

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

UNSTARRED QUESTION NO:1234

ANSWERED ON:28.07.2015

Loans to FPI

Chautala Shri Dushyant

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

- (a) whether the Government is providing loan at low interest rate for development of food processing units near mega food parks in comparison to other areas; and  
(b) if so, the details thereof and the reasons therefor?

**Answer**

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

(a) & (b): To give impetus to the food processing sector on cluster basis in the country, to reduce wastage of agricultural produce and to create employment opportunities, especially in rural areas, Government of India has created a Special Fund in NABARD with a corpus of Rs. 2,000 crore to make available affordable credit to establish Designated Food Parks and also for setting up of Food/Agro Processing Units in Designated Food Parks by the Private and Public Sector. Ministry of Food Processing Industries have notified 142 Designated Food Parks in different States in the Country for the purpose of availing benefit of affordable credit from this fund.

The rate of interest on term loans sanctioned from the said Fund for the projects in the private sector is linked to the Prime Lending Rate (PLR) of NABARD, which is presently at 9.25% plus the applicable risk premium. For State Government and State Government Entities it is as decided by RBI, which is presently Prime Lending Rate minus 1.5%.

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