

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

STARRED QUESTION NO:30
ANSWERED ON:25.11.2014
PROCESSING OF AGRICULTURAL PRODUCES
Chautala Shri Dushyant;Singh Shri Bhola

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

- (a) the details of agricultural produces including fruits and vegetables being processed and the quantum that got wasted in the country annually, State-wise;
- (b) whether the Government proposes to improve the capacity of existing/installed Food Processing Industries (FPI) in the country and if so, the details thereof;
- (c) whether the Government proposes to formulate a National Food Processing Policy and if so, the details thereof along with the time by which it is likely to be implemented;
- (d) whether the Government also proposes to introduce state of art technology of international standards in the food processing industries to check and minimise the wastage of perishable agricultural produces in the country; and
- (e) if so, the details, thereof along with the incentives being provided to the food processing industries in order to boost the sector?

Answer

THE MINISTER OF FOOD PROCESSING INDUSTRIES (SMT. HARSIMRAT KAUR BADAL)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (a) to (e) OF LOK SABHA STARRED QUESTION NO.30 FOR ANSWER ON 25th NOVEMBER, 2014 REGARDING PROCESSING OF AGRICULTURAL PRODUCES

(a): Ministry of Food Processing Industries (MoFPI) has not conducted any specific survey/study, in the recent past, to assess State-wise processing levels of agricultural produces including fruits and vegetables in the country. However, as per the study conducted by Institute of Economic Growth on behalf of Ministry of Agriculture, the extent of processing of agro-products was estimated at the level of 6.76% during the year 2010-11. With regard to quantum of losses of agricultural produces, a study was conducted by the Central Institute for Post-Harvest Engineering & Technology, Ludhiana, (published in 2010), which estimated Post Harvest losses of major agricultural produces including fruits & vegetables at national level to the tune of about Rs. 44,143 crore per annum at 2009 wholesale prices. The cumulative wastage in fruits & vegetables is estimated 5.8% to 18%. The percentage of losses estimated for major agricultural produces is given at Annexure-I.

The Ministry has assigned a repeat study to CIPHET, Ludhiana for assessing the present position of post-harvest losses, which is expected to be completed in January, 2015.

(b): In order to enhance the existing/installed capacities of food processing industries (FPIs) in the country, Ministry of Food Processing Industries (MoFPI) had launched a Centrally Sponsored Scheme - National Mission on Food Processing (NMFP) implemented through State/UT Governments during 12th Five Year Plan. Under the following Schemes of Mission, financial assistance is provided to the entrepreneurs in the form of grants-in-aid for overall development of food processing sector including capacity enhancement:

- (i) Technology Up-gradation/Establishment/Modernisation of Food Processing Industries,
- (ii) Cold Chain, Value Addition and Preservation Infrastructure for Non- Horticultural Products,
- (iii) Setting up of Primary Processing Centres / Collection Centres in Rural Areas,
- (vi) Modernisation of Meat Shops,
- (vii) Reefer Vehicles,
- (ix) Setting up / modernization of abattoirs (w.e.f. 2014-15).

(c): There is no such proposal at present.

(d) & (e): To introduce state of art technology of international standards in the food processing industries and also to minimise the wastage of perishable agricultural produces in the country, the Government has announced following incentives for food processing sector:-

(i) A special fund of Rs. 2000 crore has been created in National Bank for Agriculture and Rural Development (NABARD) for providing affordable credit to entrepreneurs for setting up of food processing units in designated Food Parks. New units as well as modernization of existing units are eligible for loan from the Special Fund, to the extent of 75% of the project cost. The rate of interest will be linked to Prime Lending rate of NABARD and the risk rating of the borrowing entity. The loan shall be repayable within a maximum period of 7 years, including the initial gestation of a maximum of 2 years.

(ii) All Refrigeration Machineries and parts used for installation of Cold storage, Cold room or Refrigerated Vehicle for preservation, storage, transport or processing of agricultural, apiary, horticultural, dairy, poultry, aquatic and marine produce and meat are exempted from Excise Duty.

(iii) Pasteurizing, drying, evaporating, etc. machinery used in Dairy Sector is exempted from Excise Duty.

(iv) Excise duty on food processing and packaging machinery reduced from 10% to 6%.

In addition, the Ministry is implementing various other Central Sector schemes namely –

(i) Mega Food Park Scheme for creation of modern infrastructure to food processing industries;

(ii) Scheme for Cold Chain, Value Addition and Preservation Infrastructure for creation of preservation infrastructure including pre-cooling facilities at production sites, reefer vans and mobile cooling units for the purpose of linking groups of producers to processors and market through well-equipped supply chain; and

(iii) Setting up/Modernization of Abattoirs for promoting scientific and hygienic slaughtering of animals, use of modern technology for slaughter waste management. These initiatives are aimed at filling the gaps in the supply chain and expanding the processing capacities by introducing latest technology to minimize wastages of agricultural produces in the country.

Other agencies of the Government like National Horticulture Board (NHB), Agricultural and Processed Food Products Export Development Authority (APEDA), National Cooperative Development Corporation (NCDC) and State Government are also providing financial assistance for cold storages under their respective schemes to reduce the wastage of agricultural produce.