

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

UNSTARRED QUESTION NO:3785
ANSWERED ON:18.02.2014
PROMOTION OF FOOD PROCESSING INDUSTRIES
Thamaraiselvan Shri R.

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

- (a) the details of the schemes to which financial assistance has been provided for setting up and modernisation of food processing units, creating infrastructure and promoting measures to encourage the growth of the processed food sector during each of the last three years and the current year, Scheme-wise;
- (b) whether the Government allows 100 per cent FDI in this sector and there are incentives for setting up processing plants either in agri-export zones or outside of them;
- (c) if so, the details thereof;
- (d) whether the Government, in co-operation with the States proposes to start new schemes under the National Mission on Food Processing (NMFP) and is taking steps to create additional foodgrain storage capacity in the country; and
- (e) if so, the details thereof?

Answer

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

(a): The details of financial assistance provided to the food processing units in the various States/UTs in the country during 11th Plan and during 12th Plan (2012-13 & 2013-14) towards committed liabilities of 11th Plan under the above said Scheme are as below:-

		(Rs. in Lakhs)			
Year	2010-11	2011-12	2012-13	2013-14	
		(as on 31.01.2014)			
No. of Units	Amount	No. of Units	Amount	No. of Units	Amount
Released		Released		Released	
437	9432.862	1157	17846.29	1227	14574.38
957	15284.58	Spillover / committed liabilities of 11th Plan.			

During the 12th Plan (2012-13), Government had launched a Centrally Sponsored Scheme-National Mission on Food Processing (NMFP) through State/UT Governments. The scheme of Technology Upgradation / Establishment / Modernization of Food Processing Industries has been subsumed in the NMFP w.e.f. 01.04.2012 (2012-13).

Scheme of Technology Upgradation/Establishment/Modernisation of Food Processing Industries, interalia, is one of the Schemes of the National Mission on Food Processing. Under the above Scheme all the eligible Food Processing Units are provided Financial assistance as per Scheme guidelines. The grants-in-aid is provided to the implementing agencies/entrepreneurs @25% of the cost of plant and machinery and technical civil works subject to a maximum of Rs. 50.00 lakhs for general areas, @33.33% subject to maximum of Rs. 75.00 lakhs in difficult areas including Hilly areas like Jammu & Kashmir, Himachal Pradesh, Uttarakhand, and ITDP areas in the country and @ 50% subject to maximum of Rs.100 lakhs for North-Eastern States including Sikkim.

Under NMFP, funds for implementation of various Schemes of the Mission are released to State/UT Governments. During 2012-13 and 2013-14 (upto 31.01.2014), Rs 204.85 crores released to States/UTs.

(b) &(c): With a view to increase Foreign Direct Investment (FDI) in Food Processing Industries, Government has already permitted 100% FDI for the sector through automatic route. Full exemption from Excise duty has been given to specified equipments for preservation, storage or transport of apriary, horticultural, dairy, poultry, aquatic & marine produce and meat and processing thereof. Concessional rate of customs duty of 5% has been granted to project imports for the initial setting up or substantial expansion of cold storage, cold room (including farm pre-coolers for preservation or storage or an industrial unit). Exemption from service tax has been provided to services relating to 'Erection, Commissioning or Installation' of Mechanized Food Grain Handling Systems etc., Equipment for setting up or substantial expansion of cold storage; and, Machinery/ equipment for initial setting up or substantial

expansion of units for processing of agricultural, dairy, Poultry, aquatic, marine or meat products. The scope of exemption of service tax has been expanded to include food grain and pulses in addition to fruits, vegetable, eggs and milk.

(d) & (e): Ministry of Food Processing Industries (MoFPI) had launched a Centrally Sponsored Scheme - National Mission on Food Processing (NMFP) during 12th Five Year Plan through States/UTs with an objective of decentralization of implementation of Ministry's schemes, which will lead to substantial participation by State Governments/UTs. Under the Mission, State Governments are empowered to receive the applications, sanction and release the grants-in-aid to the eligible beneficiaries. Mission also provides flexibility to States / UTs in the selection of beneficiaries and location of projects etc. for the development of food processing sector.

The Schemes covered under the Mission during 12th Plan are:

- (i) Scheme for Technology Up-gradation / Establishment / Modernisation of Food Processing Industries,
- (ii) Scheme for Cold Chain, Value Addition and Preservation Infrastructure for Non-Horticultural Products,
- (iii) Setting up/modernization/expansion of Abattoirs (to be implemented w.e.f (2014-17)
- (iv) Scheme for Human Resource Development (HRD)
 - (a) Creation of Infrastructure Facilities for Running Degree/ Diploma/ Certificate Courses in Food Processing Technology.
 - (b) Entrepreneurship Development Program (EDP).
 - (c) Food Processing Training Centre (FPTC).
 - (d) Training at recognized Institutes and sensitization cum awareness programme.
- (v) Scheme for Promotional Activities
 - (a) Organizing Seminar/Workshops
 - (b) Conducting Studies/Surveys
 - (c) Support to Exhibitions/Fairs
 - (d) Advertisement & Publicity
- (vi) Scheme for Creating Primary Processing Centres/ Collection Centres in Rural Areas.
- (vii) Modernisation of Meat Shops,
- (viii) Reefer Vehicles.