4.	Dr. U. Venkateswarlu	Joint Secretary
5.	Smt. Anuradha Prasad	Joint Secretary
6.	Smt. Kiran Puri	Joint Secretary
7.	Shri Gajendra Bhujabal	Economic Advisor

PLANNING COMMISSION

Shri D. Banerjee

Joint Adviser (Industry)

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

Shri Ajit Kumar

Director-cum-Vice Chancellor

2. In the absence of Chairman, the Committee chose Dr. Jyoti Mirdha, MP (Lok Sabha) to act as Chairperson for the Sitting under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.
3. Thereafter, the Acting Chairperson welcomed the Members of the Committee and representatives of the Ministry of Food Processing Industries, Planning Commission and National Institute of Food Technology, Entrepreneurship and Management (NIFTEM) to the Sitting.

4. After the witnesses introduced themselves, the Secretary made a power point presentation briefly highlighting the activities / achievements made by the Ministry during the Eleventh Plan Period and preceding Financial Year. The proposed outlay for Twelfth Plan, including various schemes to be taken up was also discussed. The Committee, thereafter, took oral evidence of the representatives of Ministry of Food Processing Industries on Demands for Grants (2013-14) of the Ministry.

5. The Acting Chairperson and members of the Committee raised queries on several schemes/projects of the Ministry and desired progress made thereunder. The Demands for Grants of the ongoing Fiscal and proposed projection for Financial Year 2013-14 was also discussed. The witnesses replied, thereto.

6. The Acting Chairperson, thereafter, thanked the witnesses for appearing before the Committee as well as for furnishing valuable information desired by them. She also directed them to furnish information on points on which the Ministry could not clarify during the Sitting, to the Committee Secretariat by 08 April, 2013.

7. A verbatim record of the proceedings has been kept separately.

The Committee then adjourned.

**COMMITTEE ON AGRICULTURE
(2012-13)**

MINUTES OF THE TWENTY SIXTH SITTING OF THE COMMITTEE

The Committee sat on Thursday, the 25th April, 2013 from 1500 hours to 1540 hours in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Basudeb Acharia - Chairman

MEMBERS

LOK SABHA

2. **Shri Narayansingh Amlabe**
3. **Shri Sanjay Singh Chauhan**
4. **Smt. Ashwamedh Devi**
5. **Shri L. Raja Gopal**
6. **Smt. Paramjit Kaur Gulshan**
7. **Sardar Sukhdev Singh Libra**
8. **Dr. Jyoti Mirdha**
9. **Shri Naranbhai Kachhadia**
10. **Shri Devji M. Patel**

RAJYA SABHA

11. **Dr. K.V.P. Ramachandra Rao**
12. **Shri Rajpal Singh Saini**
13. **Shri Shivanand Tiwari**
14. **Shri S. Thangavelu**

SECRETARIAT

1. **Shri R.S. Kambo** - **Joint Secretary**
2. **Shri T.H. Rao** - **Deputy Secretary**

2. At the outset the Chairman welcomed the members to the Sitting of the Committee. The Committee, thereafter, took up the draft Report for consideration and adoption on Demands for Grants (2013-2014) relating to the Ministry of Food Processing Industries.

3. After some deliberations, the Committee adopted the above draft Report with some modifications. They also authorized the Chairman to finalize the above Draft Report in the light of the factual verification got done by the concerned Ministry of Food Processing Industries and present them to the Parliament.

The Committee then adjourned.
