

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

UNSTARRED QUESTION NO:2697

ANSWERED ON:15.12.2015

Employment in FPI

Dubey Shri Nishikant ;Girri Shri Maheish;Joshi Shri Pralhad Venkatesh;Parthipan Shri R.;Vichare Shri Rajan Baburao

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

- (a) whether there is immense employment opportunity in the Food Processing Industry (FPI) in the country and if so, the details thereof;
- (b) whether the Government has carried out any study to identify the manpower required to cater to the increasing demand in the food processing sector and if so, the details and the outcome thereof;
- (c) the details of job-oriented training programmes and centres in the country for capacity building and skill development for operation of food processing industries and Mega Food Parks (MFPs) in the country and the number of persons who got training for the purpose during each of the last three years and the current year, State wise;
- (d) the details of incentives provided to food processing entrepreneurs for setting up of FPIs and MFPs and strengthening existing capacity of food processing units during the said period; and
- (e) whether the Government has evolved a strategy to improve infrastructure and coordination between the Center and the States for expansion of food processing industries in the country and if so, the details thereof?

Answer

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

(a): As per the latest Annual Survey of Industries (ASI) for 2012-13, the total number of persons engaged in registered Food Processing Sector is 16.89 lakhs. Unregistered food processing sector supports employment to 47.89 lakhs workers as per the National Sample Survey Office (NSSO) 67th Round, 2010-11.

(b): This Ministry has not carried out any such studies to identify the manpower required to cater to the increasing demand in the food processing sector. However, as per the study conducted by KPMG for National Skill Development Corporation (NSDC) on "Human Resource and Skill Requirements in the Food Processing Sector (2013-17, 2017-22)", the projected human resource requirement in Food Processing Sector is 11.38 million persons. Food processing sector is having a major potential for employment generation and is one of the top sectors in respect of requirement of human resources.

(c): (i) Ministry of Food Processing Industries has been implementing the Human Resources Development Scheme. This scheme aims at augmenting the supply of trained manpower and personnel at all levels such as entrepreneurs, managers and skilled workers. During the 12th Plan, this scheme has been subsumed in the newly launched Centrally Sponsored Scheme- National Mission on Food Processing (NMFP) w.e.f 01.04.2012. Accordingly, all the States/ UT Governments have been empowered to receive new applications and sanction as well as release funds under the above scheme of the mission during 12th Plan. Ministry does not maintain the data of trained manpower, however the details of Food Processing Training Centres (FPTCs) which also provided hands on training to the participants sanctioned by the Ministry as per committed liabilities of 11th plan and FPTCs sanctioned under NMFP during 12th Plan, State-wise, during each of the last three years and the current year is enclosed at Annexure-I.

(ii) Presently, the Ministry does not operate any specific scheme for skill development. However, there are two academic-cum-research Institutions viz. National Institute of Food Technology Entrepreneurship and Management (NIFTEM) at Kundli, Sonapat, Haryana and the Indian Institute of Crop Processing Technology (IICPT) at Thanjavur, Tamil Nadu, which offer academic programmes at Bachelor's, Master's and Ph.D. in food processing. These institutes are also conducting short-term training in food processing at NIFTEM, IICPT, Thanjavur and its Regional Centre at Guwahati. The details are enclosed at Annexure-II.

(iii) The Ministry of Skill Development & Entrepreneurship has recently launched the scheme of Pradhan Mantri Kaushal Vikas Yojana (PMKVY) to provide outcome based skill training in various sectors including food processing in which the Ministry of Food Processing Industries is associating along with the concerned Sector Skill Council i.e Food Industry Capacity & Skill Initiative (FICSI) under FICCI. The details of Training Centres state wise and trainees assessed till 30.11.15 are enclosed at Annexure-III.

(iv) Under Mega Food Park, some of the Mega Food Parks in their Central Processing Centres (CPCs) have made provisions for job-oriented training programmes and centres for capacity building and skill development for operation of Food Processing Industries. However, on completion, each Mega Food Park is expected to generate employment to 6000 farmers/ producers directly and 25000-30000 farmers indirectly.

(d): The various major incentives being provided by the Ministry under different schemes is as follows:-

(i) Scheme of National Mission on Food Processing (NMFP) - In order to enhance the existing / installed capacities of food processing industries (FPIs) in the country, Ministry of Food Processing Industries has been implementing the Centrally Sponsored Scheme of National Mission on Food Processing (NMFP) in 12th Plan (2012-17) through State/UT Governments. The Scheme of Technology Up gradation / Establishment / Modernization of Food Processing Industries was being implemented under NMFP. Under the above scheme of the Mission, all the eligible Small and Medium entrepreneurs interested to set up food processing units are provided financial assistance as follows:-

General areas, 25 %of the cost of Plant & Machinery and Technical Civil Works subject to maximum of Rs. 50 lakhs.

Difficult areas (i.e. Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Andaman & Nicobar Islands and Lakshadweep) and Integrated Tribal Development Project (ITDP) areas, 33.33 %of the cost of Plant & Machinery and Technical Civil Works subject to a maximum of Rs. 75 lakhs.

For North-Eastern States including Sikkim, 50 %of the cost of Plant & Machinery and Technical Civil Works subject to a maximum of Rs.100 lakhs.

The applications for the above scheme of the Mission are received, sanctioned and funds are released by the respective State/UT Governments, for setting up of Food Processing Units.

In the Union Budget (2015-16) presented on 28.02.2015, Government of India (GoI) has announced the de-linking of NMFP from support from Central Govt. Accordingly, State Governments may decide to continue (or not) NMFP scheme out of their increased resources resulting from the recommendation of the 14th Finance Commission.

Statement indicating the state-wise details of proposals sanctioned and grants-in-aid released to food processing units under the scheme of Technology Up-gradation/Modernization/ Establishment of FPI of Centrally Sponsored Scheme - National Mission on Food Processing (NMFP) during 2012-13, 2013-14 and 2014-15 of 12th Five Year Plan to improve the infrastructure in Food Processing Sector is at Annexure-IV

(ii) Scheme of Cold Chain, Value Addition and Preservation Infrastructure - In order to reduce wastage of horticulture & non-horticulture produce and providing integrated and complete cold chain and preservation infrastructure facilities from the farm gate to the consumer or from the production site to the market, Ministry of Food Processing Industries is implementing a Central Sector Scheme of Cold Chain, Value Addition and Preservation Infrastructure since 2008-09. The scheme is primarily private sector driven wherein financial assistance @ 50% of the total cost of plant & machinery and technical civil works in general areas and 75% for NE region and difficult areas (North Eastern states, Sikkim, J&K, Himachal Pradesh and Uttarakhand) subject to a maximum grant-in-aid of Rs 10 Crore per project is provided for setting up the cold chain infrastructure in the country. Integrated cold chain and preservation infrastructure can be set up by individuals, groups of entrepreneurs, cooperative societies, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs), NGOs, Central/State PSUs, etc. Ministry has approved 138 Cold Chain projects in the country to reduce the cold chain gap.

Further, National Horticulture Mission (NHM), National Horticulture Board (NHB), and National Cooperative Development Corporation (NCDC) under Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture & Farmers Welfare and Agricultural and Processed Food Products Export Development Authority (APEDA) under Department of Commerce, Ministry of Commerce and Industries, Government of India are also providing assistance for setting up cold storages under their respective schemes. State-wise and year-wise funds released under the scheme of Cold Chain, value addition and Preservation Infrastructure at Annexure-V.

(iii) Mega Food Park Scheme - The scheme envisages a capital grant @ 50% of the eligible project cost in general areas and @ 75% of eligible project cost in difficult and hilly areas i.e. North East Region including Sikkim, J&K, Himachal Pradesh, Uttarakhand and ITDP notified areas of the States subject to a maximum of Rs. 50 Crores per project. The status of Implementation of 39 Mega Food Park Projects as on 10.12.2015 is at Annexure-V

(iv) Various other fiscal incentives for food processing sector provided by the Government is placed at Annexure-VI.

(e): (i) To improve the infrastructure in Food Processing Sector the following are under taken by the Ministry,

1. In order to enhance the existing / installed capacities of food processing industries (FPIs) in the country, Ministry of Food Processing Industries has been implementing the Centrally Sponsored Scheme of National Mission on Food Processing (NMFP) in 12th Plan (2012-17) through State/UT Governments. The Scheme of Technology Up gradation / Establishment / Modernization of Food Processing Industries was being implemented under NMFP. Under the above scheme of the Mission, all the eligible Small and Medium entrepreneurs interested to set up food processing units are provided financial assistance. However, in the Union Budget (2015-16) presented on 28.02.2015, Government of India (GOI) has announced the de-linking of NMFP from support from Central Govt. Accordingly, State Governments may decide to continue (or not) NMFP scheme out of their increased resources resulting from the recommendation of the 14th Finance Commission. Details of state-wise proposals sanctioned and grants-in-aid released is placed at Annexure-VII.

2. Scheme for Setting up/ Modernization of Abattoirs - Ministry of Food Processing Industries is implementing the scheme for Setting up/ Modernization of Abattoirs under which assistance in the form of grant-in-aid is provided to local bodies (Municipal Corporations and Panchayats) / Public Sector Undertakings / Co-Operatives / Boards under Government. The Scheme has flexibility for involvement of private investor on PPP basis.

The scheme was transferred to the State Governments for implementation under the Centrally Sponsored Scheme of National Mission on Food Processing (NMFP) with effect from 1.04.2014. Proposals received up to 31.03.2014 are being processed by the Ministry

under the Central Sector Scheme. Fresh proposals with effect from 01.04.2014 are to be submitted to State Governments. However, the Centrally Sponsored Scheme of NMFP has been delinked from Central support from BE 2015-16.

Under this scheme grant-in-aid to 40 projects for setting up / modernisation of abattoirs has been approved. Out of these, 5 projects have been completed and grant-in-aid to the tune of Rs. 59.51 Crore has been released for these projects.

3. Scheme of Setting up / up gradation of Food Testing Laboratory - Ministry of Food Processing Industries, under the Scheme for Quality Assurance, Codex Standards and Research & Development and Other Promotional Activities provides financial assistance in the form of grant-in-aid for Setting up / Up gradation of Food Testing Laboratories so as to ensure compliance of domestic and international standards on food in case of domestic manufacture, imports as well as exports, to establish a surveillance system for monitoring the quality and composition of food and to analyse the samples received from processing industry and other stakeholders. This will ultimately help Food Processing Sector.

Eligible Organisations are Central/State Government and their organizations/ Government universities (including Government owned deemed universities) and all other implementing agencies/private sector organizations/universities (including deemed universities).

The implementation of the Food Testing Laboratory (FTL) Scheme has been entrusted to Indian Council of Agricultural Research (ICAR) under the Ministry of Agriculture & Farmer's Welfare, Department of Agricultural Research & Education (DARE) during the 12th Plan with effect from 01.04.2012.

Under this Scheme, as on 30-11-2015, 42 Food Testing Labs assisted by the Ministry for setting up / up gradation of Food Testing Laboratories have been completed.

(ii) The State Governments have been asked to constitute a Co-ordination Committee under the chairmanship of District Collector at the District level, where Mega Food Parks are situated, for speedy settlement of the issues which may arise during the project implementation. State Governments have also asked to set up a Coordination Committee at State level. The concerned States are represented in the meeting of Technical Committee (TC) and Inter-Ministerial Approval Committee (IMAC) constituted under the scheme for selection of projects.

(iii) In case of cold chain projects though the State Government representatives are not permanent members of IMAC, they are invited when the projects of respective State are in IMAC agenda.

(iv) The States and NMFP directorates are requested to monitor and inspect randomly the FPI units assisted by the Ministry and under NMFP.
