

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

UNSTARRED QUESTION NO:1197
ANSWERED ON:13.08.2013
PROCESSING OF PERISHABLE COMMODITIES
Joshi Shri Mahesh

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

- (a) whether the Government proposes to accord priority sector lending for the projects involving processing of perishable commodities and if so, the details thereof;
- (b) the details of the guidelines/policy regarding domestic consumption and export of processed food items;
- (c) the steps taken by the Government for optimum utilisation of the export capacity of processed food products and the farming sector in the country;
- (d) the available food processing capacity in the country at present; and
- (e) the funds allocated for this purpose during each of the last three years and the current year along with the initiatives taken for this sector?

Answer

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (DR. CHARAN DAS MAHANT)

(a): In terms of Reserve Bank of India extant guidelines on lending to priority sector, loan for food and agro processing are eligible to be classified under priority sector, provided the units satisfy investments criteria prescribed for micro and small enterprises, as provided in "The Micro, Small and Medium Enterprises Development Act, 2006".

(b) & (c): Government has been promoting food processing with a view to minimize harvest and post-harvest losses of major agricultural produce and increase shelf life of food products. Promotional measures for increasing exports of agricultural and processed food products include implementation of Focus Product Scheme (FPS), Focus Market Scheme (FMS), Vishesh Krishi and Gram Udyog Yojana (VKGUY) Scheme, Market Linked Focused Product (MLFPS) Scheme etc. Promotion of food processing industry and export of food products ensures better realisation for farm produces and benefits the farm sector.

(d): As per ASI data, 2010-11, there were 35,838 registered units in food processing sector in the country with an aggregate fixed capital of Rs.1,20,705/- crore.

(e): The Budget allocation for the food processing sector during 2010-11 to 2013-14 are as under:-

Year Budget Allocation (Rs.Crore)

2010-11	400.00
2011-12	600.00
2012-13	660.00
2013-14	708.00

For promoting food processing industries, Government has been implementing a number of schemes such as

- (i) Creation of infrastructure, which includes components like Mega Food Parks; Cold Chain, Value Addition and Preservation infrastructure; and Modernisation of Abattoirs,
- (ii) Research & Development in Food Processing Sector;
- (iii) Establishment of Food Testing Laboratories; and
- (iv) Promotional Activities. Government has also launched a new Centrally Sponsored Scheme – National Mission on Food Processing (NMFP) on 01.04.2012 to support food processing industry with active participation of the State/UT Governments. The scheme provides for the establishment of a National Mission as well as corresponding Missions at the State and District Level. NMFP is implemented with financial contribution of Government of India and States/ UT in the ratio of 75:25 except for North-Eastern States, where the ratio is 90:10. Further, all the UTs are funded 100% by Government of India on grant basis.