

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

UNSTARRED QUESTION NO:396

ANSWERED ON:01.12.2015

Food Processing Industries

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

- (a) the guidelines for setting up of food processing industries and training centres to impart training to young entrepreneurs for the purpose in the country;
- (b) whether the existing infrastructure of food processing industries is inadequate for the sustainable growth of food processing sector in the country;
- (c) if so, the details thereof along with the quantum of loss in monetary terms and wastage of perishable agricultural produce due to inadequate cold storages for the food processing industries;
- (d) whether the Government proposes to increase foreign direct investments to meet the requirement of investment for the growth of food processing industries and if so, the details thereof; and
- (e) the action plan and strategy of the Government to improve infrastructure of food processing industry at par with global standards along with the total investment required for achieving the targets, State-wise?

Answer

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

(a): The Ministry was implementing the Centrally Sponsored Scheme of National Mission on Food Processing (NMFP) in 12th Plan (2012-17) through State/ UT Governments. Under the Scheme of Human Resources Development in the NMFP, financial assistance was provided to set up Food Processing and Training Centres (FPTC) and to conduct Entrepreneurship Development Programmes (EDP) in the States/UTs to impart training to the farmers and prospective entrepreneurs /unemployed youth.

Central / State Government Organizations, Educational and Training Institutions, ITIs, NGOs and Co-operatives were eligible for grant-in-aid to set up FPTC. For a single product line centre, maximum grant-in-aid of Rs. 6.00 lakh for purchase of plant and machinery and Rs. 3.00 lakh as revolving seed capital was admissible. For a multi-product line centre, grant-in-aid of Rs. 15.00 lakh for purchase of plant and machinery and Rs. 5.00 lakh as revolving seed capital was admissible.

Central/State Government Organisations, Institutions, Universities, National level Institutes like NIFTEM, IICPT, CFTRI, Professional Institutes, State level consultancy organisations of State Governments, reputed NGOs etc. were eligible for grant-in-aid to conduct EDPs. Grant-in-aid for an EDP was provided upto Rs. 3.00 lakh per programme. The trainings were provided free of cost to the trainees.

The applications, for setting up Food Processing Training Centres and conducting EDPs under NMFP were received, sanctioned and funds were released by the respective State/UT Governments.

However, Government has de-linked NMFP in the States from Central Government support with effect from 01.04.2015. The State Governments may decide to continue NMFP scheme or otherwise out of their increased resources resulting from the recommendation of the 14th Finance Commission. However, NMFP is being supported by the Central Government in UTs.

(b) & (c): Yes, Madam. A Nation-wide study on quantitative assessment of harvest and post-harvest loss for 45 agricultural produces in 107 randomly selected districts was carried out by CIPHET, Ludhiana. The study revealed that the wastage of agricultural produce are in the range of 4.58% to 15.88% in various crops. The highest loss has been occurring in Fruits & Vegetables. The harvest and post-harvest losses of major agricultural produces at national level was of the order of Rs. 92,651 crore per annum at 2014 wholesale prices.

(d): Foreign Direct Investment is permissible in food processing sector up to 100 per cent on automatic route.

(e): To improve infrastructure of food processing industries in the country, the Ministry is implementing a Central Sector Scheme of Infrastructure Development for Food Processing with the components of (i) Mega Food Park (ii) Cold Chain, Value Addition and Preservation Infrastructure and (iii) Setting-up/Modernization of Abattoirs.

Under the scheme, financial assistance in the form of grant-in-aid is provided @ 50% of the project cost (excluding land cost) in general areas and @ 75% of the project cost (excluding land cost) in difficult areas and ITDP notified areas of the States, subject to a maximum of Rs. 50 crore per project for setting up a Mega Food Park.

The scheme also envisages financial assistance in the form of grant-in-aid @ 50% of the total cost of plant and machinery and technical civil works in General areas and @ 75% for NE region and difficult areas, subject to a maximum of Rs.10 crore per project for setting up Cold Chain infrastructure.

Financial assistance in the form of grant-in-aid is also provided for setting-up/ modernization of abattoirs to Local Bodies and State Government organisations @ 50% of the cost of plant and machinery and technical civil work and other eligible items in general areas and @ 75% of the cost of plant and machinery and technical civil work and other eligible items in difficult areas, subject to a maximum of Rs. 15.00 Crore per project.

An allocation of Rs. 2800.00 crore has been made for the Scheme of Infrastructure Development for Food Processing during 12th five year plan.
