

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

UNSTARRED QUESTION NO:3899

ANSWERED ON:22.12.2015

Package for FPI

Ahlawat Smt. Santosh;Chautala Shri Dushyant;Gaikwad Prof. Ravindra Vishwanath;Gawali (Patil) Ms. Bhavana;K. Shri Parasuraman;Kaswan Shri Rahul;Parthipan Shri R.;Sampath Shri Anirudhan;Sanghamita Dr.(Smt.) Mamta;Saraswati Shri Sumedhanand;Sawant Shri Arvind Ganpat;Singh Shri Ravneet;Sonkar Shri Vinod Kumar;Tumane Shri Krupal Balaji;Yeddyurappa Shri B. S.

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

- (a) whether the Government has recently reviewed the centrally sponsored schemes implemented for the development of Food Processing Industry (FPI) in the country;
- (b) if so, the outcome thereof;
- (c) the deficiencies identified during the review and corrective measures taken by the Government in this regard;
- (d) whether the Government has also recently announced any special packages to entrepreneurs of FPI in the country; and
- (e) if so, the details thereof and the steps taken by the Government to promote/setting up of more Food Processing Industries in rural areas of the country?

Answer

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

(a) & (b): Government of India (GOI) has de-linked Centrally Sponsored Scheme (CSS) - National Mission on Food Processing (NMFP) from Central Government support w.e.f. 1.4.2015 in view of the increased resource allocation to the States resulting from the recommendations of the 14th Finance Commission. However, a Sub-Group of Chief Ministers, on the rationalization of Centrally Sponsored Schemes (CSS), was constituted on March 9, 2015 by the Prime Minister in pursuance of the decision taken in the first meeting of the Governing Council of the NITI Aayog held on February 8, 2015. As per the report of Sub-Group of Chief Ministers circulated by NITI Aayog, National Mission on Food Processing (NMFP) has been kept as one of the optional schemes with fund sharing pattern of 50:50 between the Centre and the States; 80:20 between Centre and 8 North East and 3 Himalayan States and 100% to Union Territories from Centre.

(c): In the course of deliberations, the Sub-Group had sought the suggestions from the States / UTs. The suggestions received from the State Governments include framing of guidelines of CSS, flexibility including an increase in flexi fund, monitoring & larger role of the States in CSS. The suggestions of the State Governments were submitted for consideration of the Sub-Group. The Sub-Group has submitted its report in October, 2015. Ministry of Finance has considered the report of Sub-Group and decided 19 schemes including NMFP optional for the State Governments with fund sharing pattern of 50:50 between the Centre and the States; 80:20 between Centre and 8 North East and 3 Himalayan States and 100% to Union Territories from Centre. Option of implementation of NMFP on the proposed funding pattern rests with State Governments.

(d) & (e): A Special Fund of Rs. 2000 crore has been setup by the Government in NABARD to make available affordable credit to designated food parks and the food processing units in such Parks. Loan for food and Agro-processing up to an aggregate sanctioned limit of Rs. 100 crore per borrower and construction of storage facilities (warehouses, market yards, godowns and silos) including cold storage units/cold storage chains designed to store agriculture produce/products has been covered under Priority Sector Lending.
