

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5135

ANSWERED ON:26.04.2013

INCENTIVES TO AGRO PROCESSING ENTREPRENEURS

Jawale Shri Haribhau Madhav;Karwariya Shri Kapil Muni

Will the Minister of FINANCE be pleased to state:

- (a) the details of subsidy and incentives provided to domestic agro processing entrepreneurs for setting up small food processing units in the country, State/UT-wise including Bihar and Maharashtra;
- (b) whether the government is aware of denial of loan by banks to entrepreneurs to set up small food processing unit;
- (c) if so, the details thereof and the corrective steps taken/being taken by the Government in this regard; and
- (d) the other measures proposed to be taken by the Government for strengthening the agro processing industries in the country ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a and d) During 11 th Plan, Ministry of Food Processing Industries under its plan scheme for Technology Upgradation/ Establishment/ Modernization of Food Processing Industries extends financial assistance to food processing units in the country including Bihar and Maharashtra in the form of grant-in-aid @ 25% of the cost of plant & machinery and technical civil works subject to maximum of Rs. 50.00 lakhs in general areas and @33.33% subject to a maximum of Rs. 75.00 lakhs in difficult areas such as Jammu and Kashmir, Himachal Pradesh, Uttarakhand, Sikkim and North Eastern States, A&N Islands, Lakshadweep and TTDP areas. The details of the State- wise financial assistance provided to the entrepreneurs in the country during last three years, year wise is annexed-I. The above Scheme of Technology Up gradation/Estabiishment /Modernization of Food Processing Industries has been subsumed in the NMFP w.e.f 01.04.2012 (2012-13).

In addition, Government had launched a National Mission on Food Processing (NMFP), a new Centrally Sponsored Scheme from 2012-13 through State/UT Governments to give further impetus to the food processing sector through decentralization and better reach by involving the State /UT Governments to implement all the Schemes of the mission during 12th Plan (2012-13), which are; (i). Scheme for Technology Up-gradation / Establishment / Modernization of Food Processing Industries, (ii). Scheme for Cold Chain, Value Addition and Preservation Infrastructure for Non Horticultural Products. (iii). Scheme for Modernization of Abattoirs (no targets for 2012-13 & 2013-14) (iv). Scheme for Human Resource Development (HRD) with following components i.e. (a) Creation of Infrastructure Facilities for Running Degree/Diploma/Certificate Courses in Food Processing Technology; (b) Entrepreneurship Development Program (EDP) and (c) Food Processing Training Centre (FPTC). (v). Scheme for Promotional Activities i.e. (a) Organizing Seminar/Workshops; (b) Conducting Studies/Surveys; (c) Support to Exhibitions/Fairs and (d) Advertisement & Publicity.

2. Ministry of Agriculture has been implementing `Establishment of Agri-Clinic & Agro- Business Centres Scheme (ACABC)` since April, 2002. There is a provision of Credit linked back-ended upfrom composite subsidy on the bank loan availed by trained candidates for establishing their agri-ventures. The subsidy is 44% in respect of women, SC/ST and all categories of candidates from North-Eastern and Hill States, and 36% in respect of other categories. Banks loans upto Rs. 20 lakhs for individual project and Rs. 100 lakhs for a group project availed through commercial banks, Regional Rural Banks, State Cooperative Banks etc, are eligible for subsidy.

3. SIDBI is the nodal agency for Credit Linked Capital Subsidy Scheme of Ministry of Micro, Small and Medium Enterprises.The state wise data regarding release of subsidy to sub sector food processing industries is on Annexure II.

(b & c) Public Sector Banks have informed that there is no such case which has been reported.