

### Setting up food processing units

1687. SHRI A. ELAVARASAN: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

- (a) whether Government proposes to set up food processing units during the next 100 days;
- (b) if so, the number of units proposed and the States in which Government plans to set them up;
- (c) whether Government would propose to involve more private sector investment by providing subsidy, with loan facility, for the development of food processing sector, since majority of agricultural products are getting waste due to lack of food processing units; and
- (d) if so, the details thereof?

THE MINISTER OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) and (b) For facilitating Setting up and Modernization of Food Processing Industries by entrepreneurs, the Ministry of Food Processing Industries extends financial assistance in the country in the form of grant-in-aid to implementing agencies/entrepreneurs @ 25% of the cost of Plant & machinery and Technical Civil Works subject to a maximum of Rs. 50 lakhs in general areas and 33.33% subject to a maximum of Rs. 75 lakhs in Difficult areas under the Scheme of Setting up/Modernization/Expansion of food processing industries. The Ministry release the funds in the shape of grants-in-aid to the agencies/ entrepreneurs depending upon the availability of funds within the budget provision from year to year basis. In the 100 days agenda, Ministry proposes to facilitate for setting up of 350 new industries in the country in the sectors of processing of fruits and vegetables, Meat, dairy, fish, grain and consumer under the scheme.

(c) and (d) In order to reduce wastage of agricultural products, Ministry is implemented a Plan scheme for Cold Chain, Value Addition and Preservation Infrastructure during 11th Plan to provide financial assistance to project proposals received from public/private sector organizations or non-Government bodies including State Government for setting up of cold chain infrastructure development. The scheme envisages financial assistance in the form of grant-in-aid @ 50% of the total cost of plant and machinery and technical civil works in general areas and 75% for North Eastern Region and difficult areas subject to a maximum of Rs. 10.00 crore. The initiatives are aimed at filling the gaps in the supply chain, strengthening of cold chain infrastructure, establishing value addition with infrastructural facilities like sorting, grading, packaging and processing for horticulture including organic produce, marine, dairy poultry etc.

To strengthen the Food Processing Infrastructure, Government has approved a scheme for Mega Food Parks, Cold Chain, Value Added Centres and Modernization of Abattoirs. The Infrastructure scheme envisages a well-defined agri/horticultural-processing zone containing state of the art processing facilities with support infrastructure and well established supply chain. It aims to provide a mechanism to bring together farmers, processors and retailers and link agricultural production to the

market so as to ensure maximization of value addition, minimization of wastages and improving farmers' income. The primary objective of the scheme is to facilitate establishment of an integrated value chain, with processing at the core and supported by requisite forward and backward linkages.

Other strategic initiatives during 11th Plan include scheme for Integrated Cold Chain and Preservation Infrastructure including Controlled Atmosphere/Modified Atmosphere Storage, Value Added Centres, Packaging Centres and Irradiation facilities. Benefits of the Scheme will also be available to integrated projects of value addition / processing / preservation of horticulture, dairy, marine, and meat sector. Another infrastructure development scheme is for setting up / up-gradation of food testing laboratories which would benefit all stakeholders including domestic industry, exporters, entrepreneurs, small and medium enterprises, existing academic & research institutions, food standards setting bodies.

Modernization of Abattoirs is a scheme targeting infrastructure for the meat processing industry. It aims to upgrade qualitative and quantitative capacities of the abattoirs, which will be linked, with commercial processing of meat, both for domestic consumption and exports. The financial assistance (grant-in-aid) is being extended at 50% and 75% of the cost of plant & machineries and technical civil works in general and difficult areas respectively subject to a maximum of Rs. 15 crores for each project. The Ministry has approved 'in principle' to set up ten abattoirs in the country with a total cost of Rs. 127.00 crores. An amount of Rs.7.94 crores has been released.

Further, the Ministry has several other schemes for promotion of the food processing industry. The Scheme for Technology Upgradation/Establishment/ Modernisation of Food Processing Industries is aimed at creation of new processing capacity and up-gradation of existing processing capabilities, modernization of Food Processing Sector to include Milk, Fruit & Vegetables, Meat, Poultry, fishery, cereal, consumer items, oil seeds, rice milling, flour milling, pulse etc.

Similarly Scheme for Quality Assurance, Codex Standards, R&D and Promotional Activities, is aimed at motivating the food processing industries for adoption of food safety and quality assurance mechanisms such as TQM including ISO 14000, ISO 22000, HACCP, GMP, GHP, and preparing them to face global competition in post WTO Regime. The scheme is also aimed at ensuring that end product / outcome / findings of R&D work should benefit Food Processing Industries in terms of product and process development, improved packaging, value addition and leading to innovative products and processes, with commercial value.

The Scheme for Human Resource Development focuses on developing technologists, managers, Entrepreneurs and manpower for quality management in Food Processing. The scheme also aims at development of rural entrepreneurship and transfer of technology for processing of food products by

utilizing locally grown raw material and providing "Hands-on" experience at such production cum training centres, while according priority to SC/ST/OBC and women minorities candidates.

The Scheme for Strengthening of Institutions is aimed at strengthening of existing institutes like Indian Institute of Crop Processing Technology & establishing National Institute of Food Technology and Entrepreneurship Management (NIFTEM). The objective of NIFTEM is to promote cooperation and networking amongst existing institutions both within the country & international bodies, create a complete data base on domestic resources and bring in international best practices for improving the food processing sector. Besides above mentioned institutions, two Boards have been set up under the Ministry i.e Indian Grape Processing Board and National Meat and Poultry Processing Board under the scheme.

In addition to the above mentioned schemes, certain fiscal incentives have been given to the food processing industry. Some of these are exemption to fruits and vegetable processing units from paying income tax, reduction of excise duty on ready to eat packaged foods and instant food mixes from 16% to 8%. There is automatic approval for 100% foreign equity in food processing sector.

#### **Financial assistance for FPIs in Rajasthan**

1688. SHRI LALIT KISHORE CHATURVEDI:

DR. GYAN PRAKASH PILANIA:

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

- (a) the total number of applications received by Government during the last three years from Rajasthan, requesting financial assistance for setting up food processing units;
- (b) the total number of applications cleared, so far;
- (c) the total financial assistance, alongwith the subsidy, provided for those units, so far; and
- (d) the total number of beneficiaries?

THE MINISTER OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) to (d) Ministry of Food Processing Industries (MFPI) extends financial assistance in the country in the form of grant-in-aid to implementing agencies/entrepreneurs @ 25% of the cost of Plant & Machinery and Technical Civil Works subject to a maximum of Rs. 50 lakhs in general areas and 33.33% subject to a maximum of Rs. 75 lakhs in Difficult areas under the Scheme of Setting up/Modernization/Expansion of food processing industries.

Earlier all the applications for such grants were received from all over the country through the State Nodal Agencies in the Ministry. These applications were then Centrally processed and grants disbursed in the Ministry itself. This used to involve avoidable delays. Hence, with a view to enlarge the outreach of this scheme to each hook and corner of the country, accelerate the pace of disposal and to take the Government to door steps of the people, the whole procedure of receipt of