

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

UNSTARRED QUESTION NO:2260

ANSWERED ON:10.03.2015

MEGA FOOD PARKS

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

- (a) whether Mega Food Park (MFP) Scheme is under implementation to check the wastage of agricultural produces during the transportation process from fields to the consumers in rural and backward areas of the country;
- (b) if so, the details thereof, along with the status of implementation of MFP and the major challenges being faced in the implementation of such project;
- (c) whether the Government has constituted any expert committee to review the MFP scheme in the country;
- (d) if so, the details thereof along with the composition of the committee and the time by which the said committee is likely to submit its report on the issue; and
- (e) whether the Government proposes to bring out a road map for setting up of new food processing industries and cold storages in the country, if so, the details thereof?

**Answer**

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (SADHVI NIRANJAN JYOTI)

(a): Yes, Madam.

(b): The Scheme of Mega Food Parks is aimed at providing modern infrastructure facilities along the value chain from farm gate to the market with strong backward and forward linkages.

It is expected to facilitate the efforts to increase the level of processing of agricultural and horticultural produce, with particular focus on perishables, in the country and thereby to check the wastage. The Scheme has a cluster based approach based on a hub and spokes model. It includes creation of infrastructure for primary processing and storage near the farm in the form of Primary Processing Centres (PPCs) and Collection Centres (CCs) and common facilities and enabling infrastructure at Central Processing Centre (CPC). The PPCs are meant for functioning as a link between the producers and processors for supply of raw material to the Central Processing Centres. CPC has need based core processing facilities and basic enabling infrastructure to be used by the food processing units set up at the CPC. The minimum area required for a CPC is 50 acres. The scheme is demand-driven and would facilitate food processing units to meet environmental, safety and social standards.

Mega Food Park project is implemented by a Special Purpose Vehicle (SPV) which is a Body Corporate registered under the Companies Act. State Government/State Government entities/ Cooperatives applying for setting up a project under the scheme are not required (w.e.f 10.02.2014) to form a separate SPV. Implementation period of a Mega Food Park project is 30 months. The financial assistance for Mega Food Park is provided in the form of grant-in-aid @ 50% of eligible project cost in general areas and @ 75% of eligible project cost in NE Region and difficult areas (Hilly States and ITDP areas) subject to maximum of Rs. 50 crore per project. It is expected that on an average, each project will have around 30-35 food processing units with a collective investment of Rs 250 crores that would eventually lead to an annual turnover of about Rs 450-500 crores and creation of direct and indirect employment to the extent of about 30,000 persons. A total 42 Mega Food Parks (MFPs) have been sanctioned by the Government for setting-up in the country. Out of these, 21 Mega Food Parks have been accorded final approval and are at various stages of implementation, while 4 Mega Food Parks are progressing towards meeting the conditions for final approval. Status of implementation of the Mega Food Parks is at Annexure. It has been experienced during implementation of the Scheme of Mega Food Parks that the major challenges being faced by the Special Purpose Vehicles (SPVs) in implementation of the Mega Food Park projects, include acquiring contiguous land of 50 acres or more in the name of SPV, obtaining term loan from the Banks, difficulties in obtaining various statutory clearances from the State Government Departments/Agencies, timely contribution of equity by the promoters, lack of cohesiveness amongst the promoters etc. Ministry has made various amendments in the scheme and its guidelines from time to time to address these challenges to improve the pace of implementation of MFPs.

(c): No, Madam.

(d): Question does not arise.

(e): The Government is already implementing various schemes to encourage setting up of new food processing industries and cold storages/cold chains.

Central Sector Scheme of Cold Chain, Value Addition & Preservation Infrastructure is being implemented by the Ministry of Food processing Industries which aims at providing integrated and complete cold chain and preservation facilities without any break from the farm gate to the consumer. The admissible grant for Cold Chain project is in the form of grant-in-aid @ 50% the total cost of plant, machinery and technical civil works in general areas and 75% for difficult areas (North-East States including Sikkim and J&K, Himachal Pradesh, Uttarakhand) subject to a maximum of Rs 10 Crore.

Scheme of Cold Chain, Value Addition & Preservation Infrastructure (for Non-Horticultural Products) as a component of the Centrally Sponsored Scheme of National Mission on Food Processing (NMFP) is also being implemented by the State/UT Governments since 01.04.2012.

Department of Agriculture & Cooperation is implementing Mission for Integrated Development of Horticulture (MIDH) for development of Horticulture in the country which includes assistance for creation of post-harvest infrastructure including establishment of cold storage, processing units, pack houses, pre-cooling units, controlled atmosphere storage, reefer vans and setting up of ripening chambers. Under Post harvest component credit linked back ended subsidy @ 35% of the project cost in general areas and 50% in case of hilly and schedule areas is available.

Under the Agricultural Marketing Infrastructure (AMI) sub scheme of the integrated Scheme for Agricultural Marketing being implemented by Department of Agriculture and Co-operation, subsidy is available for construction of Cold storages when created as part of Integrated Value Chain (IVS) Projects @ 33.33% in case of North-Eastern (NE) States, Sikkim, UTs of Andaman & Nicobar and Lakshadweep Islands, hilly areas, Registered FPOs, Panchayats, Women, SC/ST entrepreneurs and their cooperatives and Self-help groups. Subsidy is @ 25 % for all other categories of beneficiaries.

Under its XII Plan Scheme, APEDA provides 90 per cent grant-in-aid to State Government agencies for setting up of cold storage facilities for common use for exports. Assistance to private exporters is also provided up to 40% as subsidy with a ceiling of Rs. 7.5 lakhs to Rs. 75.00 lakhs for different components of Cold Chain. Department of Economic Affairs (DEA) also has Scheme for Support of Public Private Partnerships in Infrastructure which is available for capital investment in the creation of modern storage capacity including cold chains and post-harvest storage.

Government has established the National Centre for Cold-chain Development (NCCD). NCCD provides technical guidance, conducts knowledge dissemination activities and addresses industry concerns on development matters.

To promote setting up of new food processing units as well as technological up-gradation and expansion of existing food processing units in the country, a Central Sector Scheme of Technology Up-gradation/Establishment/Modernisation of Food Processing Industries is being implemented by Ministry of Food Processing Industries. The scheme envisages financial assistance @ 25% of the cost of Plant & machinery and technical civil works, subject to a maximum of Rs. 50 lakhs in general areas, @33.33% of the cost of Plant & machinery and technical civil works, subject to a maximum of Rs. 75 lakhs in difficult areas (i.e. Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Andaman & Nicobar Islands and Lakshadweep) and Integrated Tribal Development Project (ITDP) areas and @50% of the cost of Plant & machinery and technical civil works, subject to a maximum of Rs. 100 lakhs for North-Eastern States including Sikkim. This scheme has been subsumed in the National Mission on Food Processing (NMFP) with effect from 1st April, 2012 which is being implemented through State/ UT Governments. Under the Mission, State Governments are empowered to receive the applications, sanction and release the grants-in-aid to the eligible beneficiaries. Mission provides flexibility to States / UTs in the selection of beneficiaries and location of projects etc. as per their specific requirement and priorities so as to better ensure the development of food processing sector.