



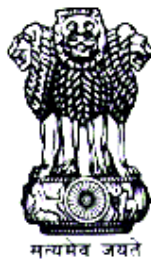
**STANDING COMMITTEE ON AGRICULTURE  
(2020-2021)**

**SEVENTEENTH LOK SABHA**

**MINISTRY OF FOOD PROCESSING INDUSTRIES**

**'DEMANDS FOR GRANTS (2021-22)'**

**TWENTY SIXTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**MARCH 2021/ PHALGUNA, 1942 (SAKA)**

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**(SEVENTEENTH LOK SABHA)**

**MINISTRY OF FOOD PROCESSING INDUSTRIES**

**DEMANDS FOR GRANTS (2021-2022)**

Presented to Lok Sabha on 09.03.2021

Laid on the Table of Rajya Sabha on 09.03.2021



**LOK SABHA SECRETARIAT  
NEW DELHI**

**MARCH 2021/PHALGUNA, 1942 (SAKA)**

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## <CONTENTS>

	<b>PAGE NO.</b>
Composition of The Committee (2020-21).....	(iii)
Introduction.....	(v)

### **REPORT**

#### **PART- I**

<b>CHAPTER I</b>	<b>INTRODUCTORY</b>	1-8
<b>CHAPTER II</b>	<b>SCHEMATIC ANALYSIS</b>	
A	Pradhan Mantri Kisan Sampada Yojana	9-32
B	Prime Minister-Formalisation of Micro Food Processing Enterprises (PM-FME)	33-40

#### **PART-II**

<b>RECOMMENDATIONS AND OBSERVATIONS OF THE COMMITTEE</b>	41-55
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#### **APPENDICES**

I. Minutes of the 9th Sitting of the Committee held on 23 <sup>rd</sup> February, 2021	56-59
I. Minutes of the 11t. Sitting of the Committee held on 08 <sup>th</sup> March, 2021	60-61

**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE (2020-21)**

**Shri Parvatagouda Chandanagouda Gaddigoudar - Chairperson**

**MEMBERS**

**LOK SABHA**

2. Shri Afzal Ansari
3. Shri Horen Sing Bey
4. Shri Devendra Singh 'Bhole'
5. Shri A. Ganeshamurthi
6. Shri Kanakmal Katara
7. Shri Abu Taher Khan
8. Shri Bhagwanth Khuba
9. Shri Mohan Mandavi
10. Shri Devji Mansingram Patel
11. Smt. Shardaben Anilbhai Patel
12. Shri Bheemrao Baswanthrao Patil
13. Shri Shriniwaas Dadasaheb Patil
14. Shri Kinjarapu Ram Mohan Naidu
15. Shri Vinayak Bhaurao Raut
16. Shri Pocha Brahmananda Reddy
17. Shri Mohammad Sadique
18. Shri Virendra Singh
19. Shri V.K. Sreekandan
20. Shri Mulayam Singh Yadav
21. Shri Ram Kripal Yadav

**RAJYA SABHA**

22. Shri Partap Singh Bajwa
23. Sardar Sukhdev Singh Dhindsa
24. Shri Narayan Rane
25. Shri Kailash Soni
26. Shri Vaiko
27. Shri R. Vaithilingam
28. Smt. Chhaya Verma
29. Shri B.L. Verma
30. Shri Harnath Singh Yadav
- \*31. VACANT

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\* vice Dr. Chandrapal Singh Yadav ceased to be a Member of the Committee on his retirement from Rajya Sabha w.e.f 25.11.2020 vide CB-I Note dated 06.10.2020.  
Shri B.L. Verma, MP Rajya Sabha has been nominated to the Committee as Member w.e.f 23.12.2020 vide Bulletin Part-II No. 1835 dated 24.12.2020

**SECRETARIAT**

- |    |                       |   |                   |
|----|-----------------------|---|-------------------|
| 1. | Shri Shiv Kumar       | - | Joint Secretary   |
| 2. | Smt. Juby Amar        | - | Director          |
| 3. | Shri Prem Ranjan      | - | Deputy Secretary  |
| 4. | Shri S.Vijayaraghavan | - | Executive Officer |

## **INTRODUCTION**

I, the Chairperson, Standing Committee on Agriculture, having been authorized by the Committee to submit the Report on their behalf, present this Twenty Sixth Report on the Demands for Grants (2021-2022) 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 (2021-22) of Ministry of Food Processing Industries which were laid on the table of the House on 12 February, 2021. The Committee took evidence of the representatives of the Ministry Food Processing Industries at their Sitting held on 23<sup>rd</sup> February, 2021. The Report was considered and adopted by the Committee at their Sitting held on 08 March, 2021.

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;**  
**08 March, 2021**  
**18 Phalguna, 1942(Saka)**

**P.C. GADDIGUDAR**  
**Chairperson,**  
**Standing Committee on Agriculture**

## CHAPTER 1

### INTRODUCTORY

**1.1** A strong and dynamic Food Processing Sector plays a vital role in diversification and commercialization 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.

**1.2** The Ministry of Food Processing Industries was setup in July, 1988 to give an impetus to the development of Food Processing Sector in the country. Subsequently, vide Notification No. DOC.CD-442/1999 dated 15 October, 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 September, 2001. 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.

**1.3** The Subjects allocated to the Ministry under Government of India (Allocation of Business) Rules, 1961 are as under:-

1. Industries relating to:

- i. 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.
- ii. Processing of Fish (including canning and freezing).
- iii. Establishment and servicing of Development Council for Fish Processing Industry. Technical assistance and advice to Fish Processing Industry.
- iv. Fruit and Vegetable Processing Industry (including freezing and dehydration).
- v. 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

#### **OVERVIEW OF THE FOOD PROCESSING SECTOR:**

**1.4** 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.

#### **CONTRIBUTION OF FOOD PROCESSING SECTOR TO GDP:**

**1.5.** Over the years Agricultural Production in India has consistently recorded higher output. India ranks first in the world in the production of Milk, Ghee, Pulses, Ginger, Banana, Guava, Papaya and Mango. Further, India ranks second in the world in the production of Rice, Wheat and many other fruits & vegetables. An abundant supply of raw materials, increase in demand for food products and incentives offered by the Government has impacted food processing sector positively. During the last 5 years ending 2018-19, Food Processing Sector has been growing at an Average Annual Growth Rate (AAGR) of around 10.00% as compared to around 3.11% in Agriculture 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 constituted as much as 8.98% and 11.11% of GVA in Manufacturing and Agriculture sector respectively in 2018-19 at 2011-12 prices.

#### **GROSS VALUE ADDED (GVA) BY FOOD PROCESSING INDUSTRIES (FPI) AT CONSTANT 2011-12 PRICES IS REPRODUCED AS FOLLOWS:**

"

<b>S. No.</b>	<b>Economic Activity</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
1	GVA-All India	90.64	97.12	104.92	113.28	120.74	128.03
2	GVA-Manufacturing	15.61	16.84	19.04	20.55	21.90	23.17
3	GVA-Agriculture, Forestry and Fishing	16.09	16.06	16.16	17.26	18.28	18.72
4	GVA-FPI	1.3	1.34	1.61	1.79	1.91	2.08
<b>PERCENTAGE GROWTH OF AAGR</b>							
5	GVA-All India	6.05	7.15	8.03	7.97	6.59	6.04

6	GVA-Manufacturing	4.97	7.88	13.06	7.93	6.57	5.80
7	GVA-Agriculture, Forestry and Fishing	5.57	-0.19	0.62	6.81	5.91	2.41
8	GVA-FPI	0.39	3.08	20.15	11.18	6.70	8.90
<b>PERCENTAGE SHARE IN GVA-ALL INDIA OF</b>							
9	GVA-FPI	1.44	1.38	1.53	1.58	1.58	1.62
10	GVA-Manufacturing	17.22	17.34	18.15	18.14	18.14	18.10
11	GVA-Agriculture, Forestry and Fishing	17.75	16.54	15.40	15.24	15.14	14.62
<b>PERCENTAGE SHARE OF FOOD PROCESSING IN</b>							
12	GVA-Manufacturing	8.34	7.96	8.46	8.71	8.72	8.98
13	GVA-Agriculture, Forestry and Fishing	8.09	8.34	9.96	10.37	10.45	11.11
<b>Source:</b> National Accounts Division, Central Statistics Office							
Note: All GVAs have been adjusted for Financial Intermediation Services Indirectly Measured (FISIM).							

"

### **KEY FEATURES OF REGISTERED FOOD PROCESSING INDUSTRIES**

**1.6** Food Products Industry, compared to other Industries has the largest number of factories and engages largest number of persons as well. Since the Food Products Industry does not figure in top five with respect to Fixed Capital, it shows that this Sector is highly labour intensive per unit of capital deployed. Despite low capital intensity, the output of food products is not compromised as it is the 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 the highest output level as in other Industries. Food Processing Industry is one of the Major Employment Intensive Segments constituting 12.38% (at 3-digit of NIC classification) of employment generated in all Registered Factory sector in 2017-18. According to the latest Annual Survey of Industries (ASI) for 2017-18 (P), the total number of persons engaged in registered Food Processing Sector was 19.33 Lakhs. Unregistered Food Processing Sector supports employment to 51.11 Lakh Worker as per the NSSO 73 Round, 2015-16 and constitutes 14.18% of employment in the Unregistered Manufacturing Sector.

**1.7** While briefly sharing the outlook of the Food Processing Industries sector, during the course of evidence, the Secretary, Ministry of Food Processing Industries submitted before the Committee as follows:-

"All of you are aware, Post-Covid there was a lot of disruption in the economy. The food processing sector was also hit badly in the first phase of lockdown but what is interesting is that given the increased demand from the consumers for safe and hygienic food, the food processing sector has sprung back soon after the first phase of disruption and is actually looking up. A second reason for the sector to do well is that the agricultural sector has done well even during COVID pandemic. Since the food processing sector uses the raw materials, they have had a good advantage in continuing with their manufacturing. In fact, I would like to share a very important data that we got recently. Even in exports, while the agricultural exports increased by 9.8 per cent from April to December, 2020, the processed food exports in F&V increased by 17.4 per cent. So, the industry is really at a stage where new opportunities have opened up and, in this background, the liberalization of agriculture through the reforms that the Government of India brought in whether it is notifying the food processing factories and storage units as trading areas, permitting contract farming by the industries or reducing the storage limits for the Essential Commodities Act, really opened up opportunities for the industry to invest more and take the sector forward".

**1.8** The Scheme-Wise details of funds sought by the Department, approved by the Government and Actually Allocated and Amount Actually Spent since 2018-19 are as



C	Prime Minister Formalization of Micro Food Processing Enterprises (PMFME) Scheme											0.00	0.00	400.00	103.19	2300	500
	TOTAL SCHEME	1546.00	1313.08	870.33	591.38		2037.68	1101.00	889.43	694.94							
	Non Scheme	162.68	86.92	129.67	127.78		162.32	95.60	153.36	150.60		151.53	151.53	97.42	65.02	144.22	108.66
	Grand Total (Scheme +Non Scheme)	1708.68	1400.00	1000.00	719.17		2200.00	1196.60	1042.79	845.54		1232.94	1232.94	1247.42	668.16	3490.07	1308.66

## FUNDS SURRENDERED

### 1.9

### Details of Funds Surrendered

(Amount in ₹ Crore)

Description	Financial Year		Savings Surrendered		
			Capital	Revenue	Total
Total Net Allocation	BE 2019-20	1196.60	-		
	RE 2019-20	1042.79	-		
	Total Expenditure	845.54	-	**348.06	**348.06
Pradhan Mantri Kisan Sampada Yojana	BE 2019-20	<b>1101.00</b>	-	-	-
	RE 2019-20	<b>889.43</b>	-	-	-
	BE 2020-21	<b>1081.41</b>	-	-	-
PMKSY(CS)	RE 2020-21	<b>750.00</b>	-	-	-
PM FME(CSS)	RE 2020-21	<b>400.00</b>	-	-	-
<b>**This includes Rs.2.43Cr for Establishment Charges and does not include Rs.3Crore LOA issued to DAVP.</b>					

- For the year 2020-21, against RE provision of Rs 750 Cr for PMKSY, Rs 535.67 Cr has been utilized as on 31.01.2021 and against RE provision of Rs 400 Cr for PMFME, Rs.103.20 Cr has been utilized as on 31.01.2021 and Rs 250 Cr will be received for utilisation after passing of 2<sup>nd</sup> Supplementary Demands for Grants. Hence no amount has been surrendered yet for the year 2020-21. PMFME scheme has been launched as a Centrally Sponsored Scheme in June,2020 under AtmaNirbhar Bharat Package.
- For the year 2019-20, funds have been surrendered under schemes of PMKSY mainly due to inadequate eligible proposals for utilization of earmarked funds for NER, SCSP and TSP. The Scheme-wise details for the above 2 years is given below:

**Scheme-wise allocation under PMKSY during 2019-20**

(₹ in crore)

S. No.	Name of the Scheme	2019-20			% Expenditure	Reasons for under utilisation
		BE	RE	Actual Expenditure		
1	<b>Scheme for Mega Food Park</b>	200.00	140.00	106.73	76.24	Delay in implementation
2	<b>Scheme for Infrastructure for Agro-processing Clusters</b>	48.75	50.14	43.83	87.42	Inadequate eligible proposals under NER and TSP
3	<b>Scheme for Integrated Cold Chain and Value Addition Infrastructure</b>	290.00	326.16	271.12	83.12	Inadequate eligible proposals under NER, SCSP and TSP
4	<b>Scheme for Creation/Expansion of Food Processing and Preservation Capacities</b>	160.00	202.52	171.78	84.82	-do-
5	<b>Scheme for Creation of Backward and Forward Linkages</b>	40.00	50.46	42.92	85.06	-do-
6	<b>Scheme for Food Safety and Quality Assurance Infrastructure</b>	40.00	40.00	26.99	67.48	-do-
7	<b>Scheme for Human Resource and Institutions</b>	94.00	32.07	21.76	67.85	Inadequate eligible proposals under SCSP and TSP
8	<b>Committed Liabilities for infrastructure related Schemes</b>	28.11	17.81	6.83	38.35	Inadequate proposals under NER
9	<b>Operation Greens</b>	200.00	30.03	2.85	9.49	Inadequate eligible proposals
10	<b>Swachhta Action Plan (SAP)</b>	0.14	0.24	0.13	54.17	
	<b>Total</b>	1101.00	889.43	694.94	78.13	

**Scheme-wise allocation under PMKSY during 2020-21**

(₹ in crore)

S. No.	Name of the Scheme	2020-21				Reasons for under utilisation
		BE	RE	Actual Expenditure as on 31.01.2021	% Expenditure	
1	<b>Scheme for Mega Food Park</b>	100.00	61.85	41.86	67.68	Delay in implementation
2	<b>Scheme for Infrastructure for Agro-processing Clusters</b>	65.00	56.69	44.54	78.57	Inadequate eligible proposals under SCSP and TSP
3	<b>Scheme for Integrated Cold Chain and Value Addition Infrastructure</b>	349.71	252.58	202.78	80.28	Inadequate eligible proposals under NER, SCSP and TSP
4	<b>Scheme for Creation/Expansion of Food Processing and Preservation Capacities</b>	190.00	219.30	146.69	66.89	2 <sup>nd</sup> SDG awaited.
5	<b>Scheme for Creation of Backward and Forward Linkages</b>	100.00	56.60	42.68	75.41	Inadequate eligible proposals under NER and TSP
6	<b>Scheme for Food Safety and Quality Assurance Infrastructure</b>	44.00	36.83	24.15	65.57	Inadequate eligible proposals
7	<b>Scheme for Human Resource and Institutions</b>	84.00	23.05	10.56	45.81	-do-
8	<b>Committed Liabilities for infrastructure related Schemes</b>	21.00	4.80	0.81	16.88	-do-
9	<b>Operation Greens</b>	127.50	38.20	21.56	56.44	-do-
10	<b>Swachhta Action Plan (SAP)</b>	0.20	0.10	0.04	40.00	
	<b>Total (PMKSY)</b>	1081.41	750.00	535.67	71.42	
11	<b>PM FME</b>	-	400.00	103.20	25.80	2 <sup>nd</sup> SDG awaited
	<b>Grand Total</b>	1081.41	1150.00	638.87	55.55	

## CHAPTER - 2

### SCHEMATIC ANALYSIS

#### **A. PRADHAN MANTRI KISAN SAMAPADA YOJANA**

**2.1** The Ministry of Food Processing Industries has been implementing Central Sector Umbrella Scheme –Pradhan Mantri Kisan Samapada Yojana (PMKSY), which was approved in May, 2017 with an allocation of Rs.6,000 Crore for the period 2016-20 co terminus with the 14th Finance Commission Cycle. An additional New Scheme "Operation Greens (OG)" was introduced in PMKSY in November, 2018 for the Integrated Development of Value/Supply Chain of tomato, onion and potato (TOP) crops in selected States on Pilot Basis with an outlay of Rs 500 Crore. The Component Schemes of PMKSY are as follows:

- (i) Mega Food Park (MFP)
- (ii) Integrated Cold Chain and Value Addition Infrastructure (ICC)
- (iii) Creation /Expansion of Food Processing & Preservation Capacities (CEFPPC)
- (iv) Infrastructure for Agro-Processing Clusters (APC)
- (v) Creation of Backward & Forward linkages (CBFL)
- (vi) Food Safety and Quality Assurance Infrastructure (FTL)
- (vii) Human Resource and Institutions
- (viii) Operation Greens

**2.2** As informed by the Ministry the implementation period of the scheme has been extended to Year 2020-21 and none of the schemes have been discontinued from FY 2020-21. In the proposal for continuation of Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) beyond 01.04.2021, Ministry has proposed to discontinue Mega Food Park scheme & HACCP component of Human Resources and Institutions. The Scheme of Mega Food Park has been operational since 2008-09 and has requirement of at least 50 Acres of land often a deterrent to hilly and difficult areas. After taking into account recommendations of many state Governments & Working Group constituted under 12th Finance Commission, a New Scheme of Agro Processing Centre was launched under PMKSY to develop common infrastructure in relatively smaller geographical area of 10 Acre. Already 39 MFPs have been approved, out of which 21 are operational. Since Agro



Processing Centre is going to supplant the intent behind MFP Scheme, it has been proposed to be discontinued in next FC cycle with provision for committed liability.

### 2.3 Overall Achievement

- ✓ Total of Rs.5249 Crore subsidy approved for new project out of total outlay of Rs.6,000 crore
- ✓ Rs.3,052 Crore released as subsidy
- ✓ 941 FP Project/Testing Labs assisted
- ✓ Projects leveraged private investment of Rs.12,266 Crore
- ✓ Generated 5,49,263 Direct & Indirect Employment

### 2.4 Funds Utilization by the Ministry since 2015-16 has been stated as under:-

"

Year	Budget Estimates (Rs in Cr)			Revised Estimates (Rs in Cr)			Actual Expenditure (Rs in Cr)			% w.r.t RE		
	Total	SC/ST	NER	Total	SC/ST	NER	Total	SC/ST	NER	Total	SC/ST	NER
2015-16	487.00	-	48.00	487.00	-	48.00	467.03	-	31.91	96%	-	66%
2016-17	600.00	-	60.00	688.56	-	68.86	677.16	-	66.34	98%	-	96%
2017-18	725.00	-	72.50	633.84	-	63.38	605.59	-	51.22	96%	-	81%
2018-19	1313.08	110.0	131.30	870.33	74.80	87.03	591.38	13.60	38.75	68%#	18%	45%
2019-20	1101.00	138.72	110.10	889.43	112.07	88.94	694.94	21.63	19.39	78%	19%	22%
2020-21 (as on 31.01.2021)	1081.41	136.26	108.14	750.00	94.50	75.00	535.67	16.52	34.97	71%	17%	47%
<b>Total</b>	<b>5307.49</b>	<b>384.98</b>	<b>530.04</b>	<b>4319.16</b>	<b>281.37</b>	<b>431.21</b>	<b>3571.77</b>	<b>51.75</b>	<b>242.58</b>	<b>83%</b>	<b>18%</b>	<b>56%</b>

"

# is 96% but for the following 3 reasons —

- RS. 400 crore provided for SAFPI but approval was not granted
- Rs. 200 crore announced for Operation Greens but due to time consumed in EFC approval led to delayed take-off of the scheme

- **Earmarking of SC/ST funds done for the first time in MoFPI in 2018-19**

"An amount of Rs.700 Crore has been provisioned for BE 2021-22 for PMKSY".

## **MEGA FOOD PARK SCHEME**

**2.5** The Mega Food Park Scheme (MFPS) 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 Centres (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 centres, etc.

## **SCHEME FOR INFRASTRUCTURE FOR AGRO PROCESSING CLUSTERS**

**2.6** Scheme for Creation of Infrastructure for Agro Processing Clusters has been approved on 03.05.2017 under the Pradhan Mantri Kisan Sampada Yojana to incentivize the setting up of 100 Agro Processing Clusters (revised target 75) in the country with allocation of Rs. 750 crore (revised allocation of Rs. 562.50 crore).

The Scheme has two basic components i.e. Basic Enabling Infrastructure (roads, water supply, power supply, drainage, ETP etc.) and Core Infrastructure/Common facilities (ware houses, cold storages, IQF, tetra pack, sorting, grading etc). Creation of common facilities in a cluster may vary depending upon requirements of food processing units existing outside the cluster or to be set up in a cluster. Minimum 5 food processing units with minimum investment of Rs. 25 crores are to be set up in the cluster.

**2.7** The Scheme aims at development of modern infrastructure to encourage entrepreneurs to set up Food Processing units based on Cluster Approach. These Clusters will help in reducing the wastage of the surplus produce and add value to the Horticultural /

Agricultural Produce which will result in increase of income of the farmers and create employment at the local level.

Till date Ministry has approved 56 projects (out of revised target of 75 APCs) under this scheme with total project cost of Rs. 1614.86 Cr. including total approved grants-in-aid of Rs. 460.53 Cr.

**2.8** Year-wise expenditure from 2018-19 to 2020-21 is as under:

(₹ in Crore)

<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>AE</b>
2018-19	20.00	30.00	22.65
2019-20	48.75	50.14	43.83
2020-21	65	53.11	38.04*

\*As on 15.01.2021.

**2.9** When asked by the Committee as to whether the Agro Processing Centre Scheme will be set up in the remote corners of the country, the Ministry, in its written reply, submitted:-

"Yes, the APC scheme has been envisaged for implementation in the country including remote corners."

**2.10** On being asked about the starting of Agro Processing Centre Scheme, the Ministry, in its reply stated:-

"The time schedule for completion and operationalization of project will be 24 months from the date of approval for general areas and 30 months for North East States including Sikkim and difficult areas namely Himalayan States (i.e. Himachal Pradesh, Jammu & Kashmir and Uttarakhand), State notified ITDP areas & Islands, unless extended by IMAC for the reasons to be recorded."

**2.11** When asked whether the Ministry has identified reasons for not getting eligible proposals from SC Promoters consistently for the year 2018-19 and 2019-20, the Ministry, in its reply, stated:-

"SC promoters are finding it difficult in arranging equity contribution and term loan from banks as per the scheme guidelines. Moreover, arranging minimum 10 acres of contiguous land for setting up of agro processing cluster is also one of the issues."

**2.12** When asked to give details regarding steps being taken by the Government to find solution to the issue of getting sufficient eligible proposals from SC Promoters, the Ministry, in its reply, stated:-

"The following steps have been taken by the Ministry for getting sufficient eligible proposals from SC promoters:

- ✓ Written letters to all the State Governments on 12.06.2019 and also to NSCFDC on 22.11.2018
- ✓ Requested State Scheduled Caste Financial and Development Corporations of Gujarat, Sikkim, Andhra Pradesh, West Bengal and Rajasthan on 28.11.2018
- ✓ Taken up the matter with Ministry of Social Justice.
- ✓ Organized seminar by the Dalit Indian Chamber of Commerce and Industry (DICCI) for promotion of the Scheme
- ✓ Organized a webinar for SC/ST promoters for creating awareness on the schemes of PMKSY on 12.11.2020."

**2.13** When asked whether sufficient eligible proposals from SC Promoters have been received during the year 2020-21, the Ministry, in its reply submitted:-

"Ministry has not received sufficient eligible proposals from SC Promoters in the current financial year even after issuing Expression of Interest (EoI) on 04.12.2020 specifically for SC category promoters with closing date on 28.02.2021. It is expected that Ministry may receive sufficient eligible proposal from SC promoters under the scheme in the remaining period of FY 2020-21."

## **SCHEME FOR INTEGRATED COLD CHAIN AND VALUE ADDITION INFRASTRUCTURE**

**2.14** The objective of the Scheme is to provide integrated cold chain, preservation and value addition infrastructure facilities without any break, from the farm gate to the consumer in order to reduce Post-harvest Losses of Horticulture and Non-horticulture Agri-Produce. The Projects under the Scheme can be set up by Partnership/ Proprietorship Firms, Companies, Corporations, Cooperatives, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs), NGOs, Central/State PSUs, etc. with business interest in Cold Chain Solutions and also by those who manage Supply Chain. The Scheme has been operational since 11th Plan Period.

**2.15** 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 consumers.

A Study on "Evaluation of the impact of the Scheme for Cold Chain, Value Addition and Preservation Infrastructure of Ministry of Food Processing Industries" was awarded to M/s NABARD Consultancy Services Pvt. Ltd. (NABCONS). The Report has, inter alia, observed that Cold Chain Projects have contributed positively to turnover, employment creation and exports. There is an apparent economic impact in the catchment area where such Projects have been set up in terms of saving wastage, increase in farm gate prices and establishment of Backward Linkages. With the establishment of Cold Chain Projects, under the trading model, the farmers have been benefited, in terms of assured price, risk

avoidance, assured market and reduction in wastages. However, captive unit model, due to market requirements and consumer centric approach of these units, have developed the quality of produce across the entire supply chain. This has been achieved by way of knowledge sharing, quality input supplies and technology upgradation of the producers. The Units per se have tried to comply with the stringent quality parameters of the markets and this quality has percolated in the backward and forward linkages as well. Hence, Models proposing Captive Business Model may be given preference over Rental/Trader Model.

**2.16 The Expenditure made by the Ministry under Cold Chain Scheme 2015-16 is as follows:**

"

Year	Rs. in Crore			
	BE	RE	Expenditure	% utilization over RE
15-16	181.00	180.50	160.35	88.83
16-17	158.23	185.21	184.88	99.82
17-18	180.00	198.68	196.15	98.73
18-19	400.00	271.59	244.74	90.11
19-20	290.00	326.16	271.12	83.12
20-21 (As on 05.02.2021)	349.71	252.58	202.78	80.28
<b>Total</b>	<b>1378.94</b>	<b>1414.72</b>	<b>1222.61</b>	<b>86.42</b>

"

**2.17 However in regard to the Phase Wise Implementation of Projects the following information was shared with the Committee:-**

“

<b>Phase</b>	<b>Approved by CCEA/ EFC</b>	<b>Sanctioned by Ministry</b>	<b>Cancelled</b>	<b>Completed</b>	<b>Under Implementation</b>
Phase -1 (2008-09)	10 (19.03.08)	10	00	10	00
Phase -2 (2011-12)	39 (15.04.10)	28	01	27	00
Phase - 3 (2012-13)	30 (23.03.12)	25	07	18	00
Phase - 4 (2013-14)	59 (08.08.13)	66	16	50	00
Phase - 5 (2015-16)	-	34 (18.05.15)	08	24	02
Phase-6 (2016-17)	100 (09.02.16)	113	25	74	14
Phase-7 (2017-18)	50 + 28 (03.05.17)	76	31	07	38
Phase-8 (2018-19)	25 (03.05.17)	30	14	00	16
Phase -9 (2019-20)	-	48 (Approved against vacant slots arisen due to withdrawal of projects by promoters or cancellation by the Ministry for want of documents /justifications during 2020)	01	00	47
<b>Total</b>	<b>341</b>	<b>430</b>	<b>103</b>	<b>210</b>	<b>117</b>

”

**2.18** During the course of evidence, when specifically asked by the Committee about sanctioning of funds to another Cold storage project in the proximity of existing one, representative of the Ministry responded as follows:-

"Sir, if there is already cold storage there, then project support is not available. The reason behind this is that the Government resources are less, so more and more people should get the benefit".

### **SCHEME FOR CREATION/EXPANSION OF FOOD PROCESSING AND PRESERVATION CAPACITIES**

**2.19** The Scheme envisages 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. The setting up of New Units and Modernization/ Expansion of the 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.

**2.20** Under the Scheme, a total of 290 Projects have been approved upto 18.01.2021 out of which 44 have been completed and rest are at various stages of implementation.

**2.21** When asked to furnish details regarding amount earmarked and utilized under this Scheme during the last two years along with details of Physical and Financial Targets achieved thereunder against the targets set by the Ministry, the Ministry, in its reply, stated:-

"The details of total amount earmarked and utilized under this Scheme during the last two years along with the details of Physical and Financial Targets achieved are:



Year	Rs. In Crore			
	BE	RE	Expenditure	% utilization over RE
2018-19	395	90	74.85	83.17
2019-20	160	202.52	168.37	83.14
<b>Total</b>	<b>555</b>	<b>292.52</b>	<b>243.22</b>	<b>83.15</b>

Parameters	Target	Achievement
Revised Target (No. of units)	304	290 (Units approved)
Revised Allocation (in Cr.)	1068.50	1048.19 (Grants-in-aid approved in 290 units)

- 209 projects/units have been sanctioned during last two years i.e. 2018-19, 2019-20 and 22 Projects Completed.
- Total project cost involved in 209 sanctioned projects is Rs. 2647.17 Crore, Grant in aid is Rs. 736.64 crore and private investment to be leveraged is Rs. 1910.53 crore
- Total project cost involved in 22 completed projects is Rs. 424.05 Crore, Grant in aid is Rs. 82.24 crore and private investment to be leveraged is Rs. 341.81 crore".

**2.22** On being asked by the Committee about completion of approved Project, the Ministry responded:

"A total of 290 projects / units have been approved by the Ministry under the scheme till date. Out of these, 44 projects have been completed and remaining projects are expected to be completed by September, 2022 as per the implementation schedule prescribed in the scheme guidelines".

**2.23** The Ministry further added on this issue:

"All the 44 completed projects are functional and started commercial operation".

**2.24** About the timeline for completion of Project, the Ministry stated as under:

"The implementation schedule for the projects prescribed in the scheme guidelines is 18 months from the date of issue of approval letter. In exceptional circumstances, for the reasons beyond the control of the promoter(s), the implementation period may be extended with approval of IMAC".

#### **SCHEME FOR CREATION OF BACKWARD AND FORWARD LINKAGES (CBFL)**

**2.25** 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.

**2.26** When asked about the kind of assistance made available to the Entrepreneurs under the Scheme, the Ministry, in its reply, stated:

"The maximum admissible grant for each project would be @ 35% of eligible project cost for General areas and @ 50% of eligible project cost for North East States, Himalayan States, ITDP area & Islands and difficult areas respectively subject to maximum of Rs. 5.00 crore (Rupees Five Crore) per project"..

**2.27** When asked by what time all the Projects under implementation will be completed, the Ministry, in its reply, stated:

"The Project under implementation will be completed by the end of financial year 2022-23 i.e. on/or before 31st March, 2023".

**2.28** On being asked to furnish State-wise details of Physical Performance (Targets & Achievements) under the scheme since 2017-18, the Ministry, in its reply, stated:

"The State-wise details of physical performance (Targets & Achievements) under the scheme since 2017-18 is at **Annexure-IX**".

**2.29** When asked about the Physical and Financial targets proposed to be achieved by the Ministry in 2021-2022 in respect of Scheme for Creation of Backward & Forward Linkages, the Ministry, in its reply, stated:

"During 2021-22 number of targeted Project: 33 Projects to be completed

**BE- 2021-22:**

**(Rs. in Crore)**

Category	Financial targets proposed to be achieved by the Ministry in 2021-2022
General	36.20
SC	5.00
ST	2.80
NER	7.00
Professional Services	0.70
Total	51.70

**SCHEME FOR FOOD SAFETY AND QUALITY ASSURANCE INFRASTRUCTURE (FTL)**

**(A) Scheme for Setting up/Up-gradation of Food Testing Laboratories**

**2.30** The Scheme of Setting Up/Up gradation of Food Testing Lab is implemented with

the rationale to support the Food Safety regulatory activities of the Food Processing Sector and to help the Food Processing Industry in regard to quality control measures.

Under the scheme, Government organizations are eligible for Grant-in-Aid of entire cost of laboratory equipment and 25% of the cost of technical civil work to house the equipment for general areas and 33% for difficult areas and Integrated Tribal Development Project (ITDP) areas. Private Organizations are eligible for Grant-in-Aid of 50% of cost of laboratory equipment and 25% of the cost of technical civil work for general areas and 70% of cost of lab equipment and 33% of technical civil work for difficult areas. SC or ST promoters as the case are treated at par with difficult areas and Integrated Tribal Development Project (ITDP) areas.

**2.31** On being asked to furnish details of total amount earmarked and utilized under this Scheme during the last two years along with the details of Physical and Financial Targets achieved thereunder against the targets set by the Ministry, the Ministry, in its reply, submitted the following details:-

"

Rs. in Cr.														
Year	BE		RE		@Physical Target			Physical Achievement			@Financial Target		Financial Achievement	
	FTL	HAC CP	FTL	HAC CP	HAC CP	FTL		#HAC CP	FTL		HACCP	FTL	HACCP	FTL
						Appr oval	Comple tion		Appro val	Appro val				
2018-19	21.00	04.00	21.00	04.00	23	17	14	11	14	05	4.50	61.65	1.48	15.32
2019-20	33	07	33	07	27	15	08	06	17	14	5.00	50.00	0.98	26.01
2020-21	36.44	7.58	32.60	4.33	\$15	\$18	\$17	02	07	05	15.00	@@30.14	0.34	25.31
<p>@ Target are as per CCEA approval.            # Figures are for the projects, where grant released on re-reimbursement mode after their completion/implementation.            * FTL projects completion during respective FY.            \$ As per OOMF 2020-21.            @@ As per RE 2020-21</p>														

"

**2.32** To the question of any assessment made by the Ministry regarding requirement of Food Testing Lab, the Ministry stated as under:-

"The Ministry has done such assessment through an Impact evaluation Study of the Scheme of Quality Assurance Infrastructure Scheme of MoFPI. It has been reported that, "In India more than 700 NABL accredited food testing labs exist across all states. However, these labs have varying degree of competencies in terms of products and types of tests conducted. A theoretical demand assessment was made basis assumptions viz. number of tests per FBOs, number of food products per FBO, compliance levels, competence, testing done etc., to get an idea on the requirement of food testing labs in the country. As per the estimates, at 100% compliance by FBOs and HoRECA segment towards food testing (of minimum 2 tests per year), the deficit in laboratories is estimated at more than 360 laboratories, spread across the entire country."

**2.33** During the course of evidence when asked about the development of any Kit for checking of adulteration of Honey instantly, the Secretary, explained:-

"Sir, honey is processed food. We offer food testing labs. It is under consideration. We have thought that when we have any support for processing, we will mandate NMR testing in it. The testing regime is determined by FSSAI. You may have noticed that the FSSAI statements that came after the CSE study have not yet mandated NMR (Nuclear Magnetic Resonance) testing. Only for exported honey, they have mandated NMR testing".

## **SCHEME FOR HUMAN RESOURCES AND INSTITUTIONS**

The Component-wise details of the Scheme are as follows: -

### **(A) Research & Development**

**2.34** The Objective of the Scheme is that end product/outcome/findings of R&D work should benefit food processing industry in terms of product and process development, efficient technologies, improved packaging, value addition etc. with commercial value along with standardization of various factors viz. additives, colouring agents, preservatives, pesticide residues, chemical contaminants, microbiological contaminants and naturally occurring toxic substances within permissible limits.

**(B) Promotional Activities**

**2.35** The Scheme is aimed at creating awareness among various stakeholders on plan, policy & programmes of the Ministry and the various schemes of Pradhan Mantri Kisan SAMPADA Yojana and its components being implemented by the Ministry through advertisement and publicity material, print, audio-visual media, social media platforms, electronic media like website, development of software, etc, to encourage investment for the development of food processing sector by extending financial support for organizing / co-sponsoring / sponsoring / participating in an event such as national / international fair, exhibition, road show and / or logo support on non-financial terms, to encourage investment for the development of Food Processing Sector by extending financial support for organizing /co-sponsoring /sponsoring / participating in an event such as seminar, workshop, conference, campaign, symposium for the development of Food Processing Sector in India and / or logo support on non-financial terms, etc and the focus areas of the scheme are processing, storage, packaging, marketing & retailing of food products and food ingredients.

**(C) Skill Development**

**2.36** The aim of the Scheme is to provide sector specific skilled workforce from floor level workers, operators, packaging and assembly line workers to quality control supervisor etc. and to meet the skilled Human Resources requirement in Food Processing Sector.

**2.37** Under the Scheme, a total of 28 projects have been approved by the Ministry under the Scheme. 27 Projects are for creation of infrastructure in Food Processing Skill Training Centers out of which 4 project has been completed, whereas 1 proposal has been approved for development/ translation of course curriculum for 13 Food Processing Job Roles. The Year-wise allocation of funds and financial achievement made under the Scheme during 2016-17 to 2018-19 was submitted before the Committee as follows

"

(₹ in Crores)

Year	BE	RE	Expenditure
2018-19	6.75	3.14	1.89
2019-20	13.31	2.65	1.77
2020-21	11.90	3.60	2

**2.38** When asked to furnish the reasons for curtailment of funds at RE Stage and low utilization of RE during these years, the Ministry, in its reply, stated:-

"1st Operational Guidelines of the scheme were issued on 29.11.2017. The scheme being new and demand driven, initially, no eligible proposal was received despite all the promotion/ advocacy of the Scheme by the Ministry. Thereafter, based on inputs received from the stakeholders, Scheme Guidelines were modified on 05.10.2018. However, only two suitable proposals could be received. Hence, an expenditure of Rs. 1.89 crore only could be made in the scheme during this financial year. This was the reason for low utilization of RE in the year 2018-19.

Scheme Guidelines were further modified on 11.03.2019 to make Scheme more streamlined and attractive to investors. Then, the Scheme started receiving proposals however, suitable proposals were not received in sufficient quantity. This was a Major Reason for low expenditure in the Scheme in 2019-20. One other Major Reason for the low expenditure in the scheme is the low cost of equipment used in Skill Training hence, the quantum of grant-in-aid in these projects is also low. The maximum amount of grant-in-aid for setting up a training centre for 1 Job Role is Rs. 15.00 Lakh. Whereas, for development of course curriculum for one Job Role, it is Rs. 5.00 Lakh and for translation per language is only Rs. 50 thousand. Hence, the financial implication in the proposals approved in the scheme is also low. Due to these reasons, a total grant-in-aid of only 6.69 Crore could be approved in total 19 proposals till 2019-20. This resulted in curtailment of funds at RE

Stage and only Rs. 1.77 Crore could be released in the year 2019-20. Whereas, the main reason for low utilization of RE was that the funds of Rs. 0.90 Crore earmarked in the head "GIA - DAP ST" could not be released due to non-availability of any ST proposals in the Scheme. Besides this, funds of Rs. 0.16 crore out of the funds available in the head "Professional Services" and Rs.0.17 Crore available in the head "Other Administrative Expenses", which was kept basically for hiring of Project Management Agency (PMA) under the Scheme and related expenditure, could not be utilized as the proposal was not approved. It may however be mentioned that the expenditure in the scheme exceeded in "Grant-in-aid General" head by Rs. 0.15 Crore and in "Grant-in-aid- NER" head by Rs. 0.14 Crore to funds available in RE in the respective Heads.

However, the Scheme has picked up gradually and till 15.02.2021, a total financial assistance of Rs. 10.02 Crore has been approved in the scheme in 30 proposals for establishment of 39 Training Centers. In the year 2020-21, due to overall reduction in the budget of the Ministry, the fund allocation to the Scheme has been reduced in RE. Till 15.02.2021, an expenditure of Rs. 2.76 crore (appx. 77% ) of the funds available in RE 2020-21 has been made under the Scheme and full utilization of RE 2020-21 is expected".

**2.39** The Ministry in its written reply further supplemented:-



"With regard to improving access to Sector-Specific skill development, 42 new training centers to be established".

"With regard to number of skilled work force in different domains of Food Processing augmented 9000 personnel to be skilled".

"With regard to formation of FPO and their capacity building, 150 no of trainings/workshop to be organized".

**2.40** In the Power Point Presentation, with regard to Skill Development the Ministry stated:-

"Achievements of HRI Scheme-Skill Development

- ❖ 39 Training centres (TCs) approved in 29 proposals
- ❖ 05 Skill Projects (for 06 TCs) completed.
- ❖ Course curriculum/Training material developed for 40 NSQF aligned job roles".

**2.41** On being specifically asked by the Committee to furnish details with regard to assessment of the Skilled Workforce required in Food Processing sector by the Ministry, the Ministry, in its written reply, stated:-

"Ministry has commissioned a study titled "Study to assess Human Resource and Skill Requirement in Food Processing Sector from 2021-2030" to M/s Feedback Business Consulting Pvt. Ltd. on 20.10.2020, with the objective to ascertain the present and future availability of human resources, the present gaps in skill sets, the skills required in the future by the food processing industry and the policy initiatives required in this regard. The study is to be completed in 6 months".

#### **SCHEME FOR OPERATION GREENS**

**2.42** Operation Greens - A Scheme for integrated development of Tomato, Onion and Potato (TOP) value chain "with a budgetary allocation of Rs. 500 crore. The scheme envisages to promote Farmer Producers Organizations (FPOs), agri-logistics, processing

facilities and professional management.

Under the Scheme, a total of 10 Projects have been approved up to 18.01.2021, out of which 5 Projects have been cancelled for want of progress and rest 5 Projects are under implementation.

The Year-wise expenditure from 2018-19 to 2020-21 was stated to be as follows:

"

(₹ in Crore)

Year	BE	RE	AE
2018-19	0.00	200.00	5.50
2019-20	200.00	30.03	2.85
2020-21	127.50	38.20	21.41*
<b>TOTAL</b>	<b>327.50</b>	<b>268.23</b>	<b>29.91</b>

\* As on 15.01.2021

"

**2.43** When asked about the specific reasons due to which, the Ministry has not been able to make any significant headway under this Scheme, the Ministry, in its reply:-

"The Operation Greens scheme is a central sector scheme launched in Nov. 2018. The scheme has two-pronged strategy of Price Stabilization measures (for short term) and Integrated Value Chain Development Projects (for long term).

**Short term Price Stabilization measures:**

Under short term price stabilization measures, there is provision to undertake short term intervention only in case of glut situation. Hon'ble Finance Minister extended the Scheme of Operation Greens from 'TOP to TOTAL' as a part of Aatmanirbhar Bharat Abhiyan due to disruption of supply chain on account of COVID-19 for providing 50% subsidy for the transportation and storage from surplus production area to consumption centres. Scheme Guidelines were notified and uploaded in the Ministry's website on 11.06.2020.

Later on Scheme guidelines were extended to Kisan Rail Scheme w.e.f. 12.10.2020 for notified fruits and vegetables and to any train

service provided by Indian Railways for any fruits and vegetables w.e.f. 22.12.2020. Indian Railways is providing the transport subsidy directly to any applicant by way of charging 50% of their freight charges from them for transportation of any quantity of Fruits &Vegetables through Kisan Rail Scheme and will adjust remaining 50% of freight from deposit made by MoFPI with them. Ministry had released Rs.10 Crore to Indian Railways on account of this and Indian Railways has utilized total amount of Rs.8.83 crore as on 31.01.2021.

Scheme guidelines were further amended to provide the transportation subsidy to all the notified F&V being transported by air from the NER and Himalayan Region States. Airlines would charge 50% freight for all the fruits and vegetables booked from these airports on the same lines as Kisan Rail. However, no claim has been received and approved so far for this.

Further, Scheme Guidelines amended to provide 50% subsidy to eligible entities through NAFED for transportation and/or storage of apple from Jammu and Kashmir. Ministry had sanctioned an amount of ₹10.00 Cr as advance to NAFED for disbursement of subsidy. NAFED has informed that about 3500 applications have been received. Out of which 65 complete applications have been sent to State Horticulture Officer for verification. After the recommendations and approval, subsidy will be released to the applicants.

**Long Term Measures:**

Under Integrated value chain development projects, during last 2 years since launch of the scheme, 40 proposals have been received out of this, most of the proposals, 25 were found to be deficient and ineligible under the scheme. 11 proposals were approved and another 4 proposals are under consideration. However, subsequently, three (3) approved projects were withdrawn by the promoters and two (2) approved projects were cancelled due to different reasons. As on date, 6 proposals are

approved for financial assistance.

Being the Integrated Value Chain Development Project, the scheme guidelines provide for several essential components such as Capacity Building of FPOs, Quality Production, and Post-harvest Processing facilities, Agri-logistics and Marketing / Consumption Points. Being integrated nature of the project, the proposal needs to include all the above components, which not only requires huge investment but also long time for completion of project. Further being infrastructure project, it has long gestation period. Huge investment and reluctance of banks to provide bank term loan at competitive & affordable terms and conditions are major reasons for lack of interest from the promoters for submission of proposals. Further, it is to be noted that Covid-19 pandemic had impacted badly on the physical progress of Approved Projects and receipt of applications for establishment of New Projects during the year 2020-2021.

**2.44** With regard to the Action Plan of the Ministry to implement this Scheme in letter and spirit that the desired benefits reach the poor farmers and thereby contribute to their income enhancement, the Ministry, in its reply, stated:-

"Ministry is considering to extend the Scope of Long Term Strategy i.e. Integrated Value Chain Development Projects under Operation Greens Scheme from TOP to twenty-two perishables in pursuance of budget announcement of 2021-2022. Further, Ministry is also considering to include standalone projects in addition to integrated value chain development projects for financial assistance on the basis of identified infrastructure gaps in the value chain of twenty-two perishables, for which assessment studies will be conducted to identify gaps in the value chain. The intervention by Ministry will be limited to fill those gaps in value chain. Standalone projects would involve comparatively lesser investment at the part of promoters/FPOs and would help

in completing the value chain of perishables for the benefit of farmers for enhancing their income.

The gestation period for completion of integrated value chain development projects is 14 months from the date of approval which is less for infrastructure projects. The projects involve setting up of infrastructure which takes time due to involvement of various approvals from states and environment clearances. Further, the delay in physical progress/implementation of approved projects is mainly due to lockdown imposed through-out India on account of COVID-19 pandemic".

**2.45**

"As per Economic Survey, the new Scheme 'TOP' to 'TOTAL' has been announced under "Operation Greens" run by Ministry of Food Processing Industries and benefits have been extended from tomatoes, onions and potato to all fruits and vegetables".

**2.46** On being asked whether any additional fund has been allocated for the revised Scheme 'TOP' to 'TOTAL', the Ministry, in its written reply, stated:-

"Due to restriction imposed on account of COVID-19, the supply chain had been disrupted and famers were not able to sell their produce in the market. Hon'ble Finance Minister had announced on 15.05.2020 in the third tranche of measures for revival of the economy affected severely due to COVID-19 pandemic as part of Aatmanirbhar Bharat Package Announcements:

- (i) Operation Greens will be extended from Tomatoes, Onion and Potatoes (TOP) to ALL fruits and vegetables (TOTAL);
- (ii) Scheme features – 50% subsidy on transportation from surplus production to deficient markets and 50% subsidy on storage, including cold storages;
- (iii) Pilot for 6 months – will be expanded and extended

After Inter-Ministerial Consultation, guidelines were issued on 11.06.2020 for evacuation of surplus production of fruits and vegetables from the production area to consumption centres for the six months to moderate and check gluts and shortage. Further guidelines have been extended upto 31.03.2021.

Later on Scheme Guidelines were extended to Kisan Rail Scheme w.e.f. 12.10.2020 for notified fruits and vegetables and to any train service provided by Indian Railways for any fruits and vegetables w.e.f.22.12.2020. Indian Railways is providing the transport subsidy directly to any applicants by way of charging 50% of their freight charges from them for transportation of any quantity of Fruits &Vegetables through Kisan Rail Scheme and will adjust remaining 50% of freight from deposit made by MoFPI with them. Ministry had released Rs.10 Crore to Indian Railways on account of this and Indian Railways has utilized total amount of Rs.8.83 crore as on 15.01.2021.

Scheme Guidelines were further amended to provide the transportation subsidy to all the notified F&V being transported by air from the NER and Himalayan Region States. Airlines would charge 50% freight for all the fruits and vegetables booked from these airports on the same lines as Kisan Rail. However, no claim has been received and approved so far for this.

Further, Scheme Guidelines amended to provide 50% subsidy to eligible entities through NAFED for transportation and/or storage of apple from Jammu and Kashmir. Ministry had sanctioned an amount of ₹10.00 Cr as advance to NAFED for disbursement of subsidy. NAFED has informed that about 3500 applications have been received. Out of which 65 complete applications have been sent to State Horticulture Officer for verification. After the recommendations and approval, subsidy will be released to the applicants.

Additional Funds were not provided for Short term measures

under TOP to TOTAL under Aatmanirbhar Bharat Abhiyan. The expenditure is to be met out of existing budget allocated for Operation Greens Scheme".

## **2.47**

"With regard to Operation Greens, we are not seeking any additional funds. We have asked for some Rs. 2000 crore for the next five years. We were also hit by this direction from the Ministry of Finance that we cannot ask for an amount more than 5.5 times our expenditure. So, we are still struggling to get even what we have asked for although we have a lot of committed liabilities. Since we have a good momentum now; we have adequate number of projects, we seek the support of the Committee to get adequate Budget for us to be able to implement so much widely expanding agenda for the Ministry".

## **B. PRIME MINISTER-FORMALISATION OF MICRO FOOD PROCESSING ENTERPRISES (PM-FME)**

**2.48** A new Centrally Sponsored Scheme, Prime Minister-Formalisation of Micro Food Processing Enterprises (PM-FME) was launched in June 2020 with a total outlay of Rs. 10,000 Crore over the period 2020-2025. The Scheme is targeted to benefit 2 lakh Micro Food Processing Units through Credit Linked Subsidy. While existing Individual Micro Units can avail credit-linked capital subsidy @35% of the eligible project cost with a maximum ceiling of Rs.10 lakh for upgradation of their unit, seed capital @ Rs. 40,000/- per SHG member would be provided for working capital and purchase of small tools. FPOs/ SHGs/ producer cooperatives would be provided credit linked grant of 35% for capital investment along the value chain. The Scheme adopts One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. The Scheme also envisages strengthening backward and forward linkages, provision of common facilities, incubation centres, training, R&D, marketing & branding, provision of which would primarily be for ODOP products. Some of these food categories are currently within the ambit of APEDA & MPEDA. Therefore, the proposed transfer of these Bodies to the Ministry of FPI will result in better synergy.

**2.49** In the detailed note furnished by the Ministry to the Committee, it has been stated:-

"The Ministry projected a demand of Rs 3490.07 Crore in BE 2021-22 which included Rs 2300 Crore for PMFME and Rs 1045.85 Crore for the ongoing Schemes under the Umbrella Scheme Pradhan Mantri Kisan Sampada Yojana (PMKSY). However, the BE allocated is only Rs 1308.66 Crore which includes Rs 1200 Crore both for PMFME and PMKSY".

**2.50** The objectives of the Scheme are:

1. Increased access to credit by existing micro food processing entrepreneurs, FPOs, Self Help Groups and Co-operatives;
2. Integration with organized supply chain by strengthening branding & marketing;
3. Support for transition of existing 2,00,000 enterprises into formal framework;
4. Increased access to common services like common processing facility,



- laboratories, storage, packaging, marketing and incubation services;
5. Strengthening of institutions, research and training in the food processing sector; and
  6. Increased access for the enterprises, to professional and technical support.

**The scheme aims to:**

- (i) Enhance the competitiveness of existing individual micro-enterprises in the unorganized segment of the food processing industry and promote formalization of the sector; and
- (ii) Support Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives along their entire value chain.

**2.51** In the PowerPoint Presentation, with regard to PMFME Scheme Ministry submitted:-

- Out of Rs.150 Crore from 1st Supplementary Demands for Grants, total expenditure incurred - Rs. 106.44 Cr
- Rs. 93.83 Crore released to States/ UTs
- Rs. 10 Crore released to NIFTEM & IIFPT
- Rs. 2.6 Crore utilised under OE/ OAE/ PS heads.
- RE 2020-21 – Rs. 400 Crore (2<sup>nd</sup> Supplementary is awaited)

**One District One Product:**

**2.52** The Scheme adopts One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. ODOP for the Scheme will provide the framework for Value Chain Development and alignment of Support Infrastructure. There may be more than one Cluster of ODOP Product in one district. There may be cluster of ODOP Product consisting of more than one adjacent District in a State.

The States would identify the food product for a district, keeping in perspective the focus of the Scheme on perishables. A Baseline Study would be carried out by the State Government. The ODOP could be a perishable agri produce, cereal based product or a food product widely produced in a District and their Allied Sectors. Illustrative list of such Products includes mango, potato, litchi, tomato, tapioca, kinnu, bhujia, petha, papad,

pickle, millet based products, fisheries, poultry, meat as well as animal feed among others. In addition, certain other traditional and innovative products including waste to wealth products could be supported under the Scheme. For example, honey, minor forest products in tribal areas, traditional Indian herbal edible items like turmeric, amla, haldi, etc. Support for agricultural produce would be for their processing along with efforts to reduce wastage, proper assaying and storage and marketing.

The Scheme also envisages strengthening backward and forward linkages, provision of common facilities, incubation centres, training, R&D, marketing & branding, provision of which would primarily be for ODOP Products.

### **2.53 Progress in implementation of the Scheme was stated to be as follows:**

- "For preparatory works relating to hiring of Project Management Unit (PMU), undertaking studies, promotional activities & other activities permissible under the Scheme Guidelines, Rupees 103.83 crore released to 35 States/UTs/ NIFTEM/IIFPT.
- MoUs for convergence with ICAR, NCDRC, TRIFED, NSFDC & NAFED signed on 18.12.2020.
- Joint Letter with M/o Rural Development and M/o Tribal Affairs signed on 26.11.2020 and 18.12.2020 respectively.
- Union Bank of India has been selected as Nodal Bank and Agreement signed to this effect on 18.12.2020.
- Guidelines on Capacity Building Component, Establishment of Common Incubation Facility and Implementation of Seed Capital Component have been issued.
- A National Project Management Unit (NPMU) has been established with 12 Officials working as on date.
- All States/UTs have appointed Nodal Agency for implementing the Scheme.
- 35 States/ UTs recommended ODOPs for 139 unique products in 707 districts which has been approved by the Ministry.
- 35 States/ UTs have nominated State Level Technical Institutions (SLTI) which has been approved by the Ministry.
- 34 State Level Approval Committee & 33 District Level Committee constituted by States/ UTs.
- 26 States/UTs have shared their Project Implementation Plan (PIP) with Ministry. Out of which, PIP of 13 States/UTs have been approved.

- Guidelines for availing and processing of seed capital by Self Help Groups(SHG) members have been issued on 26.11.2020.
- NRLM has completed their module for MIS data entry of SHG members for filing seed capital. Data collection at field level started. The NRLM MIS portal is live for application purpose for SHGs.
- Regular trainings of Master Trainers/Trainers/District Level Trainers are being held.
- NIFTEM & IIFPT have prepared training modules (ODOP) which includes 74 Presentations (PPT), 99 Videos, 54 DPRs and 52 Course Content/Handbooks.
- Sub-Domain pmfme.mofpi.gov.in is registered.
- Notification under Section 7 of Aadhaar Act, 2016 has been published in the Gazette of India and NIC has been appointed as Aadhaar Authentication Agency.
- Email and SMS Template for notifying the beneficiary at various stages of the application process has been prepared.
- Cloud space has been allocated & configured. Application and website have been loaded on it for testing & verification. Load balance has been allocated & public IP is being obtained".

**2.54** On being asked by the Committee to furnish details with regard criteria fixed for the Farm Products of One District One Product Scheme, the Ministry, in its written reply, stated:-

"The States/UTs have identified the Food Products for a District, keeping in perspective the focus of the Scheme on perishables. The ODOP products are perishable agri produce, cereal based product or a food product widely produced in a district and their allied sectors. In addition, certain other traditional and innovative products including waste to wealth products are being supported under the Scheme".

**2.55** When asked whether the Ministry has taken any steps to bring APEDA and MPEDA in its ambit, the Ministry, in its reply, stated:-

"In order to have synergy in operations of APEDA and MPEDA with overall development of Food Processing sector in the country, MoFPI has been persistently requesting for placing these institutions under its ambit through suitable amendment in Government of India (Allocation of Business) Rules, 1961. Recently, in accordance with instructions in Cabinet Secretariat, vide ID No. 024/2/1/2020-C.IV dated 23rd September, 2020, Ministry has circulated a draft CoS note to relevant Ministries/ Departments for comments vide MoFPI OM No P-12016/1/2020-DD(PC Division) dated 7.10.2020".

**2.56** On being asked to give details of the Targets Fixed and achievement so far made since inception of the Scheme, the Ministry, in its written reply, stated as:-

**"(I) Support to individual and groups of microenterprises.**

Target for the Individual Enterprises has been fixed at 5000 units for the FY 2020-21. Online portal has been made live for application of individual beneficiaries' w.e.f. 25<sup>th</sup> Jan 2021 and as on 14.02.2021, 271 applications have been received which are being examined at district level. No specific target has been fixed for groups. For group applications, States/ UTs have been requested for calling offline group applications, till the portal is ready for online applications.

**(II) Improved Processing Capacity of Micro Enterprises.**

Release of grant to 5,000 individual beneficiaries would lead to improved processing capacity.

**(III) Number of Marketing Tie-ups with National and Regional Retail Chains and State Level Institutions in the FY.**

MoUs has been signed with TRIFED & NAFED for convergence, which inter-alia, cover branding & marketing under the brand names TRIFOOD & NAFED FOOD.

The MoU with TRIFED would facilitate developing a new brand to produce 'TriFood', for food products made by tribals and

undertake efforts for development of the brand and marketing, appropriate packaging, product development, etc. for tribal food products. They would also extend handholding support to Tribal SHGs and Van Dhan SHG groups and their members in preparation of DPRs, getting bank loans, getting necessary technical training, etc.

The MoU with NAFED would facilitate the marketing & branding and development of ODOP products made by FPOs/SHGs/Co-operatives groups through its marketing channels. NAFED would also support marketing and branding of food products manufactured under the brand "NAFED". Training and capacity building related to this would be facilitated by NAFED.

#### **(IV) Support for strengthening of Institutions.**

IIFPT and NIFTEM are being supported to provide technical assistance in the implementation of the scheme through the Capacity Building component. Rs. 10 cr have been released to them.

Provisions have been made to provide financial support to other national and state level institutes like ICAR, CSIR, CFTRI, NIRD etc. for providing training, preparation of DPRs, setting up of incubation centers etc.

#### **(V) Enhanced Labour Productivity.**

With support to each Individual enterprise, it is assumed that 2 people would get engaged. With a target of 5000 beneficiaries, it would be around 10,000. Labour productivity of these employed workers (both skilled and semi-skilled workers) would be enhanced through the training on the production floor.

#### **(VI) Number of Skilled and Semi-skilled Workers trained under the Scheme on the Production Floor.**

The identification of beneficiaries is under process".

**2.57** On being asked to furnish details of the Targets set for the year 2021-22, in respect of the above-said Indicators and also as to whether the sufficient Funds are available for the purpose, the Ministry, in its written reply, stated:-

**"(I) Support to Individual and Group beneficiaries**

- i. Individual beneficiaries – 40,000nos
- ii. Groups (FPOs/ SHGs/ Cooperatives) – 1450

**(II) Improved processing capacity of micro enterprises –**

Release of grant to 40,000 individual and 1450 group beneficiaries would lead to improved processing capacity.

**(III) Number of Marketing Tie-ups with National and Regional Retail Chains and State Level Institutions – 7**

**(IV) Support for strengthening of Institutions – 42 Institutions** to be supported.

**(V) Enhanced Labour Productivity – 88,585 nos** of skilled and semi-skilled workers are targeted to trained under the scheme during the period. Labour productivity of these employed workers (both skilled and semi-skilled workers) would be enhanced through the training on the production floor.

**(VI) Number of Skilled and Semi-skilled workers trained under the Scheme on the Production Floor – 88,585**

For 2021-22, against the proposed BE for Rs. 2300 cr, MoF has allocated Rs. 500 cr. Since the scheme is in the initial stage of implementation, efforts are being made to ensure that the benefits under the scheme are reached to the targeted beneficiaries. Based on the progress, requirement of more fund would be taken up with MoF at the RE Stage".

**2.58** When the Committee asked how the objective for providing Credit Linked Subsidy to 2,00,000 Micro Food Processing Units under Scheme will be achieved, the Ministry, in

its written reply, stated:-

"For providing credit linked subsidy to 2,00,000 Micro Food Processing Units, identification of units would be a two-pronged process. Based on One District One Product approach, support would preferably be provided to the Units engaged in that product in the district. Other units, who have potential, would also be supported.

Applications would be invited at the district level on an ongoing basis for Units, from those interested in availing the benefits under the Scheme. Resource Persons (RPs) would undertake survey of various clusters and identify units that show potential for availing benefits under the Scheme. For applications received directly, RPs would undertake field verification and due diligence to assess their potential. All the potential cases based on identification of Units directly by RPs and application received would be submitted before the District Level Committee. District Level Committee would review the cases and may interact with beneficiaries, if required.

For the cases recommended by the District Level Committee, the application along with necessary documents would be forwarded to the Banks for sanction of loan. Once banks approve the application, Credit Linked subsidy shall be released from Central and State Governments, through the Nodal Bank (Union Bank of India)".

## **RECOMMENDATIONS/OBSERVATIONS**

### **ANALYSIS OF DEMANDS**

#### **Recommendation No. 1**

The Committee note that while the Ministry has proposed an allocation of Rs.3490.07 Crore for the BE 2021-22, the allocated amount in BE 2021-22 is Rs.1308.66 Crore which is quite less than the proposed amount. Even though this amount is higher than the amount allocated for BE 2020-21 which was to the tune of Rs.1247.42 Crore.

The Committee feel that less allocation of funds to the Ministry is due to less utilization of allocated funds by the Ministry, which is clear from the Statement given by the Ministry regarding Scheme-wise Outlay and Expenditure for three year i.e. 2018-19, 2019-20 and 2020-21. Against the Allocation of Rs.1000 Crore, Rs.1042.79 Crore and Rs.1247.42 Crore at RE stage for the year 2018-19, 2019-20 and 2020-21, the Actual Expenditure was Rs.719.17 Crore, Rs.845.54 Crore and Rs.668.16 Crore (till 15.01.2021) respectively.

Thus, it is evident that under utilization of allocated funds consistently by the Ministry is acting as a stumbling block in achieving the objectives of the Ministry i.e. addressing critical issues of food security, food inflation and providing wholesome nutritious foods to the masses, ensuring better returns for the farmers, generating employment and earning foreign exchange through the exports. The Committee therefore recommend the Ministry to strive hard for optimum utilization of allocated funds.

### **CONTRIBUTION OF FOOD PROCESSING SECTOR**



## **Recommendation No. 2**

**The Committee note that a well developed Food Processing Sector with high 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 issue of food security, food inflation and providing wholesome nutritious food to the masses. The 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 8.98% and 11.11% of Gross Value Added (GVA) in Manufacturing and Agriculture Sector respectively in 2018-19 at 2011-12 prices.**

**The Committee are aware that Food Products Industry compared to other industries has the largest number of factories and engages largest number of persons as well. This Sector is highly labour intensive per unit of Capital deployed. Thus every unit of Capital invested in Food Products Industry employs largest number of persons as compared to other industries while generating the highest output level as in other industries.**

**The Committee, further note that as was the case with other sectors the Food Processing Sector was also hit badly in the first phase of lockdown however due to increased demand from the consumers for safe and hygienic food, the Food Processing Sector has sprung back soon to the normal after the first phase of disruption and is actually looking up.**

**As informed by the Ministry another reason for the Sector to do well is that the Agricultural Sector has done well even during COVID Pandemic. Since the Food Processing Sector uses the agricultural produce as raw materials, they have had a good advantage in continuing with their Manufacturing. Even in exports, while the**

**Agricultural Exports increased by 9.8 per cent from April to December, 2020, the Processed Food Exports in Fruits and Vegetables increased by 17.4 per cent.**

**Considering the contribution of Food Processing Sector to the economy of the country the Committee, desire that boost should be given to this industry by bringing in greater investment and creating market for exports and creating conducive environment for healthy growth of Food Processing Industries by inducting latest technologies in the Food Processing Industries Sector. The Committee would like the Ministry to come up with a Holistic Plan of Action in this regard and would also like to be apprised of the same.**

## **PRADHAN MANTRI KISAN SAMPADA YOJANA (PMKSY)**

### **Recommendation No. 3**

The Committee note that the Ministry of Food Processing Industries has been implementing Central Sector Umbrella Scheme - Pradham Mantri Kisan Sampada Yojana approved in May 2017. The Component of the Scheme of Pradham Mantri Kisan Sampada Yojana are: Mega Food Park(MFP), Integrated Cold Chain and Value Addition Infrastructure (ICC), Creation /Expansion of Food Processing & Preservation Capacities (CEFPPC), Infrastructure for Agro-Processing Clusters(APC), Creation of Backward & Forward linkages (CBFL), Food Safety and Quality Assurance Infrastructure(FTL), Human Resource and Institutions and Operation Greens.

As informed by the Ministry the proposal for continuation of Pradham Mantri Kisan Sampada Yojana beyond 01.04.2021, Ministry has proposed to discontinue Mega Food Park Scheme & Hazard Analysis and Critical Central Point (HACCP) component of Human Resources and Institutions.

The Committee note that an amount of Rs. 700 Crore has been provisioned for BE of (2021-22) for PMKSY. The Committee note further that with regard to achievement of targets for the Schemes there has been short fall in almost all the Schemes as per the Statement for the year 2018-19, 2019-20 and 2020-21. Also with regard to utilization of funds for this Scheme there is abysmal low utilization of funds for SC/ST and NER Receipt of inadequate eligible proposals has been the reason attributed by the Ministry for under utilization of allocated funds.

The Committee recommend the Ministry to analyze reasons for inadequate proposals being received, year after year and to address the shortcomings noticed in implementation of the Scheme in a time bound manner. In the opinion of the Committee, the lack of awareness about the Scheme of the Ministry can also be a

reason for inadequate receipt of proposals. The Committee, therefore, strongly recommend that the Ministry should launch a Special Awareness Drive with the purpose of increasing awareness about various components of the Scheme.

## **COLD STORAGE UNDER COLD CHAIN SCHEMES**

### **Recommendation No. 4**

The Committee note that 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 Consumers.

The Committee also note that the objective of Scheme for Integrated Cold Chain and Value Addition Infrastructure is to provide Integrated-Cold Chain, Preservation and Value Addition Infrastructure Facilities without any break from the Farm Gate to the Consumer, in order to reduce the Post-harvest losses of Horticulture and Non-horticulture agri-produce.

The Committee, however, note that out of 430 Projects sanctioned by the Ministry, 103 Projects have been cancelled, 210 Projects have been completed and 117 Projects are under implementation. The Committee also note that the Projects are delayed due to delay in obtaining Statutory approvals like Change in Land Use (CLU), Consent to Establish (CTE), Building Plan, Power Connection, Food Safety & Standard Authority of India (FSSAI) License, Final Sanction of Term Loans, etc.

The Committee further note that a study on “Evaluation of the impact of the Scheme for Cold Chain, Value Addition and Preservation Infrastructure of Ministry of Food Processing Industries” was awarded to M/s NABARD Consultancy Services Pvt. Ltd. (NABCONS). The Report has, inter alia, observed that Cold Chain Projects have contributed positively to turnover, employment creation and exports. There is an apparent economic impact in the catchment area where such Projects have been set up in terms of saving wastage, increase in farm gate prices and establishment of Backward Linkages. With the establishment of Cold Chain Projects, under the trading model, the farmers have been benefited, in terms of assured price, risk avoidance, assured market and reduction in wastages. The Captive Unit Model,

however, based on market requirements and consumer centric approach of these Units, have developed the quality of produce across the entire Supply Chain. This has been achieved by way of knowledge sharing, quality input supplies and technology upgradation of the Producers. The Units per se have tried to comply with the stringent quality parameters of the markets and this quality has percolated in the Backward and Forward Linkages, as well.

There is no doubt about the immense benefits accruing to farmers with the establishment of a Cold Chain in a particular area in terms of reduction of wastage and providing assured returns to the farmers. The Committee however, are concerned about the slow pace of implementation of this Scheme. The Committee, therefore, recommend that the Ministry should resolve the issues in establishment of Cold Storage Unit, by establishing a Unit specially dedicated to liaise with concerned Authorities, for all approvals/proposals required for the setting-up Cold Storage Projects to facilitate the entrepreneurs to deal with the bureaucratic hurdles, smoothly.

## **CREATION OF BACKWARD AND FORWARD LINKAGES**

### **Recommendation No. 5**

The Committee note that the objective of the Scheme is to provide effective and seamless Backward and Forward Integration for Food Processing Industries 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.

The Committee feel that even though this Scheme is one of the important Schemes under Pradhan Mantri Kisan Sampada Yojana, the Scheme has not got the desired momentum as of now. This is clear from the fact that out of 62 Projects approved only 21 Project have been completed and also utilization of fund is less as against fund allocated at RE Stage.

The Committee, therefore recommend the Ministry to properly utilize the allocated fund in time bound manner and strive to complete the approved Projects on time.

## **SKILL DEVELOPMENT IN FOOD PROCESSING SECTOR**

### **Recommendation No. 6**

The Committee observe that the aim of the Scheme on Human Resources and Institutions is to provide Sector Specific Skilled Workforce from floor level workers, operators, packaging and assembly line workers to quality control supervisor, etc. and to meet the skilled Human Resources requirement in Food Processing Sector. Under the Scheme, a total of 28 Projects have been approved by the Ministry. Out of the 27 Projects are meant for the creation of infrastructure in Food Processing Skill Training Centers out of which only 4 Projects have been so far completed, whereas, 1 proposal has been approved for development/ translation of Course Curriculum for 13 Food Processing Job Roles.

The Committee further note that the Ministry has commissioned a Study titled "Study to assess Human Resource and Skill Requirement in Food Processing Sector from 2021-2030" to M/s Feedback Business Consulting Pvt. Ltd. on 20.10.2020, with the objective to ascertain the present and future availability of human resources, the present gaps in skill sets, the skills required in the future by the Food Processing Industry and the policy initiatives required in this regard. The Study is to be completed in 6 months. The Committee desire that the observations made in this Report be shared with the Committee alongwith the action taken by the Ministry on those observations.

The Committee further note that there has been consistently less utilization of funds by the Ministry under this Scheme. The Ministry has stated that the main reason for low utilization of RE was that the funds of Rs.0.90 Crore earmarked in the head 'GIA-DAPST' could not be released due to non-availability of any ST proposals in the Scheme for the year 2019-20. The Committee are of the view that



**being a Labour-intensive Sector, the skilled manpower is the basic requirement of this Sector. The Committee therefore, recommend that all required steps be taken by the Ministry for the creation of Skilled Manpower and required infrastructure for providing Training in a time bound manner.**

## **OPERATION GREENS**

### **Recommendation No. 7**

The Committee note that in pursuance of the Budget Announcement for the year 2018-2019, Ministry of Food Processing Industries had launched a New Central Sector Scheme “Operation Greens - A Scheme for integrated development of Tomato, Onion and Potato (TOP) value chain “with a Budgetary Allocation of Rs.500 Crore. The Scheme envisages to promote Farmer Producer Organizations (FPOs), Agri-Logistics, Processing Facilities and Professional Management.

Organizations such as State Agriculture and other Marketing Federation / Farmer Producer Organizations (FPO) / Cooperatives / Self-help Groups / Companies / Food Processors / Logistic Operators / Service Providers / Supply Chain Operators / Retail and Wholesale Chains / Central and State Governments and their Entities /Organizations are eligible for financial assistance under the Scheme. Under the Scheme, a total of 10 Projects have been approved up to 18.01.2021, out of which 5 Projects have been cancelled for want of progress and rest 5 projects are under implementation.

The Committee make a note that Ministry is considering to extend the scope of long term strategy i.e. Integrated Value Chain Development Projects under Operation Greens Scheme from TOP to twenty-two perishables in pursuance of Budget Announcement of 2021-2022. Further, Ministry is also considering to include Standalone Projects, in addition to integrated Value Chain Development Projects for financial assistance on the basis of identified infrastructure gaps in the value chain of twenty-two perishables, for which Assessment Studies will be conducted to identify gaps in the Value Chain. The Committee observe that Additional Funds have not been provided for Short Term measures under TOP to TOTAL under Aatmanirbhar Bharat Abhiyan. As informed by the Ministry, the

**expenditure is to be met out of existing Budget allocated for Operation Greens Scheme.**

**The Committee appreciate the decision taken to include other Perishable Commodities under this Scheme, in addition to Tomatoes, Potatoes and Onions as it will not only benefit the farmers from distress sale of their produce but will also help in increasing their income. The Committee are, however, apprehensive about the proper implementation of this Scheme with limited funds. The Committee, therefore, recommend the Ministry to take all requisite measures to ensure that the implementation of this Scheme does not suffer for the want of funds.**

## **PRIME MINISTER - FORMALIZATION OF MICRO FOOD PROCESSING ENTERPRISES (PMFME)**

### **Recommendation No. 8**

The Committee are glad to note that as a part of Aatmnirbhar Bharat Abhiyan a new Centrally Sponsored Scheme, Prime Minister - Formalization of Micro Food Processing Enterprises (PMFME) was launched in June 2020 with a total outlay of Rs.10,000 Crore over the period 2020-2025. The Scheme is targeted to benefit 2 Lakh Micro Food Processing Units through credit linked subsidy. While the existing Individual Micro Units can avail Credit-linked Capital Subsidy @35% of the eligible Project Cost with a maximum ceiling of Rs.10 Lakh for upgradation of their unit, Seed Capital @ Rs. 40,000/- per SHG Member would be provided for Working Capital and purchase of small tools. Farmers Produce Organizations (FPOs)/ Self Help Groups (SHGs)/ Producer Cooperatives would be provided credit linked grant of 35% for capital investment along the Value Chain. The Scheme adopts One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. The Scheme also envisages strengthening backward and forward linkages, provision of common facilities, incubation centres, training, Research & Development, marketing & branding, provision of which would primarily be for One District One Product (ODOP) products.

The Committee further note that the Ministry projected a demand of Rs.3490.07 Crore in BE 2021-22 which included Rs.2300 Crore for Ministry for Prime Minister - Formalization of Micro Food Processing Enterprises (PMFME) and Rs.1045.85 Crore for the ongoing Schemes under the Umbrella Scheme Pradhan Mantri Kisan Sampada Yojana (PMKSY). However, the BE allocated is only Rs.1308.66 Crore which includes Rs.1200 Crore both for Prime Minister -

**Formalization of Micro Food Processing Enterprises (PMFME) and Pradhan Mantri Kisan Sampada Yojana (PMKSY).**

The Committee are, however, of the opinion that the funds allocated for this ambitious Scheme are not commensurate with its objectives. The Committee therefore, recommend that earnest efforts should be made by the Ministry to impress upon the Government to allocate Projected Amount of funds i.e. Rs.2,300 Crore to the Ministry for Prime Minister - Formalization of Micro Food Processing Enterprises (PMFME) as the Committee feel that this Scheme will play a vital role in promoting Entrepreneurship in the Rural Areas and uniform development of all the regions of the Country.

## **BRINGING APEDA AND MPEDA UNDER FOOD PROCESSING INDUSTRIES**

### **Recommendation No. 9**

The Committee note that Agricultural Processed Food Products Export Development Authority (APEDA) & Marine Product Exports Development Authority (MPEDA) are currently within the domain of Ministry of Commerce and Industry. APEDA is mandated with the responsibility of Export Promotion and Development of the Fruits, Vegetables, Meat Dairy, Poultry and their products whereas MPEDA's mandate is to increase Exports of Sea Foods including Fisheries of all kinds.

As informed by the Ministry in order to have synergy in operations of APEDA and MPEDA with overall development of Food Processing Sector, the Ministry has been persistently requesting for placing these Institution under its ambit through suitable amendment in Government of India (Allocation of Business) Rules, 1961.

The Committee concur with the view of the Ministry that bringing these Agencies within the purview of Ministry of Food Processing Industries will result in better synergy in the Processing and Export of Processed Food. The Committee therefore, desire the Government to look into this matter, urgently.

NEW DELHI;  
08 March, 2021  
18 Phalguna, 1942(Saka)

P.C. GADDIGUDAR  
Chairperson,  
Standing Committee on Agriculture

**STANDING COMMITTEE ON AGRICULTURE  
(2020-21)**

**MINUTES OF THE NINTH SITTING OF THE COMMITTEE**

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The Committee sat on Tuesday, the 23 February, 2021 from 1440 hours to 1600 hours in Committee Room '2', First Floor, Block - A, Extn. to Parliament House Annexe Building, New Delhi.

**PRESENT**

Shri Parvatagouda Chandanagouda Gaddigoudar – Chairperson

**MEMBERS**

**LOK SABHA**

2. Shri Afzal Ansari
3. Shri Devendra Singh 'Bhole'
4. Shri Bhagwanth Khuba
5. Shri Devji Mansingram Patel
6. Shri Pocha Brahmananda Reddy
7. Mohammad Sadique
8. Shri Virendra Singh
9. Shri Ram Kripal Yadav

**RAJYA SABHA**

10. Shri Partap Singh Bajwa
11. Sardar Sukhdev Singh Dhindsa
12. Shri Kailash Soni
13. Shri B.L. Verma
14. Smt. Chhaya Verma
15. Shri Harnath Singh Yadav

## SECRETARIAT

- |    |                  |   |                  |
|----|------------------|---|------------------|
| 1. | Shri Shiv Kumar  | – | Joint Secretary  |
| 2. | Smt. Juby Amar   | – | Director         |
| 3. | Shri Prem Ranjan | – | Deputy Secretary |

## LIST OF WITNESSES

### MINISTRY OF FOOD PROCESSING INDUSTRIES

<u>S.No.</u>	<u>NAME OF THE OFFICER</u>	<u>DESIGNATION</u>
1.	Smt. Pushpa Subramanyam	Secretary
2.	Shri Manoj Joshi	Additional Secretary
3.	Ms. Sibani Swain	AS&FA (FPI)
4.	Shri Minhaj Alam	Joint Secretary
5.	Ms. Reema Prakash	Joint Secretary
6.	Shri Atul Saxena	Joint Secretary
7.	Shri Ashok Kumar	Joint Secretary
8.	Shri Binod Kumar	CCA
9.	Shri Kuntal Sensarma	Economic Adviser
10.	Dr. Chindi Vasudevappa	Vice Chancellor, NIFTEM
11.	Shri C. Aandharamkrishnan	Director, IIFPT

2. At the outset, the Chairperson welcomed the Members and the Representatives of the Ministry of Food Processing Industries to the Sitting of the Committee convened for examination of Demands for Grants (2021-22) of the Ministry and apprised them of the confidentiality of the proceedings.

3. After the introduction, a brief outlook of the Sector was given by the Secretary followed by a Power-Point presentation by the Representative of the Ministry. Thereafter, the Committee raised several issues/points as briefly mentioned below and sought clarifications/information thereon from the Ministry:



- I. Need for early implementation of the New Scheme Production Linked Incentives for the Food Processing Sector;
- II. Focus on expanding Operation Greens to twenty-two perishables;
- III. Need for proper implementation of Pradhan Mantri Kisan Sampada Yojana;
- IV. Need for sanctioning of funds/grant of incentives for another Cold Storage Projects in same Taluka;
- V. Need for timely implementation of the New Centrally Sponsored Scheme under Aatmanirbhar Abhiyan;
- VI. Need for early implementation of One District One Product (ODOP) Schemes in respect of the proposals received from all the State Governments;
- VII. Need for early implementation of Micro-Sector Schemes to contain unemployment problem and sustain/revive economy after the Post-Covid period;
- VIII. Need for focusing on local production and promotion of employment;
- IX. Need for promoting Women Entrepreneurs and Self Help Groups engaged in Food Processing Sectors;
- X. Need for making mandatory Nuclear Magnetic Resonance (NMR) Test for Honey being sold in domestic market to check its adulteration;
- XI. Reasons for low utilization of funds under SC Sub-Plan and Tribal Sub-Plan;
- XII. Steps being taken by the Ministry to enhance utilization of funds under various Schemes;
- XIII. Need to make a detailed plan to increase awareness about the various Schemes of the Ministry;
- XIV. Need for additional fund to clear the committed liabilities in the next 5 years;
- XV. Formulation of Micro Food Enterprises;
- XVI. Expenditure to increase on Food Processing and Preservation capacities;
- XVII. Expenditure on Creation of Backward and Forward linkages; and
- XVIII. Skill Development in the Food Processing Sector.

4. The representatives of the Ministry responded to most of the queries raised by the Members. The Chairperson, then, thanked the witnesses for sharing valuable information with the Committee on the Subject and directed them to send, in writing, the requisite information on points/items, which was not readily available with them, to the Committee Secretariat by **01<sup>st</sup> March, 2021**.

***The Committee then adjourned.***

*(A copy of the verbatim proceedings of the Sitting has been kept separately.)*

**STANDING COMMITTEE ON AGRICULTURE  
(2020-21)**

**MINUTES OF THE ELEVENTH SITTING OF THE COMMITTEE**

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The Committee sat on Monday, the 08<sup>th</sup> March, 2021 from 1430 hours to 1510 hours in the Hon'ble Chairperson's Chamber, Room No. '103', First Floor, Block - B, Extn. to Parliament House Annexe Building, New Delhi.

**PRESENT**

Shri Parvatagouda Chandanagouda Gaddigoudar – Chairperson

**MEMBERS**

**LOK SABHA**

2. Shri Devendra Singh 'Bhole'
3. Shri Kanakmal Katara
4. Shri Bhagwanth Khuba
5. Shri Vinayak Bhaurao Raut
6. Mohammad Sadique

**RAJYA SABHA**

7. Shri Kailash Soni
8. Shri B.L. Verma
9. Smt. Chhaya Verma
10. Shri Harnath Singh Yadav

## **SECRETARIAT**

1. Shri Shiv Kumar – Joint Secretary
2. Smt. Juby Amar – Director
3. Shri Prem Ranjan – Deputy Secretary

2. At the outset, the Chairperson welcomed the Members to the Sitting of the Committee. Thereafter, the Committee took up for consideration the following Reports:

\* (i) XXXX XXXX XXXX XXXX

(ii) XXXX XXXX XXXX XXXX

(iii) Draft Report on 'Demands for Grants (2021-22)' of the Ministry of Food Processing Industries.

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

***The Committee then adjourned***

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\*Matter not related to this Report