

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

UNSTARRED QUESTION NO:4507
ANSWERED ON:17.12.2009
INCENTIVES TO FPI
Ray Shri Rudramadhab

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

(a) whether wastage of food production is as high as 30 percent to 35 percent and losses are estimated to the tune of over Rs. 30,000 crores; and

(b) if so, the details thereof and the plan of the Government to encourage and incentive-wise food processing industry?

Answer

THE MINISTER OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI)

(a) : The level of wastage of agricultural food items is estimated to be about Rs. 30,000 cores occurring at various stages of handling due to fragmented farming, provisions of Agricultural Produce Marketing (Development & Regulation) Act, lack of cold chain facilities, poor transportation, lack of proper storage and processing facilities etc. Vision Document 2015 finalized by the Ministry envisages tripling the size of the processed food sector by increasing the level of processing of perishables from 6% to 20% value addition from 20% to 35% and share in global food trade from 1.5% to 3% by 2015.

(b) : Ministry of Food Processing Industries extends financial assistance in the form of grant-in-aid @ 25% of the cost of plant & machinery and technical civil works subject to a maximum of Rs. 50 lakhs in general areas or 33.33% subject to a maximum of Rs. 75 lakhs in difficult areas under the Scheme of Setting up/Modernization/Expansion of food processing industries.

Apart from this, the Ministry of Food Processing Industries has been implementing various plan schemes for promotion and development of food processing sector including rural areas i.e. i) Scheme for Infrastructure Development with major components i.e. Mega Food Park, Cold Chain, Modernization of Abattoirs and Value Added Centres, ii) Scheme for Quality Assurance, Codex Standards and R&D iii) Scheme for Human Resource Development, iv) Scheme for Strengthening of Institution and v) Scheme for Upgradation of Quality of Street Food.

Financial assistance to exporters, producers, growers, cooperative organizations and towards setting up of infrastructure facilities in horticulture sector like integrated pack houses and vapour heat treatment plants is provided by Agricultural and Processed Products Export Development Authority (APEEDA) under Ministry of Commerce and Industry under its plan scheme.