

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

UNSTARRED QUESTION NO:1540

ANSWERED ON:02.12.2014

MEGA FOOD PARKS

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

- (a) whether the Government has launched Mega Food Parks (MFPs) Scheme to create modern infrastructure facilities in the food processing sector in the country;
- (b) if so, the details and the salient features of the said scheme;
- (c) the details of the mechanism put into place to monitor the functioning of such parks across the country;
- (d) whether any mechanism exists for measurement of value addition made by the MFPs in the country and if so, the details thereof along with the efficacy metrics to measure success of MFPs; and
- (e) the details of economic contribution of each MFP in the country?

Answer

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

(a): Yes, Madam.

(b): Total 42 Mega Food Parks (MFPs) have been sanctioned by the Government for setting-up in the country. 21 Mega Food Parks have been accorded with final approval which are at various stages of implementation while, 4 Mega Food Parks are progressing towards meeting the conditions for Final approval. For filling the vacancies of Mega Food Parks, Expression of Interest (EoI) had been invited by the Ministry on all India basis on 10.02.2014. 72 proposals for setting-up MFPs in various parts of the country have been received by the last date of 31.07. 2014 which are being appraised.

The Scheme of Infrastructure Development is an ongoing Central Sector Scheme of the Ministry of Food Processing Industries comprising of three components: (i) Mega Food Parks;

(ii) Cold Chain, Value Addition & Preservation Infrastructure; and

(iii) Modernization of Abattoirs. The Mega Food Parks Scheme aims at providing modern infrastructure facilities for food processing in the country along the value chain from farm to market. The Scheme was launched in the year 2008. The Mega Food Park Project has been envisioned to be implemented in a cluster based approach based on a hub and spokes model. It includes creation of infrastructure for primary processing and storage near the farm at Primary Processing Centres (PPCs) and Collection Centres (CCs) and common facilities and enabling infrastructure like roads, electricity, water, ETP facilities etc at Central Processing Centre (CPC). The CPC is networked with PPCs and CCs located in production areas. PPCs and CCs act as aggregation and storage points to feed raw material to the processing units located in the CPC. Food Processing being capital incentive activity, common facilities are created at CPC to be used by the processing units on hire basis. The minimum land required for a Central Processing Centre in Mega Food Park is 50 acre and implementation period is 30 months. A cluster of 30-35 units is expected to come up in one Mega Food Park.

The Mega Food Park project is implemented by a Special Purpose Vehicle (SPV) which is a Body Corporate registered under the Companies Act. However, by virtue of the recent amendments in the scheme guidelines w.e.f. 10.02.2014, State Government/ State Government entities/ Cooperatives applying for the project under the scheme will not be required to form a separate SPV.

For setting up Mega Food Parks, Ministry of Food Processing Industries provides grant-in-aid @ 50% of eligible project cost in general areas and @ 75% of eligible project cost in NE Region and difficult areas (Hilly States and ITDP areas) subject to maximum of Rs. 50 crore per project.

(c): Functioning of Mega Food Parks is closely monitored by the Ministry through a well-established mechanism as per the scheme guidelines. This includes detailed scrutiny of various progress reports received from the SPV by the concerned Programme Management Agency (PMA) and the Ministry, verification of the bills by the Project Management Consultant

(PMC) before release of the funds from the bank account maintained for the purpose, report from the PMC directly when felt necessary by the Ministry in the interest of the implementation of the project, constant monitoring of the implementation process by the

respective PMA which includes site visits also, review meetings from time to time held by the Ministry at level of Additional Secretary/Secretary/Minister to monitor the progress and to facilitate removal of the bottlenecks etc.

(d): No, Madam. However, impact assessment of the Mega Food Park in the area including value addition is undertaken by the Ministry time to time through Professional Agencies. The mid plan evaluation for impact assessment of the Mega Food Park scheme has been assigned to M/s Indian Council for Research on International Economic Relations (ICRIER), New Delhi recently.

(e): Each Mega Food Park is likely to attract an investment of about Rs. 100 Crore in common facilities and leverage an additional investment of about Rs. 250 Crore. Expected annual turnover of each MFP is about Rs. 500 Crore per project. Development of such processing clusters will also help in latest technology adoption in the production systems and help in increasing the farm production and enhancing the income of farmers apart from helping and stabilizing the prices and taming inflation. It is likely to benefit about 6000 farmers/ producers directly and 25000-30000 farmers indirectly.