

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

UNSTARRED QUESTION NO:2984

ANSWERED ON:27.08.2013

MEGA FOOD PARKS

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

- (a) the details of the schemes in operation for storage and processing of fruits and vegetables in the country;
- (b) whether the Government has any proposal to establish mega food parks in the rural and backward areas of the country;
- (c) if so, the details thereof including the locations identified for the purpose, State-wise;
- (d) whether the Government has set up any expert Committee to review the functioning of the Mega Food Park scheme in the country and if so, the details thereof including the composition of the said Committee; and
- (e) the time by which the said Committee is likely to submit its report?

Answer

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

(a): The Ministry of Food Processing Industries is implementing the Scheme of Integrated Cold Chain, Value Addition & Preservation Infrastructure, a component of the scheme of Infrastructure Development for food processing under which financial assistance in the form of grant-in-aid @ 50% of the total cost of plant and machinery and technical civil works in general areas, and @ 75% of the total cost of plant and machinery and technical civil works in difficult areas including North-Eastern States is provided, subject to a maximum of Rs.10.00 crore, for creation of cold chain infrastructure in the country.

Apart from the above, the Ministry under National Mission on Food Processing (NMFP) provides financial assistance for non-horticulture based cold chain projects in the form of grant-in-aid of

- (i) Capital Subsidy @35% of the bank appraised project cost including interest during construction (IDC) for general areas, and @ 50% of the bank appraised project cost for difficult areas including North-Eastern region, subject to maximum of Rs. 5 crore, and
- (ii) Interest subsidy @ 6% per annum subject to a maximum of Rs. 2.00 crore per project or actual interest accrued on term loan, whichever is lower, for a period of 5 year from completion of the project for general areas, and @7 % per annum subject to a maximum of Rs. 3.00 crore per project or actual interest accrued on term loan, whichever is lower, for a period of 7 years from completion of the project for difficult areas including NER.

The government is implementing scheme Technology Upgradation/ Establishment/ Modernization of Food Processing Industries under National Mission on Food Processing to increase the level of processing, reduction of wastage, value addition, enhance the income of farmers as well as increase exports thereby resulting in overall development of food processing sector. The scheme envisages extending financial assistance for establishment of new food processing units as well as technology upgradation and expansion of existing units in the country. The scheme envisages financial assistance to food processing units in the form of grant-in-aid as under:-

- i. 25% of the cost of Plant & Machinery and technical civil works, subject to a maximum of Rs.50 lakhs in general areas
- ii. 33.33% of the cost of Plant & Machinery and technical civil works, subject to a maximum of Rs. 75 lakhs in difficult areas (i.e. Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Andaman & Nicobar Islands and Lakshadweep) and Integrated Tribal Development Project (ITDP) areas.
- iii. 50% of the cost of Plant & Machinery and technical civil works, subject to a maximum of Rs.100 lakhs for North-Eastern States including Sikkim.

(b) & (c): Government is implementing Mega Food Park Scheme to develop modern infrastructure facilities from farm gate to processing centers in a demand-driven manner. The Scheme operates in a Hub and Spoke Model comprising of farm proximate facilities such as Collection Centres (CC), Primary Processing Centers (PPC) linked with a Central Processing Centre (CPC).

The Scheme is implemented through a Special Purpose Vehicle (SPV) which should be a registered company under the Indian Companies Act, 1956 and should comprise of at least 3 independent promoters including a food processor which should hold a minimum equity of 26%.

Under the scheme a capital grant at the rate of 50 percent of the eligible project cost in general areas and at the rate of 75 percent of eligible project cost in difficult and hilly areas i.e. North-East Region including Sikkim, J&K, Himachal Pradesh, Uttarakhand and ITDP notified areas of the States, is provided subject to a maximum of Rs.50 crores per project.

The Government has approved setting up of 30 Mega Food Parks during the 11th Plan and 12 projects in the 12th Plan. Out of 30 projects approved during 11th Plan, 14 projects have been accorded 'final' approval and are at different stages of implementation and remaining 16 projects have been accorded 'in-principle' approval under the scheme. The State-wise details of locations of the 30 projects are enclosed at Annexure-I.

(d): No, Madam.

(e): Does not arise.