

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

UNSTARRED QUESTION NO:221

ANSWERED ON:19.11.2009

FOOD PROCESSING INDUSTRIES IN RURAL AREAS

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

- (a) whether the Government has received proposals for setting up and development of food processing units in rural areas in the country;
- (b) if so, the details thereof, State-wise;
- (c) the details of funds provided for this purpose during the last three years and the current year, State-wise;
- (d) whether the Government is aware that investment made in rural infrastructure for food processing industries is insufficient;
- (e) if so, the details thereof; and
- (f) the steps taken/being taken by the Government to promote private participation for the development of food processing industries in the rural areas?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAJ)

(a) to (c): Ministry of Food Processing Industries extends financial assistance in the form of grant-in-aid @ 25% of the cost of plant & machinery and technical civil works subject to a maximum of Rs.50 lakhs in general areas or 33.33% subject to a maximum of Rs. 75 lakhs in difficult areas under the Scheme of Setting up/Modernization/Expansion of food processing industries. This Scheme is project specific and the data on food processing in rural areas of the country is not centrally maintained by the Ministry. However, the State-wise financial assistance provided to the various units under the scheme in the country during the last three years are annexed out of which the major investment pertains to the rural areas.

(d) to (f): There is no separate scheme of the Ministry of Food Processing Industries for investment in rural infrastructure for food processing industries. The Ministry of Food Processing Industries has been implementing various plan schemes for promotion and development of food processing sector including rural areas i.e. i) Scheme for Infrastructure Development with major components i.e. Mega Food Park, Cold Chain, Modernization of Abattoirs and Value Added Centres, ii) Setting up of Technology Upgradation/ Modernisation/ Expansion of FPI,iii) Scheme for Quality Assurance, Codex Standards and R&D, iv) Scheme for Human Resource Development, v) Scheme for Strengthening of Institution and vi) Scheme for Upgradation of Quality of Street Food for which the allocation of funds has been grossly insufficient over the years. During the first three years of 11th Five Year Plan i.e. 2007-08, 2008-09 and 2009-10, the Ministry has received Rs. 200.00 Crores, Rs.242.00 Crores and Rs. 340.00 crores respectively against an average annual plan outlay of Rs. 800.00 crore.