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STANDING COMMITTEE ON AGRICULTURE
(2017-2018)

SIXTEENTH LOK SABHA

MINISTRY OF FOOD PROCESSING INDUSTRIES

DEMANDS FOR GRANTS (2018-2019)

FIFTIETH REPORT



LOK SABHA SECRETARIAT
NEW DELHI

MARCH, 2018/PHALGUNA, 1939 (Saka)

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MINISTRY OF FOOD PROCESSING INDUSTRIES

DEMANDS FOR GRANTS (2018-2019)

Presented to Lok Sabha on 06. 03.2018

Laid on the Table of Rajya Sabha on 06. 03.2018



LOK SABHA SECRETARIAT
NEW DELHI

MARCH, 2018/PHALGUNA, 1939 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE (2017-18)

Shri Hukmdev Narayan Yadav - Chairperson

MEMBERS

LOK SABHA

2. Shri Sanjay Dhotre
3. Prof. Ravindra Vishwanath Gaikwad
4. Shri Sanganna Amarappa Karadi
5. Shri Nalin Kumar Kateel
6. Smt. Raksha Tai Khadase
7. Md. Badaruddoza Khan
8. Shri C. Mahendran
9. Dr. Tapas Mandal
10. Shri Janardan Mishra
11. Shri Devji M. Patel
12. Shri Nityanand Rai
13. Shri Mukesh Rajput
- @14. VACANT
15. Shri Konakalla Narayana Rao
16. Shri C.L. Ruala
17. Shri Arjun Charan Sethi
18. Shri Virendra Singh
19. Shri Dharmendra Yadav
20. Shri Jai Prakash Narayan Yadav
21. Shri B. S. Yeddyurappa

RAJYA SABHA

22. Sardar Sukhdev Singh Dhindsa
- ^23. VACANT
24. Shri Meghraj Jain
25. Shri Vinay Katiyar
26. Shri Mohd. Ali Khan
27. Shri K.K. Ragesh
28. Shri Ram Nath Thakur
29. Shri R. Vaithilingam
30. Shri Shankarbhai N. Vegad
31. Dr. Chandrapal Singh Yadav

@ Vacant due to resignation of Shri Neiphu Rio from the Membership of Lok Sabha w.e.f. 22.02.2018 vide SG Notification dated 23.02.2018

^ Vacant due to retirement of Shri Janardan Dwivedi from the Membership of Rajya Sabha w.e.f. 27.01.2018 vide CB-I Note dated 16.01.2018

(iii)

SECRETARIAT

1. Shri D.S.Malha - Joint Secretary
2. Shri Arun K Kaushik - Director
3. Shir S.Vijayaraghavan - Senior Executive Assistant

INTRODUCTION

I, the Chairperson, Standing Committee on Agriculture, having been authorized by the Committee to submit the Report on their behalf, present this Fiftieth Report on the Demands for Grants (2018-2019) of the Ministry of Food Processing Industries

2. The Committee under Rule 331E(1)(a) of the Rules of Procedure considered the Demands for Grants (2018-19) of the Ministry of Food Processing Industries which were laid on the table of the House on 09 February, 2018. The Committee took evidence of the representatives of the Ministry of Food Processing Industries at their Sitting held on 22nd February, 2018. The Report was considered and adopted by the Committee at their Sitting held on 05 March, 2018.

3. For facility of reference and convenience, the Recommendations/Observations of the Committee have been printed in bold letters in Part-II of the Report.

4. The Committee wish to express their thanks to the officers of the Ministry of Food Processing Industries for appearing before the Committee and furnishing the information that they desired in connection with the examination of Demands for Grants of the Ministry.

5. The Committee would also like to place on record their deep sense of appreciation for the invaluable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
05 March, 2018
16 Phalgun, 1939 (Saka)

HUKM DEO NARAYAN YADAV
Chairperson,
Committee on Agriculture

CHAPTER - 1

INTRODUCTORY

A strong and dynamic food processing sector plays a significant role in diversification of agricultural activities, improving value-addition opportunities and creating surplus for export of agro-food products. This requires policies and plans for improvement of food processing infrastructure including up-gradation of technology, enforcement of quality standards and promoting investment in food processing. Food Processing adds value, enhances shelf-life and reduces wastage. It provides remunerative prices to the farmers, generates employment opportunities and provides convenience to consumers. Food Processing has tremendous potential for enabling the farmer to add value to their produce both in terms of quantity and quality to meet the requirements and standards of the market at all stages of value chain, processing and retailing. Considerable investments are required in rural infrastructure and in components of the supply chain by way of grading and packing centres, controlled atmosphere facilities, reefer vans, cold storage for perishable cargo at port/airport/ railway stations, a chain of testing laboratories to meet international quality standards, etc., which are not likely to come from private sources. Significant public investments would, therefore, be required to create suitable infrastructural facilities to develop a sustainable supply chain linking farmers to processing centres. The Ministry of Food Processing Industries has been supporting a range of initiatives for the growth of food processing industry.

1.2 The Ministry of Food Processing Industries was set up in July, 1988 to give an impetus for development of food processing sector in the country. Subsequently, vide notification No.DOC.CD-442/1999 dated 15.10.1999 this Ministry was made a Department and brought under the Ministry of Agriculture. It was again notified as the Ministry of Food Processing Industries vide Cabinet Secretariat's Note No.1/22/1/2001-Cab (1) dated 06.09.2001.

1.3 As Per Allocation Of Business Rules: the subjects allocated to the Ministry under Government of India (Allocation of Business) Rules, 1961 are as under:-

1. Industries relating to :
 - (a) Processing and Refrigeration of certain agricultural products (milk powder, infant milk food, malted milk food, condensed milk, ghee and other dairy products), poultry and eggs, meat and meat products.
 - (b) Processing of fish (including canning and freezing);
 - (c) Establishment and servicing of development council for fish processing industry;
 - (d) Technical assistance and advice to fish processing industry;
 - (e) Fruit and vegetable processing industry (including freezing and dehydration); and
 - (f) Food grains milling industry

2. Planning, development and control of, and assistance to, industries relating to bread, oil seeds, meals (edible), breakfast foods, biscuits, confectionery (including cocoa processing and chocolate making), malt extract, protein isolate, high protein food, weaning food and extruded food products (including other ready to eat foods)
3. Specialized packaging for food processing industry
4. Beer including non-alcoholic beer
5. Alcoholic drinks from non-molasses base
6. Aerated water and soft drinks

The Ministry of Food Processing Industries is concerned with formulation and implementation of the policies for the food processing industries within the overall national priorities and objectives. A major issue facing the country is to ensure remunerative prices to the farmers for their produce. If the surplus production of cereals, fruits, vegetables, milk, fish, meat and poultry, etc., are processed and marketed both inside and outside the country, there will be greater opportunities for adding to the income of farmers and employment. A strong and dynamic food processing sector plays a vital role in diversification and commercialisation of agriculture, enhancing shelf life, ensuring value addition to agricultural produce, generation of employment, enhancing income of farmers and creating markets for export of agro foods. The Ministry acts as a catalyst for bringing in greater investment into this sector, guiding and helping the industry and creating a conducive environment for healthy growth of the food processing industry. The Ministry aims at:

- Creating the critical infrastructure to fill the gaps in the supply chain from farm to consumer.
- Value addition of agricultural produce;
- Minimizing wastage at all stages in the food processing chain by the development of infrastructure for storage, transportation and processing of agro- produce;
- Induction of modern technology in the food processing industries;
- Encouraging R&D in food processing for product and process development;
- Providing policy support, promotional initiative and facilities to promote value added produce for domestic consumption and also exports.

CHAPTER-2

GENERAL STATUS OF FOOD PROCESSING SECTOR

2.1 A well-developed food processing sector with higher level of processing helps in the reduction of wastage, improves value addition, promotes crop diversification, ensures better return to the farmers, promotes employment as well as increases export earnings. This sector is also capable of addressing critical issues of food security, food inflation and providing wholesome, nutritious food to the masses.

2.2 Over the years agricultural production in India has consistently recorded higher output. India ranks no. 1 in the world in the production of Milk, Ghee, Pulses, Ginger, Bananas, Guavas, Papayas and Mangoes. Further, India ranks no. 2 in the world in the production of Rice, Wheat and several other vegetables & fruits. Abundant supply of raw materials, increase in demand for food products and incentives offered by the Government has impacted food processing sector positively. The food processing sector has been on average growing at a faster rate than agriculture sector (from 2011-12 to 2015-16). During the last 4 years ending 2015-16, Food Processing Industries sector has been growing at an Average Annual Growth Rate (AAGR) of around 2.88 per cent as compared to around 1.88 per cent in Agriculture and 6.61 per cent in Manufacturing at 2011-12 Prices. Food Processing Sector has also emerged as an important segment of the Indian economy in terms of its contribution to GDP, employment and investment. The sector constitutes as much as 8.71 per cent and 10.04 per cent of GVA in Manufacturing and Agriculture sector respectively in 2015-16 at 2011-12 prices.

2.3 It is seen that food products industry, compared to other industries has the largest number of factories and engages largest number of employees as well. Since with respect to fixed capital the food products industry does not figure in top five, it shows that this sector is highly labour intensive per unit of capital. Despite low capital intensity, the output of food products is not compromised as it is second largest among all industries. Thus every unit of capital invested in food products industry employs largest number of persons as compared to other industries while generating almost as high the output level as in other industries. In 2014-15, it constituted 12.77 per cent of employment generated in all Registered Factory sector.

Unregistered food processing sector supports employment to 47.9 lakh worker as per the NSSO 67th Round, 2010-11 and constitutes 13.72% of employment in the unregistered manufacturing sector.

The number of persons employed per Rs.1 crore of investment is 9.24 for the entire food processing industry. Employment generation is higher than the average in Fish at 18.30, Grain Mill products at 14.59 and Meat sub-sector at 13.01. However, these very sub-sectors show low levels of GVA as well. The percentage of GVA in these sub-sectors thus needs to be increased so that the bulk of the persons employed in the food processing industries earn higher remuneration as well. Bakery product sub-sector can set the benchmark where employment generation is as high as 19.30 persons per Rs. 1 crore of investment but GVA% is also high enough at 26.95%. Sub-sectors with higher employee per unit of investment but low level of GVA require their man-power to be trained to increase productivity which together with technological infusion would increase value addition.

2.4 As per latest Annual Survey Industries: 2014-15, the total number of factories in the registered food processing sector in the country was 38, 603. As per Annual Survey Industries: 2014-15 among the industry, highest number of registered factories are located in 'Andhra Pradesh', which accounts for about 15.11% of the total registered factories in FPI sector industries followed by 'Tamil Nadu' (13.34%) and 'Telangana' (10.28%), Maharashtra (7.81%) and Punjab (7.36%). State/UT-wise Number of Registered/Unincorporated Food Processing Units in India is given below:

State/UT-wise No. of Registered & Unincorporated Food Processing Units in India

Sl. No.	Name of the State/UTs	Number of Registered Units as per Annual Survey of Industries 2014-15	Number of Unincorporated Enterprises manufacturing Food and Beverages as per 67 th round Survey of NSSO, 2010-11
1	Andaman & Nicobar Islands	6	845
2	Andhra Pradesh	5833	210997
3	Arunachal Pradesh	28	383
4	Assam	1317	61068
5	Bihar	838	124690
6	Chandigarh (U.T.)	19	118
7	Chhattisgarh	1141	19815
8	Dadra & Nagar Haveli	6	120
9	Daman & Diu	43	181
10	Delhi	165	14210
11	Goa	88	1046
12	Gujarat	2001	94729
13	Haryana	881	29785
14	Himachal Pradesh	166	21990
15	Jammu & Kashmir	162	23340
16	Jharkhand	219	123220
17	Karnataka	2084	95792
18	Kerala	1525	64223
19	Lakshadweep	0	178
20	Madhya Pradesh	816	102973
21	Maharashtra	3014	222441
22	Manipur	23	1800
23	Meghalaya	19	6857
24	Mizoram	0	1398
25	Nagaland	20	1380
26	Odisha	969	126567
27	Puducherry	65	1308
28	Punjab	2840	48970
29	Rajasthan	857	98935
30	Sikkim	18	49
31	Tamil Nadu	5149	146547
32	Telangana	3967	0
33	Tripura	75	29328
34	Uttar Pradesh	2055	349951
35	Uttarakhand	386	20185
36	West Bengal	1808	195773
	Total	38603	2241192

2.5 According To The Ministry, the major challenges facing the sector are illustrated below: -



These constraints are sought to be addressed under the schemes being implemented by the Ministry, as indicated in subsequent chapters.

With regard to the Growth potential of Food Processing Industries, the Ministry as stated as under.

"Programmes to increase the output of Indian agriculture without corresponding investments in processing facilities is likely to lead to a mismatch resulting in rural distress and decline in farmers' income. The most important step for improving the bargaining capacity of the farmer is to add value to his produce. This will come about if farmers are able to produce according to the requirements and standards demanded by the market. Food processors and the retailers can provide the necessary demand for the agricultural produce and facilitate the flow of market information, technology and inputs to the farmer so that he can tailor his output to the needs of the market. In the process the farmers will be able to raise their own level of income and employment. The consumer is also likely to benefit as there will be an increase in the supply of food products with a longer shelf life.

It is essential to build sustainable supply chains, which will link the farmer to the processing and marketing centers seamlessly. In the absence of on-farm cooling and grading arrangements and slow development of cold chain infrastructure, the farmer is compelled to sell his produce to the 'Adathiya (Broker)' without waiting for a better price. If the farmer is enabled to grade and store his produce close to farm, the farmer will be empowered to demand and obtain a better price from the processors and also add value to his produce.

Considerable investments are required in rural infrastructure and components of the supply chain by way of grading and packing centers, controlled atmosphere, storage facilities, reefer vans, testing laboratories, etc., which may not come from private sources at this stage of the development of the food processing industry. It is therefore essential that public investment is significantly increased to fund these components of rural infrastructure to enable private enterprise to take up the remaining components of the supply chain which can be undertaken commercially. This is borne out by the experience of developed countries where the state has stepped in to build rural infrastructure in a big way. Carefully calibrated subsidies, exploring innovative strategies, empowering rural producers & consumers through better awareness and support to entrepreneurs in terms of technology and training are some of the ways in which this Ministry has catalyzed growth in this sector."

With regard to the initiatives taken under 'Make in India Programme' the Ministry has stated as under:

"Food processing sector has been identified as one of the priority sector under "MAKE IN INDIA" an initiative of Hon'ble Prime Minister of India. With a view to attract investment to this sector, Ministry of Food Processing Industry has been implementing schemes for development of infrastructure for promoting food processing industries. Mega Food Parks with common utility like road, electricity, water supply, sewage facility and common processing facility like pulping, packaging, cold storage, dry storage and logistics are being promoted in areas with strong agricultural resource base. These parks provide fully developed plots and factory sheds to entrepreneurs on long term lease basis where they can set up food processing units in "plug & play model.

Government has also declared investment in Food Parks covered under the Harmonized List of Infrastructure Sub-sectors (HLIS)" vide Government of India Notification dated 13th October 2014. Following this notification, it is expected that Mega Food Parks assisted by the Ministry will be able to access to infrastructure lending on easier terms.

In the context of "MAKE IN INDIA" campaign, the Ministry has been disseminating information to potential investors to attract investment to the sector through a dedicated "Investors Portal" in which a range of information like resource base, availability of land, state specific policies, fiscal incentives are shared with the potential investors. The Ministry is also collaborating with Invest India to help the investors in terms of locating joint venture partners, extending hand holding services, expedite regulatory approvals and provide investors after care services. The investor can also put their query in the Investors portal which is promptly attended to by the Ministry for guiding the investors.

Ministry is also organizing Road shows to attract FDI including FDI in retail and promote Make in India Initiative."

CHAPTER-3
PLAN SCHEMES FOR FOOD PROCESSING SECTOR

DEMANDS FOR GRANTS FOR THE YEAR 2018-19
DEMAND NO. 41

3.1 (A) Budgetary Allocations for Revenue and Capital Head for the year 2017-18 and 2018-19

(Rs. in Crore)

Major Head	BE 2017-18			RE 2017-18			BE 2018-19		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	800	-	800	715.18	-	715.18	1400	-	1400

When asked how the Ministry propose to utilize the increased of Rs 1400.00 Crore for BE 2018-19, the Ministry in its written reply stated as under:-

"The Ministry will utilize the increased amount of budget for releasing funds for implementation of the projects already sanctioned under the ongoing schemes and new projects to be sanctioned under the ongoing schemes as well as under the new schemes. In addition, the Government has made announcements for new schemes in the budget 2018-19 like "Operation Greens" to promote FPOs, agro logistics, processing facilities and professional management with a sum of Rs.500 crore, for the promotion of value chain for Tomato, Onion and Potato for the benefit of Producers and Consumers" and "to promote establishment of specialized agro-processing financial institutions in this sector" and also for "Setting up the State of the Art Testing facility in all the Mega Food Parks to promote agri-exports". The increased BE will be utilized for implementation of all these projects".

During the course of evidence, the Secretary of Ministry of Food Processing Industries stated as under:-

मैं माननीय सदस्यों को धन्यवाद देना चाहूंगा कि आप की लगातार रिकमेंडेशन की वजह से इस बार बजट में फूड प्रोसेसिंग को बहुत अच्छा महत्व दिया गया है। सर आपकी जितनी भी रिकमेंडेशंस हैं, उनको हम बहुत ही सिरियसली विभिन्न स्तरों पर प्रोजेक्ट करते रहते हैं। हमने जो एग्रो प्रोसेसिंग कलस्टर की जो नई स्कीम्स लाये हैं, समिति के माननीय सदस्यों ने ही मिनी मेगा फूड पार्क बनाने के लिए एक सुझाव दिए थे। क्योंकि छोटे राज्यों में पहाड़ी राज्यों में ज्यादा बड़े एरिया अवेलेबल नहीं हैं। इसलिए हमने 10 एकड़ जमीन की रिकवायरमेंट के लिए एग्रो प्रोसेसिंग कलस्टर मिनी मेगा फूड पार्क के रूप में इसमें नई स्कीम इंकलूड की है।

एक माननीय सदस्य का सुझाव कई मीटिंग्स में आया था कि ट्रांसपोर्ट में रीफर बोट्स को भी शामिल कीजिए। हमारी कोट चेन स्कीम में रीफर बोट को भी आर्थिक सहायता देने का योग्य कम्पोनेंट बना दिया है। माननीय सदस्यों की हमेशा चिंता रही है कि किसानों का हर प्रकार से फूड प्रोसेसिंग में फायदा होना चाहिए। हमने कोट चेन स्कीम में अनिवार्य कर दिया है कि जो भी इस स्कीम को लेगा, उसे फार्म गेट पर प्राइमरी प्रोसेसिंग के रूप में, कोल्ड स्टोरेज के रूप में और रीफर ट्रांसपोर्ट के रूप में इंफ्रास्ट्रक्चर बनाना होगा। हमेशा यह प्रयास रहा है कि कृषि का बजट बढ़ना चाहिए

22.2.2018

COA

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और हम नीति आयोग तथा फाइनेंस मंत्रालय के साथ टेकअप करते रहे हैं कि माननीय समिति का यह सुझाव है। मेरा मानना है कि इस साल हमारा बजट दोगुना किया गया है, उसमें समिति के इस सुझाव का बहुत बड़ा योगदान रहा है।

Provisions for North Eastern States

(Rs. in Crore)

BE 2017-18			RE 2017-18			BE 2018-19		
Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
72.50	-	72.50	63.38	-	63.38	131.30	-	131.30

When asked how how the Department propose to utilize the increased amount of Rs.131.30 crore and what was the actual expenditure during 2017-18 till 31.12.2017, the Ministry in its written reply stated as under:-

"An amount equal to 10% of the BE for Scheme(s) is allocated for North Eastern States as per the policy of the Central Government. Accordingly, in BE 2017-18,10% of Scheme allocation of Rs.633.84 crore, i.e. Rs.63.38 crore was allocated for North East. Similarly, in BE 2018-19, Rs. 131.30 Crore has been allocated for North eastern States which is 10% of Scheme Allocation of Rs. 1313.08 Crore. The Ministry is making concerted efforts to utilize this amount for implementing the ongoing projects under the Schemes of Mega Food Parks, Integrated Cold Chain and Abattoirs, and fresh proposals which are likely to be received under the new Scheme for Creation/Expansion of Food Processing & Preservation Capacities. The Ministry continues to undertake awareness programme in the North-East Region for various schemes of the Ministry in every state of the North East region. The un-utilized amount from the share of N-E States, if any, will get transferred to 'Non-Lapsable Central Pool of Resources' (NLCPR) which will be utilized by the Ministry of Development of North East Region (DONER) for sanctioning projects in North-East Region.

As on date, the actual expenditure against allocation for North-East, is Rs. 21.01 crore."

The Secretary, Ministry of Food Processing Industries during evidence stated as under:-

श्री जगदीश प्रसाद मीणा : सर, हम दो चीजों का ध्यान रखते हैं कि विभिन्न योजनाओं के तहत हमारे जो प्रोजेक्ट चल रहे हैं। हमारे प्रोजेक्ट्स की समापन अवधि दो साल से तीन साल होती है। इंफ्रास्ट्रक्चर प्रोजेक्ट्स हैं, काफी ज्यादा कंसट्रक्शन करना पड़ता है, इसलिए उनका इंप्लिमेंटेशन एक से ज्यादा सालों में चलता रहता है। हमारे जितने भी ऑन-गोइंग प्रोजेक्ट्स हैं, उनकी फंड की आवश्यकता उस साल क्या होगी, क्योंकि हमने यह निश्चित किया है कि कौन-सी इस्टॉलमेंट कितने महिने में कब जानी चाहिए, किस स्टेज तक वह प्रोजेक्ट कब पहुंच जाएगा, उसके हिसाब से ऑन-गोइंग प्रोजेक्ट का अनुमान लगाया जाता है। इसके साथ ही किसी कारण से कोई प्रोजेक्ट कैंसिल हो गया, उसको दोबारा लेना है या हम जो नई योजनाएँ सम्मिलित करते रहते हैं, उनके जो नए प्रोजेक्ट शामिल करते हैं, उनके फंड की आवश्यकता को भी हम अनुमानित तौर पर लेते हैं। मंत्रालय के अधीन नॉन-स्कीम में जितने भी संस्थायें हैं, उन सभी को भी ग्रांट मंत्रालय से जाती है। उनकी सैलरी और उनके रख-रखाव, उसका अनुमान उसकी आवश्यकता के अनुसार किया जाता है। इस तरह से हर योजना का अच्छी तरह से विश्लेषण करके, उसमें हमें आने वाले साल में कितने फंड की आवश्यकता होगी, यह तय किया जाता है और उसी के हिसाब से प्रोजेक्शन होते हैं और हमारी डिमांड भी उसी हिसाब से होती है। हमारा यूटिलाइजेशन 96 प्रतिशत से ऊपर रहा है और एक-दो साल यह 99 प्रतिशत भी रहा है। जो हमारी शॉर्टेज है, हम इससे भी ज्यादा खर्च कर लेते हैं लेकिन हमें उन प्रोग्रामों फंड की अवेलेबिलिटी एक इश्यू था, जिसमें हम ज्यादा खर्च कर सकते थे। हमारा जो लैप्स हुआ है, यह मोस्टली 99 प्रतिशत नॉर्थ ईस्ट के एलोकेशन में लैप्स हो रहा है। क्योंकि वहां से इतने बड़े स्केल के अच्छे प्रोजेक्ट्स हमें नहीं मिल रहे थे। अब हमने वहां काफी कोशिश की है, हर साल हम हर स्टेट दो-तीन अवेयरनेस कम्पेन कर रहे हैं, उसकी वजह से हमारे प्रोजेक्ट आने शुरू हुए हैं।

3.2 (B). CENTRAL SECTOR SCHEMES/PROJECTS

(i) National Mission on Food Processing Industries Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters (SAMPDA)

(Rs. in Crore)

BE 2017-18			RE 2017-18			BE 2018-19		
Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
725	-	725	633.84	-	633.84	-	-	-

When asked to give reasons for not allocating of funds in BE 2018-19 for this scheme, the Ministry in its written reply stated as under:-

"In the DDG for 2016-17 and 2017-18, the nomenclature of the Scheme being implemented by the Ministry has been shown as, National Mission on Food Processing (SAMPDA). During 2017-18, Government has approved a new Central Sector Scheme – "SAMPADA" on 3rd May 2017 which was later re-named as Pradhan Mantri Kisan Sampada Yojana (PMKSY). It is an umbrella scheme incorporating ongoing schemes of the Ministry like Mega Food Parks, Integrated Cold Chain and Value Addition Infrastructure, Food Safety and Quality Assurance Infrastructure and also new schemes like infrastructure for Agro-Processing Clusters, Creation of Backward and Forward Linkages and Creation/Expansion of Food Processing & Preservation capacities. Accordingly, BE for all the schemes has been provided for under the PMKSY in the DDG 2018-19. Therefore, there is no need for BE allocation under the National Mission on Food Processing (SAMPDA) in the DDG 2018-19".

(ii) Pradhan Mantri Kisan Sampada Yojana

(Rs. in Crore)

BE 2017-18			RE 2017-18			BE 2018-19		
Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
-	-	-	-	-	-	1313.08	-	1313.08

Pradhan Mantri Kisan Sampada Yojana has been approved with an allocation of Rs. 6,000 Crore for the period 2016-20 coterminous with the 14th Finance Commission cycle. It will not only provide a big boost to the growth of food processing sector in the country but also help in providing better prices to farmers and is a big step towards doubling of farmers' income, creating employment opportunities especially in the rural areas, reducing wastage of agricultural produce, increasing the processing level and enhancing the export of the processed foods. The PMKSY will attend to the requirement of the entire value chain from farm gate to retail outlet and human resources development through various schemes

incorporated into it. This will lead to holistic development of the food processing sector in the country.

During the course of evidence, the Secretary of Ministry of Food Processing Industries stated as under:-

श्री जगदीश प्रसाद मीणा : सर, हमारा जो मेन अम्ब्रेला प्रोग्राम है, उसका नाम प्रधान मंत्री किसान संपदा योजना है, उसके तहत ये सारे स्कीम्स हैं। एक अम्ब्रेला बना कर उसे नाम दिया गया है। ये सारे स्कीम्स प्रधान मंत्री किसान संपदा योजना के पार्ट हैं।

श्री जगदीश प्रसाद मीणा : सर, इसमें हमने यह कोशिश की है कि खाद्य प्रसंस्करण की जितनी आवश्यकता है, फार्म गेट से लेकर रिटेल आउटलेट तक, उन सारी आवश्यकताओं को इस अम्ब्रेला स्कीम के द्वारा अटेंड करने की कोशिश की गई है। जहां एक ओर बैकवर्ड एंड फॉरवर्ड लिंकेजेज के जरिए, खेत स्तर पर जो संरचना की आवश्यकता है, इंफ्रास्ट्रक्चर की आवश्यकता है, जो प्राइमरी फैसिलिटीज की आवश्यकता है, वह क्रिएट करने के लिए प्रोत्साहन दिया जा रहा है। वहीं दूसरी ओर मॉडर्न इंफ्रास्ट्रक्चर, सप्लाय चैन, प्रोसेसिंग और रिटेल एंड पर भी इंफ्रास्ट्रक्चर क्रिएट करने के लिए इसमें आर्थिक सहायता दी जा रही है। यह स्कीम फूड प्रोसेसिंग की जो फार्म से लेकर रिटेल एंड तक की सारी आवश्यकताओं को अटेंड करने के लिए बनाई गई है। इसलिए इसको एक अम्ब्रेला स्कीम का रूप दे कर, उसमें ये सारे घटक सम्मिलित किए गए हैं।

The Pradhan Mantri Kisan Sampada Yojana is an umbrella scheme with the following schemes:

- (i) Scheme for Mega Food Parks;
- (ii) Scheme for Integrated Cold Chain and Value Addition Infrastructure;
- (iii) Scheme for Creation / Expansion of Food Processing & Preservation Capacities;
- (iv) Scheme for Infrastructure for Agro-processing Clusters;
- (v) Scheme for Creation of Backward and Forward Linkages;
- (vi) Scheme for Food Safety and Quality Assurance Infrastructure; and
- (vii) Scheme for Human Resources and Institutions.

The details of the Schemes are given in the succeeding paras: -

3.3 SCHEME FOR MEGA FOOD PARK SCHEME:

Objectives of the Scheme: The objectives of the scheme are as follows:

- i. To provide modern infrastructure for food processing units in the country.
- ii. To ensure value addition of agricultural produce including dairy, fisheries etc.
- iii. To establish a sustainable raw material supply chain for each cluster.
- iv. To facilitate induction of the latest technology.
- v. To address the need of small and micro food processing enterprises by providing plug & play facilities.
- vi. To provide an institutional mechanism for producers, processors, and retailers to work together to build the supply chain.

The Mega Food Park Scheme aims at providing modern infrastructure facilities for food processing along the value chain from farm to market. The Scheme functions on a Hub and spoke model. It includes creation of infrastructure for primary processing and storage near the farm gate at Primary Processing Centers (PPCs), collection Centres (CCs) and common facilities and enabling infrastructure at Central Processing Centre. The food processing units, under the scheme, would be located at Central Processing Centre (CPC) with need based common infrastructure required for processing, packaging, environmental protection systems, quality control labs, trade facilitation centers, etc.

(ii) The scheme provides for a capital grant @ 50 percent of the eligible project cost in general areas and @ 75 percent of the 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 Crore per project. The Time schedule for completion and successful operationalization of project is 30 months from the date of issue of final approval letter. The eligible project cost is defined as total project cost but excluding cost of land, pre-operative expenses and margin money for working capital.

(iii). The responsibility of execution, ownership and management of the Mega Food Park would vest with a Special Purpose Vehicle (SPV) registered under the Companies Act. State Government/ State Government entities/ Cooperatives applying for the project under the Scheme will not be required to form a separate SPV. Central Government agencies becoming shareholders in the SPV can only hold up to 26 percent of equity in the SPV. However, there will be no such restriction on State Government/ State Government entities/ its co-operatives.

(iv). The Government has so far approved 42 Mega Food Parks. Out of these, 38 projects have been accorded Final approval and the In-principle approval has been issued to 4 projects. The nine projects are presently operational. Six Mega Food Park projects at Satara & Aurangabad (Maharashtra), Agartala (Tripura), Ajmer (Rajasthan), Udham Singh Nagar (Uttarakhand) and Surat (Gujarat) are at advanced stages of implementation. These projects are likely to be made functional in current Financial Year. 12 more Mega Food Park projects will be made operational in 2018-19 and the remaining in 2019-20.

When asked how many Mega Food Parks have been setup till date and the status of remaining Mega Food Parks, the Ministry in its written reply stated as under:-

"Under the Scheme of Mega Food Park, the Government has so far approved 42 Mega Food Parks. Out of these, 38 projects have been accorded Final approval and the In-principle approval has been issued to 4 projects. The following nine projects are presently operational:-

- i. Srini Food Park, Chittoor, Andhra Pradesh
- ii. Patanjali Food and Herbal Park, Haridwar, Uttarakhand
- iii. Integrated Food Park, Tumkur, Karnataka
- iv. International Mega Food Park, Fazilka, Punjab
- v. North East Mega Food Park, Nalbari, Assam
- vi. Indus Mega Food Park, Khargone, Madhya Pradesh
- vii. Jharkhand Mega Food Park, Ranchi, Jharkhand
- viii. Jangipur Bengal Mega Food Park, Murshidabad, West Bengal
- ix. MITS Mega Food Park Pvt Ltd, Rayagada, Odisha

Six Mega Food Park projects at Satara & Aurangabad (Maharashtra), Agartala (Tripura), Ajmer (Rajasthan), Udham Singh Nagar (Uttarakhand) and Surat (Gujarat) are at advanced stages of implementation. These projects are likely to be made functional in current Financial Year. 12 more Mega Food Park projects will be made operational in 2018-19 and the remaining in 2019-20.

- i. The Ministry invited Request for Proposal (RFP) proposals on 10.04.2017 for "Evaluation of the Impact of the Scheme for Mega Food Park of Food Processing Industries". Last date for submission of the proposals was 08.05.2017. In response to the above, the Ministry received proposals from only six agencies viz. M/s KPMG Advisory Services Pvt. Ltd, M/s Ernst and Young LPP, M/s C.S. Datamation Research Pvt. Ltd, M/s Yes Bank Ltd, M/s Global Agri System Pvt. Ltd and M/s KITCO Ltd. Out of 6 agencies, M/s C.S. Datamation Research Pvt. Ltd has been selected for conducting the study after following an elaborate and transparent procedure as per the Scheme guidelines.
- ii. A Special Fund of Rs. 2,000 crore has been setup in NABARD by the Central Government to make available affordable credit to designated food parks and agro-processing units in the designated Food Parks. Any Entrepreneur, Cooperative, SPV, Joint Venture, State Government etc. may avail loan at concessional rate of interest from this fund for establishing food parks and food processing units in the Designated Food Parks. NABARD has already notified operational Guidelines of the Fund. Based on the information received from State Governments, Designated Food Parks have been notified. The consolidated list of 175 Designated Food Parks notified by the Ministry on 31.05.2017 is available on Ministry's website. NABARD has sanctioned a term loan of Rs.482.69 Cr to 11 Mega Food Park projects, Rs. 16.07 Cr to 1 Designated Food Park (Other than MFP) and Rs.36.80 Cr to 2 Individual Processing Units in Designated Food Park as on 06.12.2017. Also, NABARD has disbursed an amount of Rs.194.83 Cr to 11 Mega Food Park projects and Rs.36.80 Cr to 2 Individual Processing Units.

Pattern of Financial Assistance

Financial assistance is provided for grant-in-aid @ 50% of project cost excluding cost of land in general areas and @ 75% in NER and difficult areas, subject to a maximum of Rs. 50.00 crore for setting up of a Mega Food Park.

Current status of Implementation

During the financial year 2017-18 (as on 31.12.2017), Ministry has released grant-in-aid of Rs. 242.23 crore to the ongoing Mega Food Park projects. Status of implementation of the 42 projects is at Annexure-I. Nine Mega Food Park projects at Haridwar (Uttarakhand), Chittoor (Andhra Pradesh), Tumkur (Karnataka), Fazilka (Punjab), Nalbari (Assam), Khargone (Madhya Pradesh), Ranchi (Jharkhand), Murshidabad (West Bengal) and Rayagada (Odisha) have become operational. About 50 units are functioning in these parks providing employment to more than 18602 people directly. In addition, approximately 4 lakhs peoples are getting employment through franchises, dealership/distributorship etc. Six more mega food parks projects are likely to be completed by the end of the current financial year.

Ministry has invited Expression of Interest (EoI) on 02.08.2017 against vacant slot of Mega Food Park for setting up MFP in uncovered states i.e. Arunachal Pradesh, Goa, Manipur, Meghalaya, Sikkim and Uttar Pradesh with last date for submission of proposal on 18.09.2017. In response to EoI, total 10 proposals have been received from 4 States (Arunachal Pradesh, Meghalaya, Manipur & Uttar Pradesh). Out of which 3 proposals have been given 'in-principle' approval on 21.12.2017 against available vacancies.

Modification of the Mega Food Park Scheme guidelines

The detailed guidelines for the scheme were issued on 24.08.2008 and subsequently revised on 19.12.2009, 17.11.2011, 01.10.2012, 10.02.2014 and 21.07.2016. Based on the experience of implementation, modifications in the Scheme guidelines have been carried out from time to time. The Scheme guidelines of Mega Food Parks have been uploaded on the Ministry's website www.mofpi.nic.in for information of all concerned.

Co-ordination Mechanism

- i. With a view to have more effective coordination with the State Governments, the State Governments have been requested to nominate an officer as Ministry nominee Director in the Board of those SPVs.
- ii. PMA also co-ordinates with the SPV for facilitating smooth implementation of the project and monitoring the progress closely and periodically.
- iii. Ministry co-ordinates with State Govt. authorities to facilitate various statutory clearance and acquisition of land by SPV.
- iv. A District level Mega Food Park Co-ordination Committee under the Chairmanship of the District Collector has been constituted for each Mega Food Park to ensure smooth progress in implementation of the projects.

On being asked about any cost overrun as a result of delays, the Ministry stated as under:-

"The Ministry of Food Processing Industries has robust mechanism in place to monitor and ensure timely completion of the projects sanctioned under various schemes. The scheme-wise expenditure of each scheme is reviewed weekly by the Secretary, FPI in weekly meeting of senior officers dealing with the schemes. The progress of the flagship schemes is also reviewed periodically by the Hon'ble Minister, FPI. The Inter-Ministerial Approval Committee for various schemes also reviews progress of the on-going projects from time to time. The Ministry has engaged reputed professional agencies as Programme Management Agencies for its major schemes to help in closely monitoring each of the projects. These PMAs and senior officers of the Ministry are regularly monitoring the progress of each project by undertaking field visits and obtaining monthly progress reports from the implementing agencies. The Ministry of Finance has also fixed quarterly expenditure targets. The Ministry is successfully meeting all these targets. As such, the issues relating to cost overrun are being duly taken care of as per the guidelines of various schemes of the Ministry. For delay in implementation of the project, penalty is imposed on the SPV/ Promoter and the projects which fail to show the required pace of implementation are also cancelled. The cost overrun due to delay in implementation is borne by the SPV. However, in no case, the quantum of financial assistance is increased to make up the increase in cost.

During the course of evidence, the Secretary of Ministry of Food Processing Industries stated as under:-

श्री जगदीश प्रसाद मीणा : महोदय, इन स्कीम्स के लिए 715 करोड़ रुपये और पूरे मंत्रालय का आठ सौ करोड़ रुपये का बजट था। अब इसे बढ़ाकर 1400 करोड़ रुपये कर दिया है। इस क्षेत्र को आगे बढ़ाने के लिए कुछ ऐसी वित्तीय संस्थाओं की आवश्यकता है, जो केवल इन्हीं क्षेत्रों में फोकस करे। फूड प्रोसेसिंग आज बहुत बड़े उद्योग के रूप में सामने आ रहा है लेकिन जब बैंक के सामने प्रपोजल जाता है, तो इसे इतना महत्व नहीं दिया जाता है। वे देखते हैं कि यह सीज़नल इंडस्ट्री है और यदि ये बहुत ज्यादा माल खरीद कर रखेंगे तो सामान खराब हो सकता है। इस वजह से वे ऋण देने में आनाकानी करते हैं या उसकी कास्ट हाई रखते हैं। इसके उपाय के लिए हमने नाबार्ड में 2 हजार करोड़ रुपयों का फंड क्रिएट किया। इसके अलावा मंत्रालय में यह सोच रही कि यदि हम ऐसी संस्थाओं को प्रोत्साहित करें जो फूड प्रोसेसिंग के लिए ही ऋण दे, तो इस क्षेत्र में ज्यादा पैसा दिया जा सकेगा। इसी को ध्यान में रखते हुए हमने बजट में प्रस्ताव रखा था कि हम एक स्कीम चलाने की अनुमति दी जाए, जिससे नॉन बैंकिंग फाइनेंशियल इंस्टीट्यूशंस विशेषकर फूड प्रोसेसिंग सैक्टर को प्रोत्साहित कर सकें। माननीय प्रधान मंत्री जी और वित्त मंत्री जी ने प्रस्ताव स्वीकार किया और उसकी बजट में भी घोषणा कर दी है। हमारा स्टैक होल्डर्स के साथ लगातार डिस्कशन चल रहा है और उसका प्रारूप बनाकर जो भी अप्रूवल की आवश्यकता होगी, वह

लेकर हम स्कीम को लांच करेंगे। इसके बाद फूड प्रोसेसिंग क्षेत्र में ऋण की समस्या काफी हद तक दूर हो जाएगी।

3.4 SCHEME FOR INTEGRATED COLD CHAIN AND VALUE ADDITION INFRASTRUCTURE

(a) **Objective of the Scheme:** To arrest post-harvest losses of horticulture & non-horticulture produce by providing financial assistance in setting up integrated cold chain, preservation and value addition infrastructure facilities without any break from the farm gate to the consumer. To encourage setting up of backward and Forward linkages in the agricultural supply chain the Country.

Salient Features Of The Scheme

- Scheme provides for integrated and complete cold chain facilities without any break from the farm gate to the consumer. Stand-alone facilities, except irradiation facility will not be considered for assistance.
- Both horticultural and non-horticultural produce are eligible for support under this scheme.
 - i) To encourage setting up of cold chain facilities in the country, Ministry is implementing the Scheme of integrated cold chain and value addition infrastructure to provide financial assistance to project proposals received for cold chain infrastructure development. The scheme envisages financial assistance in the form of grant-in-aid subjected to maximum of Rs. 10.00 Crore per project. The intervention is aimed at filling the gaps in the supply chain, strengthening of cold chain infrastructure with infrastructural facilities like sorting, grading, packaging and processing of horticultural produce including organic produce, marine, dairy, poultry, etc. Integrated Cold Chain and Value Addition Infrastructure projects can be set up by Partnership/ Proprietorship firms/ Companies, Corporations, Cooperatives, Self Help Groups (SHGs), Farmer Producer Organisations, NGOs, Central/ State PSUs etc.
 - ii) The scheme has the following components:
 - (a) Farm Level Infrastructure, which may include processing center, situated in the catchment area of the targeted produce.
 - (b) Distribution hub - This shall have a modern multi-product, multi-temperature cold storage.
 - (c) Refrigerated vans/ refrigerated trucks/ insulated vans/mobile insulated tankers.
 - (d) Irradiation facility.
 - iii) Pattern of Assistance: -
 - (a) For storage infrastructure including Pack House and Pre-cooling unit, ripening chamber and transport infrastructure, grant-in-aid @ 35% for General Areas and @ 50% for North East States, Himalayan States, ITDP Areas & Islands, of the total cost of plant & machinery and technical civil works will be provided.
 - (b) For value addition and processing infrastructure including frozen storage/ deep freezers associated and integral to the processing, grant-in-aid @ 50% for General

- Areas and @ 75% for North East States, Himalayan States, ITDP Areas & Islands, will be provided.
- (c) For irradiation facilities grant-in-aid will be provided @ 50% for General Areas and @ 75% for North East States, Himalayan States, ITDP Areas & Islands.
- iv). Maximum grant-in-aid would be Rs. 10.00 Crore per project
- v). To avail financial assistance under this scheme, the applicant will have to set up Farm Level Infrastructure as mentioned at (a) above and any one or both of the components from (b) and (c) above.
- vi) Considering the functional nature of the facility, irradiation component will be treated as a standalone facility for the purpose of availing grant under the scheme.
- vii) Currently, the Ministry is assisting 232 Cold Chain projects. These include 103 Cold Chain projects which have been sanctioned in the month of March / April, 2017. Out of 232 Cold Chain projects being assisted by Ministry, 113 projects have achieved completion and started commercial operations. The total project cost of 232 projects is Rs. 6086.58 crore with private investment of Rs. 4311.23 crore and grant-in-aid of Rs. 1775.35 crore.

Operationalization of 232 cold chain projects is expected to create a cold chain capacity of 7.38 lakh MT of Cold Storage / Controlled Atmosphere/ Deep Freezer, 210.75 MT/Hr of Individual Quick Freeze, 106.99 lakh Litres Per Day of Milk Processing/Storage and 1369 nos. of Reefer Vehicles.

Ministry has so far created a capacity of 4.24 lakh metric tonnes of cold storage, 94.90 metric tonnes per hour of Individual Quick Freezing (IQF), 42.85 lakh litres per day of Milk processing/ storage and 636 reefer vans.

3.5 LOSSES IN SUPPLY CHAIN OF AGRI-PRODUCE

Despite the production of large scale agriculture in India, food inflation and food security issues are major concerns for policy makers in the country as they affect the basic need for the citizens i.e. to have sufficient, healthy and affordable food. A nation-wide study on quantitative assessment of harvest and post-harvest losses for 46 agricultural produces in 106 randomly selected districts was carried out by Central Institute of Post-Harvest Engineering & Technology (CIPHET), Ludhiana. The aforesaid study considers the quantitative loss as the material rendered “unfit for human consumption”. The different stages considered for assessment of losses are harvesting, collection, thrashing, grading /sorting, winnowing /cleaning, drying, packaging, transportation, and storage depending upon the commodity.

The report of the study was released in 2010. The study has estimated that harvest and post-harvest losses of major agricultural produces at national level was of the order of Rs. 44,143 crore per annum at 2009 wholesale prices.

A repeat Study by CIPHET, Ludhiana on the extent of harvest and post-harvest losses of major agricultural produces was conducted in 2015 covering 45 agricultural crops of 107 districts.

The Report on the repeat study was submitted in March 2015. The study has estimated that annual value of harvest and post-harvest losses of major agricultural produces

at national level was at Rs. 92,651 crore calculated using production data of 2012-13 at 2014 wholesale prices.

In the case of cereals, majority of losses occur at farm level during harvesting, collection and threshing. Storage losses are only 0.75 – 1.21 percent. In the case of fruits also, there are high losses in farm level operations.

It may be seen that most of the wastage is happening in fruits and vegetables. With adequate processing facilities, much of this wastage can be reduced thus providing remunerative price to the producer as well as ensuring greater supply to the consumer.

3.6 COLD CHAIN PROJECTS

On being asked about the estimated loss being incurred by the States in the absence of desired level of capacity in the Cold chain Projects, the Ministry informed the Committee in a written reply as under:

"One of the main reasons for the high losses in the supply chain of perishables is the absence of adequate and efficient cold chain infrastructure right from the farm gate to the consumer. In a repeat study conducted by the Central Institute of Post-Harvest Engineering & Technology (CIPHET), Ludhiana during 2012-14 on behalf of Ministry of Food Processing Industries on Assessment of Quantitative Harvest and Post-Harvest Losses of Major Crops and Commodities in India, average range of losses for food grains, oils seeds and fruits & vegetables were found to be between 4% to 16% resulting in annual loss of 92,651crore at price index of 2014. Different stages considered for assessment of losses are harvesting, collection, threshing, grading/sorting, winnowing/cleaning, drying, packaging, transportation, and storage depending upon the commodity.

Study on state-wise losses exclusively on account of shortage of Cold Chain projects has not been conducted so far."

When the Committee desired to know as to whether the Ministry is having any proposal or scheme for launching cold chain projects in the States where there facilities are not available the Ministry stated as under:

"The scheme guidelines of Cold Chain do not provide state-wise allocation of cold chain projects. The applications under the scheme are invited through Expression of Interest (EOI) issued by the Ministry against the approved number of vacancies. The proposals have to meet certain basic eligibility criteria as per the scheme guidelines in order to become eligible for consideration of financial assistance. Further, the scheme provides flexibility and freedom to the entrepreneur to set up the cold chain projects keeping in view his business model, availability of raw material and techno-economic viability of the project. Selection of projects is done through a two-tier process

of technical evaluation by Technical Committee and approval by an Inter-Ministerial Committee (IMAC) chaired by Hon'ble Minister (FPI). The approval to the project is granted on the basis of rank secured by it in the inter-se merit list of eligible proposals.

The scheme guidelines of Integrated Cold Chain and Value Addition Infrastructure provide that the criteria of maintaining regional balance may be taken into account by the Ministry while deciding the projects for sanction of grant under the scheme. However, these criteria will be applicable only to those proposals which are found eligible as per these guidelines. Inter-Ministerial Approval Committee chaired by Hon'ble Minister, FPI consider the proposals for financial assistance from the states where these facilities are not available despite being low in the merit list."

When asked as to how many Cold Chains will be needed in the country for post-harvest management preservation and prevent huge wastage at each supply chain the Ministry informed the Committee as under:

"A committee under the Chairmanship of Dr. Saumitra Chaudhuri, Member, Planning Commission was constituted in year 2012 on encouraging investments in supply chains including provision for cold chain for more efficient distribution of farm produce. This committee also took into account the gap in cold storage capacity assessed by NSEL at 37 Million Tonnes in the year 2010 and recommended adequate resources for strengthening the agricultural produce supply chain.

To accelerate the availability of cold storage and to improve the efficiency of Cold Chain Management, a Task Force set up by the PMO in 2014 under the Chairmanship of Secretary, FPI noted that a capacity of about 8 Million Tonnes has been created since NSEL assessment and thus the gap may be around 29 million Tonnes and inter alia, recommended that government should aim at creating additional capacity of 7.5 million tonnes over the next five years for which around ₹ 6100 crore would be required. Out of this, Department of Agriculture & Cooperation can take up 5 million tonnes under MIDH (2.5 million tonnes each by NHM and NHB) and MoFPI can take up 2.5 million tonnes

National Center for Cold Chain Development (NCCD) under Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture & Farmers Welfare had commissioned a study in the year 2015 on "All India Cold Chain Infrastructure Capacity (Assessment of Status & Gap)" conducted by NABARD Consultancy Services Pvt. Ltd.(NABCONS). As per the gap study, the cold chain requirement in the country stands at 35 million tonnes of cold storage vis-a vis available capacity of 32 million tonnes. The study has made the following gap analysis of cold chain infrastructure:

Type of Infrastructure	Infrastructure Requirement (A)	Infrastructure created (B)	All India Gap (A-B)
Pack-house	70,080 nos.	249 nos.	69,831 nos.
Cold Storage (Bulk)	34,164,411 MT	31,823,700 MT	32,76,962 MT
Cold Storage (Hub)	9,36,251 MT		
Reefer Vehicles	61826 nos.	9000 nos.	52826 nos.
Ripening Chamber	9131 nos.	812 nos.	8319 nos.

However, the study was primarily based on requirement of fruits & vegetables and has excluded the requirement for milk, meat, marine and processed products. Hence it is seen that whichever study is relied upon, the fact remains that there is a considerable requirement of cold chain infrastructure in the country."

On being asked as to how many Cold Chain Units/Centres are established in Rural Areas and Percentage of farmers benefitted by these units (both big, small and marginal farmers the Ministry informed the Committee in a written reply as under:

"Currently, the Ministry is assisting 238 cold chain projects in the country. These include 108 cold chain projects which have been approved during the Financial Year 2017-18. Out of 238 cold chain projects being assisted by Ministry, 113 projects have achieved completion and started commercial operations as on 19.02.2018. Each Cold Chain project helps in creating direct employment for about 100 persons and indirect employment for about 500 persons. Each cold chain project links about 500 farmers in the F&V sector and 5000 farmers in dairy/fishery/marine sector."

(v)(A) Scheme for Creation/ Expansion of Food Processing and Preservation Capacities: - (a new Scheme under Pradhan Mantri Kisan Sampada Yojana)

- (a) Objectives of the scheme are as under:
- (i) Creation/ expansion and / or modernization of processing / preservation capacities which will help in increasing the level of processing, value addition and thereby reduction of wastage.
 - (ii) The setting up of new units and modernization/ expansion of existing unit will be covered under the scheme. The processing units undertake a wide range of processing activities depending on the processing sectors which results in value addition and/or enhancing shelf life of the processed products.
- (b) Pattern of Assistance: - The scheme envisages financial assistance to food processing units in the form of grant-in-aid @ 35% of the cost of Plant & machinery and technical civil works, subject to a maximum of Rs. 5.00 crore in general areas; and @ 50 % of the

- cost of Plant & machinery and technical civil works, subject to a maximum of Rs. 5.00 Crore in North East States and difficult areas.
- (c) Implementing Agencies: Scheme will be implemented through organizations such as Central & State PSUs / Joint Ventures / Farmer Producers Organization (FPOs)/ NGOs / Cooperatives / SHG's / Public and Pvt. Companies / limited liability Partnerships, corporate entity/ proprietorship firms/ Partnership firms engaged or propose to engage in creation/ expansion/ modernization of food processing and preservation capacities.
- (d) It is a new scheme. It will be implemented with an allocation of Rs.1290 crore to take up 400 new projects with total allocation of Rs.1141 crore and to meet the committed liabilities of earlier Technology Upgradation Scheme of Rs.149 crore. The grants-in-aid will be credit linked but not back ended.

(V) (B) Scheme for Technology Up-gradation/ Establishment/ Modernization of Food Processing Industries (Spill-over liabilities of 11th Plan)

Ministry has been implementing the Scheme of Technology Up gradation/ Establishment/ Modernization of Food Processing Industries since 9th Plan aimed at (i) Creation of new processing capacity and up-gradation of existing processing capabilities and (ii) Modernization of Food Processing Sector: (a) Perishable: Milk, Fruit & Vegetables, Meat, Poultry, Fishery, Wine, consumer and other bakery products; (b) Non-perishable: Grain milling (cereal, oil seeds, rice milling, flour milling, pulse).

The scheme envisaged grant-in-aid upto 25% of the cost of Plant & Machinery and Technical Civil Works subject to maximum of Rs. 50.00 lakhs in general areas and 33.33% up to a maximum of Rs. 75.00 lakhs in difficult areas.

At the beginning of 12th Plan, there was a committed liability of Rs.740.00 Crore for 3168 cases. This Scheme was subsumed in Centrally Sponsored Scheme (CSS) – National Mission on Food Processing (NMFP) during 12th Plan for implementation through State/ UT Governments w.e.f. 01.04.2012. However, the CSS - NMFP has been delinked from Central support from 2015-16 (except for UTs upto 31.03.2016). During the 12th Plan (2012-17), the Ministry continued liquidating the 11th Plan spill over liabilities of the scheme.

3.7 SCHEME FOR CREATION OF BACKWARD AND FORWARD LINKAGES

(a new Scheme approved under Pradhan Mantri Kisan Sampada Yojana) :

(a) Objective:

The objective of the scheme is to provide effective and seamless backward and forward integration for processed food industry by plugging the gaps in supply chain in terms of availability of raw material and linkages with the market. The scheme will enable linking of farmers to processors and the market thereby ensuring remunerative prices for their produce.

(d) **Salient features of the scheme:** The Scheme is applicable to both perishable horticulture and non-horticulture produce such as: fruits, vegetables, dairy products and fish etc.

(e) Components of the Backward Linkage Scheme:

- (i) Integrated Pack-house(s) (with mechanized sorting & grading line/ packing line/ waxing line/ tagging cold rooms/ cold storage, etc.)
- (ii) Milk Chilling Centre (s)/ Bulk Milk Cooler(s)
- (iii) Pre-Cooling Unit (s)/ Chillers
- (iv) Reefer Boats
- (v) Machinery & equipment for minimal processing and/ or value addition such as cutting, dicing, slicing, picking, drying, pulping, canning, waxing, etc.
- (vi) Machinery & equipment for packing/ packaging.

Components of the Forward Linkage Scheme:

- (i) Retail chain of outlets to be set up by processors and/ or organizations with farm level infrastructure under component at (a) above for perishable food products. These would have facilities such as frozen storage/ deep freezers/ refrigerated display cabinets/ cold room/ chillers/ packing/ packaging, etc.
 - (ii) Distribution center associated with the retail chain of outlets as above with facilities like cold room/ cold storage/ ripening chamber.
- (f) **Implementing Agencies:**All implementing agencies / organizations such as Govt. / PSUs / Joint Ventures / NGOs / Cooperatives / SHGs / FPOs / Private Sector / individuals etc. will be eligible for financial assistance under the scheme.
- (g) **Pattern of Assistance:**The maximum admissible grant for each project would be 35% of eligible project cost in general areas and 50% of eligible project cost North East States and difficult areas subject to max. of Rs. 5.00 crore. The grant will be provided only in respect of technical civil work and eligible plant & machinery.

It is a new scheme. It is proposed to assist 50 projects with an allocation of Rs. 150 crore. The grants-in-aid will be credit linked but not back ended.

Promotional Activities:

Food Processing Sector is a sunrise sector in the country and has huge potential for enhancing processing levels of perishable products, thereby scope for more employment. Therefore, Ministry aims at the development of the processed food sector, creating awareness, attracting investment etc. disseminating information regarding food processing industries, various schemes thereof, familiarizing the existing and prospective entrepreneurs with modern techniques of production and packaging, prevention of wastage & value addition, development of market & new products and popularization of processed products etc through its promotional activities scheme. The Ministry provides assistance to Apex Industry Bodies like Confederation of Indian Industries(CII), Federation of Indian Chambers of Commerce & Industry (FICCI), Associated Chambers of Commerce & Industry(ASSOCHAM), PHD chamber of commerce and Industry and All India Food Processors Association(AIFPA), Central Government, Autonomous Bodies and Public sector Undertakings for organizing workshops, seminars, exhibitions, fairs etc and also if Ministry organizes itself or its institutes NIFTEM/IICPT etc . Studies, surveys, feasibility reports etc. are essential to monitor, review, assess and when required make necessary changes in various schemes plans/ vision for Ministry as well as allied sectors.

Financial assistance is provided to the agencies up to 50% of the cost subject to a maximum of Rs. 4 lakh for organizing seminars/ workshops. When the Ministry sponsors or commissions such events, the above financial ceiling is not applicable.

The quantum of assistance for organizing Fair/ Exhibition depends on the merits of proposal. Sponsoring/ Co-sponsoring of the event organized by other organizations are done by the Ministry provided at least 50% coverage is given to processed food sector.

(i) Under the Scheme for Promotional Activities, financial assistance is provided for organizing All India level Seminars/ Workshops/ Fair/ Exhibitions/ International Seminars, Exhibitions, Fairs spearheaded by Apex Industry Associations and Autonomous Bodies/ Public Sector Undertakings of Government of India. The Ministry also participates in National/ International, Exhibitions/ Fairs with the objective of dissemination of information regarding food processing industries, familiarizing the entrepreneurs with modern techniques of production and popularization of products.

(ii) The financial assistance is provided to the agencies upto 50% of the cost subject to a maximum of Rs. 4.00 lakhs for organizing seminar/ workshops and conducting studies/ surveys etc. Assistance of 25% of the actual rent for the space taken by the Government / Government organizations in fairs/ exhibitions abroad is also provided subject to maximum of Rs. 20 lakhs in a year. When the Ministry sponsors such events, the above financial ceiling will not be applicable.

On being asked about how the Ministry propose to utilize the huge increased amount, the Ministry in its written reply stated as under:-

"The Ministry will utilize the increased amount of budget for releasing funds for implementation of the projects already sanctioned under the ongoing schemes and new projects to be sanctioned under the ongoing schemes as well as under the new schemes. In addition, the Government has made announcements for new schemes in the budget 2018-19 like "Operation Greens" to promote FPOs, agro logistics, processing facilities and professional management with a sum of Rs.500 crore, for the promotion of value chain for Tomato, Onion and Potato for the benefit of Producers and Consumers" and "to promote establishment of specialized agro-processing financial institutions in this sector" and also for "Setting up the State of the Art Testing facility in all the Mega Food Parks to promote agri-exports". The increased BE will be utilized for implementation of all these projects".

3.8 DEVELOPMENTAL HEADS

(i) Food storage and warehousing

(Rs. in Crore)

BE 2017-18			RE 2017-18			BE 2018-19		
Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
702.70	-	702.70	627.20	-	627.20	1243.14	-	1243.14

When asked how the Ministry propose to utilize the increased amount Rs. 1243.14 crore, the Ministry in its written reply stated as under:-

"The Ministry will utilize the increased amount of budget for releasing funds for implementation of the projects already sanctioned under the ongoing schemes and new projects to be sanctioned under the ongoing schemes as well as under the new schemes. In addition, the Government has made announcements for new schemes in the budget 2018-19 like "Operation Greens" to promote FPOs, agro logistics, processing facilities and professional management with a sum of Rs.500 crore, for the promotion of value chain for Tomato, Onion and Potato for the benefit of Producers and Consumers" and "to promote establishment of specialized agro-processing financial institutions in this sector" and also for "Setting up the State of the Art Testing facility in all the Mega Food Parks to promote agri-exports". The increased BE will be utilized for implementation of all these projects."

When asked how the Ministry will establish specialized agro- processing financial institutions to promote Food Processing Industries, the Ministry in its written reply stated as under:-

"The Ministry is holding consultation with stakeholders for eliciting views for working out a framework for a new scheme to promote establishment of specialized agro-processing financial institution in Food Processing sector. The scheme will be launched after following due process of inter-Ministerial consultation and approval of the competent authority. Ministry proposes to contribute equity to certain extent to promote such institutions."

When asked regarding plan to deal with the impediments in the implementation of various schemes of the Ministry, the Ministry stated as under:

"During the last three years, the Ministry has been able to utilize more than 95.90% of its total allocation made available at RE stage. The shortfall has been mainly due to non-receipt of sufficient proposals from North-East region. In case of projects in general areas, the Ministry is in a position to utilize even additional allocation, if provided, under various Schemes. The utilisation during last three years has been as follows:-

(Rs. in crore)					
S. No.	Year	BE	RE	Actual Expenditure	% to RE
1	2014-15	770.00	600.00	579.73	96.62%
2	2015-16	487.00	487.00	467.03	95.90%
3	2016-17	600.00	688.56	677.16	98.34%

However, there are a number of constraints which are acting as impediments in timely implementation of projects under various Schemes. The infrastructure projects

like Mega Food Parks and Cold Chain have been delayed mainly due to the time consumed in acquiring required land with change of land use and obtaining required term loan from banks/ financial institutions. The various statutory clearances required from State Governments like environmental clearance, town and country planning approvals, use of ground water, power supply etc. have also affected timely implementation of projects. There is a lack of effective single window system at the State level and obtaining approvals from multiple agencies is a long drawn and time consuming process. Financial constraints of local bodies have delayed implementation of abattoir projects.

Ministry has been making constant endeavor from time to time for addressing these issues to remove these impediments by suitably modifying the guidelines of the Schemes in consultation with the stakeholders, involving State Governments in the process of selection of the projects by including them in the Technical Committee and Inter-Ministerial Approval Committee, making available affordable credit through NABARD, including food processing in primary sector lending, fiscal concessions on importing equipment, reduction of excise duties and benefits under Income Tax Act etc. The State Governments are also being impressed upon to put in place an effective single window clearance system for one-point clearance of all the approvals.

Ministry is also holding regular consultations at the level of Group of Secretaries as well as with individual Ministries for amending labour laws to declare food processing as seasonal activity, for placing of food processing industries as White Category in the categorization for environmental clearances."

When asked whether 'Operation Green' be launched for the promotion of value chain for Tomato, Onion and Potato for the benefit of Producers and Consumers, the Ministry in its written reply stated as under:-

"As a follow up to the Budget announcement 2018-19, the Ministry of Food Processing Industries is holding consultation with stakeholders for eliciting their views for the proposed scheme of Operation Greens. First such consultation with all the stakeholders, namely Industry Association, PMAs, bankers including NABARD, CFTRI, DAC&FW, ICAR-CIPHET, ICAR-ITVR, ICAR-HQ, NAFED, APEDA, NCDC and IIFPT has been held on 05.02.2018. Further, a consultation meeting with all stakeholders, especially major producing State Governments and concerned Farmers Producers Organization (FPOs) was also held under the Chairpersonship of Hon'ble Minister, FPI on 20.02.2018. A scheme on 'Operation Greens' will be prepared after consultation with all the stakeholders."

During the course of evidence, the Secretary of Ministry of Food Processing Industries stated as under:-

महोदय, आलू, टमाटर और प्याज ऐसी तीन चीजें हैं जिनका दाम आम आदमी को प्रभावित करता है। इनकी विशेष समस्या है कि एक राज्य में इसकी बहुतायत है और दूसरे राज्य में इनकी कमी उसी समय में होती है। एक समय इनकी कीमत बहुत बढ़ जाती है और दूसरी तरफ किसान उस फसल को बहुतायत के कारण बाजार में बेच नहीं पाते हैं और उन्हें फसल सड़क पर भी फेंकनी पड़ती है। सरकार ने काफी मंथन किया और यह सोचा कि यदि एक फोकस्ड प्रोग्राम केवल इन तीनों चीजों के लिए ही चलाया जाए और प्रोडक्शन से लेकर मार्केट में बेचने तक किसानों को पार्टनर बनाकर काम किया जाए तो इस समस्या को काफी हद तक टैकल किया जा सकता है। इसी को ध्यान में रखकर इनिशियल एलोकेशन 500 करोड़ रुपये का आपरेशन ग्रीन के नाम से बजट में एनाउंस किया गया। हमने दो-तीन स्टेक होल्डर्स के कंसल्टेशन कर लिए हैं। हम चाहते हैं कि माननीय सदस्यगण भी हमें इस बारे में सुझाव दें कि कैसे हम किसानों को ज्यादा से ज्यादा इसमें इनवाल्व करें और किन-किन चीजों को हम ध्यान में रखें, जिससे कि इसका रीजनल डिस्ट्रिब्यूशन हो और जिस क्षेत्र में ज्यादा पैदावार है, वहां इसकी प्रोसेसिंग या स्टोरेज के रूप में व्यवस्था कर सकें और जहां कमी है, वहां इन्हें पहुंचाकर उपभोक्ताओं की जरूरत की पूर्ति कर सकें।

महोदय, इसके अलावा माननीय सदस्य जोर देते रहे हैं कि आरएंडडी का आउटकम लोगों तक पहुंचना चाहिए। इस बारे में हम काफी प्रयास कर रहे हैं। केवल अपनी आरएंडडी ही नहीं, बल्कि आईएआरसी की आरएंडडी को इकट्ठा करके एक प्लेटफार्म निफ्टम में क्रिएट किया है, जिससे कि कोई भी एंटरप्रेन्योर उसमें जा सके और जो टेक्नोलोजी है, उसके बारे में जानकारी ले सके। आईआईएटी और निफ्टम में हमने इनक्यूबेशन सेंटर भी बना दिया है, जिससे कि अपनी इंडस्ट्री लगाने से पहले अपने उत्पाद को लांच करने से पहले वह एक्सपेरीमेंट कर सकेगा, मार्केट टेस्ट कर सकेगा, उस प्रोडक्ट को बनाकर देख सकेगा कि लोगों की प्रतिक्रिया क्या है और उसके बाद यदि उसे लगे कि मार्केट में अच्छा रिस्पॉंस मिलेगा, तो वह उसे लांच कर सकता है।

PART –II

OBSERVATIONS AND RECOMMENDATIONS

1. IMPLEMENTATION OF POLICIES OF MFPI

The Committee note that the Food Processing has tremendous potential for enabling the farmer to add value to their produce both in terms of quantity and quality to meet the requirements and standards of the market at all stages of value chain, processing and retailing, Considerable investments are required in rural infrastructure and in components of the supply chain by way of grading and packing centres, The Committee also note that the major issue of the country is to ensure remunerative prices to the farmers for their produce. If the surplus production of cereals, fruits, vegetables, milk, fish, meat and poultry, etc., are processed and marketed both inside and outside the country, there will be greater opportunities for adding to the income of farmers and employment and creating markets for export of agro foods.

The Committee feel that it requires policies and plans for improvement of food processing infrastructure including up-gradation of technology, enforcement of quality standards and promoting investment in food processing. Food Processing adds value, enhances shelf-life and reduces wastage. The Committee, therefore, recommend that the Ministry should implement its policies both long and short term strategies in a time bound manner and also provide requisite infrastructure facilities to entrepreneurs who are setting up food processing units and act as catalyst for bringing in greater investment into this sector by guiding and helping the industry and also incentives be given to industries being set up in rural areas are establishment of processing units in rural areas The Committee feel that it will not only achieve the avowed objective of doubling the farmers income, also reduce harvest and post-harvest losses of major agricultural produces and add income to national exchequer .

The Committee would like to be informed of the action taken by the Ministry in this regard.

2. MAKE IN INDIA IN FOOD PROCESSING INDUSTRIES SECTOR

The Committee note that the agricultural production in India has consistently recorded higher output. India ranks no. 1 in the world in the production of Milk, Ghee, Pulses, Ginger, Bananas, Guavas, Papayas and Mangoes. Further, India ranks no. 2 in the world in the production of Rice, Wheat and several other vegetables & fruits. Abundant supply of raw materials, increase in demand for food products and incentives offered by the Government has impacted food processing sector positively. The food processing sector has been on average growing at a faster rate than agriculture sector. During the period 2012-13 to 2015-16, Food Processing Industries sector grew at an Average Annual Growth Rate (AAGR) of around 2.88 per cent as compared to around 1.88 per cent in Agriculture and 6.61 per cent in Manufacturing at 2011-12 Prices. Food Processing Sector has also emerged as an important segment of the Indian economy in terms of its contribution to GDP, employment and investment. It is seen that food products industry, compared to other industries has the largest number of factories and engages largest number of employees as well. The Committee further note that Food processing sector has been identified as one of the priority sector under “MAKE IN INDIA” an initiative of the Government. With a view to attract investment to this sector, Ministry of Food Processing Industry has been implementing schemes for development of infrastructure for promoting food processing industries. Mega Food Parks with common utility like road, electricity, water supply, sewage facility and common processing facility like pulping, packaging, cold storage, dry storage and logistics are being promoted in areas with strong agricultural resource base. These parks provide fully developed plots and factory sheds to entrepreneurs on long term

lease basis where they can set up food processing units in “plug & play model all these can be achieved if the Major challenges faced by Food Processing Industries, like lack of primary processing storage and distribution facilities, procurement, dependent on Agricultural Produce Market Committee (APMC), Markets, inadequate link between production and processing, Lack of product development and innovation, inadequate focus on quality and safety standards are sorted out.

The Committee, desire the Ministry of Food Processing Industries should implement all the schemes Coming under Make in India with alacrity in order to promote the vision of Hon'ble Prime Minister to give priority to this sector under Make in India scheme. The Committee would like to be informed of the action taken in this regard.

3. CONTRIBUTION OF FOOD PROCESSING SECTOR

The Committee observe that a a well-developed food processing sector with higher level of processing helps in the reduction of wastage, improves value addition, promotes crop diversification, ensures better return to the farmers, promotes employment as well as increases export earnings. This sector is also capable of addressing critical issues of food security, food inflation and providing wholesome, nutritious food to the masses. Food Processing Sector has also emerged as an important segment of the Indian economy in terms of its contribution to GDP, employment and investment. The sector constitutes as much as 8.71 per cent and 10.04 per cent of GVA in Manufacturing and Agriculture sector respectively in 2015-16 at 2011-12 prices. this sector is highly labour intensive per unit of capital. Despite low capital intensity, the output of food products is not compromised as it is second largest among all industries. The Food processing Industry engages largest number of persons as compared to other industries while generating almost as high the output level as in other industries. The number of persons employed per Rs.1 crore of

investment is 9.24 for the entire food processing industry. The percentage of GVA in these sub-sectors thus needs to be increased so that the bulk of the persons employed in the food processing industries earn higher remuneration as well. The Committee therefore recommend that boost should be given to this industry by bringing in greater investment and creating market for exports and creating a conducive environment for healthy growth of Food Processing Industries by inducting latest technologies in the Food Processing sector.

4. UTILISATION OF FUNDS

The Committee are happy to note that an amount of Rs.1400 crore has been allocated to the Ministry for the year 2018-19. This is a huge increase in amount as compared to previous year 2017-18 which was Rs 715 crore.

However the Committee are unhappy to note that out of the total allocated fund of Rs.63.38 crore for North East States, the actual allocation up to 31.10.17 was Rs. 21.01 crore only. This lower utilization of funds is stated to be non-availability of good projects on large scale the Committee desire that efforts should be made for proper utilization of funds in North East States and the reasons to be found out for non-availability of projects in this region. The Ministry should take the opinion of expert and send a fact finding Committee in North-East, to find out solutions to the Problem. The Committee recommend that the Ministry should identify the areas in North East States about the availability of various products and exploit the potential there.

5. MEGA FOOD PARKS

The schemes of Mega Food Parks was envisaged in the year 2008. The Mega Food Parks aims at providing modern infrastructure facilities for food processing along the value chain from farms to market. The scheme functions on hub and spoke model which includes creation of infrastructure for primary processing and storage farm gate at Primary Processing Centre (PPC), Collection Centre (CC) and common facilities and enabling infrastructure at Central Processing Centre. The Government has so far provided 42 Mega Food Parks out of these 38 projects have been accorded final approval and in principle approval has been issued to 4 projects. 9 Projects are presently in operation. 6 Mega Food Projects are at advance stage of implementation and are likely to be made functional in current financial year. 12 more Mega Food Projects will be made operational in 2018-19 and the remaining in 2019-20. During The Finance year 2017-18 (as on 31.12.2017), the Ministry has released grant in aid of Rs 242.23 crores to the ongoing Mega Food Projects. The Committee have been informed that the Ministry has invited expression of interest against vacant source of Mega Food Parks in uncovered States i.e. Arunachal Pradesh, Goa, Manipur, Meghalaya, Sikkim and Uttar Pradesh, Out of 10 proposals received, in principle approval to 3 proposals have been given. In their earlier reports on Demands for Grants relating to Ministry, the Committee have time and again recommended for expeditious implementation of Mega Food Parks. However they are concerned to note that the pace of implementation of Mega Food Parks is very slow. With the inclusion of Mega Food Parks scheme under the scheme of Pradhan Mantri Kisan Sampadha Yojana, the Committee hope that these projects will now be implemented at the desired pace. The Committee recommended to the Ministry to take concrete steps for early implementation of these projects. They will like to be apprised of the actions taken in this regard from time to time.

6. COLD CHAIN PROJECTS

The Committee note that despite the large scale agricultural production in India, food security issues are major concerns for policy makers in the country. A nation-wide study on quantitative assessment of harvest and post-harvest losses for 46 agricultural produces in 106 randomly selected districts was carried out by Central Institute of Post-Harvest Engineering & Technology (CIPHET), Ludhiana. The aforesaid study considers the quantitative loss as the material rendered “unfit for human consumption”. The different stages considered for assessment of losses are harvesting, collection, thrashing, grading /sorting, winnowing /cleaning, drying, packaging, transportation, and storage depending upon the commodity and one of the main reasons for the high losses in the supply chain of perishables is the absence of adequate and efficient cold chain infrastructure right from the farm gate to the consumer. In a repeat study conducted by the Central Institute of Post-Harvest Engineering & Technology (CIPHET), Ludhiana during 2012-14 on behalf of Ministry of Food Processing Industries on Assessment of Quantitative Harvest and Post-Harvest Losses of Major Crops and Commodities in India, average range of losses for food grains, oils seeds and fruits & vegetables were found to be between 4% to 16% resulting in annual loss of 92,651crore at price index of 2014. The Committee note that a Committee under the Chairmanship of Dr. Sumitra Chaudhuri Member, Planning Commission constituted in year 2012 on encouraging investments in supply chains including provision for cold chain for more efficient farm distribution. Further the Committee note that To accelerate the availability of cold storage and to improve the efficiency of Cold Chain Management, a Task Force set up by the PMO in 2014 under the Chairmanship of Secretary, FPI noted that a capacity of about 8 Million Tonnes has been created since NSEL assessment and thus the gap may be around 29 million Tonnes and inter alia, recommended that government should aim at creating

additional capacity of 7.5 million tonnes over the next five years for which around ₹ 6100 crore would be required. Out of this, Department of Agriculture & Cooperation can take up 5 million tonnes under MIDH (2.5 million tonnes each by NHM and NHB) and MoFPI can take up 2.5 million tonnes. The Committee desire the Ministry to expedite the implementation of the suggestions given by Dr. Sumitra Chaudhuri Committee and also the task force set up by the PMO in 2014 under the Chairmanship of secretary Food Processing Industries.

The Committee recommend that (i) in addition to large scale cold chain projects, cold storage plants at small scale, such as village co-operative at the district village level and try to cover all the Remote part of village so that the objective of arresting Post Harvest Losses of agriculture and horticulture produce can be achieved (ii) a fresh nation- wide study in qualitative adjustment of Harvest and post harvest losses for maximum agricultural produces be conducted. The Committee would like to be informed of the action taken in this regard.

7. PRADHAN MANTRI KISAN SAMPADA YOJANA

The Committee are glad to note that Pradhan Mantri Kisan Sampada Yojana (PMKSY) has been approved with an allocation of Rs. 6,000 Crore for the period 2016-20 coterminous with the 14th Finance Commission cycle. It will not only provide a big boost to the growth of food processing sector in the country but also help in providing better prices to farmers and is a big step towards doubling of farmers' income, creating employment opportunities especially in the rural areas, reducing wastage of agricultural produce, increasing the processing level and enhancing the export of the processed foods. The PMKSY will attend to the requirement of the entire value chain from farm gate to retail outlet and human resources development through various schemes incorporated into it. This will lead to holistic development of the food

processing sector in the country. The Pradhan Mantri Kisan Sampada Yojana is an umbrella scheme of seven schemes namely; Scheme for Mega Food Parks, Scheme for Integrated Cold Chain and Value Addition Infrastructure, Scheme for Creation / Expansion of Food Processing & Preservation Capacities, Scheme for Infrastructure for Agro-processing Clusters, Scheme for Creation of Backward and Forward Linkages, Scheme for Food Safety and Quality Assurance Infrastructure and Scheme for Human Resources and Institutions. The Committee feel that various schemes under PMKSY will prove to be a milestone for the holistic development of Food Processing Industries,

The Committee desire that keeping in view the role of Food Processing Industries in terms of its contribution in reduction of wastage farm produce wastages and ensuring higher returns to farmers, the Ministry of Food Processing Industries should make all out efforts to implement the PMKSY with the avowed objective of Doubling Farmers income by 2022, generation of employment, increase in export earnings, addressing critical issues of food security, and provide wholesome nutritious food to the masses be achieved.

NEW DELHI;
..... March, 2018
.....Phalguna, 1939 (Saka)

HUKM DEO NARAYAN YADAV
Chairperson,
Standing Committee on Agriculture

**STANDING COMMITTEE ON AGRICULTURE BRANCH
(2017-18)**

MINUTES OF THE ELEVENTH SITTING OF THE COMMITTEE

The Committee sat on Thursday, the 22nd February, 2018 from 1000 hours to 1230 hours in Room No. 62, Parliament House, New Delhi.

PRESENT

Shri Hukmdev Narayan Yadav – Chairperson

MEMBERS

LOK SABHA

2. Shri Sanjay Dhotre
3. Dr. Tapas Mandal
4. Shri Janardan Mishra
5. Shri Nityanand Rai
6. Shri Mukesh Rajput
7. Shri C.L.Ruala

RAJYA SABHA

8. Sardar Sukhdev Singh Dhindsa
9. Shri Meghraj Jain
10. Vinay Katiyar
11. Shri Shankarbhai N.Vegad
12. Dr. Chandrapal Singh Yadav

SECRETARIAT

- | | | | |
|----|----------------------|---|---------------------|
| 1. | Shri D.S.Malha | - | Joint Secretary |
| 2. | Shri Arun K. Kaushik | - | Director |
| 3. | Smt Juby Amar | - | Additional Director |

LIST OF WITNESSES
MINISTRY OF FOOD PROCESSING INDUSTRIES

- | | |
|----------------------------------|----------------------|
| 1. Shri Jagdish Prasad Meena | Secretary (FPI) |
| 2. Shri Dharmendra Singh Gangwar | Additional Secretary |
| 3. Smt. Gargi Kaul | JS&FA, FPI |
| 4. Shri Parag Gupta | Joint Secretary |
| 5. Shri Ashok Kumar | Joint Secretary |
| 6. Dr. Bijaya Kumar Behera | Economic Adviser |

**NATIONAL INSTITUTE OF FOOD TECHNOLOGY ENTREPRENEURSHIP AND
MANAGEMENT**

1. **Dr. Chindi Vasudevappa** **Vice Chancellor, NIFTEM**

2. At the outset, the Chairperson welcomed the Members and of the Committee to the Sitting convened for Oral Evidence of the representatives of Ministry of Food Processing Industries in connection with the examination of the Demands for Grants (2018-19). Thereafter, the representatives of Ministry of Food Processing Industries were ushered in. After welcoming the representatives of the Ministry to the Sitting, the Chairperson apprised them of the provisions of the Directions 58 of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

3. After the witnesses introduced themselves, one of the representatives of the Department made a power point presentation and briefed the Committee about the Ministry. The Chairperson and the Members of the Committee raised several issues/points as briefly mentioned below and sought clarification/information from the Ministry thereon:

- i) The reasons for not utilization of total funds allocated;
- ii) Need for setting up of small units of Food Processing Industries as it requires less investment and benefit small farmers. (Small is beautiful);
- iii) Need to concentrate on source of processing of Food units as it is found that processed Foods are causing health hazards to people;
- iv) Need to make it mandatory that Food Processing Industries should procure material from the farmers from the local farmers as it is found that private players take initially farmers produce and later on refuse to take its produce;

STANDING COMMITTEE ON AGRICULTURE

(2017-18)

MINUTES OF THE FIFTEENTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 05th March, 2017 from 1000 hrs. to 1100 hrs. in the Chamber of the Hon'ble Chairperson, Standing Committee on Agriculture, Room No. 138 (Third Floor), Parliament House, New Delhi.

PRESENT

Shri Hukm Deo Narayan Yadav – Chairperson

MEMBERS

LOK SABHA

2. Smt.Raksha Khadse
3. Dr. Tapas Mandal
4. Shri Janardan Mishra
5. Shri Mukesh Rajput
6. Shri Konakalla Narayana Rao
7. Shri C.L. Ruala

RAJYA SABHA

8. Shri Mohd. Ali Khan
9. Shri Ram Nath Thakur
10. Shri Shankarbhai N.Vegad

SECRETARIAT

1.	Shri D.S. Malha	–	Joint Secretary
2.	Shri Arun K. Kaushik	–	Director
3.	Smt. Juby Amar	–	Additional Director
4.	Shri Sumesh Kumar	–	Under Secretary

2. At the outset, Chairperson welcomed the Members to the Sitting of the Committee.

Thereafter, the Committee took up for consideration the following draft Reports:

*(i)	XXXXX	XXXXX	XXXXX	XXXXX
*(ii)	XXXXX	XXXXX	XXXXX	XXXXX
*(iii)	XXXXX	XXXXX	XXXXX	XXXXX

(iv) Draft Report on Demands for Grants (2018-19) pertaining to the Ministry of Food Processing Industries.

3. After some deliberations, the Committee adopted the draft Reports without any modifications and authorized the Chairperson to finalize and present these Reports to Parliament.

The Committee then adjourned.

*** Matter not related to this Report**