



STANDING COMMITTEE ON AGRICULTURE
(2015-2016)

SIXTEENTH LOK SABHA

MINISTRY OF FOOD PROCESSING INDUSTRIES

DEMANDS FOR GRANTS (2016-2017)

TWENTY-THIRD REPORT



LOK SABHA SECRETARIAT
NEW DELHI

MAY, 2016/ VAISAKHA, 1938 (Saka)

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(2015-2016)**

(SIXTEENTH LOK SABHA)

MINISTRY OF FOOD PROCESSING INDUSTRIES

DEMANDS FOR GRANTS (2016-2017)

Presented to Lok Sabha on : 02.05.2016

Laid on the Table of Rajya Sabha on : 02.05.2016



**LOK SABHA SECRETARIAT
NEW DELHI**

MAY, 2016/ VAISAKHA, 1938 (Saka)

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(ii)

COMPOSITION OF THE COMMITTEE ON AGRICULTURE (2015-16)

Shri Hukm Deo Narayan Yadav - Chairperson

MEMBERS
LOK SABHA

2. Shri Sanganna Amarappa
3. Prof. Ravindra Vishwanath Gaikwad
4. Shri Nalin Kumar Kateel
- *5. Smt Raksha Nikhil Khadse
6. Md. Badaruddoza Khan
7. Shri C. Mahendran
8. Dr. Tapas Mandal
9. Shri Janardan Mishra
10. Shri Ajay Nishad
11. Shri Dalpat Singh Paraste
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15. Shri C.L. Ruala
16. Shri Arjun Charan Sethi
17. Shri Satyapal Singh
18. Shri Virendra Singh
19. Shri Jai Prakash Narayan Yadav
20. Shri Dharmendra Yadav
21. Shri B. S. Yeddyurappa

RAJYA SABHA

22. Shri A.W. Rabi Bernard
23. Shrimati Renuka Chowdhury
- #24. Vacant
25. Shri Janardan Dwivedi
26. Shri Vinay Katiyar
27. Shri Mohd. Ali Khan
28. Shri Rajpal Singh Saini
29. Shri Ram Nath Thakur
30. Shri Shankarbhai N. Vegad
31. Shri Darshan Singh Yadav

* Nominated to the Committee w.e.f 13.04.2016 vice Prof. Richard Hay who ceased to be the Member of the Committee w.e.f. 13.04.2016.

Vice Sardar Sukhdev Singh Dhindsa who ceased to be the Member of the Committee consequent upon his retirement from Rajya Sabha w.e.f. 09.04.2016

SECRETARIAT

- | | | | |
|----|---------------------------|---|-------------------------|
| 1. | Shri U.B.S. Negi | - | Joint Secretary |
| 2. | Shri Arun K. Kaushik | - | Director |
| 3. | Smt. Jubby Amar | - | Additional Director |
| 4. | Shri Nirantar Kumar Singh | - | Sr. Executive Assistant |

INTRODUCTION

I, the Chairperson, Committee on Agriculture, having been authorized by the Committee to submit the Report on their behalf, present this Twenty-third Report on the Demands for Grants (2016-17) 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 (2016-17) of the Ministry of Food Processing Industries, which was laid on the table of the House on 16 March, 2016. The Committee took evidence of the representatives of the Ministry of Food Processing Industries at their Sitting held on 21 March, 2016. The Report was considered and adopted by the Committee at their Sitting held on 28th April, 2016.

3. For facility of reference and convenience, the Recommendations/Observations of the Committee have been printed in bold letters in Part-II of the Report.

4. The Committee wish to express their thanks to the officers of the Ministry of Food Processing Industries for appearing before the Committee and furnishing the information that they desired in connection with the examination of Demands for Grants of the Ministry.

5. The Committee would also like to place on record their deep sense of appreciation for the invaluable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
28 April, 2016
08 Vaisakha, 1938 (Saka)

HUKM DEO NARAYAN YADAV

Chairperson
Committee on Agriculture

ABBREVIATIONS

AAGR	Average Annual Growth Rate
APEDA	Agricultural and Processed Food Products Export Development Authority
AICTE	All India Council for Technical Education
ASI	Annual Survey of Industries
BE	Budget Estimates
BTECH	Bachelor of Technology
CSS	Centrally Sponsored Scheme
CIPHET	Central Institute of Post-Harvest Engineering and Technology
CC	Collection Centre
CPC	Central Processing Centre
CPCB	Central Pollution Control Board
CA	Controlled Atmosphere
CFTRI	Central Food Technological Research Institute
CENVAT	Central Value Added Tax
CCEA	Cabinet Committee on Economic Affairs
DPR	Detailed Project Report
DFRL	Defence Food Research Laboratory
DRDO	Defence Research & Development Organisation
DSCs	Digital Signature Certificates
DARE	Department of Agricultural Research & Education
EoI	Expression of Interest
ETP	Energy Transfer Partners
EDP	Entrepreneurship Development Program
FAO	Food and Agriculture Organisation
FAOSTAT	Statistical Division of FAO
FPI	Food Processing Industries
FPTC	Food Processing Training Centre
FDI	Foreign Direct Investment
FPOs	Farmer Producer Organizations
FSS	Food Safety and Standards
FSSAI	Food Safety and Standards Authority of India
FTL	Food Testing Laboratory
FICCI	Federation of Indian Chamber of Commerce and Industries
GHP	Good Hygienic Practices
GMP	Good Manufacturing Practices
GDP	Gross Domestic Product
GHMC	Greater Hyderabad Municipal Corporation

HACCP	Hazard Analysis and Critical Control Points
HRD	Human Resources Development
HBTI	Harcourt Butler Technological Institute
IMAC	Inter Ministerial Approval Committee
ISO	International Organization for Standardization
IQF	Individual Quick Freezing
ICRIER	Indian Council for Research on International Economic Relations
IGPRTC	International Grain Processing Research & Training Centre
IBRTC	International Bakery Research & Training Centre
ICAR	Indian Council of Agricultural Research
ITDP	Integrated Tribal Development Project
IICPT	Indian Institute of Crop Processing Technology
IIT	Indian Institute of Technology
IIM	Indian Institute of Management
IIP	Index of Industrial Production
IGPB	Indian Grape Processing Board
IQF	Individual Quick Freeze
IVRI	Indian Veterinary Research Institute
JV	Joint Ventures
KSU	Kansas State University
LOA	Letter of Award
MFPI/MOFPI	Ministry of Food Processing Industries
MOUs	Memorandum of Understanding
MSEs	Micro and Small Enterprises
MFP	Mega Food Parks
MA	Modified Atmosphere
MIDH	Mission for Integrated Development of Horticulture
MPEDA	Marine Products Export Development Authority
NMFP	National Mission on Food Processing
NER	North Eastern Region
MSME	Micro Small & Medium Enterprise
MTECH	Master of Technology
NABARD	National Bank for Agriculture and Rural Development
NABL	National Accreditation Board for Testing and Calibration Laboratories
NABCONS	NABARD Consultancy Services
NCCD	National Centre for Cold Chain Development
NGO	Non Governmental Organization
NMPPB	National Meat and Poultry Processing Board
NIFTEM	National Institute of Food Technology, Entrepreneurship and Management

NHB	National Horticulture Board
NIF	NIFTEM Industry Forum
NMFP	National Mission on Food Processing
NMZ	National Investment and Manufacturing Zone
NRDC	NIFTEM Research Development Council
NSEL	National Spot Exchange Limited
NHM	National Horticulture Mission
PSUs	Public Sector Undertakings
PMCs	Process Management Consultants
PPC	Primary Processing Centres
PMA	Programme Management Agency
P&M	Plant & Machinery
R&D	Research and Development
RE	Revised Estimates
RTGS	Real Time Gross Settlement
RFP	Request For Proposal
SPV	Special Purpose Vehicle
SGSY	Swarnajayanti Gram Swarajgar Yojana
SHGs	Self Help Groups
SERB	Science and Engineering Research Board
SEZs	Special Economic Zone
SAUs	State Agricultural University
TUS	Technology Up gradation Scheme
TC	Technical Committee
TCW	Technical Civil Work
UC	Utilisation Certificates
UNL	University of Nebraska Lincoln
UT	Union Territory
VAP	Village Adoption Programme
WCD	Women & Child Development
WU	Wageningen University

CHAPTER– I

IMPLEMENTATION OF RECOMMENDATIONS OF THE COMMITTEE

The Eighth Report of the Standing Committee on Agriculture on Demands for Grants (2015-16) of the Ministry of Food Processing Industries was presented to Lok Sabha and laid on the Table of Rajya Sabha on 24 April, 2015 respectively.

1.2 The Action Taken Notes on action taken by the Government on Observations/Recommendations contained in the Eighth Report of the Committee on Agriculture on Demands for Grants (2015-16) of Ministry of Food Processing Industries were furnished to the Committee by Ministry of Food Processing Industries on 16.06.2015. The Committee presented their 18th Report on Action Taken on the recommendation contained in their 8th Report on 16.12.2015

1.3 Out of the 17 recommendations contained in the 8th Report, 14 recommendations were accepted by the Government. The Committee did not desire to pursue the two recommendations in view of the reply of the Government and in respect of one recommendation the reply of the Government was not accepted by the Committee.

1.4 In terms of 73A of Directions by the Speaker, the Statement to be made by the Minister of Food Processing Industries on the status of implementation of various Recommendations made by the Committee in their Eighth Report was due on 24 October, 2015. Accordingly, the Statement was made by the Minister in Rajya Sabha and Lok Sabha on 07.08.2015 and 11.08.2015 respectively.

CHAPTER-II

INTRODUCTORY

2.1 The Ministry of Food Processing Industries (MFPI) was set up in July, 1988 to give an impetus to the development of food processing sector in the country. MFPI is concerned with formulation and implementation of the policies for the food processing industries within the overall national priorities and objectives. A major issue facing the country is to ensure remunerative prices to the farmers for their produce. If the surplus production of cereals, fruits, vegetables, milk, fish, meat and poultry, etc., are processed and marketed both inside and outside the country, there will be greater opportunities for adding to the income of farmers and employment. A strong and dynamic food processing sector plays a vital role in diversification and commercialization of agriculture, enhancing shelf life, ensuring value addition to agricultural produce, generation of employment, enhancing income of farmers and creating markets for export of agro foods. 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 industry. The Ministry aims at:

- Creating the critical infrastructure to fill the gaps in the supply chain from farmgate to consumer.
- Value addition of agricultural produce;
- Minimizing wastage at all stages in the food processing chain by the development of infrastructure for storage, transportation and processing of agro produce;
- Induction of modern technology in the food processing industries;
- Encouraging R&D in food processing for product and process development;
- Providing policy support, promotional initiative and facilities to promote value added exports.

2.2 The functions of the Ministry can be broadly classified under policy support, policy initiatives, developmental initiatives and promotional initiatives.

Policy Support

- a. Formulation and implementation of policies for food processing sector within overall national priorities and objectives;
- b. Facilitating creation of a conducive environment for healthy growth of the food-processing sector.
- c. Promoting rationalization of tariff and duties relating to food processing sector.

Policy Initiatives

Several policy initiatives have been taken from time to time to promote growth of the food processing sector in the country. Some of these are:

- a. Exempting all the processed food items from the purview of licensing under the Industries (Development and Regulation) Act, 1951.
- b. Automatic approval for foreign equity up to 100% for most of the processed food items excepting alcohol and beer subject to certain conditions.
- c. Developing a strong supply chain for perishable farm produce to reach processing sector promptly.
- d. Incentivizing creating of infrastructure and developing technology to convert such produce into value added products.
- e. Reducing Excise Duty on food processing and packaging machinery from 10% to 6%.
- f. Setting up of a Special Fund of Rs. 2000 crore in National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit in designated Food Parks and agro-processing units in the designated Food Parks.
- g. Simplifying Application Forms of all the schemes and minimizing requirement of documents.
- h. Uploading Food Maps identifying surplus raw material on website.
- i. Initiating Skill Development Program through the Sectoral Skill Council [i.e. Food Industry Capacity and Skill Initiatives (FICSI)] on Food Processing working in Federation of Indian Chamber of Commerce and Industry (FICCI).
- j. Classifying loan to food & agro-based processing units and Cold Chain under agriculture activities for Priority Sector Lending.
- k. Exempting pre-cold storage services of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labeling of fruits & vegetables from Service Tax.

Developmental initiatives

- a. Creating modern infrastructure for growth of food processing sector through Schemes of Mega Food Parks, Integrated Cold Chain and Modernization of Abattoirs.
- b. Providing assistance to food processing industries under various Central Sector and Centrally Sponsored plan schemes.
- c. Widening the R&D base in food processing by involvement of various R&D institutes and support to R&D activities.
- d. Uploading list of R&D research projects / findings on the Ministry's website for better dissemination, commercial adoption and use by the farmers and entrepreneurs.

- e. Developing Human Resource to meet the growing requirement of managers, entrepreneurs and skilled workers in the food processing sector.
- f. A Centrally Sponsored Scheme (CSS) - National Mission on Food Processing (NMFP) was launched during 12th Plan (2012-13) for implementation through State/UT Governments. However, the NMFP has been de-linked from Central Government Support with effect from 1.4.2015, except for UTs.
- g. Assistance for setting up of food testing laboratories, active participation in laying down food standards and their harmonization with international standards.
- h. Introducing Sevottam, charter mark in service delivery for excellence in the Ministry.
- i. Regular interaction with industries and UT/State Governments for activating Single Window System.
- j. Seeking fiscal incentives for the food processing industries.
- k. Foreign Direct Investment is one of the priority areas for attention under 'Make in India' campaign. In this context an email ID - makeinindia-fpi@gov.in has been created.
- l. An Investors' Portal has been developed by the Ministry with the intention to disseminate information on the state-specific resource potential, policy support and fiscal incentives offered to investors in food processing sector. The investors, both domestic & foreign, may make queries relating to any issue on the investment in food processing sector through Investors' Portal (<http://foodprocessingindia.co.in>) or through Ministry's website (<http://mofpi.nic.in>).

Promotional Initiatives

In order to create awareness about the potential and prospect of food processing industries in the country, this Ministry provides assistance for:

- a. Organizing Workshops, Seminars, Exhibitions and Fairs;
- b. Studies/Surveys, etc.
- c. Participation in national/international fairs/exhibitions, etc.

CHAPTER-III

OVERVIEW OF THE FOOD PROCESSING SECTOR

3.1 A well-developed food processing sector with higher level of processing helps in the reduction of wastage, improves value addition, promotes crop diversification, ensures better return to the farmers, promotes employment as well as increases export earnings. This sector is also capable of addressing critical issues of food security, food inflation and providing wholesome, nutritious food to the masses.

Contribution of Food Processing Sector to GDP:

3.2 Over the years agricultural production in India has consistently recorded higher output. India ranks no 1 in the world in the production of Milk, Ghee, Pulses, Ginger, Bananas, Guavas, Papayas and Mangoes. Further, India ranks no 2 in the world in the production of Rice, Wheat and several other vegetables & fruits. Abundant supply of raw materials, increase in demand for food products and incentives offered by the Government has impacted food processing sector positively. The Table-1 below shows that food processing sector has been on average growing at a faster rate than agriculture sector (from 2011-12 to 2014-15). During the last 3 years ending 2014-15, Food Processing Industries sector has been growing at an Average Annual Growth Rate (AAGR) of around 2.26 per cent as compared to around 1.69 per cent in Agriculture and 6.23 per cent in Manufacturing at 2011-12 Prices. Food Processing Sector has also emerged as an important segment of the Indian economy in terms of its contribution to GDP, employment and investment. The sector constitutes as much as 9.0 and 11.0 per cent of GDP in Manufacturing and Agriculture sector respectively.

Table-1

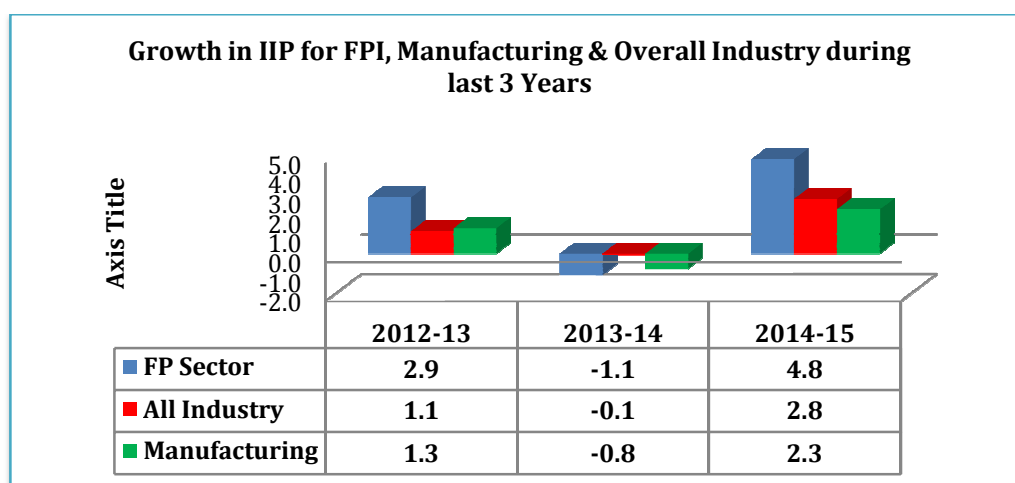
Contribution of Food Processing Industries to Gross Domestic Product at 2011-12 Prices (Rs. in Crore)					
S. No.	Economic Activity	2011-12	2012-13	2013-14	2014-15
1	GDP-All India	81,95,546	85,99,224	91,69,787	98,27,089
2	GDP- Manufacturing	14,82,158	15,74,471	16,58,176	17,76,469
3	GDP-Agriculture, Forestry and Fishing	15,05,580	15,23,470	15,79,290	15,82,851
4	GDP- FPI	1,50,370	1,43,364	1,49,555	1,60,224*

(%) Growth				
	Economic Activity	2012-13	2013-14	2014-15
5	GDP-All India	4.93	6.64	7.17
6	GDP- Manufacturing	6.23	5.32	7.13
7	GDP-Agriculture, Forestry and Fishing	1.19	3.66	0.23
8	GDP- FPI	-4.66	4.32	7.13

(%) Share of FPI					
	Economic Activity	2011-12	2012-13	2013-14	2014-15
9	GDP-All India	1.83	1.67	1.63	1.63
10	GDP- Manufacturing	10.15	9.11	9.02	9.02
11	GDP-Agriculture, Forestry and Fishing	9.99	9.41	9.47	10.12

Source: National Accounts Statistics-2015, CSO.*: GDP- FPI sector for 2014-15 is calculated on the basis of share of GDP-FPI in GDP-Manufacturing sector for 2013-14.

The matching performance of the food processing industries with overall manufacturing in 2014-15 is further corroborated with the Index of Industrial Production (IIP) when in that year the index of FPI increased to a greater extent than manufacturing.



Source: Index of Industrial Production (IIP), CSO

State wise distribution of registered factories in food processing sector:

3.3 As per latest Annual Survey of Industries: 2012-13, the total number of factories in the registered food processing sector in the country is 37,175. Among the industry, highest number of registered factories are located in 'Andhra Pradesh', which accounts for about 15.42 per cent of the total factories in FPI sector industries followed by 'Tamil Nadu' (13.88%) and 'Telangana' (9.96%) and Maharashtra (8.28%). State-wise distribution of registered FPI is given below:

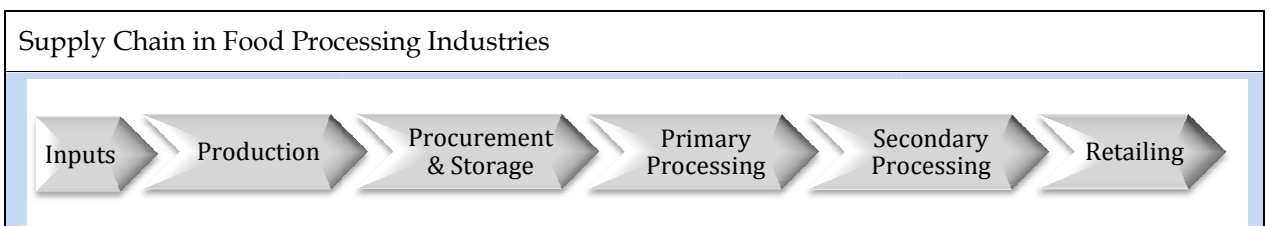
State-wise estimated Number of Factories in Registered FPI units for 2012-13		
S. No.	Name of the State/UTs	Number of registered units
1	Andhra Pradesh	5,735
2	Andaman & Nicobar Islands	6
3	Assam	1,256
4	Bihar	736
5	Chandigarh (U.T.)	14
6	Chhattisgarh	1,008
7	Dadra & Nagar Haveli	11
8	Daman & Diu	37
9	Delhi	159
10	Goa	90
11	Gujarat	1,923
12	Haryana	608
13	Himachal Pradesh	163
14	Jammu & Kashmir	156
15	Jharkhand	206
16	Karnataka	2,038
17	Kerala	1,501
18	Madhya Pradesh	738
19	Maharashtra	3,077
20	Manipur	19
21	Meghalaya	18
22	Nagaland	15
23	Odisha	931
24	Pudducherry	75
25	Punjab	2,792
26	Rajasthan	795
27	Sikkim	21
28	Tamil Nadu	5,159
29	Telangana	3,716
30	Tripura	68
31	Uttar Pradesh	2,097
32	Uttarakhand	383
33	West Bengal	1,624
	Total	37,175

Source: Annual Survey of Industries, 2012-13

Stages of Processing of Food:

3.4 The Ministry of Food Processing Industries does not deal with a few food items such as coffee, tea, oilseeds, sugar, spices and alcohol made from molasses, as these items fall within the purview of other Ministries under the Allocation of Business Rules for Central Ministries. Nevertheless, since food processing industries include all edible processed food from the economic activity point of view, data analyzed by this Ministry includes the entire sector. Food processing includes (a) Manufactured Processes: If any raw product of agriculture, animal husbandry or fishing is transformed through a process [involving employees, power, machines or money] in such a way that its original physical properties undergo a change and if the transformed product is edible and has commercial value, then it comes within the domain of Food Processing Industries. (b) Other Value-Added Processes: If there is significant value addition (increased shelf life, shelled and ready for consumption etc.) such produce also comes under food processing, even if it does not undergo manufacturing processes.

From an analytical perspective, food processing can be viewed as different levels of processing – primary, secondary and tertiary. Primary Processing relates to conversion of raw agricultural produce, milk, meat and fish into a commodity that is fit for human consumption. It involves steps such as cleaning, grading, sorting, packing etc. Food Processing Industries usually deal with higher levels of processing where new or higher value food products are manufactured. The different stages of processing of food, are as depicted in the flow chart below:



Raw material base of the Food Processing Industry:

3.5 In the 5 years ending 2013-14, the horticulture sector has shown an average growth rate of 5.53 per cent as compared to 2.64 per cent in production of food grain in the country. India is now leading in the production of agricultural and live-stock produce as shown in the following table:

India's Rank* in World production of Agricultural & food products 2013					
(in Tonnes)					
S. No.	Item Name	Rank	India	World	(%) Share
1	Anise, fennel, coriander	1	5,46,173	9,40,587	58.1
2	Areca nuts	1	6,09,000	12,24,125	49.7
3	Bananas	1	2,75,75,000	10,67,14,205	25.8
4	Castor oil seed	1	16,44,000	18,65,447	88.1
5	Chick peas	1	88,32,500	1,31,18,699	67.3
6	Chillies and peppers, dry	1	13,76,000	34,58,634	39.8
7	Ginger	1	6,83,000	21,40,451	31.9
8	Lemons and limes	1	25,23,500	1,51,91,482	16.6
9	Mangoes, mangos teens, guavas	1	1,80,02,000	4,33,00,070	41.6
10	Millet	1	1,09,10,000	2,98,64,147	36.5
11	Okra	1	63,50,000	86,89,499	73.1
12	Papayas	1	55,44,000	1,24,20,585	44.6
13	Pigeon peas	1	30,22,700	46,79,936	64.6
14	Meat, buffalo	1	16,10,000	37,22,800	43.2
15	Milk, whole fresh buffalo	1	7,00,00,000	10,20,41,460	68.6
16	Milk, whole fresh goat	1	50,00,000	1,79,57,372	27.8
17	Ghee, butter oil of cow milk	1	1,37,550	2,27,063	60.6
18	Ghee, of buffalo milk	1	28,63,000	29,51,219	97.0
19	Beans, dry	2	36,30,000	2,28,06,139	15.9
20	Cabbages and other brassicas	2	85,34,000	7,14,36,600	11.9
21	Cauliflowers and broccoli	2	78,87,000	2,22,78,858	35.4
22	Eggplants (aubergines)	2	1,34,44,000	4,94,18,212	27.2
23	Garlic	2	12,59,000	2,42,55,303	5.2
24	Groundnuts, with shell	2	94,72,000	4,56,54,289	20.7
25	Lentils	2	11,34,000	49,75,621	22.8
26	Onions, dry	2	1,92,99,000	8,57,95,191	22.5
27	Peas, green	2	40,06,200	1,74,30,767	23.0
28	Potatoes	2	4,53,43,600	37,64,52,524	12.0
29	Pumpkins, squash and gourds	2	49,00,000	2,46,79,859	19.9
30	Rice, paddy	2	15,92,00,000	74,09,02,532	21.5
31	Safflower seed	2	1,09,000	6,70,319	16.3
32	Sesame seed	2	6,36,000	48,47,921	13.1
33	Sugar cane	2	34,12,00,000	1,91,11,79,775	17.9
34	Tea	2	12,08,780	53,45,523	22.6
35	Tomatoes	2	1,82,27,000	16,39,63,770	11.1
36	Wheat	2	9,35,10,000	71,59,09,258	13.1
37	Meat, goat	2	5,09,000	53,72,407	9.5
38	Milk, whole fresh cow	2	6,06,00,000	63,55,75,895	9.5

39	Cashew nuts, with shell	3	7,53,000	44,39,960	17.0
40	Coconuts	3	1,19,30,000	6,24,50,192	19.1
41	Lettuce and chicory	3	10,80,000	2,48,96,116	4.3
42	Nutmeg, mace and cardamoms	3	16,565	94,348	17.6
43	Pepper (piper spp.)	3	53,000	4,72,526	11.2
44	Rapeseed	3	78,20,000	7,26,99,608	10.8
45	Oranges	4	64,26,200	7,14,45,353	9.0
*: Ranks are based on the quantity. Source: FAOSTAT website accessed on 03/11/2015.					

Export of Food processing related commodities:

3.6 The following table indicates the export volumes of Food Processing Sector.

(US \$ Million)							
Year →	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 upto Dec. 15	AAGR*
FPI-Exports	20277.60	31458.38	35897.47	38052.88	36171.96	19337.4	21.5%
(%) Growth	37.3%	55.1%	14.1%	6.0%	-4.9%		
*: Average Annual Growth Rate for 5 years;							

- the value of processed food exports during 2014-15 was of the order of US \$ 36171.96 Million constituting 11.63 per cent of India's total exports (total exports US \$ 311 Billion).

HS Code	Commodity	India's Food Export, Unit: US\$ Million	
		2014-15	2015-16 (upto Dec.,15)
'02	Meat and Edible Meat Offal	4929.27	2793.26
'03	Fish and crustaceans, Molluscs and other Aquatic Invertebra	5249.52	3143.58
'04	Dairy Produce; Birds' Eggs; Natural Hoeny; Edible Products	379.03	225.18
'07	Edible Vegetables and Certain Roots and Tubers	1180.81	730.96
'08	Edible Fruit & Nuts; Peel of Citrus Fruit or Melons	1610.71	912.03
'09	Coffee, Tea, Mate & Spices	2871.86	1927.61
'10	Cereals	9550.98	4274.82
'11	Products of the milling industry; malt; starches; insulin;	305.56	205.95
'12	Oil seeds oleaginous fruits; misc. Grains, seeds & fruits;	2213.95	1007.97
'13	Lac; Gums, Resins & Other Vegetables Saps & Extracts	1947.55	612.18
'15	Animal or vegetable fats & oils & their cleavage products;	973.29	579.75
'16	Preparations of Meat of Fish or of Crustaceans, Molluses Of	155.39	144.31

'17	Sugars and Sugar Confectionery	1075.17	872.75
'18	Cocoa and Cocoa Preparations	138.87	124.55
'19	Preparations of Cereals, Flour , Starch or Miilk; Pastry	489.85	327.44
'20	Preparations of Vegetables, Fruits, Nuts or Other Parts of	504.71	314.23
'21	Miscellaneous Edible Preparations	587.50	360.90
'22	Beverages, Spirits And Vinegar	377.84	215.37
'23	Residues and Waste from the Food Industries; Prepared Anima	1630.12	564.60
	Total	36171.96	19337.44

Source: DGCI&S.

Foreign Direct Investment (FDI) in food processing sector:

3.7 Foreign Direct Investment (FDI) is permissible in food processing sector up to 100 per cent on automatic route except for items reserved for Micro and Small Enterprises (MSEs) subject to applicable laws/ regulations, securities and other conditionalities. For manufacture of items reserved for Micro and Small enterprises, FDI is permissible under automatic route up to 24 per cent of the capital. If foreign investment is more than 24 per cent, Industrial License under Industries (Development & Regulation), Act 1951 is required.

Foreign Direct Investment (FDI) inflows in Food Processing sector in the country during last 6 years and current year is as below:

S. No.	Year (April- March)	FDI (Rs. Crore)	FDI (US \$ Million)
1	2009-10	1,314.23	278.89
2	2010-11	858.03	188.67
3	2011-12	826.16	170.21
4	2012-13	2193.65	401.46
5	2013-14	25,106.78	3,982.88
6	2014-15	3,159.36	515.86
7	2015-16 (April-December)	2,500.85	384.59
Source: Department of Industrial Policy and Promotion (DIPP)			

Losses in Supply Chain of Agri-Produce:

3.8 Despite the large production of food products in India, food inflation and food security issues are major concerns for policy makers in the country as they affect the basic need for Indian citizens – to have sufficient, healthy and affordable food. A nation-wide study on quantitative assessment of harvest and post-harvest losses for 46 agricultural produces in 106 randomly selected districts was carried out by CIPHET, Ludhiana. The aforesaid study considers the quantitative loss as the material rendered “unfit for human consumption”. The different stages considered for assessment of losses are harvesting, collection, thrashing, grading /sorting, winnowing /cleaning, drying, packaging, transportation, and storage depending upon the commodity.

3.9 The report of the study was released in 2010. The study has estimated that harvest and post-harvest losses of major agricultural produces at national level was of the order of Rs. 44,143 crore per annum at 2009 wholesale prices.

Percentage of losses estimated for major produces (2009-10)	
Crop	Cumulative wastage (%)
Cereals	3.9 – 6.0 percent
Pulses	4.3-6.1 percent
Oil seeds	2.8-10.1 percent
Fruits & Vegetables	5.8-18.0 percent
Milk	0.8 percent
Fisheries (Inland)	6.9 percent
Fisheries (Marine)	2.9 percent
Meat	2.3percent
Poultry	3.7percent

The following horticultural and cereal crops were reported to suffer high Losses:

Horticultural Crops		Cereal Crops (2009-10)	
Guava	18.0 %	Wheat	6.0 %
Mango	12.7 %	Paddy	5.2 %
Apple	12.3 %	Bajra	4.8 %
Grapes	8.3 %	Maize	4.1 %
Papaya	7.4 %		
Banana	6.6 %		

It may be seen that most of the wastage was happening in fruits and vegetables, pulses and cereals.

3.10 The Ministry of Food Processing Industries assigned a repeat study to CIPHET, Ludhiana for 45 agricultural crops of 107 districts to assess the position. The Report on the repeat study was submitted in March, 2015. The study has estimated that annual value of harvest and post-harvest losses of major agricultural produces at national level was of the order of Rs. 92,651 crore calculated using production data of 2012-13 at 2014 wholesale prices.

Percentage of losses estimated for major produces

Crops	Cumulative wastage (%) (2012-13)
Cereals	4.65 - 5.99
Pulses	6.36 - 8.41
Oil seeds	3.08 - 9.96
Fruits & Vegetables	4.58 -15.88
Milk	0.92
Fisheries (Inland)	5.23
Fisheries (Marine)	10.52
Meat	2.71
Poultry	6.74

The following horticultural and cereal crops have been reported to suffer high losses:

Horticultural crops		Cereal crops (2012-13)	
Guava	15.88%	Paddy	5.53%
Apple	10.39%	Bajra	5.23%
Mango	9.16%	Wheat	4.93%
Grapes	8.63%	Maize	4.65%
Banana	7.76%		
Papaya	6.70%		

In case of cereals, majority of losses occur at farm level during harvesting, collection and threshing. Storage losses are only 0.75 – 1.21 percent. In case of fruits also, there are high losses in farm level operations.

3.11 It may be seen that most of the wastage is happening in fruits and vegetables. With adequate processing facilities, much of this wastage can be reduced thus providing remunerative price to the producer as well as ensuring greater supply to the consumer.

Comparative Harvest and Post-Harvest losses of major crops and commodities in India as per Study Reports of CIPHET released in 2010 and 2015

Crops	Cumulative wastage (percent)	
	as per report 2010	as per report 2015
Cereals	3.9 – 6.0	4.65 - 5.99
Pulses	4.3 – 6.1	6.36 - 8.40
Oil seeds	2.8 – 10.1	5.26 - 9.96
Fruits & Vegetables	5.8 – 18.0	4.58 - 15.88
Milk	0.8	0.92
Fisheries (Inland)	6.9	5.23
Fisheries (Marine)	2.9	10.52
Meat	2.3	2.71
Poultry	3.7	6.74

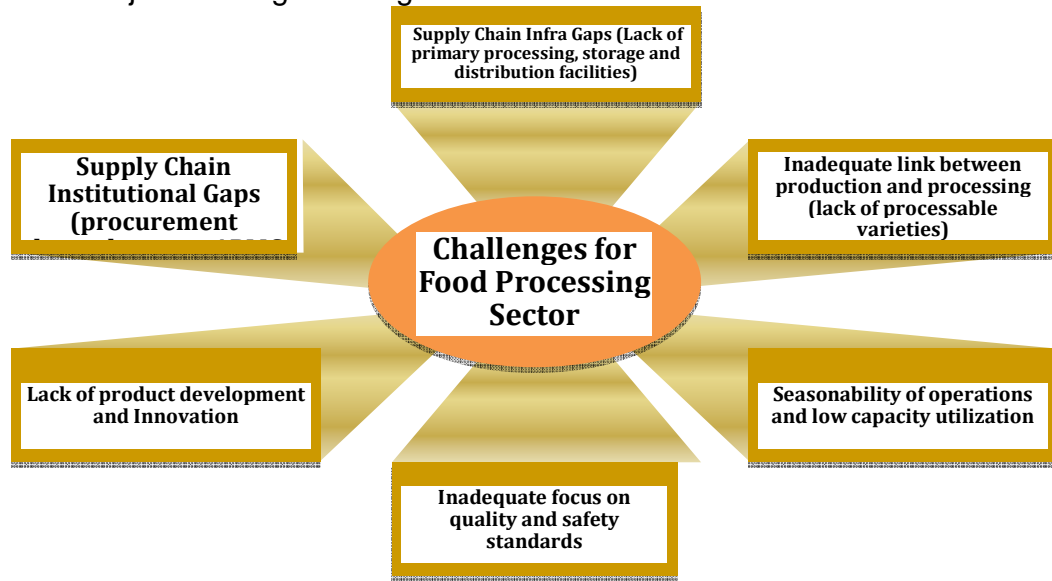
Percentage of losses estimated for major produces

Horticultural and Cereal crops reported to suffer high losses

Horticultural Crops	As per report 2010	as per report 2015
Guava	18.0%	15.88%
Mango	12.7%	9.16%
Apple	12.3%	10.39%
Grapes	8.3%	8.63%
Papaya	7.4%	7.76%
Banana	6.6%	6.70%
Cereal Crops	As per report 2010	as per report 2015
Wheat	6.0%	4.93%
Paddy	5.2%	5.53%
Bajra	4.8%	5.23%
Maize	4.1%	4.65%

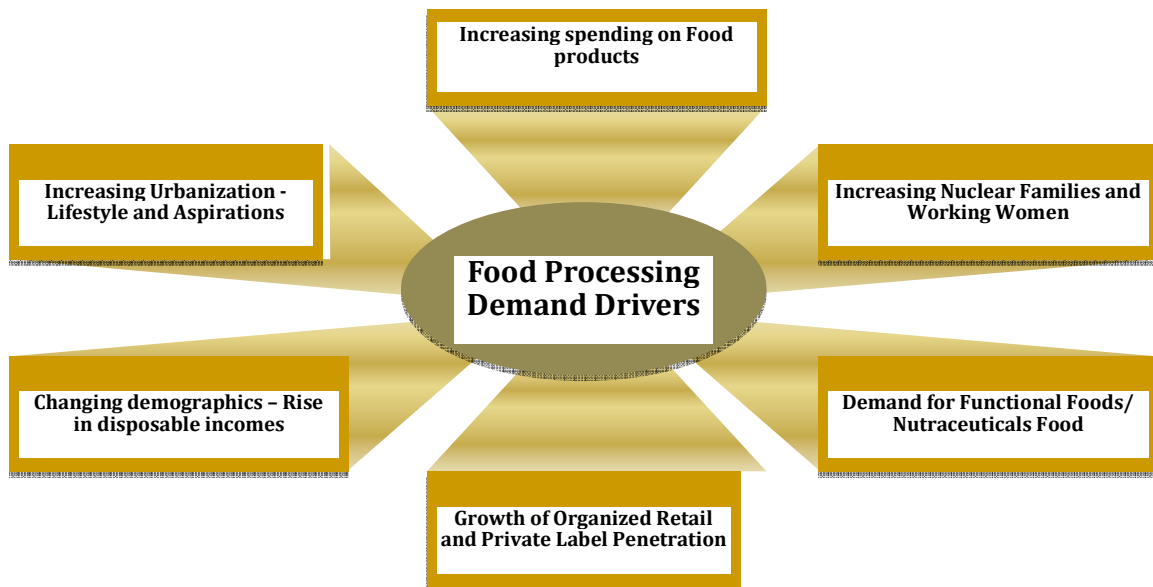
Food Processing Sector – Major Challenges:

3.12 The major challenges facing the sector are illustrated below:-



These constraints are sought to be addressed under the schemes being implemented by the Ministry.

Food Processing Sector– Growth Potential:



3.13 The above illustration indicates the various factors which are likely to increase the demand for processed food in coming years. Programmes to increase the output of Indian agriculture without corresponding investments in processing facilities is likely to lead to a mismatch resulting in rural distress and decline in farmers' income. The most important step for improving the bargaining capacity of the farmer is to add value to his produce. This will come about if farmers are able to produce according to the requirements and standards demanded by the market. Food processors and the retailers can provide the necessary demand for the agricultural produce and facilitate the flow of market information, technology and inputs to the farmer so that he can tailor his output to the needs of the market. In the process the farmers will be able to raise their own level of income and employment. The consumer is also likely to benefit as there will be an increase in the supply of food products with a longer shelf life.

3.14 It is essential to build sustainable supply chains, which will link the farmer to the processing and marketing centers seamlessly. In the absence of on-farm cooling and grading arrangements and slow development of cold chain infrastructure, the farmer is compelled to sell his produce to the 'Adathiya (Broker)' without waiting for a better price. If the farmer is enabled to grade and store his produce close to farm, the farmer will be empowered to demand and obtain a better price from the processors and also add value to his produce.

3.15 Considerable investments are required in rural infrastructure and components of the supply chain by way of grading and packing centers, controlled atmosphere, storage facilities, reefer vans, testing laboratories, etc., which may not come from private sources at this stage of the development of the food processing industry. It is therefore essential that public investment is significantly increased to fund these components of rural infrastructure to enable private enterprise to take up the remaining components of the supply chain which can be undertaken commercially. This is borne out by the experience of developed countries where the state has stepped in to build rural infrastructure in a big way. Carefully calibrated subsidies, exploring innovative strategies, empowering rural producers & consumers through better awareness and support to entrepreneurs in terms of technology and training are some of the ways in which this Ministry has catalyzed growth in this sector.

“MAKE IN INDIA” Programme:

3.16 Food processing sector has been identified as one of the priority sector under “MAKE IN INDIA” an initiative of Hon’ble Prime Minister of India. With a view to attract investment to this sector, Ministry of Food Processing Industry has been investing in infrastructure for promoting food processing industries. Mega Food Parks with common utility like road, electricity, water supply, sewage facility and common processing facility like pulping, packaging, cold storage, dry storage and logistics are being promoted in areas with strong agricultural resource base. These parks provide fully developed plots and factory sheds to entrepreneurs on long term lease basis where they can set up food processing units in “plug & play model”.

3.17 Government has also declared investment in Food Parks covered under the Harmonized List of Infrastructure Sub-sectors (HLIS)” vide Government of India Notification dated 13th October 2014. Following this notification, it is expected that Mega Food Parks assisted by the Ministry will be able to access to infrastructure lending on easier terms.

3.18 In the context of “MAKE IN INDIA” campaign, the Ministry has been disseminating information to potential investors to attract investment to the sector through a dedicated “Investors Portal” in which a range of information like resource base, availability of land, state specific policies, fiscal incentives are shared with the potential investors. The Ministry is also collaborating with Invest India to help the investors in terms of locating joint venture partners, extending hand holding services, expedite regulatory approvals and provide investors after care services. The investor can also put their query in the Investors portal which is promptly attended to by the Ministry for guiding the investors.

CHAPTER-IV

ANALYSIS OF DEMANDS

4.1 Statement showing Scheme-wise allocation of funds under BE/RE and Actual Expenditure for the period from 2012-13 to 2015-16 is as per **Annexure-I**. Further, a Statement showing variation in various Heads during the XII Plan period (2012-13 to 2015-16) is as per **Annexure-II**.

12th Plan Outlay

4.2 The Ministry in its 12th Plan (2012-17) proposal sent to the Planning Commission sought an allocation of Rs. 14604 crore. The Planning Commission has allocated a plan outlay of Rs. 5990 core for 12th Five Year Plan. The details are as under:-

(Rs. in crore)

S. No.	Name of the Scheme/Component	Funds sought by the Ministry	Funds allocated by Planning Commission	
1	Scheme for Development of Infrastructure for Food Processing: Mega Food Parks Integrated Cold Chain Modernization of Abattoirs	4949.00	1714.00 786.00 300.00	2800.00
2	Strengthening of Institutions & Skill Development (including Innovation Fund Scheme and Venture Capital Fund)	2208.00		300.00
3	Quality Assurance, Codex Standards and Research & Development and Promotional Activities	729.00		290.00
4	Spillover liability: Technology Up-gradation Human Resource Development	412.00		750.00
5	National Mission on Food Processing	6306.00		1850
Total		14604.00		5990.00

Note: The Government approved an outlay of Rs.1250 crore for National Mission on Food Processing.

4.3 Explaining the reasons for low allocations of funds during the last four fiscal of 12th Plan, the Ministry in its written reply stated as under:

"Against the proposal of the Ministry to the Planning Commission for the 12th Five Year Plan amounting to Rs. 14604.00 crore, a plan outlay of Rs. 5990 crore was made for various schemes of the Ministry. However, the actual budget allocation in the first four years of the Twelfth Five Year Plan was only Rs. 2625.00 crore which was further reduced to Rs.2297.00 crore at RE stage. Out of this allocation, the Ministry has been able to utilize Rs. 2204.55 crore which is 95.96 % of the budget provided at RE Stage. The resource constraint of the Central Government has been the main reason for not providing budget allocation as per the requirements of the Ministry. The allocations of the different sectors are finalized by the Ministry of Finance on the basis of resource availability and expenditure priorities of the Government as on date. However, the Ministry is making efforts to get more allocation for the food processing sector in view of its importance in reduction of the wastage of agriculture produce and increasing the income of the farmers."

4.4 The Budget Estimates, Revised Estimates and Actuals during the last four years of the Twelfth Plan and BE for the current Fiscal are as follows:

Year Twelfth Plan	Rs. in crore		
	BE	RE	Actual expenditure
2012-13	660.00	660.00	655.88
2013-14	708.00	550.00	527.96
2014-15	770.00	600.00	537.60
2015-16	487.00	487.00	428.78
2016-17	600.00	-	-

4.5 On being asked by the Committee about the reasons for less actual expenditure during 2015-16, the Ministry in its written reply explained as under:

"The actual expenditure of Rs. 428.78 crore during the year 2015-16 as shown in the table was as on 29.02.2016. Against the plan allocation of Rs. 487.00 crore, actual expenditure till 29.03.2016 has been Rs.453.81crore during the year 2015-16 which is more than 93.8% of the allocation. The allocation under various Schemes for general areas has almost been utilized. The unspent

balance is mostly for the North-East region. The Ministry is making out all efforts to fully utilize the balance fund also during the year 2015-16."

4.6 Demand No. 41 pertaining to the Ministry of Food Processing Industries for the fiscal year 2016-17 was presented to the Lok Sabha on 16 March, 2016. The details of allocation proposed in the Demand are given below:

(Rs. In crore)

Sl. No.	Section	Plan	Non-Plan	Total
1	Revenue	-	-	-
	Voted	600	36.02	636.02
	Charged	-	-	-
2	Capital	-	-	-
	Voted	-	-	-
	Charged	-	-	-
	Grand Total	600	36.02	636.02

The total allocation for the Ministry of Food Processing Industries is Rs. 636.02 crore for the Fiscal 2016-17. Out of this, Rs.600.00 crore and Rs. 36.02 crore are on Plan and Non-Plan sides, respectively, under the Revenue Section. There is no allocation on Capital side.

4.7 On being asked by the Committee about the impact of reduced allocations on the implementation of various schemes undertaken by them, the Ministry in its written reply explained as under:

"The reduced allocation affects the implementation of various schemes of the Ministry. The committed liabilities of the 11th Plan were spilled over the 12th Plan due to resource constraints. The reduced allocation forced delay in discharging the committed liabilities under the Scheme of Technology Up-gradation/Establishment/ Modernization of Food Processing Industries and the Scheme of Human Resource Development. Further, delinking of Central Government Support for the implementation of Centrally Sponsored Scheme of National Mission on Food Processing w.e.f. 01.04.2015, has resulted in accumulating committed liabilities with the State Governments. NMFP was launched during 12th Five Year Plan for decentralized implementation through State / UT Governments wherein State/ UT Governments were empowered to receive

applications, sanction projects and release grant as per the area specific needs of the states.

The implementation of most of the on-going central sector schemes of the Ministry has been adversely affected due to this lesser allocation. A number of projects under Mega Food Park Scheme, Integrated Cold Chain Scheme and Modernization/Setting up of Abattoir Scheme are under implementation in various stages. Due to non availability of adequate funds to release the grant due to these projects, the progress of their completion is likely to be affected adversely and the completion of many of these projects is likely to be delayed. It is hoped that additional resources will be available to the Ministry at a later stage to meet its commitment to various projects under these schemes. "

4.8 While pointing out that the proportion of budgetary allocation was 0.09 % of the total Central Plan Outlay in 2013-14 and 2014-15, the same was 0.06 % in 2015-16, the Committee asked about the proportion of budgetary allocation for 2016-17, the Ministry in its written reply stated as under:

"The total central plan outlay is Rs. 706248.00 crore for the year 2016-17. The plan allocation of the Ministry of Food Processing Industries is Rs. 600.00 crore. Therefore, the proportion of the budgetary allocation works out to be 0.086%, which is lower than the proportion of budgetary allocation for the year 2013-14, 14-15 but more than the proportion of budgetary allocation in the year 2015-16."

Sub-scheme wise allocation for 2016-17

4.9 The total budgetary allocation for the Ministry of Food Processing Industries under BE 2016-17 is Rs.636.02 crore, out of which Rs.600 crore is for Plan expenditure and Rs.36.02 crore for Non-Plan.

The sub-Scheme wise detailed allocation for 2016-17 is as follows:-

(Rs. in crore)		
Sl. No.	Name of the Schemes/Sub-Schemes	BE 2016-17
	Plan National Mission on Food Processing (SAMPDA) Central Sector Scheme	
1.	Mega Food Parks	222.30

2.	Infrastructure for Agro-processing Clusters	0.01
3.	Modern Abattoirs	31.00
4.	Integrated Cold Chain and Value Addition Infrastructure	158.23
5.	Creation/Expansion of Food Processing & Preservation Capacities	112.16
6.	Creation of Backward & Forward Linkages	0.01
7.	Quality Assurance	24.00
8.	Human Resources and Institutions	52.29
	TOTAL – Plan	600.00
	Non-Plan	36.02
	Grand Total (Plan + Non -Plan)	636.02
	Lump sum provision for NER	60.00

Sub-schemes under NMFP (SAMPDA)

4.10 The total budgetary allocation for the Ministry of Food Processing Industries under BE 2016-17 is ₹636.02 crore, out of which ₹600.00 crore is for Plan expenditure and ₹36.02 crore for Non-Plan. A new umbrella scheme viz National Mission on Food Processing (SAMPDA) has been created with the following sub-schemes:

- (i) Mega Food Parks
- (ii) Infrastructure for Agro-processing Clusters
- (iii) Modern Abattoirs
- (iv) Integrated Cold Chain and Value Addition Infrastructure
- (v) Creation/Expansion of Food Processing & Preservation
- (vi) Creation of Backward and Forward Linkages
- (vii) Quality Assurance
- (viii) Human Resource and Institutions

The above sub-schemes include components of earlier schemes of the Ministry and details of the above sub-schemes are as under:

i. Scheme for Mega Food Parks

4.11 The scheme provides state of the art infrastructure facility to enable setting up of food processing units. It follows a cluster based approach and ensures backward and forward linkages. Out of 35 projects accorded final approval, 7 projects are operational and

one more project is likely to be operational by the end of this financial year. Each MFP is expected to benefit 6000 farmers/producers directly and 25,000-30,000 farmers indirectly. An amount of ₹583.76 crore has been released under the scheme up to 2015-16 (till 29.02.2016). Total BE 2016-17 allocation for the Scheme is ₹222.30 crore which includes a provision of ₹30.00 crore for North East Region including Sikkim.

ii. Scheme for Infrastructure for Agro-processing clusters

4.12 This is a new scheme envisaged under National Mission on Food Processing (SAMPDA). The scheme is for creation of enabling infrastructure for development of agro processing clusters in the areas of surplus agricultural production. A token provision of ₹0.01 crore has been kept under the scheme.

iii. Scheme for Modern Abattoirs

4.13 The main objective of the Scheme is to assist in setting up of modern municipal abattoirs so as to provide scientific and hygienic slaughtering of animals, waste management and pollution control, chilling facility etc. so as to ensure supply of safe and hygienic meat to consumers. Out of 41 abattoir projects during 11th Plan and 12th Plan, 6 projects have been completed as on 29.02.2016. 35 projects are under implementation with 2 more projects likely to be completed during the next financial year 2016-17. An amount of ₹26.22 crore has been disbursed under this scheme during 2015-16 (29.02.2016). Total BE 2016-17 allocation for the Scheme is ₹31.00 crore which includes a provision of ₹3.28 crore for North East Region including Sikkim.

iv. Scheme for integrated Cold Chain and Value Addition Infrastructure

4.14 The scheme provides assistance for developing integrated and complete cold chain and preservation infrastructure facilities from the farm gate to the consumer. Out of 138 projects approved, 74 have achieved completion & started commercial production, 3 projects have been cancelled due to non-implementation by the promoter and remaining 61 projects are under various stages of implementation. These 135 projects are expected to create a capacity of 4.85 lakh MT of CA/MA/normal cold storage/ frozen stores, 114.75 MT/Hr of IQF capacity, 787 nos. of refrigerated carriers and 52.65 Lakh Liter per Day of milk processing/ storage (This excludes the capacity of one integrated cold chain project, which was earlier considered as 70 lakh liters per day against the assisted capacity of 1.5 lakh liters per day). A cumulative amount of Rs. 653.51 crore has been released under the

scheme till 29.02.2016. Out of this, Rs. 158.22 crore has been released during 2015-16 till 29.02.2016. The capacity created by the completed 74 projects is 2.85 lakh MT of CA/MA/normal cold storage/ frozen stores, 68.75 MT/Hr of IQF capacity, 351 nos. of refrigerated carriers and 23.8 Lakh Liter per Day of milk processing/ storage. Total BE 2016-17 allocation for the Scheme is ₹158.23 crore which includes a provision of ₹15.82 crore for North East Region including Sikkim.

v. Scheme for Creation/Expansion of Food Processing and Preservation

4.15 This is a new scheme envisaged under National Mission on Food Processing (SAMPDA). Under this scheme financial assistance to 250 food processing and preservation units as per existing norms of Scheme for Technology Up-gradation/Establishment/Modernization of Food Processing Industries (TUS) has been allowed during the year 2016-17. The scheme also includes 11th Plan committed liabilities of Scheme for Technology Up-gradation/Establishment/Modernization of Food Processing Industries and cases received up-to 31.03.2012 are being considered by the Ministry. Under the TUS scheme, Rs. 186.19 crore has been released to 1232 units during 2012-13, ₹162.08 crore released to 996 units during 2013-14 and ₹143.80 crore released to 889 units during 2014-15. During 2015-16(upto 29.02.2016) ₹96.81crore was released to 545 units. Out of total approved amount of ₹740 cores for committed liabilities of 11th Plan under TUS Scheme, an expenditure of ₹588.88 core has been incurred during 12th Plan till the end of February, 2016. A provision of ₹112.16 crore has been kept for the Scheme under BE 2016-17.

vi. Scheme for creation of Backward and Forward Linkages

4.16 This is a new scheme envisaged under National Mission on Food Processing (SAMPDA). This scheme is for setting up of collection centres/Primary Processing Centres/Pack House/Distribution Hub/retail outlets for perishable food products. A token provision of ₹0.01 crore has been kept under the scheme.

vii. Scheme for Quality Assurance

4.17 This scheme is envisaged under National Mission on Food Processing (SAMPDA) with components of i) Setting up/ up-gradation of Food Testing Laboratories and (ii) Adoption of Food Safety and Quality Assurance Systems such as ISO 9000/ISO 22000/Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing

Practices (GMP) and Good Hygienic Practices (GHP) by food processing units. These components were under the earlier Scheme for Quality Assurance, R&D and Promotional Activities. The implementation of the Food Testing Laboratory (FTL) component has been entrusted to the Indian Council of Agricultural Research (ICAR) under the Department of Agricultural Research and Education (DARE), Ministry of Agriculture and Farmers' Welfare and proposals received up-to 31.03.2012 are being dealt with by the Ministry. There are 35 ongoing projects under this component upto 29.02.2016. During the year 2015-16, 11 number of Food Testing Laboratory (FTL) projects were completed and 9 units were reimbursed expenditure on HACCP/ISO certification up to 29.02.2016. The allocation for the scheme in BE 2016-17 is ₹24.00 crore.

viii. Scheme for Human Resources and Institutions

4.18 This scheme includes components of R&D and Promotional Activities of earlier Scheme for Quality Assurance, R&D and Promotional Activities , HRD and Institutions (IICPT & NIFTEM). Under the Scheme assistance is to be provided for (i) Research & Development for product and process development, improved packaging, value addition etc. to benefit food processing industries (being implemented through Science and Engineering Research Board (SERB) under the Ministry of Science & Technology), (ii) promotional activities of the Ministry which are aimed at development of the processed food sector by creating awareness through dissemination of information, familiarizing the existing and prospective entrepreneurs with modern technologies of production and packaging, development of markets and popularization of products as also attracting investments through seminars/workshops and fairs/exhibitions as also by undertaking studies/surveys etc. for assessment of potential and development of food processing industries, (iii) financial assistance for establishing Food Processing Training Centres (FPTC), creation of Infrastructure for running Degree/Diploma courses in Food Processing by educational Institutions/Universities and to conduct Entrepreneurship Development Programmes (EDPs) and capacity building programmes (iv) two institutes under the Ministry namely National Institute of Food Technology, Entrepreneurship & Management (NIFTEM) at Kundli, Haryana and the Indian Institute of Crop Processing Technology (IICPT) Thanjavur, Tamil Nadu and (v) Skill development in Food processing sector. The allocation for the scheme in BE 2016-17 is ₹52.29 crore.

4.19 A Special Fund of ₹.2000 crore has been set up in NABARD to provide credit at affordable rates to boost food processing sector. Under this fund, loan is extended to individual entrepreneurs, cooperatives, farmers producers organizations, corporates joint venture, SPV and entities promoted by the Government for setting up, modernization, expansion of food processing units and development of infrastructure in designated food parks.

4.20 On being asked by the Committee as to whether both new umbrella scheme NMFP (SAMPDA) and old NMFP will exist simultaneously, the Ministry in its written reply explained as under:

" Ministry of Food Processing Industries (MoFPI) had launched a Centrally Sponsored Scheme (CSS) – National Mission on Food Processing (NMFP) implemented through States / UTs in 12th Plan (w.e.f. 01.04.2012) with the funding pattern of 75:25 by Govt. of India and States in general areas; 90:10 in North Eastern States and 100% grant by Central Government for UTs. However, the CSS - NMFP was de-linked from Central Govt. support w.e.f. 01.04.2015 by Govt. of India. State Governments may decide to continue NMFP scheme out of their increased resources resulting from the recommendations of the 14th Finance Commission. Accordingly, the State Governments have been requested to take a decision for running the schemes of NMFP or otherwise w.e.f. 01.04.2015 and onwards. The States are free to design the scheme as per their local requirements and implement the same from state resources. No funds would be provided by the GOI for this scheme.

All the other ongoing Central Sector Schemes of the Ministry has been brought under an umbrella Central Sector Scheme named as National Mission on Food Processing with all ongoing Central Sector Schemes as its verticals.

Again while considering the proposal of the MoFPI for a new Central Sector Scheme for Agro-Marine Produce Processing and Development of Agro Clusters (SAMPDA), Expenditure Finance Committee (EFC) recommended re-structuring of the schemes of the Ministry under a Central Sector Scheme NMFP (SAMPDA) with following verticals:

- (i) Mega Food Park;
- (ii) Integrated Cold Chain and Value Addition Infrastructure;
- (iii) Modernization / Setting up of Abattoirs;
- (iv) Food Safety and Quality Assurance Infrastructure;
- (v) Infrastructure for Agro-processing Clusters;
- (vi) Creation of Backward and Forward Linkages;
- (vii) Creation / Expansion of Food Processing & Preservation Capacities;
- (viii) Human Resources and Institutions.

An allocation of Rs. 6,000 crore has been recommended by EFC for the National Mission on Food Processing (SAMPDA) including the liabilities of the ongoing schemes for the period coterminous with the Fourteenth Finance Commission i.e. upto 2019-20.

If the States decide to continue NMFP with their own resources and design, the scheme may be implemented as State scheme. However, no funds will be provided to States by Central Government for implementation of their scheme. Therefore, the NMFP scheme for development of food processing may continue both at State level in State sector as well as at the Central level in Central Sector. "

4.21 When the Committee asked about the efforts being made by the Ministry to translate outlays in to outcome in view of the structural changes brought about by them, the Ministry in its written reply explained as under:

"It has been the endeavour of the Ministry to promote food processing industry in the country to reduce wastage of agricultural produce, increase farmers' income and create employment especially in rural areas. The Ministry has been making efforts to achieve these outcomes through various schemes. After delinking of the Centrally Sponsored Scheme of National Mission on Food Processing from the Central Government support with effect from April, 2015, there was no scheme in the Ministry to promote individual food processing units. However, a proposal of the Ministry to launch a new scheme for creation/expansion of food processing and preservation capacities has been approved by the Expenditure Finance Committee (EFC). This will help to enhance processing and preservation capacities by setting up of food processing units in the country. This will also result in better utilization of the infrastructure being created by the Ministry through Mega Food Parks and

Integrated Cold Chain. All these efforts are expected to result in increased level of food processing and value addition and reduction in the wastage of agriculture produce. The creation of umbrella Scheme of NMFP (SAMPDA) will provide flexibility to the Ministry in better utilization of the outlays to achieve intended outcomes of the various programmes. All the ongoing as well as the proposed new schemes of the Ministry will be subsumed in the umbrella scheme for better convergence and flexibility in implementation.”

4.22 .On being asked by the Committee as to how the Ministry would implement the sub-schemes in view of a token provision of Rs.0.01 crore made for the purpose under NMFP (SAMPDA), the Ministry in its written note, stated as under:

“The two sub-schemes namely Scheme for Infrastructure for Agro Processing Clusters and Scheme for Creation of backward and forward linkages under the new umbrella scheme of National Mission on Food Processing (SAMPDA) has been provided a token provision of Rs. 0.01 crore in the budget for the year on 2016-17, as these are new schemes and are required to be approved by the Competent Authority before implementation. Since these schemes form part of the umbrella Scheme of NMFP (SAMPDA), a consolidated proposal will be submitted for approval of the cabinet with an allocation of Rs. 6000.00 crore for the period co-terminus to the period of 14th Finance Commission as recommended by the Expenditure Finance Committee (EFC). As the approval is likely to take some time, a token provision of Rs. 0.01 crore has been provided against these schemes for the time being. The allocation may be suitably increased at RE stage, if the new schemes are approved by the Competent Authority for implementation during the year 2016-17. “

CHAPTER -V

PLAN SCHEMES FOR FOOD PROCESSING SECTOR

5.1 During the year 2015-16, Ministry is implementing an umbrella Scheme in the name of National Mission on Food Processing with following verticals:

- i) Scheme for Infrastructure Development – Mega Food Park, Cold Chain and Abattoir
- ii) Scheme for Technology Up-gradation/Establishments/Modernization of Food Processing Industries
- iii) Scheme for Quality Assurance, R&D and Promotional Activities
- iv) Scheme for Human Resource and Skill Development
- v) Scheme for strengthening of institutions and administration

5.2 The on-going schemes as well as the new scheme proposed by the Ministry have been subsumed under this umbrella Scheme. Since these schemes are being implemented/launched under the central sector scheme, consultation with State Governments is not required. The structure of on-going schemes by and large will remain the same which will not disrupt the pace of implementation of the scheme. EFC also recommended effective convergence with the pattern of financial assistance with the schemes of other Ministries being implemented for similar purpose and delineation of the clear roles of the Ministries for effective convergence. The Ministry will accordingly reformulate the National Mission on Food Processing (SAMPDA) and seek approval of the Competent Authority. However, this will not affect the implementation of the on-going projects being implemented as per the existing guidelines of the concerned Schemes. The changes in the nomenclature are being proposed in accordance with the recommendations of the Expenditure Finance Committee (EFC). "

5.3 When the Committee enquired about their recommendation in the earlier report for consolidated policy for implementation of the schemes, the Ministry in its written reply stated as under:

"Ministry welcomes the recommendation of the Committee to formulate a consolidated policy on food processing and the process of preparing the

policy document is being initiated. Since it will be an important guiding document for the food processing sector, it will require consultation with all stakeholders at various levels and policy planners and concerted efforts will be made in this direction to bring out a pragmatic, consolidated national policy on food processing with clearly defined objectives, goals and methodology for implementation. "

Central Sector Scheme

I. Scheme for Infrastructure Development

5.4 In order to address the problems of infrastructural constraints in the food-processing sector, the Ministry of Food Processing Industries is implementing a Scheme for Infrastructure Development since 11th Plan which includes the following three components:

- i. Mega Food Parks
- ii. Integrated Cold Chain, Value Addition and Preservation Infrastructure
- iii. Setting up/Modernisation of Abattoirs

A. Scheme for Mega Food Parks

5.5 The scheme provides state of the art infrastructure facility to enable setting up of food processing units. It follows a cluster based approach and ensures backward and forward linkages.

The objectives of the scheme are as follows:

- a) To provide modern infrastructure for food processing units 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 the latest technology.
- e) To address the issues of 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.

5.6 Under the scheme, grant in aid is provided at the rate of 50% of the eligible project cost in general areas and at the rate of 75% 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 subject to a maximum of Rs. 50 crore per project. The eligible project cost is defined as total project cost but excluding cost of land, pre-operative expenses and margin money for working capital.

5.7 Government has so far approved 42 Mega Food parks in phases during 11th and 12th Plan against which Final Approval has already been accorded to 35 MFPs and In-principle approval to another 2 MFPs. Out of 35 projects accorded final approval, 7 projects are operational and one more project is likely to be operational by the end of this financial year. Each MFP is expected to benefit 6000 farmers/producers directly and 25,000-30,000 farmers indirectly. An amount of ₹583.76 crore has been released under the scheme up to 2015-16 (till 29.02.2016). Total BE 2016-17 allocation for the Scheme is Rs. 222.30 crore which includes a provision of Rs. 30.00 crore for North East Region including Sikkim.

5.8 The status of projects, chronologically, is as follows:-

Phase	Date of CCEA Approval	No. of projects sanctioned by CCEA	Current Status			Operational projects
			In-Principle approval	Final approval	Cancelled /withdrawn	
1 st	11.09.2008	10	-	8	2	6
2 nd	28.11.2010	5	-	3	2	1
3 rd	25.10.2011	15	-	9	6	0
4 th	08.08.2013	12*	-	3	7	0
5 th (against cancellation/ withdrawal)	-	16	2	12	2	0

*Proposals by two eligible applicants were withdrawn before according in-principle approval.

5.9 When the Committee asked about the number of MFP projects which are running behind the schedule and its implication, the Ministry in its written reply stated as under:

“The 11 MFP projects of 1st and 2nd Phases have exceeded the time-limit for implementation. Delay in implementation of these projects may result in some cost overrun. However, it does not have any financial implication to the Government as the increased cost is borne by the promoter from their own resources. Two projects have

since been completed. Presently 9 projects, under implementation, are running behind the schedule as per the details at **Annexure III.**”

5.10 The time schedule for completion and operationalization of a Mega Food Park project will be 30 months from the date of release of 1st instalment unless extended by Inter-Ministerial Approval Committee (IMAC) for the reasons to be recorded.

5.11 Out of 42 MFPs approved during 11th & 12th Plan in 5 phases, only 7 projects are operational. On being enquired about the reasons, the Ministry in its written reply explained as under:

"Time schedule of completion of the project has been exceeded by the 11 projects of 1st and 2nd Phases only and remaining projects are still within the time line and at different stages of implementation. Out of the 11 projects of 1st and 2nd Phase under implementation, 2 projects are complete and another 5 projects are operational. One more project at Murshidabad District, West Bengal is also becoming operational during March, 2016. The remaining three projects are also progressing fast and likely to be operational soon.

Mega Food Park projects are big projects for creation of modern infrastructure for utilization by the individual food processing industries. Though, the utility of Mega Food Park projects is established, it is also a fact that the scheme is yet to achieve its desired objective. Besides the project specific reasons, general reasons for delay in implementation are issues relating to acquisition of 50 acres or more land with CLU in the name and possession of SPVs, difficulties in obtaining various statutory clearances from the State Government Departments/Agencies, non contribution of funds by the promoters, delay in sanction of term loan by Bank/financial institutions etc. The Ministry is taking steps to remove these bottlenecks by amending the Scheme and involving State Government in project selection and monitoring. It has also been made mandatory for the SPVs to get the term loan sanctioned before the final approval. To facilitate and speed up the pace of implementation, Ministry has made various other modifications in the scheme and its guidelines. "

5.12 Estimated Outcome on project being fully operational are as under:

- Each MFP is expected to attract investment of about Rs.100 Cr. in Common Facilities and leverage an additional investment of about Rs.250 Cr. in the food processing units to be set up in the Park.
- Projected annual turnover of each MFP project will be about Rs.450.00 - 500.00 Cr.
- Each Mega Food Park is expected to generate 5 thousand direct employment and 25 to 30 thousand indirect employments when fully functional.

5.13 During the 11th Plan, the expenditure under the scheme was Rs. 217.25 crore. The 12th plan allocation for the scheme is Rs. 1714.00 crore. Year-wise expenditure is as under:

(Rs. In crore)

Year	BE	RE	Expenditure
2012-13	86.00	93.20	93.12
2013-14	116.00	110.25	94.08
2014-15	120.00	63.94	63.94
2015-16 (upto 28.02.2016)	120.00	120.00	109.87

5.14 When the Committee asked about the reasons for low allocations of funds for the schemes and the plan of action to utilize the funds, the Ministry in its written reply stated as under:

“Out of the allocation of Rs.1714 Crore to the Scheme of Mega Food Parks for the 12th Plan, during the first four years of the plan period only funds of Rs.442 Crore have been allocated to the Scheme in BE and Rs.386.89 Crore in RE due to resource constraint with the Government. RE 2015-16 for the Scheme of the MFP is Rs. 119.50 crore. Out of this, an expenditure of Rs. 125.17 crore has been incurred as on 30.03.2016 by utilizing the remaining amount of other schemes. Thus, there will be full utilization of the Plan allocation for the Scheme during the current year. The main reason for low Plan allocation for the scheme is the resource constraints with the Central Government and the priorities of expenditure to the other Flagship Programmes.

As may be seen from the details of the budget allocation under the Scheme, it has been very less compared to the 12th plan allocation of Rs.1714 Crore. Even the allocation of funds in BE was reduced at RE stage. However, the Ministry was in a position to utilize more funds under the scheme, if additional allocation would have been made.

The Ministry has been making efforts to further improve implementation of the projects to utilize more funds. Some of the major steps taken by the Ministry are as under:

- i. Based on the experience of implementation and feedback from the stakeholders, the scheme has been modified time to time to attend to the issues causing delay.
- ii. State Government's involvement is being ensured at all levels of project sanctioning and implementation process. Their representative is also being nominated in the Board of SPV.
- iii. A fund of Rs. 2000 crore has been created with NABARD for making available affordable credit to the MFP projects.
- iv. State/Central Government agencies are being allowed to play lead role in implementation of the project by removing restriction on the equity holding.
- v. Each Mega Food Park is being monitored closely at the highest level in the Ministry and a provision of imposing penalty on the SPVs for delay has been incorporated in the scheme guidelines

It is expected that all these steps will help in increasing utilization of more funds under the schemes."

5.15 During the financial year 2015-16 (as on 29.02.2016), Ministry has released grant-in-aid of Rs. 114.59 crore to the ongoing Mega Food Park projects. Status of implementation of the 37 projects is at **Annexure-IV**. Seven Mega Food Park projects at Haridwar (Uttarakhand), Chittoor (Andhra Pradesh), Tumkur (Karnataka), Fazilka (Punjab), Nalbari (Assam), Khargone (Madhya Pradesh) and Ranchi (Jharkhand) have become operational. About 34 units are functioning in these parks providing employment to more than 12,100 people directly and indirectly. In addition, approximately 4 lakhs people are

getting employment through franchises, dealership/distributorship etc. One more mega food park project each likely to be completed by the end of the current financial year.

5.16 When the Committee asked as to when Mega Food Parks scheme was started and about the number of Mega Food Parks in operation and defaulters, the Secretary/representative of the Ministry during the course of evidence responded as under:

" जो विभिन्न चरणों में चल रहे हैं, वे 35 हैं। उनमें से सात क्रियाशील हो गये हैं अर्थात् उनमें फूड प्रोसेसिंग की कार्रवाई शुरू हो गयी है। बाकी 28 विभिन्न चरणों में हैं। नवम्बर, 2008 में कैबिनेट ने प्रथम बैठक में दस प्रोजेक्ट्स को सैंक्शन किया। उसके बाद वर्ष 2011 में कुछ और प्रोजेक्ट्स को सैंक्शन किया और वर्ष 2013 में कुछ प्रोजेक्ट्स को सैंक्शन किया। इस तरह चरणों में चल रहा है। आपने यह सवाल पूछा कि कितने ऐसे हैं, जो आज की तारीख में डिफॉल्ट कर गये, तो हमने 16 प्रोजेक्ट्स को निरस्त किया है। ये वे थे जो विभिन्न कारणवश स्वयं बैंकआउट कर गये, जिन्होंने बैंक से लोन सैंक्शन किया, लेकिन बैंक का लोन अवधि समाप्त हो गया या जो लैंड इकट्ठा नहीं कर पाये और हमें पांच करोड़ रुपये वापस दे गये। दूसरी बात यह है कि हम पूरे 50 करोड़ रुपये एक ही किश्त में नहीं दे देते हैं। हम यह पैसा विभिन्न चरणों में देते हैं। पहले पांच करोड़ फिर दस करोड़ दो पार्ट्स में प्रथम किश्त का पैसा देते थे जब वह उतने पैसे का खर्चा अपने लोन और इक्विटी से कर लेता था। इसकी मॉनीटरिंग प्रत्येक माह मैं अपने मंत्रालय में कर रहा हूँ। अभी पिछले महीने हमने और हमारे अतिरिक्त सचिव ने सारे राज्यों और सारे एसपीवीज के साथ वीडियो कांफ्रेंसिंग की।

15 प्रोजेक्ट कैंसल हुए हैं, इनमें सैद्धांतिक अनुमति लेने के बाद और फाइनल एप्रूवल देने के बीच में जो कैंसल होता है उसे बीच में हम कुछ नहीं देते बल्कि दस लाख रुपए जब्त कर लेते हैं। चार प्रोजेक्ट ऐसे थे जो कि ग्रांट देने के बाद कैंसल हुए, इनमें से तीन में ग्रांट का पैसा वापिस आ गया है और एक प्रोजेक्ट में ग्रांट रिकवर तथा प्रोजेक्ट में इंटरस्ट रिकवर के लिए आर्बिट्रेशन के लिए केस किया है। ऐसा नहीं है कि हम रिकवर नहीं कर पाए। हमने जितना ग्रांट दिया है, पूरा रिकवर कर रहे हैं। हम इंटरस्ट और पेनेल्टी ले रहे हैं। हम दस परसेंट इंटरस्ट लेकर रिकवर करते हैं और ग्रांट का पैसा वापिस मिल गया है। हमारा यही प्रयास है कि इसे 2019-20 से पूरा कर लें। हमने एक योजना इन्टर्नल बनाई है। यह सही बात है कि इसमें टाइम लगता है इसलिए हमने योजना की गाइडलाइन में मॉडिफिकेशन किया है। सात ऐसी संस्थाएं, तेलंगाना इन्फ्रास्ट्रक्चर डेवलपमेंट अथारिटी, स्टेट गवर्नमेंट की संस्था को इन्कलूड किया है क्योंकि इनके पास लैंड रेडिली अवेलेबल रहता है। इनको 50 एकड़ लैंड देने में दिक्कत नहीं होती। अब उनके माध्यम से परियोजना को शुरू कर रहे हैं।"

5.17 On being asked by the Committee about the number of SPVs withdrawn from the project and the reasons therefore, the Ministry in its written reply stated as under:

"The details of the Mega Food Parks projects which have been withdrawn by SPVs and the brief reasons for withdrawal are given below:

(Rs. In crore)

Sl. No.	Name	State	Date of In-principle approval	Date of Final Approval	Date of withdrawal	Reason
1.	M/s Anil Mega Food Park Pvt. Ltd.	Gujarat	29.04.2011	13.01.2012	11.12.2013	The SPV has withdrawn from the project citing legal issues related to the land for approach Road to the project.
2.	Western Agri Food Park Pvt. Ltd.	Maharashtra	16.12.2008	30.03.2009	5.11.2009	The SPV has withdrawn from the project citing the economic and commercial unviability of the project due to the then prevailing economic conditions.
3.	M/s Raipur Mega Food Park Pvt. Ltd.	Chhattisgarh	21.09.2012	04.06.2014	07.08.2015	The SPV has withdrawn from the project citing in-ability to complete the project within the stipulated time period.

5.18 Asked about the efforts made by the Ministry to address the genuine concerns of SPV, the Ministry in its written reply stated as under:

"Whenever, the Ministry was informed by the SPV/PMA about any problem, it always tried to help the SPV in resolving those issues. However, mostly the issues pertaining to land, statutory clearances and bank loan where the role of the Ministry was very limited have caused the delay in implementation. The

Ministry is providing all possible support to these projects including interaction with various concerned Departments/ Agencies of the State Governments at all levels to remove the bottlenecks in implementation of projects, making suitable amendments in the scheme and its guidelines and pursuing with concerned State Governments and other Central Government Ministries to extend special fiscal and other benefits to these projects to attract investment. Apart from handholding, Ministry is closely monitoring the implementation of each MFP project individually and making prompt and proper assessment at every stage of implementation. The issues relating to sanction of term loans and disbursement thereof have also been taken up with banks/ FIs.

To facilitate implementation of these projects, the State Governments are being involved in selection and monitoring of the projects. State Government representative is member of the Technical Committee (TC) and Inter-Ministerial Approval Committee (IMAC) which selects the projects and monitors progress of implementation. An officer of the State Government has been nominated in the Board of the SPV for effective coordination. A Coordination Committee chaired by District Magistrate (DM) has been constituted at District level to resolve the local issues which may arise during implementation. To expedite the implementation of the projects, the Ministry is impressing upon the State Governments to implement the single window clearance system for Mega Food Park projects.

Also, on the basis of experience gained during the process of implementation of these projects, the Ministry has been taking suitable steps, time to time, for improving system and procedures including internal controls to facilitate and speed up the pace of implementation. Ministry has made various modifications in the scheme and its guidelines to improve the pace of implementation of MFPs and to make it more efficient and smooth so that these projects could be able to adhere to the prescribed timelines.

The Ministry has also created a Special Fund of Rs. 2,000 Crore with NABARD to provide loan at a concessional rate to Mega Food Parks and Food Processing Industries which will come up in these Parks as well as other

designated Food Parks notified by the Ministry. The sanction of the loan to Mega Food Parks Projects by NABARD from this fund is being closely monitored by the Ministry to expedite the process. "

5.19 When the Committee enquired as to whether the operational MFP projects have been able to benefit the farmers directly or indirectly to the expected level, the Ministry in its written reply stated as under:

"A study had been assigned by the Ministry to M/s Indian Council for Research on International Economic Relations (ICRIER), New Delhi (ICRIER) in August, 2014 for mid-term evaluation of the impact of the Scheme. It has submitted its final report 31.07.2015. The report has been placed on the website of the Ministry. Assessing benefit to farmers was also one of the terms of reference of the study. The ICRIER in its report observed that Survey results show that the MFP scheme has been helpful in reducing the multiple layers of the middle-men thus providing higher realizations to the farmers and better quality raw materials to the consumers. The MFP scheme provide for use of the PPCs for sorting and grading and the cold storages for storing their products increasing the shelf life and reducing wastage. Survey shows that Srimi Food Park Private Limited has been successful in reducing the wastage levels from 40 percent to 10 percent for fruits such as mango, guava and papaya at the time of the survey. Srimi Food Park Private Limited is helping farmers by introducing modern technology in cultivation and harvesting at the farm level. Patanjali Food and Herbal Park Private Limited is helping farmers through its mobile Soil Testing Laboratory wherein they test the soil and their scientists educate farmers regarding manure and fertilizers to be used for better produce. International Mega Food Park Limited is supplying seedlings to the farmers free of cost. "

5.20 The Ministry awarded "Evaluation of the Impact of the Scheme for Mega Food Park to M/s Indian Council for Research on International Economic Relations (ICRIER). The report submitted by ICRIER has been accepted by the Ministry. The recommendations in-brief in the Report of ICRIER are summarized as below:

- i) While preparing the DPR, there is a need for a detailed diagnostic study that should have detailed inputs of the end users of the facilities;
- ii) The Ministry should consider revising the time frame for completion of the project to five years as in case of cluster development scheme of the Ministry of MSME;
- iii) The scheme should be made flexible in terms of land requirement, the amount of grant and contribution of SPV. It is also suggested that to ensure that the scheme is not misused, the guidelines should be more generic rather than specifying 30-35 units to be set up in the park. A more generic requirement of the units like “more than 10 units” may be provided in the scheme guidelines;
- iv) Making provision for forward linkages has also been suggested along with existing provision of backward linkages;
- v) The Ministry should design innovative incentives to attract the units to the Mega Food Parks. These can be in the form of support for machinery purchasing, use of green technology and R&D. The individual investor setting up unit in the park may be given priority in other schemes of the Ministry;
- vi) The Ministry should select DPRs which have more realistic provisions rather than those which provide large numbers;
- vii) To ensure collaboration with the State Governments in the project implementation, it has been suggested to have a tripartite agreement signed between the Ministry, State Government and the SPV. Such provisions reportedly exist in the MSE–CDP Scheme of Ministry of MSME and National Investment and Manufacturing Zones (NMZs);
- viii) It has also been suggested that the Ministry can explore the possibility of having an empanelled set of public and private banks that pre-approve the scheme guidelines and spread information about it;
- ix) It is also essential to take bank’s feedback while redesigning the scheme guidelines;
- x) The Ministry should do a detailed study on the dovetailing of the Ministry’s scheme with other central and state government schemes and this should be published in its website;

- xi) The State should be encouraged to promote Mega Food Parks in their agro-processing and industrial policies;
- xii) It has been suggested that a bidding and selection procedures have to be made on-line. The project evaluation documents and consultations on modification of the scheme guidelines should also be made available on the website for comments by the stakeholders. Similarly, the decisions of the IMAC and TC should also be made online and regularly published in the website of the Ministry;
- xiii) The Ministry's schemes should clearly mention the objective of the Mega Food Parks to link Indian farmers and processors with global value chains;
- xiv) The Ministry should push for regulatory reforms focusing on Acts such as the APMC Act, which help the SPV and farmers to connect with each other. The Ministry should work with the FSSAI to speed up the approval process;
- xv) Ministry should have proper infrastructure mapping based on the mapping of fruits and vegetable availability to streamline the supply chain and assist the SPV to plan their infrastructure. There should be mapping of existing PPCs;
- xvi) The SPV should be allowed to select their consultants and if they need help of the Ministry in that case they can be referred to empanelled PMCs;
- xvii) It is important for the Ministry to have field visits to some of the global food parks and learn from their best practices;
- xviii) The Ministry should reconsider the number of Mega Food Parks which it wants to create. Rather than having more food parks it should focus on few food parks and make them operational;
- xix) The Ministry should work with the operational MFPs to help them to attract units in their parks and help SPVs to develop brands and market them;
- xx) The Ministry should focus on closing the projects which have received third installment of the grant but taking very long time in completion of the projects. This has been also recommended that the Ministry should release the final amount of grant in advance and not before the completion of the project so that the bank can release the entire term loan to the SPV to complete the project.

5.21 On being asked by the Committee as to how the recommendation of ICRIER would help in making MFP scheme investor and farmers friendly, the Ministry in its written reply stated as under:

“The recommendations of the ICRIER will help in improving better designing of DPR based on focused raw materials in the area, help in better convergence with the schemes of the State Govt, mapping of raw materials will strengthen backward linkage and making online procedures will bring in transparency and efficiency in operation of the scheme. More involvement of the State Govt in the selection process and monitoring of the project will help in removing impediments in getting various State approvals. Incentives to the units will help in attracting investment in Mega Food Park and early populating the developed plots by setting up of food processing units. This will help in making project more viable and sourcing of raw materials from the farmers will reduce wastage and increase their income. Thus, these recommendations will help both investors and farmers.

Based on the above recommendations, Ministry is in the process of amending the guidelines of Mega Food Park Scheme (MFPS) to make it more effective and investor friendly.

5.22 On being enquired about any proposal to set up Mini Food Parks for the benefit of small investors and to cater to the needs of small and disadvantageous regions of the States, the Ministry in its written reply submitted as under:

“The Ministry has proposed a new Scheme for Agro-Marine Produce Processing and Development of Agro-Clusters (SAMPDA) as a Sub-Scheme of the Central Sector Scheme of National Mission on Food Processing (NMFP). One of the components of the Scheme is creation of enabling infrastructure for development of agro processing clusters in the areas of surplus agricultural production. There is provision of grant-in-aid @35% in general areas and @50% in hilly / ITDP /difficult areas of the eligible project cost subject to maximum of Rs. 10.00 crore per project. Under this sub-scheme of infrastructure for agro-processing clusters, modern infrastructure with common facilities will be provided to cluster of agro-processing units.

The enabling infrastructure will include developed plots, road, water and power supply, ETP/STP etc.

The scheme does not prescribe minimum size of the land. The cluster of minimum five units with minimum investment of Rs. 25 crore has been envisaged under the component. This will take care of the special need of Hilly and NE States. This will help in creation of mini-Mega Food Parks in the surplus agriculture production areas. This scheme has been recommended by EFC in its meeting held on 09.02.2016 for incorporating in the umbrella scheme of NMFP (SAMPADA) in the Central Sector to be introduced during the period coterminous to 14th Finance Commission. The scheme will be implemented after obtaining approval of the Competent Authority.”

5.23 On being asked regarding benefits accrued to the farmers from Mega Food Parks, the Secretary responded during the course of evidence as under:

‘महोदय, जहां तक कृषक को सीधे सहायता देने का प्रश्न है, प्रत्येक मेगा फूड पार्क स्कीम में मानिट्रिंग की रिपोर्ट में सूचना ली जाती है कि कितने किसानों से प्रोक्योरमेंट करेंगे, कितना किया और कितने किसानों की ट्रेनिंग ले रहे हैं। मैं तुमकुर कर्नाटक गया था, वहां सेंट्रल प्रोसेसिंग फैसिलिटी को देखा। मैं एयरपोर्ट से एक जगह और गया, वहां मैंने किसानों को एक्चुअली आते देखा जहां वे कृषि उपज ला रहे थे और एसपीवी कुछ टेबल वैराइटी के रूप में सीधा मार्किट में बेच रहे थे, कुछ को सेंट्रल प्रोसेसिंग फैसिलिटी के पास भेज रहे थे। मैं हरिद्वार गया, वहां पतंजलि प्रोजेक्ट चल रहा है, यह पूर्णतया क्रियाशील है।’

B. Scheme for integrated Cold Chain, Value Addition and Preservation Infrastructure

5.24 One of the main reasons for the high losses in the supply chain of perishables is the absence of adequate and efficient cold chain infrastructure right from the farm gate to the consumers. In a repeat study conducted by the Central Institute of Post-Harvest Engineering & Technology (CIPHET), Ludhiana during 2012-14 on behalf of Ministry of Food Processing Industries on Assessment of Quantitative Harvest and Post-Harvest Losses of Major Crops and Commodities in India, average range of losses for food grains,

oils seeds and fruits & vegetables were found to be between 4% to 16% resulting in annual loss of Rs. 92,651 crore.

5.25 To encourage setting up of backward & forward linkages in the agricultural supply chain in the country, to minimize the post-harvest losses and to enhance the value addition in the agricultural produce, Ministry of Food Processing Industries had launched the Scheme of Cold Chain, Value Addition and Preservation Infrastructure in the year 2008 to create integrated supply chain infrastructure in the country.

5.26 Under this Scheme, financial assistance (grant-in-aid) is provided @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 states including Sikkim and J&K, Himachal Pradesh and Uttarakhand) subject to a maximum of Rs 10 Crore.

5.27 The scheme provides assistance for developing integrated and complete cold chain and preservation infrastructure facilities from the farm gate to the consumer. Out of 138 projects approved, 74 have achieved completion and started commercial production, 3 projects have been cancelled due to non-implementation by the promoter and remaining 61 projects are under various stages of implementation. The status of projects, chronologically, is as under:

Phase	Date of Approval	Sanctioned by Ministry	Cancelled	Completed	Under Implementation
1 st	19.03.2008	10	0	10	0
2 nd	15.04.2010	28	01	26	01
3 rd	23.03.2012	25	07	12	06
4 th	08.08.2013	66	13	25	*28
5 th	18.05.2015	30	0	01	29

*03 projects have been cancelled due to un-willingness of the promoters.

5.28 These 135 projects are expected to create a capacity of 4.85 lakh MT of CA/MA/normal cold storage/ frozen stores, 114.75 MT/Hr of IQF capacity, 787 nos. of refrigerated carriers and 52.65 Lakh Liter per Day of milk processing/ storage (This excludes the capacity of one integrated cold chain project, which was earlier considered as 70 lakh liters per day against the assisted capacity of 1.5 lakh liters per day). The capacity created by the completed 74 projects is 2.85 lakh MT of CA/MA/normal cold storage/ frozen stores, 68.75 MT/Hr of IQF capacity, 351 nos. of refrigerated carriers and 23.8 Lakh Liter per Day of milk processing/ storage. Total project cost of 135 projects is about Rs.

3154.15 crore out of which Government grant is Rs. 1081.75 crore and private investment is Rs. 2072.40 crore.

5.29 The cold chain infrastructure expected to be created by these 135 cold chain projects is 4.72 lakh MT of Cold Storage, Controlled Atmosphere (CA) / Modified Atmosphere (MA) storage, Deep Freezer, 115.55 MT per hour of Individual Quick Freeze (IQF), 118.05 Lakh litres per day of milk storage, and 778 numbers of reefer carriers. Cold Chain Infrastructure created by the Cold Chain projects till 31.01.2016 is 3.12 lakh MT of Cold Storage, Controlled Atmosphere (CA) / Modified Atmosphere (MA) storage, Deep Freezer, 77.038 MT per hour of Individual Quick Freeze (IQF), 95.1895 lakh litres per day of milk storage, and 456 numbers of reefer carriers.

5.30 During the 11th Plan, the expenditure for the scheme was Rs. 157.08 crore. The allocation for 12th Five Year Plan is Rs. 786.00 crore. Year-wise budgetary allocation and expenditure is as under:

(Rs. Crore)

Year	BE	RE	Expenditure
2012-13	86.00	81.37	81.19
2013-14	100.00	103.75	103.73
2014-15	160.00	153.37	153.37
2015-16 (as on 29.02.2016)	181.00	181.00	158.12

5.31 On being asked by the Committee about the existing capacity of cold storage and its estimated requirement in the country, the Ministry in its written reply stated as under:

“Dr. Saumitra Chaudhuri Committee constituted by the Planning Commission in 2012 had indicated cold storage requirement of 61 million tonnes. The present capacity of cold storage is estimated at around 32 million tonnes in the country. Thus the present gap is around 29 million tonnes.

National Centre for Cold Chain Development (NCCD) - an autonomous body under the Department of Agriculture, Cooperation and Farmers Welfare - has undertaken an study on All India Cold Chain Infrastructure Capacity (Assessment of Status and Gap) in August, 2015. As per the study the cold chain requirement in the country stands as follows:

S. No.	Component	Approximate Requirement	Existing Capacity	All India Gap
1.	Integrated Pack Houses	70,080 numbers	249 numbers	69,831 nos.
2.	Reefer Trucks	61,826 numbers	9000 numbers	52,826 nos.
3.	Cold store (Bulk & distribution hubs)	35100662 MT	31823700 MT	32,76,962 MT
4.	Ripening Chambers	numbers	800 numbers	8,319 nos.

The above said gap study has excluded milk, meat, marine and processed products (easily perishable) for working out the requirement of cold chain infrastructure.

5.32 When the Committee asked about the financial and physical achievements vis-à-vis targets fixed during the 12th Plan, the Ministry in its written reply stated as under:

Financial Progress

Name of Scheme	Rs. in crore											
	2012-13			2013-14			2014-15			2015-16		
	BE	RE	AE	BE	RE	AE	BE	RE	AE	BE	RE	AE
Cold Chain	86	81.37	81.19	100	103.75	103.73	160	153.36	153.36	181.00	180.50	158.22

Physical Progress

Name of Scheme	2012-13		2013-14		2014-15		2015-16	
	Target*	Achievement	Target*	Achievement	Target*	Achievement	Target*	Achievement
Cold Chain	30	25	75	66	17	0	30	30

*Approval of new projects

5.33 When the Committee asked to give a note detailing the present status of each of 24 projects which are commercially operational including costs involved and cost and time overruns etc., the Ministry in its written reply stated as under:

“Presently, the Ministry is implementing 135 cold chain projects. These cold chain projects were sanctioned by the Ministry in V phases. Details of Cold Chain projects completed phase-wise are as follows:-

S. No.	Phase	Number of projects assisted by the Ministry	Year of sanction	Status of implementation
1.	I	10	2009	10 completed
2.	II	27	2011	26 completed
3.	III	18	2012	12 completed
4.	IV	50	2013	26 completed
5.	V	30	2015	1 completed
Total		135		75

As per scheme guidelines the implementation schedule for the project is 24 months in general areas and 30 months in difficult areas from the date of issue of approval letter for the financial assistance. So far 75 projects have achieved completion and started commercial operations as on 23.03.2015. Since these projects were sanctioned in different years, therefore each phase has a different implementation schedule/ deadline.

However, it has been observed that in many cases the projects could not achieve completion within prescribed timelines. Some of the reasons for delay in implementation of projects is due to change in location by the promoter to ensure viability of the project, delay in obtaining various statutory approvals integral to the commissioning of the project for example permission for change of land use, exemption from land ceiling laws, permission to establish and operate units from State Pollution Control Board, NoC from Town & Country Planning Department etc., delay in construction work due to natural calamities, remote locations [Specially in the hilly and North East Region and inability and lack of interest on the part of the promoters to implement the project.

Delay in disbursement of grant due to non-availability of funds is also one of the reasons for time overruns in implementation of cold chain projects. During 2014-15, 100% funds earmarked for general areas were utilized by Oct., 2014 and approximately 15 proposals with committed liabilities of Rs. 47 crores could not be released grant due to resource crunch. These projects have been released grant during April - May 2015 after approximately 7 months of delay. During 2015-16, the Budget allocation for General area has been utilized by December, 2015 and approximately 12 proposals with committed liabilities of Rs.30 crores could not be released grant due to non availability of funds. As regard cost overruns, it may be mentioned that the Ministry assists in setting up cold chain projects by way of grant of financial assistance which is a fixed component in the means of finance of the

project. Cost overruns if any, for what so ever reasons is borne by the project promoter and not by the Government.

Details of 75 completed projects including project cost, date of approval and completion is at **Annexure-V.**”

5.34 On being enquired about the findings of the evaluation study conducted by M/s NABCONS for assessing the impact of scheme, the Ministry in its written reply stated as under:

“The Ministry had conducted an evaluation study for assessing the impact of scheme for Cold Chain, Value Addition and Preservation Infrastructure. This study has been undertaken by M/s NABCONS on behalf of the Ministry. The Impact Evaluation Study has *inter-alia* observed that:

- (i) The cold chain units have contributed positively to turnover, employment creation and exports generation. There is an apparent economic impact at the unit level in catchment area from cold storage projects in terms of saving wastage, increase in farm gate price and establishment of backward linkages.
- (ii) With the establishment of cold chain units under the scheme, under the trading model the farmers have been benefited in terms of assured price, risk avoidance, assured market and reduction in wastages. There is substantial backward integration with raw material suppliers.
- (iii) Majority of the Cold Chain projects have recorded capacity utilization ranging from 70% to 80%. The report has also suggested for making the scheme open ended and aligning the pattern of assistance and funding mechanism on the pattern being followed by the National Horticulture Board.
- (iv) Value addition of 30 to 100% in Dairy Sector and 70% (approx.) in Marine Produce has taken place in the catchment area where the integrated cold chain projects have been set up.
- (v) Operationalisation of all cold chain projects will generate direct employment for 14082 persons & indirect employment of 78752. Thus,

these cold chain projects will generate a total employment of 92,834 persons.

- (vi) There has been increase in farm gate price between 5 to 10% in fruits and & vegetables sector and 2.4 to 10% in dairy sector in the catchment area.
- (vii) No. of Farmers linked - 34316 per unit in Dairy Sector and 3434 per unit in F&VP Sector
- (viii) Farmers' interviews have reported benefit of assured procurement, timely payment and convenience.

Further, based on analysis of data and field observations the impact evaluation study has suggested inter-alia following improvement in the scheme:

- (i) In order to avoid regional skewness, Ministry may consider state-wise / region wise cap on grant or region specific / state specific drives may be launched in those states where no or few projects have been approved.
- (ii) Ministry may discontinue the practice of floating Expression of Interest and do away with close end system of receiving application. The applications may be received after the financial closure and all the mandatory approvals are in place.
- (iii) Ministry may introduce an online submission of applications and application tracking system on its portal to ensure smooth application processing.
- (iv) Ministry may standardize normative cost for all infrastructure components.
- (v) Ministry may adopt credit-linked-back-ended subsidy system for financing the projects.

The Ministry has accepted the evaluation report of NABCONS. The suggestions made by the NABCONS in the impact evaluation study are under consideration of the Ministry.”

5.35 When the Committee asked about the efforts made by the Ministry to encourage the entrepreneurs to build cold storage based on non-conventional sources of energy, the Ministry in its written reply stated as under:

“The Ministry has proposed to upscale the cold chain scheme for taking up additional cold chain projects in order to create additional cold storage/ cold chain infrastructure capacity. In the proposal, it is envisaged that component

of renewable sources of energy would also be included as eligible component for financial assistance.”

5.36 On being enquired by the Committee about the extent to which the irradiation facility, which improves shelf-life, was made use of, the Ministry in its written reply stated as under:

“The Ministry is also assisting setting up of irradiation facility as one of the component under the cold chain scheme for arresting post harvest losses of horticulture and non horticulture produce. This component can be set up as a stand alone facility. The Ministry has sanctioned 5 irradiation projects so far. State wise, year wise details of irradiation projects assisted by the Ministry are as under:-

Sl. No.	Project	District & State	Date of Approval	Project cost (Rs. In Lakh)	Approved Amount of grant-in-aid (Rs. In Lakh)	Amount of grant released (Rs. In Lakh)	Status
1	Aligned Industries Ltd	Rewari, Haryana	04.07.2012	2202.18	730.28	547.71	Has achieved 75% completion. Likely to become operational by June, 2016.
2	Innova Agri Bio Park Ltd	Kolar, Karnataka	07.06.2011	1400.00	336.25	336.25	Achieved Completion and Commercial production started
3	Jhunsons Chemicals Pvt. Ltd.	Alwar, Rajasthan	20.01.2009	1773.00	705.96	705.96	Achieved Completion and Commercial production started
4	Impartial Agrotech (P) Ltd.	Unnao, Uttar Pradesh	25.05.2011	1478.97	630.75	630.78	Achieved Completion and Commercial production started
5	Apollo Agro Industries	Mehsana, Gujarat	22.05.2015	2238.00	944.61	0	Under implementation.

C. Scheme for setting up/modernisation of Abattoirs

5.37 The issue of ensuring hygienic meat production in the country has to be seriously considered. There is a need for setting up / modernization of municipal abattoirs as the domestic meat market is fed by abattoirs owned/licenced by municipal bodies. These municipal abattoirs generally lack modern equipment, proper sanitation/hygiene, facilities for scientific slaughtering, waste management and pollution control. Quality and hygiene levels are low resulting in contamination / deterioration of meat, cruelty to the animals, wastage of meat and pollution of adjoining areas, water bodies and rivers. Modernization of these abattoirs is needed for production of clean, wholesome and hygienic meat required for domestic consumption. The qualitative and quantitative capacities of the abattoirs need to be upgraded besides discouraging slaughtering in unauthorised locations.

5.38 It is imperative that the slaughter houses supplying meat to the domestic consumers have the basic minimum requirements such as proper lairage facilities, proper flooring, carcass hanging/flaying facility, adequate water supply and lighting with proper wastage disposal system. This has to be ensured by the State Governments and the local bodies since most of the abattoirs are owned/operated or licensed by the local bodies. However, Government of India has to play its part in assisting the States in fulfilling this objective. Hence the Plan Scheme for establishing new abattoirs and modernizing of existing abattoirs was started in the 11th Five Year Plan.

5.39 This scheme was launched during 2008 for Setting up/ Modernisation of Abattoirs. The scheme is implemented through local bodies (Municipal Corporations and Panchayats) / Public Sector Undertakings/ Cooperatives/ Boards under Government and had the flexibility for involvement of private investors on PPP basis.

5.40 The main objectives of the scheme are as under:

- Scientific and hygienic slaughtering of animals.
- Application of modern technology for slaughter waste management and pollution control.
- More humane treatment of animals/ minimizing transportation of animals.
- Better hygiene, safety and retail cold chain management.

5.41 The scheme guidelines envisaged a grant of 50% in general areas and 75 % in difficult areas for cost of plant and machinery and technical civil work and other eligible items subject to a maximum of Rs. 15 Crore per Abattoir. Difficult areas include North Eastern States including Sikkim, Jammu & Kashmir, Himachal Pradesh, Uttarakhand and ITDP notified areas of the States.

5.42 The Ministry had taken up 10 projects under this scheme during 11th Plan. Out of which, 8 projects have been promoted by municipal bodies of Dimapur (Nagaland), Kolkata (West Bengal), Ranchi (Jharkhand), Patna (Bihar), Shimla (Himachal Pradesh), Hyderabad (Andhra Pradesh) and Majhitar (Sikkim). One project is promoted by J&K Sheep and Sheep Products Development Board, Srinagar (Jammu and Kashmir) and another in Ahmednagar (Maharashtra) by Ahmednagar District Goat Rearing and Processing Co-operative Federation Ltd.

5.43 In the 12th Plan proposal for up-scaling 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 on-going projects of 11th Plan.

5.44 Out of 41 abattoir projects during 11th Plan and 12th Plan, 6 projects have been completed as on 29.02.2016. 35 projects are under implementation with 2 more projects likely to be completed during the next financial year 2016-17. An amount of Rs 26.22 crore has been disbursed under this scheme up to 2015-16 (29.02.2016). Total BE 2016-17 allocation for the Scheme is Rs.31.00 crore which includes a provision of Rs. 3.28 crore for North East Region including Sikkim.

5.45 The scheme was 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 was to be implemented by State Governments through National Mission on Food Processing (NMFP) for the rest of the 12th Five Year Plan w.e.f. 01.04.2014 since most of the proposals are from the Municipal Bodies which are closely connected to the State Governments. The proposals received up to 31st March 2014 are being considered by the Ministry based on up-scaling of the scheme approved for first two year of 12th Plan. The allocation for 12th Five Year Plan is Rs.300.00 crore. Year-wise expenditure is as under:

(Rs. in crore)

Year	BE	RE	Expenditure
2012-13	19.00	9.62	9.58
2013-14	31.00	27.72	26.68
2014-15	35.00	12.32	10.61
2015-16(as on 28.02.2016)	28.00	28.00	24.32

5.46 When asked to submit reasons for low allocation during the fiscal year 2015-16 as against previous two years the Ministry replied:

"The allocation of funds is based on the overall budget allocation and the requirement of the projects under the scheme. The BE of 2014-15 for abattoir scheme was reduced from Rs.35.00 crore to Rs. 12.32 crore in RE 2015-16. This was due to reduction of the overall allocation of the Ministry from Rs.770 in BE to Rs. 600 crore in RE 2014-15. This resulted in non-release of some of the approved instalments. The BE of 2015-16 for abattoir scheme is Rs.28 crore which is 44 % higher than RE 2014-15.

During 2015-16, one municipal abattoir project (Greater Vishakhapatnam Municipal Corporation (GVMC) Vizag, Andhra Pradesh) got completed and grant to the tune of Rs. 25.93 crore for 16 on-going projects was released.

It is submitted that during the year 2013-14, the 3rd installment of grant-in-aid amounting to around Rs. 17.00 crore was released to three projects approved during 11th Plan, out of which two projects have since been completed. In addition, during the year 2013-14, a total of 17 new projects had been approved and 1st installment of grant-in-aid was released to 8 projects. During the year 2014-15, it was expected that the projects which had been sanctioned 1st installment during the previous year would come back for sanction of 2nd installment of grant-in-aid but only one proposal was received which was sanctioned. Further, during 2014-15, 14 new projects had been approved and it was expected that all would come for release of 1st installment of grant-in-aid. However, proposals for release of 1st installment of grant-in-aid were received only from 4 projects which were released. In addition, there were 5 proposals ready for release of grant-in-aid

amounting to around Rs. 12.00 crore which could not be released during 2014-15 because of non-availability of funds due to reduction of allocation at RE stage. The funds were released during 2015-16. During 2015-16, 1st instalment of grant-in-aid was released to 11 projects, 2nd instalment of grant-in-aid was released to 3 projects and 3rd instalment of grant-in-aid was released to 2 projects. Release of 1st instalment of grant to one more project is under process. Grant amount of Rs. 32 lakh could not be released to only one project due to lack of funds under the scheme. Hence it is submitted that the performance during 2015-16 is almost at par or better with that of the previous years.

As regards reduction of BE during the year 2015-16, the overall BE of the Ministry was reduced to Rs. 487 during 2015-16 as compared to Rs. 770 Crore during 2014-15 and Rs. 600 crore RE 2014-15. This has resulted in proportionate reduction in allocation/BE of all the schemes. The allocation of funds is based on the overall budget allocation and the requirement of the projects under the scheme. The BE of 2014-15 for abattoir scheme was reduced from Rs.35.00 crore to Rs. 12.32 crore in RE 2015-16. This was due to reduction of the overall allocation of the Ministry from Rs.770 in BE to Rs. 600 crore in RE 2014-15. This resulted in non-release of some of the approved installments. The BE of 2015-16 for abattoir scheme is Rs.28 crore which is 44% higher than RE 2014-15. This has resulted in proportionate reduction in allocation/BE of all the schemes."

5.47 As also being asked about cost overrun on account of completion of projects the Ministry replied:

"The implementation schedule as per the scheme guidelines for 11th Plan was about 18 months and as per the 12th Plan guidelines the period is about 24 months. Not all the projects are progressing as per schedule as all the projects have different types of problems and depending on the State Government/Municipal Corporation, time is taken for sorting out the problems. The Ministry has been doing its best in following up the cases with the Municipal Corporations and the State Governments to ensure that the

implementation of the scheme remains on track and there are no inordinate delays. A number of review meetings were held both with the Project Promoters and Project Management Agencies under the Chairmanship of Secretary, FPI and the Joint Secretary concerned. In addition, a number of D.O. letters were also written to the Chief Secretaries/Secretaries of Departments dealing with abattoirs in the various State Governments. The Ministry has not left any stone unturned to ensure that the abattoir projects progress smoothly with intervention in the form of advice, suggestions etc., from the Ministry whenever needed being provided at the appropriate time. In spite of the best efforts of the Ministry, the implementation of the projects has been delayed.

If a project is delayed, there is likelihood of cost overrun. However, the liability of the Ministry is limited to the financial assistance in the form of grant-in-aid approved for each project subject to a maximum of Rs 15 crore per project. In case there is any increase in the cost of the project because of delay or any other reason, the balance has to be met by the Municipal Corporation/State Government concerned. Of the 6 projects completed so far, cost escalation has occurred in only two project viz. the project of Shimla Municipal Corporation and the project of setting up of modern abattoir at Majhitar, East Sikkim, Sikkim by Department of Animal Husbandry, Livestock Fisheries & Veterinary Services (AH, LF & VS), Govt. of Sikkim. The Shimla project got delayed due to public protest about the site at Boileuganj and hence, a new site at Lalpani, Krishna Nagar was selected. The Corporation had prepared a revised DPR with revised estimated project cost of Rs 2642.00 lakh and proposed revised grant-in-aid of Rs. 15 crore duly recommended by Government of Himachal Pradesh. Accordingly, Approval Committee in its meeting held on 24.07.2012 had approved enhancement of grant-in-aid of MoFPI from Rs 1142.00 lakh to Rs 1500.00 lakh for the project. The project has been completed and commissioned during May 2014. The Majhitar project (Sikkim) was originally approved with a project cost of Rs. 926.36 lakh and grant-in-aid of Rs. 6.17 crore which was revised to Rs. 15 crore due to increase in scope of the project and revision in cost

indices. The revised cost was approved on 04.03.2014 with the grant-in-aid of Rs. 15 crore."

5.48 On being asked about the reasons for incorporation of his Scheme as a sub-scheme of NMFP from 2016-17 whereas the rationale behind its implementation by State Governments under NMFP w.e.f. 01.04.2015 was given that most of the proposals are from Municipal Bodies which are closely connected to the State Governments, the Ministry replied as under:

"Ministry of Food Processing Industries is implementing the Central Sector Scheme for Setting up/ Modernization of Abattoirs under which assistance in the form of grant-in-aid is provided for setting up of new and modernisation of existing abattoirs to local bodies (Municipal Corporations and Panchayats) / Public Sector Undertakings / Co-Operatives/Boards under Government.

The scheme was transferred to the State Governments for implementation under the Centrally Sponsored Scheme of National Mission on Food Processing (NMFP) with effect from 1.04.2014. Proposals received up to 31.03.2014 are being processed by the Ministry under the Central Sector Scheme. Fresh proposals with effect from 01.04.2014 are to be submitted to State Governments. However, the Centrally Sponsored Scheme of NMFP has been delinked from Central support from financial year 2015-16. The proposals received till 31.03.2014 are continued to be processed by MoFPI under Central Sector Scheme within the financial ceiling of Rs. 330.84 crore approved by CCEA on 6th September, 2012.

The scheme was with the State Government under Centrally Sponsored Scheme NMFP for only one year i.e. 2014-15 and not a single abattoir project was sanctioned during this period by the States. The proposals received till 31.03.2014 are continued to be processed by MoFPI under Central Sector Scheme within the financial ceiling of Rs. 330.84 crore approved by CCEA on 6th September, 2012.

The modernization of Municipal Abattoirs is required to ensure supply of safe and hygienic meat and meat products to the citizens. The Hon'ble Supreme Court has expressed concern about the poor sanitation and hygiene condition of abattoirs and in Writ Petition (Civil) No. 309 of 2003 filed by Laxmi NarainModi Versus Union of India and others. The Court has directed the

State Governments and UTs vide its order dated 23-08-2012 to constitute committees for slaughterhouses to fulfill the mandatory requirements under various legislations dealing with functioning of slaughter houses in the country. The Hon'ble Court has also directed Central Pollution Control Board (CPCB) to initiate action against all slaughter houses which are not meeting the norms. There is a need to have a scheme for modernization and setting up of abattoirs in the country. Therefore, the scheme has been proposed to be brought under Central sector as sub-scheme of NMFP (SAMPDA). The scheme will be implemented for taking up new projects after obtaining approval of the competent authority."

II. Scheme for Quality Assurance, Codex Standards, R&D and Other Promotional Activities

5.49 In today's global market, quality and food safety have become the competitive edge for enterprises in the processed food sector. The Ministry has taken initiatives to increase awareness about food safety and quality issues amongst industry and other stakeholders. The Ministry is implementing a Scheme for Quality Assurance, Codex Standards and Research and Development and other Promotional Activities. The Scheme has four components:

- Scheme for Research and Development in Processed Food Sector;
- Setting up/Up-gradation of Quality Control/Food Testing Laboratories;
- Implementation of HACCP/ISO 22000, ISO 9000/GHP/GMP Quality/Safety Management System in food processing units, and
- Promotional Activities.

A. Research & Development

5.50 Assistance is provided to various Institutions/Universities/Organizations and recognized R&D laboratories both in public and private sectors, to promote and undertake demand driven R&D work in the field of food processing sector. The objective of the scheme is that end product/outcome/findings of the R&D work should benefit food processing industries in term of product and process development, improved, packaging and value addition leading to innovative products and processed with commercial value.

Physical and Financial achievement in respect of R&D scheme during 12th Plan:

S. No	Year	No of projects approved (Physical Achievement)	Grant-in-aid released (Financial Achievement) (Rs. in Crore) (#)
1	2012-13	38	10.31
2	2013-14	38	10.96
3.	2014-15	21	6.39
4.	2015-16	23	6.01
	Total	120	33.67

Grant-in-aid released includes assistance for new projects approved as well as for on-going projects.

B. Food Testing Laboratories:

5.51 Assistance is provided for setting up/up-gradation of quality control and testing laboratories with the aim of establishment of a network of laboratories to help in implementing quality regime for processed food. The objective of the scheme is:

- To establish a surveillance system for monitoring the quality and composition of food.
- To analyze the samples received from food processing industries, and other stakeholders.
- To reduce the time of analysis of samples by reducing transportation time of samples.
- To ensure compliance of international standards on food in case of exports as well as imports.

5.52 Central/State Government and its organizations/Universities(including deemed universities) are eligible for grant-in-aid of entire cost of laboratory equipments required for labs and 25%of the cost of technical civil works to house the equipments and furniture and the fixtures associated with the equipments for general areas and 33% for difficult areas (J&K, Himachal Pradesh, Uttaranchal, Sikkim, North-Eastern States, Andaman & Nicobar Islands, Lakshadweep, Integrated Tribal Development Projects (ITDP) area).

5.53 All other implementing agencies/private sector organizations are eligible for grant-in-aid of 50% of cost of laboratory equipments and 25% of the cost of technical civil works to house the equipments and furniture and fixtures associated with the equipment for general areas and 70% of cost of lab equipment and 33% of technical civil works for difficult areas.

5.54 When the Ministry establishes/sponsors such food testing laboratories, there would be no ceiling to financial assistance and the amount to be approved is decided on case to case basis with the approval of Competent Authority.

5.54 The scheme is being implemented through the Indian Council of Agricultural Research, (ICAR) under the Department of Agricultural Research and Education w.e.f 01.04.2012. Proposals received upto 31.03.2012 are being dealt with by the Ministry. So far, 46 food testing laboratories have been assisted by this Ministry out of which 22 are NABL accredited. In 12th Plan, the target was for setting up of/up-gradation of 50 labs with a fund of Rs.170.00 Crore.

5.56 When the Committee asked about the achievement vis-à-vis the target during the 12th Plan for setting up/upgradation of labs, the Ministry in its written reply stated as under:

"46 food testing labs have been approved for financial assistance and 25 labs projects have been completed under the said scheme during the 12th Plan. Year wise details are given below:

S. No	Year	No of projects Approved (Physical Achievement)	Grant-in-aid released (Financial Achievement) # (Rs. In crore)	No of projects Completed.
1	2012-13	08	8.59	00
2	2013-14	14	24.73	04
3	2014-15	12	23.05	08
4	2015-16	12	20.51	13*
	Total	46	76.88	25

Grant-in-aid released includes assistance for new projects approved as well as for on-going projects.

* Includes up-gradation of 3 laboratories which were assisted for setting up during earlier years.

C. Hazard Analysis Critical Control Point (HACCP)

5.57 Assistance is provided for adoption/ implementation of food safety and quality assurance mechanisms such as ISO 22000, ISO 9000, Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP), Good Hygienic Practices (GHP) etc by food processing industries with the following objectives:

- To prepare the industry to face global competitions in international trade.
- To enable adherence to stringent quality and hygiene norms and thereby ensuring consumer safety.
- To enhance product acceptance by consumers.

5.58 Under this component, assistance in the form of re-imbursalment of expenditure is provided to Central/ State Government Organizations, IITs and Universities and private sector units to the extent of 50%of the cost of consultant fee, fee charged by Certification Agency, plant and machinery, technical civil works and other expenditure towards implementation of Total Quality Management System including ISO 14000, ISO 22000, HACCP, GMP & GHP in general areas subject to maximum limit of Rs. 15 lakh and 75% in difficult areas subject to a maximum of Rs. 20 lakh.

Physical and financial achievement in respect of HACCP/ISO 22000 scheme during 12th Plan:

Sr. No.	Year	No of Projects Assisted (Physical Achievement)	Grant-in-aid released (Financial Achievement) (Rs. in Crore)\$
1	2012-13	05	0.93
2	2013-14	05	0.68
3	2014-15	06	0.95
4	2015-16	10	1.64
	Total	26	4.20

\$ Grant-in-aid is released in one installment as reimbursement of expenditure after the unit has obtained HACCP / ISO certification.

5.59 On being asked by the Committee as to whether the existing network of FTL is adequate to meet the growing requirement of the sector and whether the standards of food testing are equivalent to the standards maintained by developed countries, the Ministry in its written reply stated as under:

“Food Safety and Standards Authority of India (FSSAI) under the Ministry of Health & Family Welfare have informed that as per Section 43(1) of FSS Act, 2006, “the Food Authority may notify food laboratories and research institutions accredited by National Accreditation Board for Testing and Calibration Laboratories or any other accreditation agency for the purposes of carrying out analysis of samples by the Food Analysts under this Act”. FSSAI notification of food testing laboratories is a dynamic and continuous process.

Accreditation of the Food Testing Laboratories is done by National Accreditation Board for Testing and Calibration Laboratories (NABL), an autonomous body under Department of Science & Technology with the objective to provide Government, Industry and General Public with a scheme for third party assessment of the quality and technical competence of testing and calibration of laboratories.

Laboratory accreditation is done to provide a means of third party certification of the competence of laboratories to perform specific type (s) of testing i.e formal recognition of competent laboratories so that customers can find reliable testing and calibration services depending on their need. This also enhances the reliability of the test reports for the international customers.

5.60 On being asked about procedures followed for standardization for safety and quality of processed food products meant for export, the Ministry replied:

"Food Safety and Standards Authority of India (FSSAI) has been established under the Food Safety and Standards (FSS) Act, 2006 for laying down science based standards for articles of food and to regulate their manufacture, storage, distribution, sale and import, to ensure availability of safe and wholesome food for human consumption.

FSSAI is administratively under Ministry of Health and Family Welfare. FSSAI has informed that Export of Food Products does not come under the purview of Food Safety and Standards Act, 2006 and Rules and Regulations made there under.

Food products meant for export are required to comply with the standards and specifications laid down by the importing country. The Agricultural and Processed Food Products Export Development Authority (APEDA) and Marine Products Export Development Authority (MPEDA) under Department of Commerce are mandated with the responsibility for promoting export of food products and marine products, respectively including facilitating the exporters to meet the requirements of the importing country."

5.61 When asked about the steps taken by FSSAI to harmonize the existing Indian Standards with CODEX and other international practices, the Ministry in its written reply stated as under:

"It has been intimated by FSSAI that the quality and safety standards for food products have been prescribed in the Food Safety and Standards (Food Product Standards and Food Additives) and Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011. These standards are reviewed from time to time taking into account the latest developments in food science, food consumption pattern, new food products and additives, new specifications, changes in the processing technology leading to changed specifications, advancements in food analytical methods, identification of new risks or other regulatory options.

Further, under Section 16(3) (m) of the FSS Act, 2006, it is also the responsibility of FSSAI to promote consistency with the relevant international standards. The standards and other guidance texts adopted by Codex Alimentarius Commission are the relevant international standards and are also the reference point within the frame-work of World Trade Organization (WTO). The Food and Agriculture Organization (FAO) and World Health Organization (WHO) of the United Nations regularly encourage countries to harmonize their standards with those of the Codex.

In light of the above, it was considered appropriate to review India's standards and harmonize them with the Codex to the extent possible taking into account the country's needs. During the course of harmonization, FSSAI has framed **around 12,399 standards** and the same have been approved by

the Food Authority. These standards are at various stages of notification."

D. Promotional Activities

5.62 Under the Scheme for Promotional Activities, financial assistance is provided for organizing All India level Seminars/ Workshops/ Fair/ Exhibitions. The Ministry also participates in All India level Fairs. Exhibitions spearheaded by Apex Industry Associations and Autonomous Bodies/ Public Sector Undertakings of Government of India, Workshops, Seminars, Conferences, Symposium with the objective of dissemination of information regarding food processing industries, familiarizing the entrepreneurs with modern techniques of production and popularization of products .

5.63 The financial assistance is provided to the agencies upto 50% of the cost subject to a maximum of Rs. 4.00 lakhs for organizing seminar/ workshops and conducting studies/ surveys etc. when the Ministry sponsors such events the above financial ceiling will not be applicable. Assistance of 25% of the actual rent for the space taken by the Government / Government organisations in fairs/ exhibitions abroad is also provided subject to maximum of Rs. 20 lakhs in a year.

Physical and Financial achievements in respect of the promotional activities scheme during 12th Plan:

S.No.	Year	No. of events assisted (Physical Achievement)	Assistance released (Financial Achievement) Rs. In Crore*
1	2012-13	22	2.01
2	2013-14	19	2.35
3	2014-15	23	3.26
4	2015-16	36	1.34*
	Total	100	8.96

*Grant in aid released includes assistance for new events as well as the pending payments of the completed events of previous year.

5.64 Allocation for 12th Five Year Plan in respect of Quality Assurance, Codex Standards and Research & Development and Promotional Activities is Rs. 290.00 crore. Year-wise expenditure is as follows:

Year	Expenditure (Rs. in crore)
2012-13	31.34
2013-14	35.33
2014-15	37.92
2015-16(as on 28.02.2016)	27.63

III. Scheme for Strengthening of Institutions

5.65 This scheme focuses on putting in place new and strengthening of existing institutional mechanisms for human resource development in the food processing sector and covers the following components:-

- National Institute of Food Technology Entrepreneurship and Management (NIFTEM).
- Indian Institute of Crop Processing Technology (IICPT).
- Indian Grape Processing Board (IGPB).
- National Meat and Poultry Processing Board (NMPPB).

A. National Institute of Food Technology Entrepreneurship and Management

5.66 The Ministry has established the 'National Institute of Food Technology Entrepreneurship and Management' (NIFTEM) at Kundli, District Sonapat, Haryana at an estimated cost of around Rs. 480.00 crore. NIFTEM has been declared a Deemed University by the Ministry of Human Resource Development on 08.05.2012. NIFTEM is running the following courses in various aspects of food technology:-

- (i) B.Tech (Food Technology & Management)
- (ii) M.Tech programme in the followings disciplines:-
 - 1) Food Supply Chain Management
 - 2) Food Safety and Quality Management
 - 3) Food Process Engineering and Management
 - 4) Food Plant Operations Management
 - 5) Food Technology and Management
- (iii) Ph.D. in the following programmes:-
 - 1) Food Engineering
 - 2) Agriculture And Environment Sciences
 - 3) Basic And Applied Sciences
 - 4) Food Business Management
 - 5) Food Science And Technology

New Initiatives:

5.67 NIFTEM has taken following initiatives to fulfill its mandate as centre of excellence for food processing and sector promotion organization:

i. Village Adoption Programme:

- Village Adoption is a unique program conceptualized by NIFTEM for its students, with a view to sensitize and educate them on the problems and practices of the farmers at the grass root level.
- NIFTEM has undertaken 6 sessions of Village Adoption Programme by deputing a mix batch of about 10-12 students from B.Tech and M. Tech. Programmes. Each group was led by a NIFTEM Faculty member and all the groups stayed in the selected villages.
- So far 39 villages in 18 States of the Country have been adopted under this scheme by NIFTEM.
-

ii. Students' Innovation Fund:

The Institute has created an Innovation Fund for NIFTEM students to encourage them to undertake research for development of new innovation driven knowledge based processes, products and technologies. Financial assistance upto Rs.15 lakh will be provided for innovative research projects to individual students and groups. The above financial ceiling can be enhanced in respect of highly deserving projects.

iii. NIFTEM Industry Forum (NIF):

The Institute has set up NIFTEM Industry Forum consisting of representatives of food processing industry and allied sector to advise on Teaching, Research, Entrepreneurship Development, Skill Development, Consultancy to the Industry and SME Up-gradation.

iv. NIFTEM Research Development Council (NRDC):

A Research Development Council consisting of about 65 members drawn from industry and academia has been set up to chalk out the

future Research Agenda of NIFTEM. Experts from Indian Council of Agricultural Research (ICAR), Central Food Technological Research Institute (CFTRI), Central Institute of Post-Harvest Engineering & Technology (CIPHET), Defence Food Research Laboratory (DFRL), Defence Research & Development Organization (DRDO), IIT Kharagpur, IIT Delhi, Harcourt Butler Technological Institute (HBTI), Kanpur, IIM, Lucknow have been included in the Council. Two meetings of NIFTEM Research Development Council have so far been held.

v. International Grain Processing Research & Training Centre (IGPRTC):

International Grain Processing Research and Training Centre has been set up in collaboration with grain industry to function as an outreach organization of NIFTEM and to enhance market promotion, consumption and utilization of Indian cereal grains and their value added products.

vi International Bakery Research and Training Centre (IBRTC):

NIFTEM has set up an International Bakery Research and Training Centre to facilitate in-house and externally supported continuous experiential learning and motivating entrepreneurs to start new ventures with faculty mentoring from NIFTEM. The Bakery Centre could also train the work force and upgrade their skills to produce quality bakery products.

vi. Collaborations & Understandings with International & National Institutions:

MoUs have been signed with following institutions for mutual cooperation in the field of faculty/ students exchange programme, research and other subjects of common interest:-

- Wageningen University (WU), The Netherlands;
- Kansas State University (KSU), USA
- University of Nebraska Lincoln (UNL), USA
- Institute of Food Technology and Health, Illinois Institute of Technology, USA.

B. The Indian Institute of Crop Processing Technology (IICPT):

5.68 The Ministry has upgraded 'Indian Institute of Crop Processing Technology' (IICPT), Thanjavur, Tamil Nadu to a National level institute at an estimated cost of around Rs. 102.00 crore. IICPT is running the following courses:-

- (i) B.Tech (Food Process Engineering)
- (ii) M.Tech. (Food Science and Technology) & M.Tech. (Food Process Engineering)
- (iii) Ph.D. (Food Science and Technology) & Ph.D. (Food Process Engineering).

5.69 A Regional Center of IICPT was established at Guwahati, Assam in July 2010. Infrastructure such as a Food Processing Training cum Incubation Center, training classrooms, trainees' hostel and office were set up in rented accommodation. During April 2014 - October 2015, 40 skill training programmes for 500+ beneficiaries were organized. Farmers, SHG members and educated youth benefitted by such training.

NIFTEM & IICPT are also imparting short term training courses on various aspects of food processing.

C. Indian Grape Processing Board

5.70 The Indian Grape Processing Board has been set up in 2009 by the Government. The Board has its headquarters at Pune, Maharashtra. The continuation of the Board in 12th Plan is yet to be approved by the Government.

D. National Meat & Poultry Processing Board

5.71 The Ministry has established the 'National Meat & Poultry Processing Board' an autonomous body to promote sustainable growth of meat and poultry processing sector in the country. It has been decided to wind up the Board.

Budgetary allocation

5.72 Under the scheme, Grants are provided for the National Institute of Food Technology, Entrepreneurship & Management (NIFTEM) at Kundli, Haryana; the Indian Institute of Crop Processing Technology (IICPT) Thanjavur, Tamil Nadu; Indian Grape Processing Board, Pune, Maharashtra; and National Meat and Poultry Processing Board, New Delhi.

(Rs. in crore)

Year	BE	RE	Actuals
2012-13	80.00	68.12	67.58
2013-14	75.00	74.00	72.56
2014-15	75.00	43.00	38.75
2015-16	16.00	16	7.03 (upto 28.02.2016)
2016-17	53.27	-	-

5.73 When the Committee asked as to how the Ministry will be able to achieve the objectives of the scheme with less allocation of funds about reduction of allocation during 2015-16 and reasons for increase in allocation for this fiscal year, the Ministry in its written reply stated as under:

"Due to the drastic reduction in the budget allocation to the Ministry of Food Processing Industries from Rs. 600.00 crore to Rs. 487.00 crore during the year 2015-16, the allocation to the Scheme for Strengthening of Institutions was reduced to Rs. 16.00 crore. However, continued Government support is required for these Institutions to fill the gap between the expenditure requirements and the revenue generation till they achieve self-sufficiency which may take some time. Other similar Institutions like IITs/ NITs continue to receive support from Central Government."

5.74 When the Committee asked about the reasons for increase in allocation for 2016-17, the Ministry in its written reply responded as under:

"From the financial year 2016-17, the nomenclature of the Scheme for Strengthening of Institutions has been changed to Scheme for Human Resource and Institutions covering more schemes in addition to Institutions and Secretariat expenditure of the Ministry like HRD, Advertising and Publicity, Professional Services etc. The major amount of Rs.30.00 crore is meant for NIFTEM for setting up of five Pilot-Plants and procurement of equipment for these plants."

5.75 On being asked about the criteria adopted for selection of villages in various States for adoption under Village Adoption Programme, the Ministry in its reply stated as under:

“Following considerations were made while selecting the village by NIFTEM under Village Adoption Programme:

- a. Location of the Village (accessibility, etc)
- b. Interaction with state government agriculture or horticultural department
- c. Resources in the village (availability of basic amenities, established panchayat , etc)
- d. Production Potential crops for processing activity

5.76 When the Committee asked as to how the adoption has helped the villages and students of the Institutes, the Ministry in its written reply responded as under:

“Village adoption is a unique program conceptualized and being implemented by NIFTEM for its students since 2012, with a view to sensitize and educate them of the problems and practices of the farmers at the grass root level. The aim is to help the Indian Food Processing sector accomplish its objective of all-inclusive growth and facilitate the process of integrating the underprivileged sections of our population with the main stream economy.

The Framework of Village Adoption Programme:-

- Under this programme, B. Tech (Food Technology & Management) and M. Tech students are divided into groups of 10 to 12 students at the time of joining NIFTEM.
- Each group is lead by a Faculty member (Mentor) and adopts a village anywhere in India and nurses it during the entire programme of study.
- The Groups go and stay in the village twice a year: 10 to 12 days each time in every semester. It is a symbiotic process leading to exchange of Knowledge.
- While villagers gain scientific and technical knowledge through students who promote future possibilities of food processing among them, students obtain firsthand experience of Indian rural scenario and understand traditional processing technologies adopted by the villagers.
- Students gain general awareness of the village life and facilitate the process of integrating the underprivileged sections of our population with the main stream.

- Students learn to contribute towards “Nation Building”.

NIFTEM is in process of organizing a VAP conclave to invite the lead farmers/entrepreneurs of adopted villages to visit NIFTEM for interactive stay and exposure visits.

5.77 When the Committee asked about the efforts made by the Institute to preserve and scientifically modify the traditional know-how of the farmers, the Ministry in its written reply stated as under:

“During our village adoption programmes, each VAP team prepares a booklet of the traditional dishes of that adopted village and the area around it. As a result, 494 traditional dishes of the 39 adopted villages have been documented. Out of these 13 (*viz. Sattu (fortified), KajuKatli, Khakhra, PuranPoli, Khandvi, Boondiladoo, Kabab, Prawn curry, Chila, Gushtaba, Vada, Ghewar and Khaja*) have been selected for scientific intervention under Make in India initiative by NIFTEM. The scientific interventions to upgrade the production technologies are being monitored by Department of Food Engineering and Department of Food Science and Technology, NIFTEM. For each of these 13 dishes, two research teams have been formed. One team is working for scientifically standardizing the ingredients, recipe and the process of preparation. The other team is working for developing an equipment for mass production and packaging of the dish so that it can be produced hygienically on a mass scale and sold not only in India but all over the world. The dream is to capture the world food market and make India the Food Factory of the world.

1. Some basic scientific models of solar dryers, biogas units, vermin-composting, butter churners were also demonstrated by students to the villagers during the interaction and training programmes.
2. Scientific inputs to product development process of pickles, jams, chutneys, candies squash, preserves etc were also demonstrated by students and mentors during training sessions which also included food safety and hygiene, packaging and labeling, etc.

5.78 On being asked by the Committee about the efforts being made to enhance adoption of more number of villages by the students, the Ministry in its written reply stated as under:

“Since the VAP Teams are lead by a faculty mentor, therefore, the more adoption of the villages will be taken up after new recruitment of Faculty.”

IV. Scheme for Technology Up-gradation/ Establishment/ Modernization of Food Processing Industries (Spill over liability)

5.79 The Ministry has been implementing the Scheme of Technology Up gradation/ Establishment/ Modernization of Food Processing Industries since 9th Plan aimed at (i) Creation of new processing capacity and up-gradation of existing processing capabilities and (ii) Modernization of Food Processing Sector:

- a) Perishable: Milk, Fruit & Vegetables, Meat , Poultry , Fishery ,Wine, consumer and other bakery products
- b) Non-perishable: Grain milling (cereal, oil seeds, rice milling, flour milling, pulse).

5.80 The scheme provided upto 25% of the cost of Plant & Machinery and Technical Civil Works subject to maximum of Rs. 50 lakhs in general areas and 33.33% up to a maximum of Rs. 75 lakhs in difficult areas.

5.81 During 11th Plan, 3229 proposals were sanctioned amounting to Rs 560 crore. At the beginning of 12th Plan (1.4.2012), there was a committed liability of Rs.740 crores for 3168 cases. However, the Scheme of Technology Up-gradation/ Establishment/ Modernization of food Processing Industries has been subsumed in centrally sponsored scheme – National Mission on Food Processing (NMFP) during 12th Plan to be implemented through State/ UT Governments w.e.f. 01.04.2012. In the 12th Plan (2012-17), the Ministry is liquidating the 11th Plan spillover liabilities of the above scheme. The expenditure is as under:-

(Rs. in crore)

Year	BE	RE	Expenditure
2012-13	100.00	186.46	186.19
2013-14	160.00	163.98	162.08
2014-15	160.00	157.03	143.73
2015-16 (as on 28.02.2016)	100.00	100.00	97.25

V. Scheme for Human Resource Development (Spill over liability)

5.82 The Ministry has been implementing the scheme of HRD to augment the supply of trained manpower/ personnel at all levels for food processing sector namely, entrepreneurs, managers, sales personnel, floor workers etc. The scheme envisages financial assistance by way of grant to:

- Food Processing Training Centres (FPTC).
- Creation of Infrastructure for running degree / diploma courses in food processing in universities.
- Entrepreneurship Development Programmes (EDPs)
- Training programmes sponsored by Ministry of Food Processing Industries.

5.83 During 11th Plan, Funds to the tune of Rs. 4292.15 Lakh were released under the Scheme. The Scheme was subsumed in centrally sponsored scheme of the Ministry- National Mission on Food Processing (NMFP) w.e.f. 01.04.2012. However, NMFP has been delinked from Central Government Support w.e.f 01.04.2015 except for UTs. The expenditure incurred during 12th Plan in respect of spillover liabilities under this Scheme is as under:

Year	Funds released (Rs. in crore)
2012-13	3.98
2013-14	3.78
2014-15	3.65
2015-16(as on 28.02.2016)	2.04
Total	13.45

VI Centrally Sponsored Scheme- National Mission on Food Processing

5.84 One of the significant initiative taken by Ministry of Food Processing Industries during 12th Plan was launching of a Centrally Sponsored Scheme - National Mission on Food Processing (NMFP) for implementation through State / Union Territory Governments. Under the Mission, funds were shared on 75:25 basis by Govt. of India and States; 90:10 in North Eastern States and 100% grants for Union Territories. The NMFP had following Schemes/ components:-

- ❖ Scheme for Technology Up-gradation/ Establishment / Modernisation of Food Processing Industries.
- ❖ Scheme for Cold Chain, Value Addition and Preservation Infrastructure for Non-Horticultural Products.
- ❖ Scheme for Modernization of Abattoirs
- ❖ Scheme for Human Resource Development
- ❖ Scheme for Promotional Activities
- ❖ Scheme for Creating Primary Processing Centres / Collection Centres in Rural Areas.
- ❖ Modernisation of Meat Shops.
- ❖ Reefer Vehicles
- ❖ Old Food Parks.

5.85 The 12th plan allocation for the scheme was Rs. 1250.00 crore. Funds released to States / Union Territories for implementation of NMFP (Year-wise) are as under:

SI. No.	Financial Year	BE	RE	Actual Expenditure
1.	2012-13	250.00	185.32	184.69
2.	2013-14	187.00	30.50	29.72
3.	2014-15	180.00	125.32	125.31
4.	2015-16	7.00	4.21	2.094

BE 2015-16 for Rs. 7.00 Crore has been allocated only for UTs

5.86 When the Committee asked as to how the restructuring of schemes will result in effective implementation of the schemes, the Ministry in its written reply stated as under:

"The on-going projects under various schemes of the Ministry will continue to be implemented as per the existing concerned scheme guidelines. However, in some of the schemes, the pattern of financial assistance is being aligned with the schemes being implemented by other Ministries for similar purposes

so that the effective convergence of various schemes can be achieved. However, this change will be applicable only for the new projects to be taken up in the year 2016-17 onwards. Some of the changes in the schemes have been made in view of the experience gained in the implementation of the existing schemes and also keeping in view the need of the sector. It is expected that the changes will help in substantially improving the implementation of the schemes and achieving effective convergence with the schemes of other Ministries/Departments being implemented for the same purpose."

5.87 When the Committee asked about the impediments in the implementation of various schemes of the Ministry and as to how the Ministry plans to deal with them ensuring their effective implementation, the Ministry in its written reply submitted as under:

"During the first four years of the 12th Plan, the Ministry has been able to utilize more than 95.96% of its total allocation made available at RE stage. The shortfall has been mainly due to non-receipt of sufficient proposals from North-East region. In case of projects in general areas, the Ministry is in a position to utilize even additional allocation, if provided, under various Schemes. The utilisation for the first four years of the 12th Plan has been as follows:-

(Rs. in crore)

S. No.	Year	BE	RE	Actual Expenditure(AE)	% of AE to RE
1	2012-13	660.00	660.00	655.88	99.38%
2	2013-14	708.00	550.00	527.96	95.99%
3	2014-15	770.00	600.00	579.73	96.62%
4	2015-16 (as on 29.03.2016)	487.00	487.00	453.81	93.18%

However, there are a number of constraints which are acting as impediments in timely implementation of projects under various Schemes. The infrastructure projects like Mega Food Parks, Cold Chain and Abattoirs have been delayed mainly due to the time consumed in acquiring required land with change of land use and

obtaining required term loan from banks/ financial institutions. The various statutory clearances required from State Governments like environmental clearance, town and country planning approvals, use of ground water, power supply etc. have also affected timely implementation of projects. There is a lack of effective single window system at the State level and obtaining approvals from multiple agencies is a long drawn and time consuming process. Financial constraints of local bodies have delayed implementation of abattoir projects.

Ministry is trying to address these issues to remove these impediments by suitably modifying the guidelines of the Schemes in consultation with the stakeholders, involving State Governments in the process of selection of the projects by including them in the Technical Committee and Inter-Ministerial Approval Committee, making available affordable credit through NABARD, including food processing in primary sector lending, fiscal concessions on importing equipments, reduction of excise duties, exemption from Service Tax and benefits under Income Tax Act etc. The State Governments are also being impressed upon to put in place an effective single window clearance system for one-point clearance of all the approvals.

CHAPTER-VI

DEVELOPMENT OF NORTH-EASTERN STATES

6.1 As per Government policy, a minimum of 10% of the Plan Outlay is to be utilized for the projects in the North-Eastern States including Sikkim. Accordingly, the Ministry has been utilizing its plan funds for the projects in North Eastern States.

Seminars/Workshops/Fairs/Investor Meet etc. are being organized in the North –Eastern Region for promoting the development of Food Processing Industries.

6.2 When the Committee asked about the reasons for low utilization of funds during 2015-16 which is only Rs. 16.76 crore i.e. only 34.09 % as against Rs. 48 crore, the Ministry in its written reply explained as under:

” During 2015-16, out of total plan allocation of Rs. 487.00 crore, an amount of Rs. 48.00 crore was allocated for North East. As on date, the actual utilisation against allocation for North-East, is Rs. 30.91crore. The main reason for low utilisation of the allocation for North-East is non-availability of quality proposals under various schemes of the Ministry. The Ministry is making concerted efforts to increase utilisation of the allocation for North-East. A number of awareness events like seminars/ workshops have been organized in the current year in every state of the North East region. The efforts made by the Ministry are expected to result in receiving more fresh proposals from North East region under various Schemes of the Ministry. Ministry is making all-out efforts to utilize the remaining balance of plan funds for North-East region under various schemes during the current year also.”

6.3 On being enquired by the Committee as to how the Ministry plans to utilize the allocation of Rs.60 cores at BE stage during 2016-17 so as to avoid pruning at RE stage, the Ministry in its written reply stated as under:

“The total annual allocation for various schemes of the Ministry during 2016-17 is Rs. 600.00 crore out of which 10% allocation i.e. Rs. 60.00 crore has been made for North East region as per the policy of the Central Government. The Ministry is expected to utilize this amount against the ongoing projects under the Schemes of Mega Food Parks, Cold Chain and Abattoirs, and the proposals which are likely to be received under the new Scheme for Creation/Expansion of Food Processing &

Preservation Capacities. The Ministry will also undertake awareness programme in the North-East Region for various schemes of the Ministry. The un-utilised amount, if any, will get transferred to 'Non-Lapsable Central Pool of Resources' (NLCPR) which will be utilized by the Ministry of Development of North East Region (DONER) for sanctioning projects in North-East Region. "

PART-II

RECOMMENDATIONS/ OBSERVATIONS OF THE COMMITTEE

IMPLEMENTATION OF THE COMMITTEE'S RECOMMENDATIONS

1. The Committee note that the Action Taken Replies regarding the action taken by the Government on the Observations / Recommendations contained in the Eighth Report of the Committee were furnished by the Government within the stipulated three months. 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, the Statement was made by the Minister in Rajya Sabha and Lok Sabha on 07.08.2015 and 11.08.2015 respectively. The analysis of the Action taken by the Government reveals that 82.35% recommendation have been accepted, 5.88% have not been accepted. The Committee desire the Government to take conclusive action in respect of the nine recommendations commented upon in their 18th Action Taken Report and furnish further action taken notes to the Committee expeditiously.

BUDGETARY ALLOCATIONS

2. The Committee note that a well developed food processing sector with higher level of processing helps in the reduction of wastage, improves value addition, promotes crop diversification, ensures better return to the farmers, promotes employment as well as increases export earnings. This sector is also capable of addressing critical issues of food security, food inflation and providing wholesome, nutritious food to the masses. Food Processing sector has also emerged an important segment of the Indian economy in terms of its contribution to GDP, employment and investment. However, the Committee are distressed to note that against the proposal of the Ministry for the 12th Five Year Plan outlay of Rs. 14604.00 crore, only Rs. 5990 crore was made to them by the Planning Commission. However, the actual budget allocation made to the Ministry in the first four years of the 12th Plan was only Rs. 2625 crore which was further reduced to Rs.2297 crore at RE stage. Out of this allocation, the Ministry has been able to utilize Rs. 2204.55 crore which is 95.96 % of the budget provided at RE Stage. The budgetary allocations for the year 2016-17 is just Rs. 636.02 crore. According to the Ministry, the resource constraint of the Central Government has been the main reason for not providing budget allocation as per the requirements of the Ministry. The allocations of the different sectors are finalized by the Ministry of Finance on the basis of resource availability and expenditure priorities of the Government as on date.

The Committee are deeply concerned to note that the budgetary allocation during the first four years of 12th Plan has been grossly inadequate. As a result of the reduced allocation, the implementation of various schemes of the Ministry has been adversely affected. The committed liabilities of the 11th Plan were spilled over to the 12th Plan due to resource constraints. The reduced allocation forced delay in discharging the committed liabilities under the Scheme of Technology Up-gradation/Establishment/ Modernization of Food Processing Industries and the Scheme of Human Resource Development. Further, delinking of Central Government Support for the implementation of Centrally Sponsored Scheme of National Mission on Food Processing w.e.f. 01.04.2015, has resulted in accumulating committed liabilities with the State Governments. NMFP was launched during 12th Five Year Plan for decentralized implementation through State / UT Governments wherein State/ UT Governments were empowered to receive applications, sanction projects and release grant as per the area specific needs of the states. A number of projects under Mega Food Park Scheme, Integrated Cold Chain Scheme and Modernization/Setting up of Abattoir Scheme are under implementation in various stages. According to the Ministry, due to non availability of adequate funds to release the grant due to these projects, the progress of their completion is likely to be affected adversely. The Committee, therefore, express their concern over the lesser allocation of funds by the Planning Commission/Ministry of Finance than demanded by the Ministry of Food Processing Industries for implementation of its various schemes.

The Committee are of the view that Food Processing Sector (FPI) is an important segment of Indian economy in terms of its contribution to GDP,

employment and investment. A well developed food processing sector not only helps in reduction of wastage, improves value addition, promotes crop diversification, ensures better return to the farmers, promotes employment as well as increases export earnings but it is also capable of addressing critical issues of food security, food inflation and providing wholesome, nutritious food to the masses. The Contribution of FPI Sector to the GDP of the country was 1.67% in 2012-13, 1.63% in 2013-14 and also in 2014-15 whereas the plan allocation of Rs. 600 crore for the year 2016-17 is just 0.086% of the total Central Plan Outlay of Rs. 706248 crore. The Committee, therefore, strongly recommend that the Ministry should raise the matter with Ministry of Finance to allocate funds as per their requirement and urge them to take into account the contribution of the FPI sector to the GDP while allocating funds to the Ministry. However, as informed to the Committee, the Ministry is making efforts to get more allocation for the food processing sector in view of its importance in reduction of the wastage of agriculture produce and increasing the income of the farmers. The Committee hope that the Ministry of Finance will allocate adequate funds to the Ministry of FPI at the stage of RE. The Committee would like to be apprised of the initiative undertaken by the Ministry of FPI in this regard.

HARVEST AND POST-HARVEST LOSSES

3. The Committee note that food processing sector has been impacted as a result of abundant supply of raw materials, increase in demand for food products and incentives offered by the Government. The food processing sector has been on average growing at a faster rate than agriculture sector from 2011-12 to 2014-15. During the last 3 years ending 2014-15, Food Processing Industries sector has been growing at an Average Annual Growth Rate (AAGR) of around 2.26 % as compared to around 1.69% in Agriculture and 6.23 % in Manufacturing at 2011-12 prices. However, the Committee are deeply distressed to note that despite the large production of food products in India, food inflation and food security issues are major concerns for policy makers in the country as they affect the basic need of citizens to have sufficient, healthy and affordable food. A study conducted by the Central Institute of Post Harvest Engineering and Technology (CIPHET), Ludhiana reveals that a large quantity of the produce suffer losses during different stages of harvesting, collection, thrashing, grading/sorting, winnowing/cleaning, drying, packing, transportation and storage depending upon the commodity. According to the report of the study released in 2010, the annual value of harvest and post-harvest losses of major agricultural produces at national level was of the order of Rs44,143 crore at 2009 wholesale prices. The report of the repeat study submitted in 2015 estimated that the annual value of harvest and post-harvest losses of major agricultural produces at national level was of the order of Rs. 92,651 crore calculated using production data of 2012-13 at 2014 wholesale prices. The Committee also note that the percentage of losses estimated for cereals was 4.65-5.99 as per the report of 2015, for pulses the estimated loss was 6.36-8.41 %. While

for Oil seeds, the % loss was 3.08 – 9.96, the same for Fruits and Vegetables was 4.58 – 15.88 %. and for Fisheries (Marine), the losses + reported was 10.52% in 2015. The horticulture and cereal crops have been reported to suffer high losses. In case of cereals, majority of losses occur at farm level during harvesting, collection and threshing. In case of fruits and vegetables also, there are high losses in farm level operations. Much of these wastages can be reduced with adequate processing facilities, thus providing remunerative price to the producer as well as ensuring greater supply to the consumer. The significant percentage of losses during harvest and post-harvest clearly shows that the various schemes being implemented by the Government have not been able to address the issues and challenges being faced by the food processing sector over the years. The Committee are of the view that it is but imperative that sustainable supply chains are developed to link the farmers to the processing and marketing centers seamlessly. However, this cannot be done unless adequate rural infrastructure and components of supply chain by way of grading and packing centers, storage facilities, reefer vans, testing laboratories etc. are developed which would require considerable investment for the purpose. The Committee, therefore, recommend that public investment may be significantly increased to fund the various components of rural infrastructure and supply chain to contain the losses during harvest and post-harvest, for which the Ministry of Finance may be urged to allocate the requisite funds for the purpose. Simultaneously, it is also essential for the Ministry to accelerate the execution of their various programmes/schemes as per the budgetary allocation demanded by them. The Committee would like to apprise of the initiatives undertaken by the Ministry in this regard.

'MAKE IN INDIA' CAMPAIGN

4. The Committee note that the food processing sector has been identified as one of the priority sector under “Make in India” campaign. With a view to attract investment to this sector, the Ministry of Food Processing Industry has been investing in infrastructure for promoting food processing industries. Mega Food Parks with common utility like road, electricity, water supply, sewage facility and common processing facility like pulping, packaging, cold storage, dry storage and logistics are being promoted in areas with strong agricultural resource base. These parks provide fully developed plots and factory sheds to entrepreneurs on long term lease basis where they can set up food processing units in “plug & play model”. Under “MAKE IN INDIA” campaign, the Ministry has been disseminating information to potential investors to attract investment to the sector through a dedicated “Investors Portal” in which a range of information like resource base, availability of land, state specific policies, fiscal incentives are shared with the potential investors. The Ministry is also collaborating with Invest India to help the investors in terms of locating joint venture partners, extending hand holding services, expedite regulatory approvals and provide investors after care services. The investor can also put their query in the Investors portal which is promptly attended to by the Ministry for guiding the investors. The Committee feel that ‘Make in India’ campaign is a promotional campaign that encourages domestic and foreign investors alike to manufacture in India. For foreign investors, this implies bringing in funds into the country for financing their manufacturing activities. Funds are essentially required for investment in infrastructure particularly the cold storage /cold chain infrastructure and various components of supply chain which is highly deficient in

the country to facilitate the farmers to market their produce seamlessly, which will in turn boost the growth and development of the food processing sector. By identifying food processing sector as a priority sector under “Make in India” initiative, potential entrepreneurs would be encouraged to invest more in the sector. The Committee would like the Ministry to make vigorous campaign under “Make in India” initiative to attract potential investor in the sector and to promote and popularize processed food products and to showcase the various schemes being implemented by the Ministry. The Committee would like to be apprised of the progress made in this regard.

NATIONAL POLICY ON FOOD PROCESSING SECTOR

5. The Committee note that Expenditure Finance Committee (EFC) has recommended re-structuring of the schemes of the Ministry under a Central Sector Scheme NMFP (SAMPDA) with the following verticals:

- (i) Mega Food Park;**
- (ii) Integrated Cold Chain and Value Addition Infrastructure;**
- (iii) Modernization / Setting up of Abattoirs;**
- (iv) Food Safety and Quality Assurance Infrastructure;**
- (v) Infrastructure for Agro-processing Clusters;**
- (vi) Creation of Backward and Forward Linkages;**
- (vii) Creation / Expansion of Food Processing & Preservation Capacities;**
- (viii) Human Resources and Institutions.**

An allocation of Rs. 6,000 crore has been recommended by EFC for the National Mission on Food Processing (SAMPDA) including the liabilities of the ongoing schemes for the period coterminous with the Fourteenth Finance commission i.e. upto 2019-20. If the States decide to continue NMFP with their own resources and design, the scheme may be implemented as State scheme. However, no funds will be provided to States by Central Government for implementation of their scheme. Therefore, the NMFP scheme for development of food processing may continue both at State level in State sector as well as at the Central level in Central Sector. According to the Ministry, the creation of umbrella Scheme of NMFP (SAMPDA) will provide flexibility to the Ministry in better utilization of the outlays to achieve intended outcomes of the various programmes. The Committee also note that all the ongoing as well as the proposed new schemes of the Ministry will be subsumed in the umbrella scheme

for better convergence and flexibility in implementation. However, the Committee are not convinced with the explanation of the Ministry on the issue and feel that before restructuring of the Central Sector schemes, a comprehensive policy should have been formulated after consulting all States and other stakeholders taking into consideration their genuine concerns and the modalities worked out for their effective implementation.

In its earlier report, the Committee had recommended for a consolidated policy on food processing sector. In this context, the Ministry has informed the Committee that the process of preparing the policy document is being initiated. Since it will be an important guiding document for the food processing sector, it will require consultation with all stakeholders at various levels and policy planners and concerted efforts will be made in this direction to bring out a pragmatic, consolidated national policy on food processing with clearly defined objectives, goals and methodology for implementation. The Committee would like the Ministry to expedite the process of consultation with all concerned including stakeholders so that a national policy on food processing sector is drafted and implemented without further loss of time. The Committee would like to be apprised of the progress made in the matter.

MEGA FOOD PARK SCHEME

6. The Committee note that the Mega Food Park scheme provides state of the art infrastructure facility to enable setting up of food processing units. During 11th and 12th Plan, the Government has approved to set up 42 Mega Food Park (MFP) projects in the country in 5 phases against which Final Approval has been accorded to 35 projects and In-principle approval has been granted to another 2 MFPS. Out of 35 projects accorded final approval, only 7 projects are operational. The Committee were also informed that one more project at Murshidabad district, West Bengal is becoming operational in March 2016. On being fully functional, each Mega Food Park is expected to generate 5 thousand direct employment and 25 to 30 thousand indirect employments. The Committee were informed that all possible support is being provided by the Ministry to these projects including interaction with various concerned Departments/Agencies of the State Governments at all levels to remove the bottlenecks in implementation of projects, making suitable amendments in the scheme and its guidelines and pursuing with concerned State Governments and other Central Government Ministries to extend special fiscal and other benefits to these projects to attract investment. According to the Ministry, the implementation of each MFP project is being closely monitored individually and prompt and proper assessment at every stage of implementation is also being made. However, the Committee are not convinced with the explanation of the Ministry as the fact remains that 11 projects of 1st and 2nd phases are running behind the time schedule of their completion and the pace of progress in the implementation of the scheme is significantly slow. This only goes to show that the

efforts being made by the Ministry are not adequate enough so as to ensure that these projects are able to adhere to the prescribed timelines. The Committee are of the view that every factor should be taken in to consideration before giving even in-principle approval for MFP projects so as to avoid time taken to grant final approval and their implementation within the time line. The Ministry should also assess the viability of the project and capacity of the promoter/entrepreneurs in order to avoid cancellation at later stage. An institutional mechanism also needs to be established in coordination with all concerned to ensure effective implementation and strict monitoring of the progress of the projects to avoid time and cost overrun. The Committee, therefore, would like the Ministry to act accordingly.

The Committee regret to note that out of the allocation of Rs.1714 Crore to the Scheme of Mega Food Parks for the 12th Plan, funds of Rs.442 Crore only have been allocated to the Scheme in BE which was further reduced to Rs.386.89 Crore at RE stage during the first four years of the plan period. It was claimed by the Ministry that they were in a position to utilize more funds under the scheme, if additional allocation would have been made. The Committee strongly feel that in the absence of funds demanded by the Ministry for MFP projects, the implementation of the projects are being badly affected and as a result thereof, the avowed objectives of the scheme could not be achieved. The Committee, therefore, recommend that the Ministry should strongly urge the Ministry of Finance to allocate the funds as demanded by them for effective implementation of MFP scheme. According to the Ministry, State Governments are being impressed upon to implement the single window clearance system for MFP projects, to expedite the implementation of the projects. The Committee would like the Ministry to make concerted and coordinated efforts to set up the proposed single window clearance

system for MFP projects at the earliest. In this regard, the Committee would like to know the progress made so far on the issue.

The Committee also note that the Ministry has also created a Special Fund of Rs. 2,000 Crore with NABARD to provide loan at a concessional rate to Mega Food Parks and Food Processing Industries which will come up in these Parks as well as other designated Food Parks notified by the Ministry. The sanction of the loan to Mega Food Parks Projects by NABARD from this fund is being closely monitored by the Ministry to expedite the process. The Committee hope that the said Fund would address adequately the credit requirement of the Mega Food Parks and the food processing units being set up. However, the Committee would like to know the details of the individual entrepreneurs, cooperative farmer producers' organization, corporations, joint venture SPVs and other entities which have availed the credit facility for setting up food processing units including the progress made therein.

The Committee also note that the Ministry awarded evaluation of the Impact of the Scheme for Mega Food Park to M/s Indian Council for Research on International Economic Relations (ICRIER). The report submitted by ICRIER has been accepted by the Ministry. The Ministry has claimed that the recommendations of the ICRIER will help both investors and farmers. Based on the recommendations, the Ministry is in the process of amending the guidelines of Mega Food Park Scheme (MFPs) to make it more effective and investor friendly. The Committee would like that the proposed amendment in the guidelines for MFP scheme may be expedited at the earliest.

The Committee further note that the Ministry has proposed a new Scheme for Agro-Marine Produce Processing and Development of Agro-Clusters (SAMPDA)

as a Sub-Scheme of the Central Sector Scheme of National Mission on Food Processing (NMFP). One of the components of the Scheme is creation of enabling infrastructure for development of agro processing clusters in the areas of surplus agricultural production. The scheme does not prescribe minimum size of the land. The cluster of minimum five units with minimum investment of Rs. 25 crore has been envisaged under the component. This will take care of the special need of Hilly and NE States and will help in creation of mini-Mega Food Parks in the surplus agriculture production areas. This scheme has been recommended by EFC in its meeting held on 09.02.2016 for incorporating in the umbrella scheme of NMFP (SAMPADA) in the Central Sector to be introduced during the period coterminous to 14th Finance Commission. The scheme will be implemented after obtaining approval of the Competent Authority. The Committee hope that the proposed scheme would help to set up Mini Food Parks for the benefits of small investors and cater the needs of small States and disadvantageous regions of other States. The Committee would like that the proposed scheme may be implemented at the earliest. The Committee would like to know the progress made in this regard.

COLD CHAIN, VALUE-ADDITION AND PRESERVATION INFRASTRUCTURE

7. The Committee note that there exist a substantial gap in the cold chain infrastructure capacity in the country. As per Dr. Saumitra Chaudhuri Committee report, the cold storage requirement of the country is 61 million tonnes against which the existing capacity of cold storage is estimated at around 32 million tones. Thus, the present gap in the cold storage infrastructure is estimated around 29 million tonnes. As per the All India Cold Chain Infrastructure Capacity conducted by the NCCD, there is requirement of approximately 69750 numbers of Integrated Pack Houses, 52,000 Reefer Trucks, 8000 numbers of Ripening Chambers and 3 million tones of Cold Storage capacity. This Cold Chain Infrastructure requirement excludes the requirement for milk, meat, marine and easily perishable processed products. Presently, the Ministry is implementing 135 cold chain projects which were sanctioned in V phases, out of which 75 projects have achieved completion and started commercial operations as on 23.03.2015. The Committee note that in many cases the projects under the Scheme could not achieve completion within prescribed timelines. According to the Ministry, some of the reasons attributed for delay in implementation of projects are due to change in location by the promoter to ensure viability of the project, delay in obtaining various statutory approvals integral to the commissioning of the project for example permission for change of land use, exemption from land ceiling laws, permission to establish and operate units from State Pollution Control Board, NoC from Town & Country Planning Department etc., delay in construction work due to natural calamities, remote locations especially in the hilly and North East Region and inability and lack of interest on the part of the promoters to implement the project. The Committee also

note that delay in disbursement of grant due to non-availability of funds is also one of the reasons for time overruns in implementation of cold chain projects. During 2014-15, 100% funds earmarked for general areas were utilized by October 2014 and approximately 15 proposals with committed liabilities of Rs. 47 crores could not be released grant due to resource crunch. These projects were released grant during April - May 2015 after approximately 7 months of delay. During 2015-16, the Budget allocation for General area was utilized by December, 2015 and approximately 12 proposals with committed liabilities of Rs.30 crores could not be released grant due to non availability of funds. The Committee note that lack of funds is a major reason for delay in implementation of Cold Chain Scheme. The Ministry are not able to provide financial assistance to the promoters in time. The Committee are of the view that the Integrated Cold Chain Scheme is ambitious project and in the absence of cold chain infrastructure, the farmers are compelled to sell their produce without waiting for a better price. The Committee, therefore, strongly recommend that the cold chain infrastructure should be expended expeditiously to enable the farmers to store their produce as far as possible close to farm, which would in turn help the farmers to market their produce at better price and in the process to augment their income. The Committee also recommend that the Ministry of Finance may be impressed upon to allocate funds as per their requirement so that the projects being assisted by them by way of grant of financial assistance are not held up for want of adequate funds. The Committee would like to be apprised of the initiatives undertaken by them in this regard.

The Committee also note that the Ministry had conducted an evaluation study for assessing inter-alia the socio- economic impact of the scheme of Cold Chain, Value Addition and Preservation Infrastructure. This study has been undertaken by

M/s NABCONS on behalf of the Ministry. The study has inter-alia observed that operationalisation of all cold chain projects will generate direct employment for 14082 persons and indirect employment of 78752. There has been increase in farm gate price between 5 to 10% in fruits and vegetables sector and 2.4 to 10% in dairy sector in the catchment area. Farmers' interviews have reported benefit of assured procurement, timely payment and convenience. Based on analysis of data and field observations, the impact evaluation study has made certain suggestions for improvement in the scheme. The suggestions are under consideration of the Ministry. The Committee would like that the suggestions made by the impact study may be examined/analysed and if felt necessary the scheme should be modified and implemented to enable the farmers to get maximum benefits under the scheme.

SETTING UP/MODERNISATION OF ABATTOIRS

8. The Committee note that it is imperative that Municipal Abattoirs are modernized to ensure supply of safe and hygienic meat and meat products to the consumers. The Hon'ble Supreme Court has also expressed concern about the poor sanitation and hygiene condition of abattoirs and in Writ Petition (Civil) No. 309 of 2003 filed by Laxmi Narain Modi Versus Union of India and others. The Scheme for modernization of abattoirs was implemented in the Central Sector for the first two years of the 12th Plan and thereafter, the Scheme was to be implemented by State Governments through NMFP for the rest of the 12th Plan w.e.f. 01.04.2014 since most of the proposals are from the Municipal Bodies which are closely connected to the State Governments. The proposal received up to 31st March 2014 are being considered by the Ministry based on up-scaling of the scheme approved for the first two years of 12th Plan. In the 12th Plan proposal for up-scaling of the scheme has been approved for setting up of 25 new abattoirs and modernization of 25 existing abattoirs at total cost of Rs.330.84 crore inclusive of committed liabilities in respect of on-going projects of 11th Plan. The Committee also note that the implementation schedule as per the scheme guidelines for 11th Plan was about 18 months and as per the 12th Plan guidelines the period is about 24 months. However, all the projects are not progressing as per schedule in spite of intervention of the Ministry in the form of advice, suggestions etc. However, the liability of the Ministry is limited to the financial assistance in the form of grant-in-aid approved for each project subject to a maximum of Rs 15 crore per project. In case there is any increase in the cost of the project because of delay or any other reason, the balance has to be met by the Municipal Corporation/State Government

concerned. The scheme has been proposed to be brought under Central sector as sub-scheme of NMFP (SAMPDA) and will be implemented for taking up new projects after obtaining approval of the competent authority. Since municipal abattoirs generally lack modern equipment, proper sanitation/hygiene, facilities for scientific slaughtering , waste management and pollution control, the Committee, therefore, feel that abattoirs need to be modernized for production of clean and hygiene meat for consumption and to check cruelty to animals, pollution of adjoining areas, water bodies and rivers. Since the Ministry is providing financial assistance in the form of grant-in-aid, they cannot ignore their responsibility as a nodal agency. The Committee, therefore, recommend that concerted and vigorous efforts may be made by the Ministry in coordination with State Governments/Municipal Bodies concerned to expedite the pace of progress of modernisation of all abattoirs in the country and the proposed scheme brought under Central sector as sub-scheme of NMFP (SAMPDA) be implemented without further delay.

In this regard, the Committee would like to point out that the population of livestock has been declining in the country over the years which is generally in proportion to the number of livestock being slaughtered every day. The Committee are, therefore, deeply concerned to the rapid decline in the population of livestock in the country and appropriate corrective measures need to undertaken to address the issue in coordination with all concerned. The Committee would like to be apprised of the initiatives undertaken by the Ministry to address the issue.

VILLAGE ADOPTION PROGRAMME (VAP) BY NIFTEM

9. The Committee note that Village adoption is a unique program conceptualized and being implemented by NIFTEM for its students since 2012, with a view to sensitize and educate them of the problems and practices of the farmers at the grass root level. The aim is to help the Indian Food Processing sector accomplish its objective of all-inclusive growth and facilitate the process of integrating the underprivileged sections of our population with the main stream economy. Under this programme, B. Tech (Food Technology & Management) and M. Tech students are divided into groups of 10 to 12 students at the time of joining NIFTEM. Each group is lead by a Faculty member (Mentor) and adopts a village anywhere in India and nurses it during the entire programme of study. The groups go and stay in the village twice a year: 10 to 12 days each time in every semester. It is a symbiotic process leading to exchange of Knowledge. While villagers gain scientific and technical knowledge through students who promote future possibilities of food processing among them, students obtain firsthand experience of Indian rural scenario and understand traditional processing technologies adopted by the villagers. Students gain general awareness of the village life and facilitate the process of integrating the underprivileged sections of our population with the main stream. Students learn to contribute towards “Nation Building”. As informed by the Ministry, NIFTEM is in the process of organizing a VAP conclave to invite the lead farmers/ entrepreneurs of adopted villages to visit NIFTEM for interactive stay and exposure visits. During the village adoption programmes, each VAP team prepares a booklet of the traditional dishes of that adopted village and the area around it. As a result, 494 traditional dishes of the 39 adopted villages have been

documented. While appreciating the efforts being made by NIFTEM in popularizing the Programme, the Committee recommend that more and more villages across the country should be adopted under this programme so that villagers and the students are mutually benefitted and in the process more traditional dishes of the adopted villages are documented for scientific intervention under Make in India initiative by NIFTEM. Since VAP teams are lead by a faculty member, the Committee, therefore, urge that new recruitment of faculty may be expedited so that more and more villages across the country are involved in the programme.

The Committee feel that that in the absence of adequate support from the Government in terms of adequate budget allocation, it would be difficult for NIFTEM to run the noble programmes like the one Village Adoption Programme. The Committee, therefore, agree with the Ministry that NIFTEM should be given continuous Government support to fill the gap between the expenditure requirements and the revenue generation till they achieve self-sufficiency.

SPILL-OVER LIABILITIES

10. The Committee note that the Ministry was implementing the scheme of Technology Up-gradation/ Establishment/ Modernization of Food Processing Industries (TUS) and Human Resources Development (HRD) scheme during the 11th Plan. Both the schemes were subsumed in CSS-NMFP scheme w.e.f 01.04.2012 and were being implemented through State /UT Governments. During the 12th plan, the TUS and HRD were subsumed in Centrally sponsored scheme – National Mission on Food Processing. Although the scheme in the central sector was discontinued w.e.f. 01.04.2012, it was decided to clear all the pending liabilities as on 01.04.2012 during 12th Plan by the Ministry. On 01.04.2012 as many as 3168 applications were pending with the fund requirement of Rs. 740.00 Cr. as spill-over liabilities. Approval of cabinet was obtained to clear the proposals of 11th Plan during 12th Plan period. As on date, the actual expenditure incurred during 12th Plan period as committed liabilities is Rs. 588.88 Cr. The left over committed liabilities for the last year of 12th Plan period (i.e. 2016-17) are about Rs. 151.12 Cr. At the beginning of 12th Plan the spill-over liabilities of HRD scheme was Rs. 35.61 Crore. However, the pending proposals of Entrepreneurship Development Programmes (EDP), Food Processing & Training Centre (FPTC) wherein no installments were released were transferred to the states subsequently. The remaining spill over liabilities will be liquidated out of BE 2016-17 of Rs. 2.50 Crore.

The Committee are constrained to note that the spill-over liabilities of 11th Plan are still continuing and the Ministry has not been able to clear the liabilities even during the last four years of the 12th Plan period. Although the Committee

understand that the actual allocation during this plan period was lower than that proposed by the Ministry, the Ministry should have given priority to liquidate the spill-over liabilities and should have spread the allocated funds accordingly. The Committee recommend that the liabilities should be cleared on priority basis during this fiscal year.

DEVELOPMENT OF NORTH - EASTERN STATES

11. The Committee note that the as per Government policy, a minimum of 10% of the Plan outlay is to be utilized for the projects in the North-Eastern States including Sikkim. Accordingly, the Ministry has been utilizing its plan funds for the projects in North Eastern States. During 2015-16, out of total plan allocation of Rs. 487.00 crore, an amount of Rs. 48.00 crore was allocated for North East. However, the actual utilisation against allocation has been only Rs. 30.91crore. During the financial year 2016-17, a provision of Rs. 60.00 crore being 10% of Central Plan Outlay of Rs. 600.00 crore is earmarked for utilization on projects in the North-Eastern States including Sikkim. As informed by the Ministry, the main reason for low utilization of the allocation for North-East is non-availability of quality proposals under various schemes of the Ministry. The Ministry is making concerted efforts to increase utilization of the allocation for North-East. A number of awareness events like seminars/ workshops have been organized in the current year in every state of the North East region. The efforts made by the Ministry are expected to result in receiving more fresh proposals from North East region under various Schemes of the Ministry. The Committee are of the view that North Eastern States (including Sikkim) have immense potential for development of Food Processing sector which may give impetus for overall economic growth and development of the region.

The Committee, therefore, desire that concerted and coordinated efforts need to be undertaken by the Ministry including creation of awareness amongst the people in the region about the various schemes of the Ministry and the benefits likely to accrue to the them and the region as a result thereof. The Committee would like to be apprised of the initiatives undertaken by the Ministry in this regard.

New Delhi
28 April, 2016
08 Vaishakh, 1938

Shri Hukm Deo Narayan Yadav
Chairperson
Standing Committee on Agriculture

Annexure-I

Statement of Scheme-wise allocation of funds under BE/RE and Actual Expenditure for the Period from 2012-13 to 2015-16
(Rs. in Crore)

S. No.	Name of Scheme	2012-13			2013-14			2014-15			2015-16		
		BE	RE	AE	BE	RE	AE	BE	RE	AE	BE	RE	AE*
A.	PLAN												
1.	Scheme for Infrastructure Development	191.00	184.19	183.89	247.00	241.72	224.49	315.00	229.62	227.92	329.00#	326.78	290.79
(a)	Mega Food Park	86.00	93.20	93.12	116.00	110.25	94.08	120.00	63.94	63.94			
(b)	Cold Chain	86.00	81.37	81.19	100.00	103.75	103.73	160.00	153.37	153.37			
(c)	Abattoir	19.00	9.62	9.58	31.00	27.72	26.68	35.00	12.31	10.61			
2.	Scheme for Technology Upgradation /Establishment/ Modernization of Food Processing Industries	100.00	186.46	186.19	160.00	163.92	162.08	160.00	157.03	143.80	100.00	100.00	96.81
3.	Scheme for Quality Assurance, Codex Standards, R&D and Promotional Activities	35.00	31.91	31.34	35.00	35.66	35.33	36.00	41.28	37.92	30.00	37.01	26.70
4.	Scheme for Human Resource Development	4.00	4.00	3.98	4.00	4.20	3.78	4.00	3.75	3.65	5.00^	3.00	2.03
5.	Scheme for Strengthening of Institutions	80.00	68.12	67.58	75.00	74.00	72.56	75.00	43.00	41.36	16.00	16.00	11.09
6.	National Mission on Food Processing	250.00	185.32	182.90	187.00	30.50	29.72	180.00	125.32	125.08	7.00@	4.21	1.36
7.	Grand Total- Plan(A)	660.00	660.00	655.88	708.00	550.00	527.96	770.00	600.00	579.73	487.00	487.00	428.78
8.	Non Plan (B)	10.54	10.16	9.57	11.11	14.32	13.98	15.86	17.74	17.01	18.51	37.61	15.48
9.	Grand Total(A+B)	670.54	670.16	665.45	719.11	564.32	541.94	785.86	617.74	596.74	505.51	524.61	444.26

BE- Budget Estimate

RE- Revised Estimate

AE- Actual Expenditure

* Provisional (upto 29-02-2016)

Nomenclature of the scheme from FY 2015-16 changed to Scheme for Infrastructure Development – Mega Food Park, Cold Chain & Abattoir

^ Nomenclature of the scheme from FY 2015-16 changed to Scheme for Human Resource & Skill Development

@ UT Plan only. Scheme is delinked from Central Assistance wef 2015-16 onwards.

MINISTRY OF FOOD PROCESSING INDUSTRIES

VARIATION IN VARIOUS HEADS DURING THE XII PLAN PERIOD (2013-14 TO 2015-16)

(₹ in crore)

S. No.	Major head(s)	Name of Scheme	2012-13	2013-14	Variation (%)	2013-14	2014-15	Variation (%)	2014-15	2015-16	Variation (%)	Reasons for variation
			BE						BE			
1	2408/ 3451	Scheme for Infrastructure Development	191.00	247.00	29.32	247.00	315.00	27.53	315.00	329.00	4.44	
		- Mega Food Parks (MFP)	86.00	116.00	34.88	116.00	120.00	3.45	120.00			
		- Cold Chain, Value Addition and Preservation Infrastructure	86.00	100.00	16.28	100.00	160.00	60.00	160.00			
		- Setting up/Modernization of Abattoirs	19.00	31.00	63.16	31.00	35.00	12.90	35.00			
2		Scheme for Technology Upgradation / Establishment/ Modernization of Food Processing Industries	100.00	160.00	60.00	160.00	160.00	-	160.00	100.00	(-)37.50	Due to curtailment of funds by Ministry of Finance, less allocation was made under the scheme.
3		Scheme for Quality Assurance, Codex Standards, R&D and other Promotional Activities	35.00	35.00	-	35.00	36.00	2.86	36.00	30.00	(-)16.67	Due to curtailment of funds Ministry of Finance, less allocation was made under the scheme
4		Scheme for Human Resource Development	4.00	4.00	-	4.00	4.00	-	4.00	5.00	20.00	To meet the liabilities of the 11 th Plan.
5		Scheme for Strengthening of Institutions	80.00	75.00	(-)6.25	75.00	75.00	-	75.00	16.00	(-)78.67	BE 2015-16 was as per approved plan of the two institutes viz. IICPT and NIFTEM.
6	3601/ 3602	National Mission on Food Processing	250.00	187.00	(-)25.20	187.00	180.00	(-)3.74	180.00	7.00	(-)96.11	Scheme was delinked from central assistance w.e.f. 2015-16 onwards.

		Total (Plan)	660.00	708.00	7.27	708.00	770.00	8.76	770.00	487.00	(-36.75)	
	2408/ 3451	Non-Plan	10.54	11.11	5.41	11.11	15.86	42.75	15.86	18.51	16.71	With the approval of Ministry of Finance, ₹3.00 crore under salaries head have been allocated to IICPT.
		Grand Total (Plan + Non-Plan)	670.54	719.11	7.24	719.11	785.86	9.28	785.86	505.51	(-)35.67	

BE- Budget Estimate

Details of Mega Food Park projects running behind the schedule									
Sl. No	Name	State	Date of In-principle Approval	Date of Final Approval	Originally Approved Timeline	Current Approved Timeline	Status	Likely to be completed	Financial Implication
PHASE 1									
1	North East Mega Food Park, Nalbari	Assam	16.12.2008	27.03.2009	27.09.2011	30.04.2016	Operational	31.06.2016	Project cost has increased from Rs 76 crore to Rs 80.85 crore
2	Jharkhand Mega Food Park, Ranchi	Jharkhand	16.12.2008	27.03.2009	27.09.2011	31.03.2016	Operational	30.04.2016	Project cost has increased from Rs 113.95 crore to Rs 114.73 crore
3	Integrated Food Park, Tumkur	Karnataka	03.08.2010	27.03.2011	27.09.2013	31.01.2016	Operational	31.03.2016	Project cost has increased from Rs 144.33 crore to Rs 158.53 crore.
4	Paithan Mega Food Park, Aurangabad	Maharashtra	01.04.2011	08.03.2013	08.09.2015	31.12.2016	Under Implementation	31.12.2016	As of now, no changes has been proposed in the project cost
5	International Mega Food Park, Fazilka	Punjab	03.08.2010	25.05.2011	25.11.2013	28.02.2016	Operational	15.04.2016	Project cost has been proposed to increase to Rs 135 cr from Rs 130 cr
6	Jangipur Bengal Mega Food Park, Murshidabad	West Bengal	16.12.2008	16.03.2010	16.09.2012	31.03.2016	Becoming operational in March, 2016	30.06.2016	Project cost has increased from Rs 132.70 crore to Rs 153 crore.
PHASE II									
1	Indus Mega Food Park, Kharagone	Madhya Pradesh	10.10.2011	27.08.2012	24.02.2015	Request for extension is yet to be received from the SPV	Operational	-	Project cost has increased from 127.70 crore to Rs 131.28 crore
2	MIITS Mega Food Park, Odisha	Odisha	29.04.2011	16.04.2012	16.10.2014	31.10.2015 Request of SPV for extension of timeline till Dec'16 is under consideration	Under Implementation	30.12.2016	-
3	Sikaria Mega Food Park, Tripura	Tripura	29.04.2011	30.11.2011	30.05.2014	Request of SPV for extension of timeline till Sept'16 is under consideration	Under Implementation	30.09.2016	-

Note:

- 1 Revisions in the project cost has happenend not only due to delay in implementation but also due to changes in the faciiliites proposed such as changes in area, capacities etc.
- 2 Change in project cost may lead to change in business plan that may result in changes in the revenue assumptions.
- 3 Change in project cost would not have any impact on the approved grant amount

STATE-WISE STATUS OF IMPLEMENTATION OF 37 APPROVED MEGA FOOD PARKS AS ON FEBRUARY, 2016.

(Rs. in crore)								
Sl. No.	Project Name	Project Cost	Date of In-principle Approval	Date of Final Approval	Amount of grant approved	Amount of grant released	Actual Expenditure	Status of implementation
Andhra Pradesh								
1.	Andhra Pradesh Industrial Infrastructure Corporation (APIIC), Krishna	184.88	31.03.2015	31.12.2015	50.00	0.00	APIIC is in the process of meeting the conditions for release of 1 st installment.	
2.	Srini Food Park Pvt. Ltd., Chittoor	121.10	16.12.2008	27.03.2009	50.00	49.92	122.68	Completed and Operational
3.	Godavari Mega Aqua Park Pvt. Ltd., West Godavari	122.60	21.09.2012	16.12.2013	50.00	15.00	16.85	Under implementation
Assam								
4.	North East Mega Food Park Ltd., Nalbari	80.85	16.12.2008	27.03.2009	50.00	45.00	60.12	Operational
Bihar								
5.	Mums Mega Food Park Pvt. Ltd., Buxar	141.26	31.03.2015	08.02.2016	50.00	0.00	SPV is in the process of meeting the conditions for release of 1 st installment.	
6.	Pristine Mega Food Park Pvt. Ltd., Khagaria	127.64	21.09.2012	06.08.2014	50.00	5.00	17.36	Under implementation
7.	JVL Mega food Park Pvt. Ltd., Rohtas	114.21	19.12.2013	10.08.2015	50.00	0.00	10.57	SPV is in the process of meeting the conditions for release of 1 st tranche of 1 st installment.
Chhattisgarh								
8.	Indus Best Mega Food Park Pvt. Ltd., Raipur	124.50	06.09.2012	04.06.2014	50.00	0.00	SPV is in the process of meeting the conditions for release of 1 st tranche of 1 st installment.	
Gujarat								

9.	Adani Ports and Special Economic Zone Ltd., Kutch	168.60	31.03.2015	SPV is in the process of meeting the conditions of final approval.				
10	Gujarat Agro Infrastructure Mega Food Park Pvt. Ltd., Surat	117.87	21.09.2012	22.05.2014	50.00	9.71	24.08	Under implementation
Haryana								
11.	Haryana State Industrial & Infrastructure Development Corporation Limited, Sonipat	177.59	31.03.2015	06.11.2015	50.00	0.00	HSIIDC is in the process of meeting the conditions for release of 1st installment.	
12.	Continental Warehousing Pvt. Ltd.(NhavaSeva)	157.46	30.11.2015	SPV is in the process of meeting the conditions of final approval.				
Himachal Pradesh								
13.	Cremica Food Park Pvt. Ltd., Una	99.70	21.09.2012	06.08.2014	50.00	5.00	16.07	Under implementation
Jammu and Kashmir								
14.	RFK Greens Food Park Pvt. Ltd., Pulwama	79.43	21.09.2012	19.02.2014	50.00	5.00	9.58	Under implementation
Jharkhand								
15.	Jharkhand Mega Food Park Pvt. Ltd., Ranchi	114.74	16.12.2008	27.03.2009	50.00	43.78	105.40	Operational
Karnataka								
16.	Integrated Food Park Pvt. Ltd., Tumkur	144.33	03.08.2010	27.03.2011	50.00	45.00	159.82	Operational
Kerala								
17.	Kerala State Industrial Development Corporation Limited (KSIDC), Alappuzha	129.15	31.03.2015	27.11.2015	50.00	0.00	KSIDC is in the process of meeting the conditions for release of 1st installment.	
18.	Kerala Industrial Infrastructure Development Corporation (KINFRA), Palakkad	119.02	31.03.2015	27.11.2015	50.00	0.00	KINFRA is in the process of meeting the conditions for release of 1st installment.	

Madhya Pradesh								
19.	Avantee Mega Food Park Pvt. Ltd. (formerly RuchiAcroni Industries Ltd.), Dewas	144.12	31.03.2015	31.12.2015	50.00	0.00	SPV is in the process of meeting the conditions for release of 1st installment.	
20.	Indus Mega Food Park Pvt. Ltd., Khargoan	127.70	10.10.2011	27.08.2012	50.00	45.00	120.43	Operational
Maharashtra								
21.	Wardha Mega Food Park Pvt. Ltd. (Formerly known as Jain Agro Trading Company Private Limited), Wardha	92.36	31.03.2015	13.01.2016	50.00	0.00	SPV is in the process of meeting the conditions for release of 1st installment.	
22.	Paithan Mega Food Park Ltd., Aurangabad	124.56	01.04.2011	08.03.2013	50.00	5.00	31.29	Under implementation
23.	Satara Mega Food Park Pvt. Ltd., Satara	139.33	21.09.2012	06.08.2014	50.00	15.00	50.02	Under implementation
Mizoram								
24.	Zoram Mega Food Park Pvt. Ltd., Aizawl	75.20	19.12.2013	10.06.2015	50.00	5.00	3.65	Under implementation
Odisha								
25.	Odisha Industrial Infrastructure Development Corporation (IDCO), Khurda	134.13	31.03.2015	06.11.2015	50.00	0.00	IDCO is in the process of meeting the conditions for release of 1st installment.	
26.	MITI Mega Food Park Ltd., Rayagada	80.17	29.04.2011	16.04.2012	50.00	15.00	25.87	Under implementation
Punjab								
27.	Punjab Agro Industries Corporation Ltd., Ludhiana	117.61	31.03.2015	27.11.2015	50.00	0.00	PAIC is in the process of meeting the conditions for release of 1st installment.	
28.	The Sukjhith Starch & Chemical Limited, Kapurthala	123.72	31.03.2015	06.11.2015	50.00	0.00	SPV is in the process of meeting the conditions for release of 1st installment.	
29.	International Mega Food Park Ltd. , Fazilka	130.38	03.08.2010	25.05.2011	50.00	45.00	126.43	Operational

Rajasthan								
30.	Greentech Mega Food Park Pvt. Ltd., Ajmer	113.57	21.09.2012	19.02.2014	50.00	14.69	23.38	Under implementation
Telangana								
31.	Telangana State Indl. Infrastructure Corporation Ltd., Khammam	154.42	31.03.2015	05.02.2016	50.00	0.00		TSIC is in the process of meeting the conditions for release of 1st installment.
32.	RaagaMayuriAgrovetPvt. Ltd., Mahboobnagar	112.05	31.03.2015	31.12.2015	50.00	0.00		SPV is in the process of meeting the conditions for release of 1st installment.
33.	Smart Agro Industries Corporation Pvt. Ltd., Nizamabad	108.95	19.12.2013	10.06.2015	50.00	0.00	5.20	SPV is in the process of meeting the conditions for release of 1 st tranche of 1 st installment.
Tripura								
34.	Sikaria Mega Food Park Pvt. Ltd., West Tripura	87.45	29.04.2011	30.11.2011	50.00	20.79	32.35	Under implementation
Uttarakhand								
35.	Patanjali Food & Herbal Park Pvt. Ltd., Haridwar	95.08	16.12.2008	27.03.2009	50.00	50.00	97.38	Completed and Operational
36.	Himalayan Food Park Pvt. Ltd., Udham Singh Nagar	99.96	21.09.2012	23.01.2014	50.00	15.00	33.93	Under implementation
West Bengal								
37.	Jangipur Bengal Mega Food Park Ltd., Murshidabad	132.70	16.12.2008	16.03.2010	50.00	45.00	142.66	Becoming operational in March, 2016

Annexure-V

List of 75 Completed Cold Chain Projects									
S. No	Project	Phase	District	State	Sector	Date of Approval	Date of Completion	Project cost (Rs. In Lakh)	Amount of grant-in-aid released (Rs. In Lakh)
1	Creamline Dairy Products Ltd.	I	Hyderabad	Telangana	Dairy	28.01.2009	2011	2386.00	975.00
2	Ganga Dairy Ltd.	I	Begusarai	Bihar	F&V	27.03.2009	2011	2260.00	935.10
3	Hi-Tech Frozen Facilities Pvt Ltd.	I	Palsana, Surat	Gujarat	F&V	27.03.2009	2012	1683.00	719.00
4	Suri Agro Fresh Pvt. Ltd.	I	Sonepat	Haryana	F&V	27.03.2009	2011	2352.00	984.00
5	Atharvass Traders Pvt Ltd.	I	Hassan, Belgam, Bangalore	Karnataka	F&V	30.10.2009	2013	2861.00	750.00
6	Freshtrop Fruits Ltd.	I	Nashik	Maharashtra	F&V	27.03.2009	2011	3275.00	847.01
7	Jhunsons Chemicals Pvt. Ltd.	I	Alwar	Rajasthan	Irradiation	20.01.2009	2011	1773.00	705.96
8	Farm Fresh Banana	I	Theni	Tamil Nadu	F&V	02.02.2009	2011	1554.00	605.70
9	Bio Life Foods Pvt. Ltd.	I	Nainital	Uttarakhand	F&V	13.02.2009	2011	1771.00	981.00

10	Ascon Agro Products Exporters & Builders Pvt. Ltd.	I	Hooghly	West Bengal	F&V	27.03.2009	2011	2127.00	643.78
11	DevBhumi	II	Shimla	Himachal Pradesh	F&V	23.05.2011	2012	1425.00	804.97
12	I.G. International	II	Chennai and Baramati	Maharashtra	F&V	25.05.2011	June, 2013	2225.00	895.54
13	Keventer Agro	II	North 24 Paragnas	West Bengal	F&V	25.05.2011	July, 2013	3111.00	730.19
14	Alchemist Foods Ltd	II	Ropar	Punjab	Meat	27.02.2012	25.02.2014	4071.00	304.81
15	Warana Dairy & Agro Industry	II	Sholapur	Maharashtra	Dairy	1.06.2011	Sept. 2012	4331.00	914.80
16	B.D. Agro	II	Kapur-thala	Punjab	F&V	25.05.2011	February, 2013	2263.91	983.82
17	Prime Cold Stores	II	Howrah	West Bengal	F&V	24.05.2011	28.11.2013	2001.88	444.34
18	Imperial Frozen Food	II	Agra	Uttar Pradesh	F&V	01.06.2011	January, 2013	992.95	359.73
19	Canvas Integrated Cold Chain	II	Una	Himachal Pradesh	F&V	26.05.2011	December, 2013	1462.76	742.08
20	InnovaAgri Bio Park Ltd	II	Kolar	Karnataka	Irradiation	7.06.2011	April, 2013	1400.00	336.25
21	Frozen Fruits & Vegetables	II	Palakkad	Kerala	F&V	25.05.2011	July, 2013	2533.57	716.88
22	Impartial Agrotech (P) Ltd.	II	Unnao	Uttar Pradesh	Irradiation	25.05.2011	25.03.2014	1478.97	630.75
23	Saastha Warehousing Ltd	II	Raigad	Maharashtra	F&V	25.05.2011	July, 2013	4281.22	921.43

24	Basukinath	II	PaschimMedinipur	West Bengal	F&V	08.06.2011	08.01.2013	3392.00	508.78
25	Brar Frozen Foods	II	Udham Singh Nagar	Uttarakhand	F&V	25.05.2011	June, 2012	1480.00	706.87
26	Rajshree Integrated Cold Chain Projects	II	Noida, Shimla, Bikaner	Uttar Pradesh	F&V	01.06.2011	January, 2013	2257.00	1000.00
27	Synthite Industries Ltd	II	Guntur	Andhra Pradesh	F&V, Spices	26.05.2011	May, 2013	2943.10	582.16
28	Savla Foods & Cold Storage Pvt Ltd	II	Mumbai	Maharashtra	F&V	25.05.2011	March, 2013	2700.00	720.27
29	Shimla Horticulture	II	Howrah	West Bengal	F&V	5.12.2011	May, 2014	1480.42	426.97
30	Aromatrix Flora Pvt Ltd	II	Kullu	Himachal Pradesh	F&V	25.05.2011	December, 2013	2000.00	975.25
31	Hillcrest Foods	II	Solan	Himachal Pradesh	F&V	25.05.2011	December, 2012	1560.92	768.67
32	Associate Action for Progressive Dev. Society	II	Senapati	Manipur	F&V	26.05.2011	June, 2014	1849.00	995.67
33	SH Cold Storage	II	Kozhikode, Palakkad	Kerala	F&V	26.05.2011	May, 2014	2397.14	697.73
34	SabarkanthaDist. Co-op Society	II	Sabarkantha	Gujarat	Dairy	25.05.2011	December, 2012	2380.00	571.55
35	Natural Frozen & Dehydrated Foods	II	Bhav-nagar	Gujarat	F&V	26.05.2011	October, 2012	1250.00	289.69
36	Mizofa Fish Seed Farm	II	Aizawal	Mizoram	Fish	11.11.2011	Sept. 2013	519.77	303.01
37	Zoram Fish Seeds Production Centre	III	Aizawal	Mizoram	Fish	30.07.2012	21.10.2014	1726.22	974.30

38	B. Y. Agro & Infra Pvt. Ltd.	III	Amaravati	Maharashtra	Mixed (Dairy & F&V)	05.07.2012	June, 2014	2858.00	724.80
39	Gayatri Dairy Products Pvt. Ltd	III	Mehasana	Gujarat	Dairy	04.07.2012	July, 2014	1515.16	450.17
40	Blue Fin Frozen Pvt. Ltd.	III	Raigad	Maharashtra	Fish	04.07.2012	March, 2013	2545.60	616.27
41	ShardaAgri Foods (P) Ltd.	III	U.S. Nagar	Uttarakhand	F&V	26.07.2012	July, 2014	1740.39	982.41
42	Cold Star Logistics Pvt. Ltd.	III	Navi Mumbai	Maharashtra	F&V	05.09.2012	July, 2015	2326.40	750.00
43	International Farm Fresh Products (India) Ltd.	III	Sangrur	Punjab	F&V	20.07.2012	Sept. 2014	2880.72	726.26
44	Om Agro Products	III	Jabalpur	Madhya Pradesh	F&V	25.07.2012	July, 2013	1722.44	335.90
45	Innovative Cuisine Pvt. Ltd.	IV	Baroda	Gujarat	F&V	20.09.2013	December, 2014	2072.46	746.12
46	Himalaya International Ltd.	IV	Mehsana	Gujarat	V & Milk	04.10.2013	November, 2014	13000.00	750.00
47	Bhanu Farms Ltd.	IV	Jabalpur	Madhya Pradesh	F&V	20.09.2013	Sept. 2014	3950.00	948.00
48	Baramati Agro Limited	IV	Pune	Maharashtra	Meat/Poultry	20.09.2013	July, 2014	911.00	388.59
49	Sunfresh Agro Industries Pvt. Ltd	IV	Ahmednagar	Maharashtra	Milk	20.09.2013	August, 2014	4617.92	955.25
50	Forstar Frozen Food Pvt. Ltd.	IV	Navi Mumbai	Maharashtra	Ready to Eat products	04.10.2013	December, 2014	3668.00	1000.00
51	Pagro Frozen Foods Pvt. Ltd.	IV	Fatehgarh Sahib	Punjab	F&V	04.10.2013	December, 2014	4000.00	1000.00

52	Vijaykant Dairy & Food Products Ltd	IV	Belgaum	Karnataka	Milk	20.09.2013	April, 2015	955.00	280.00
53	Bajpai Refrigeration	IV	U S Nagar	Uttarakhand	F&VP	20.09.2013	30.06.2015	1681.97	870.15
54	Basweshwar Industry	IV	Belgaum	Karnataka	F&V	04.10.2013	15.06.2015	1820.00	780.21
55	Haldiram Food	III	Nagpur	Maharashtra	F&V	28.08.2012	23.05.2015	2800.00	750.00
56	Utsav Organic & Cold Chain	III	Raipur	Chhatisgarh	F&V	22.08.2012	23.05.2015	2065.00	455.48
57	Global Entrade	III	Kamrup	Assam	F&V	04.10.2013	12.05.2015	2427.94	710.55
58	Saikrupa Industries	IV	Nasik	Maharashtra	Dairy	20.09.2013	14.07.2015	544.10	206.38
59	Shri Ram Solvent Solvent	IV	U S Nagar	Uttarakhand	F&V	20.09.2013	19.08.2015	1197.50	756.08
60	Shiv Health Foods LLP	IV	Kota	Rajasthan	Dairy	04.10.2013	28.08.2015	3300.00	608.02
61	D.J. Exports Pvt. Ltd	IV	Thane	Maharashtra	F&V	04.10.2013	16.09.2015	1831.38	457.64
62	MKC Agro Fresh Ltd.	IV	GautamBudh Nagar	Uttar Pradesh	F&V	20.09.2013	21.09.2015	3655.00	750.00
63	FIL Industries Ltd	IV	Sopore&Rangreth	Jammu & Kashmir	F&V	30.01.2014	23.09.2015	1380.00	621.21
64	Cheema Frozen Foods	IV	U S Nagar	Uttarakhand	F&V	20.09.2013	23.09.2015	1600.00	869.17
65	Rana Frozen Foods	IV	Haridwar	Uttarakhand	F&v	04.10.2013	15.10.2015	1688.37	750.00
66	Indapur Dairy and Milk Products Limited	IV	Pune	Maharashtra	Dairy	20.09.2013	19.10.2015	1603.00	567.92

67	M.J Logistic Service Ltd	III	Palwal	Haryana	F&V	01.08.2012	20.10.2015	2138.07	572.52
68	Mhetre Foods Pvt. Ltd.	IV	Pune	Maharashtra	F&V	20.09.2013	17.11.2015	1250.54	360.01
69	Elaf Cold Storage	IV	Raigad	Maharashtra	Mixed	20.09.2013	13.11.2015	1755.75	571.70
70	Mir Agro Industries	IV	Pulwama	Jammu & Kashmir	F&V	20.09.2013	30.11.2015	1594.31	690.99
71	Aalishan International Pvt Ltd	IV	U S Nagar	Uttarakhand	F&V	20.09.2013	03.12.2015	1683.00	750.00
72	Revati commercial	V	Hooghly	West Bengal	F&V	28.05.2015	02.02.2016	1828.00	550.02
73	Asandas& Sons	IV	Mehasana	Gujarat	F&V	20.09.2013	03.02.2016	2549.32	581.25
74	Omni Fresh	IV	Nasik	Maharashtra	F&V	20.09.2013	10.02.2016	1659.42	428.81
75	Him Fresh Produce	IV	Shimla	Himachal Pradesh	F&V	04.10.2013	04.03.2016	1658.73	977.10
						Total		174030.32	51742.01

**STANDING COMMITTEE ON AGRICULTURE
(2015-16)**

MINUTES OF THE SIXTEENTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 21st March, 2016 from 1500 hours to 1630 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Hukm Deo Narayan Yadav – Chairperson

MEMBERS

LOK SABHA

2. Prof. Richard Hay
3. Dr. Tapas Mandal
4. Shri Janradan Mishra
5. Shri Ajay Nishad
6. Shri Dalpat Singh Paraste
7. Shri Nityanand Rai
8. Shri Mukesh Rajput
9. Shri C.L. Ruala
10. Shri Arjun Charan Sethi
11. Shri Satyapal Singh (Sambhal)
12. Shri Jay Prakash Narayan Yadav

RAJYA SABHA

13. Shri A. W. Rabi Bernard
14. Smt. Renuka Chowdhury
15. Sardar Sukhdev Singh Dhindsa
16. Shri Janardan Dwivedi
17. Shri Vinay Katiyar
18. Shri Modh. Ali Khan
19. Shri Ram Nath Thakur
20. Shri Shankarbhai N Vegad

SECRETARIAT

- | | | | |
|----|-------------------|---|---------------------|
| 1. | Shri U.B.S. Negi | - | Joint Secretary |
| 2. | Shri A.K. Kaushik | - | Director |
| 3. | Smt. Juby Amar | - | Additional Director |

WITNESSES

MINISTRY OF FOOD PROCESSING INDUSTRIES

S.No.	Name of the Officer	Designation
1.	Shri Avinash Kumar Srivastava	Secretary
2.	Shri Sunil Kumar Singh	AS & FA
3.	Shri Jagdish Prasad Meena	Additional Secretary
4.	Shri Parag Gupta	Joint Secretary
5.	Smt. Anuradha Prasad	Joint Secretary
6.	Shri Rajeev Mishra	Economic Advisor
7.	Shri Shri Prakash	Joint Secretary
8.	Dr Ajit Kumar	Vice-Chancellor, NIFTEM

2. At the outset, the Chairperson welcomed the Members of the Committee to the Sitting convened for Oral Evidence of the representatives of Ministry of Food Processing Industries in connection with the examination of the Demands for the Grants 2016-17. Thereafter, the representatives of Ministry of Food Processing Industries were ushered in. After welcoming the representatives of the Ministry to the Sitting, the Chairperson apprised them of the provisions of the Directions 55 (1) and 58 of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

3. After the witnesses introduced themselves, one of the representatives of the Department made a power point presentation and briefed the Committee about the Ministry. The Chairperson and the Members of the Committee raised several issues/points as briefly mentioned below and sought clarification/information from the Ministry thereon:

I Need to identify the reasons for huge difference between proposed allocation of Rs.14604 crores by the Ministry and actual allocation of Rs.5990 crores by the Planning Commission for XII Plan Period (2012-17). Whether the reduction in allocation has adversely affected the implementation of Schemes and on what basis priorities in allocation of fund for the schemes are decided.

II Reasons for slow progress in Mega Food Park Scheme. Out of 42 Mega Food Parks approved during 11th and 12th Plan, only 07 projects are operational. No Mega Food Park has been operational since 2010. Need to expedite the implementation of the Scheme.

III Any assessment has been made regarding extent to which benefits accrued to farmers directly from operational Mega Food Park Scheme and steps taken to augment the participation of farmers.

IV Reasons for less expenditure during 2015-16 as against the allocation of fund during the fiscal year for Cold Chain Scheme.

V Any study has been conducted regarding required and existing cold storage capacity in the country. Steps taken to abridge the gap between existing and required storage capacity.

VI Need to conduct a study on participation of farmers, benefit accrued to the farmers and measures taken to improve the schemes so as to more and more farmers get the benefit.

VII Need to organise training programmes for packaging sorting, grading and selection of seeds for vegetable and food growers.

VIII Need to adopt scientific and hygienic method of slaughter of animals in the abattoirs.

IX The institutes like NIFTEM impart training to the farmers. Need to make the training more participatory so that more and more farmers could avail this facility.

X It has been decided do away with National Meat and Poultry Board. But despite issue being raised several times, no solution has yet been found.

XI Less expenditure on Technology Upgradation Scheme indicates that there is something impeding the progress of the scheme. Need to evaluate and remove the obstacles.

XII Need to increase the pace of implementation of Mega Food Park Scheme and Cold Chain Scheme so that participation of farmers could be increased.

XIII Need to start a single window clearance system for Mega Food Park Schemes so that prompt assessment and clearances could be given.

XIV A special fund of Rs. 2000 crores from NABARD has been set up to provide credit at affordable rates to boost the food processing sector. Status of loans sanctioned to the entrepreneurs for setting up food processing units under this scheme.

XV Need to give priority and popularize food and health based product like Sorghun etc.

XVI After withdrawal/cancellation of the projects, steps taken to recover the grants sanctioned to the entrepreneurs for setting up Mega Food Park scheme.

4. The Representatives of the Ministry responded to most of the queries raised by the Members. The Chairperson thanked the witnesses for sharing valuable information with the Committee on the subject and directed them to furnish the requisite information on the points/items, which were not readily available with them to the Secretariat of the Committee at the earliest.

5. **A copy of the verbatim proceedings of the sitting has been kept separately.**

The Committee then adjourned.

STANDING COMMITTEE ON AGRICULTURE

(2015-16)

MINUTES OF THE TWENTY SECOND SITTING OF THE COMMITTEE

The Committee sat on Thursday, the 28th April, 2016 from 1000 hrs. to 1100 hrs. in Room No. '138', Chairperson's Chamber, Parliament House, New Delhi.

PRESENT

Shri Hukm Deo Narayan Yadav – Chairperson

MEMBERS

LOK SABHA

2. Shri Nalin Kumar Kateel
3. Md. Badaruddoza Khan
4. Dr. Tapal Mandal
5. Shri Ajay Nishad
6. Shri Dalpat Singh Paraste
7. Shri Nityanand Rai
8. Shri Mukesh Rajput
9. Shri Arjun Charan Sethi
10. Shri Satyapal Singh (Sambhal)

RAJYA SABHA

11. Shrimati Renuka Chowdhury
12. Shri Mohd. Ali Khan
13. Shri Ram Nath Thakur
14. Shri Shankarbhai N. Vegad

SECRETARIAT

1.	Shri U.B.S. Negi	–	Joint Secretary
2.	Shri Arun K. Kaushi	–	Director
3.	Smt. Juby Amar	–	Additional Director
4.	Shri C. Vanlalruata	–	Deputy Secretary
5.	Shri Sumesh Kumar	–	Under Secretary

2. At the outset the Chairperson welcomed the members to the Sitting of the Committee. The Committee, then, took up the following draft Reports for consideration:-

(i) Twenty Third Report on Demands for Grants (2016-17) of the Ministry of Food Processing Industries;

*(ii) XXX XXX XXX XXX XXX XXX;

*(iii) XXX XXX XXX XXX XXX XXX;

*(iv) XXX XXX XXX XXX XXX XXX;

3. After some deliberations, the Committee adopted the draft Reports without any modification and authorized the Chairperson to finalise the Reports on the basis of factual verification from the concerned Ministry/ Department and present the same to Parliament.

*4. XXX XXX XXX XXX XXX XXX

The Committee then adjourned.

***Matter not related to this Report.**