

MR. CHAIRMAN: This does not relate to the question. You can take it up separately with the hon. Minister.

**श्री वैष्णव परिडा:** मैं मिनिस्टर साहब की अटेंशन में लाना चाहता हूँ। This is the complaint from my State.

MR. CHAIRMAN: No; no. You may have a valid point. But this is not the occasion. Question No. 50.

### **Setting up of FPIs in Karnataka**

\*50. SHRI B.K. HARIPRASAD : Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

- (a) whether Government proposes to set up Food Processing Industries (FPIs) in Karnataka during the financial year 2015-16, if so, the details thereof;
- (b) if not, the reasons therefor; and
- (c) whether Government would accept any such proposal for Karnataka?

THE MINISTER OF FOOD PROCESSING INDUSTRIES (SHRIMATI HARSIMRAT KAUR BADAL) : (a) to (c) A Statement is laid on the Table of House.

### **Statement**

(a) and (b) During the Twelfth Plan, Government have launched a Centrally Sponsored Scheme - National Mission on Food Processing (NMFP), which is being implemented through State/UT Governments including Karnataka. Under the Mission, one of the scheme is Technology Upgradation/Establishment/Modernization of Food Processing Industries, which aims at creation of new processing capacity and upgradation of existing processing capabilities in food processing sector. The scheme provides for grant-in-aid to eligible applicants as per following pattern of assistance:

- \* 25% of the cost of Plant and Machinery and technical civil works, subject to a maximum of ₹ 50 lakhs in general areas.
- \* 33.33% of the cost of Plant and Machinery and technical civil works, subject to a maximum of ₹ 75 lakhs in difficult areas (*i.e.* Jammu and Kashmir, Himachal Pradesh, Uttarakhand, Andaman and Nicobar Islands and Lakshadweep) and Integrated Tribal Development Project (ITDP) areas.

- \* 50% of the cost of Plant and Machinery and technical civil works, subject to a maximum of ₹ 100 lakhs for North Eastern States including Sikkim.

(c) Government of Karnataka has been empowered under National Mission on Food Processing (NMFP), to receive the applications, sanction and release of grant-in-aid as per Scheme guidelines.

SHRI B.K. HARIPRASAD: Sir, the answer given by the Minister is very disappointing. My specific question was whether there is any proposal from the State of Karnataka regarding the food processing units.

Sir, my point is, India being the second largest producer of vegetables and fruits after China and Brazil, there is a huge lack of infrastructure facilities to storage and transport. Recently, the hon. Prime Minister, in last September, had inaugurated one of the food parks in Tumkur where the State Government had given about 110 acres of land at almost a throw-away price – not even a lakh of rupees per acre. Now it is already six months and the Government has released ₹ 45 crores out of ₹ 50 crores grant. I think nothing has happened but the land or the people who are going there to open up their entrepreneurship are feeling the costly price of the land. They are charging about 60-70 lakhs per acre. How does it benefit the farmers when the infrastructure goes in such a costly manner?

SHRIMATI HARSIMRAT KAUR BADAL: Mr. Chairman, Sir, through you, I would like to tell the hon. Member that in part (c) of my reply, I have categorically said that the 'Government of Karnataka has been empowered under the National Mission on Food Processing to receive the application, sanction and release of grant-in-aid as per Schemes they so wish to design.' So, the Ministry of Food Processing basically has two kinds of schemes. One is a Central Scheme implemented by the Ministry and the other is a Centrally-sponsored Scheme which gives the flexibility to the States to design and make their own schemes as per the requirements of their own State.

As for the question that you have asked regarding the Mega Food Park in Tumkur, the Mega Food Park Scheme, implemented by the Centre, is basically to create an infrastructure of backward and forward linkages for which we give a ₹ 50 crore subsidy or grant and this is a hub and spoke kind of a model where a Central processing centre along with primary processing collection centres are all created. So, the subsidy is given to create this infrastructure which has been created very well in Tumkur — the facility that the hon. Member is talking about. After that, in that Mega Food Park, it takes some time for other industries to come in. That is up to the promoter of the park and the

State Government as to how they want to do it. Our work is limited to ensuring that the facilities and the infrastructure come up.

SHRI B.K. HARIPRASAD: Sir, the Minister says that the infrastructure facilities have been created in Tumkur. I am sorry, Sir, only a warehouse and a cold storage has been established and it is not complete, and they are just waiting for the others to buy land there. The BJP Government should realise — they have brought in the Land Acquisition Bill — that once land is acquired and given for infrastructure development, they turn into real estate business. So, I just want to know whether the Government would monitor the implementation of the programme. I would also like to know whether the Government has surveyed the potential of horticulture and floriculture especially, which is in need of these infrastructure facilities, and whether they have carried out surveys in Karnataka or anywhere else in the country.

SHRIMATI HARSIMRAT KAUR BADAL: Sir, through you, I would like to tell the hon. Member that this project was sanctioned about three-four years ago and, as you say, the infrastructure has not come up, but the Scheme ensures that the grant is only released after the infrastructure has been created. So, there is no question that infrastructure has not been created. You mentioned ₹ 45 crores, but as per the Scheme guidelines, grant is released only when the infrastructure comes up. In fact, when we visited as well — this is by the Future Group, who are into frozen foods, fresh fruits, etc.— the infrastructure was functioning. However, if there are any shortcomings, the hon. Member may write to me and we can ask the Ministry to look into it. But I would also like to inform you...

SHRI B. K. HARIPRASAD: You are helping the private sector, not the farmers. What kind of help are you providing to the farmer?

MR. CHAIRMAN: Please.

SHRIMATI HARSIMRAT KAUR BADAL: Sir, the food processing industry can only function if food is provided by the farmer. In fact, I would say that this is one sector which has immense potential, not only of ensuring that wastages come down but also getting better remuneration for the farmers, ensuring more availability, increasing employment as well as addressing the critical issues of food security and providing nutritional and affordable food. So, this has a lot of potential. You also wanted to know whether any survey has been done. I would like to inform you that in the last five years the horticulture production has been increasing at almost double the rate of foodgrain production. That is the kind of availability. We are the second largest producers in the world of fruits and vegetables. There is no doubt that the processing of these foods and

vegetables is very low, which is why we are putting up these Mega Food Parks. There are about 21 Mega Food Parks which are in various stages of implementation. We are going to be sanctioning another 17. The more such processing facilities come up, the lesser would be the wastage, because the food which cannot be sold can be processed and saved to be fed to this growing population.

DR. PRABHAKAR KORE: Sir, Karnataka has been brought under the National Mission on Food processing. I am really very happy about that. Tumkur is at the other end of Karnataka, that is, the southern part of Karnataka. The northern part, Belgaum, is the divisional headquarters and it is the biggest producer of vegetables and fruits in southern India. A lot of vegetables get wasted there because there is no cold storage chain or food processing industry. I want to know whether the Central Government have identified the State of Karnataka for setting up a food processing industry. Do they have any plans to set up a second food processing industry in Belgaum under the National Mission, because as I have said earlier, Belgaum is the biggest producer of fruits and vegetables and a variety of fruits and vegetables are grown in that area?

SHRIMATI HARSIMRAT KAUR BADAL: Sir, in setting up these Mega Food Parks, which is a Central Scheme, I would like to tell the hon. Member, through you, Sir, that applications are invited and as people apply, there are various monitoring stages. Like I said, we are in the process of distributing 17 new Parks. There are three people who have applied from Karnataka. Once it goes through the scrutiny of these three Committees, including an inter-Ministerial Committee, if we have met the criteria required, I hope that we would also be able to do something further there. But, like I said, there is a Centrally-sponsored scheme where every State is given some grant to ensure that they can do processing of their own kind to encourage the processing industry, whether they want to create cold storage, whether they want to upgrade or modernize a facility, whether they want to set up collection centres, processing centres or do courses in colleges. So, under this Scheme, in the last three years we have sanctioned almost ₹ 33 crores to Karnataka, out of which they have utilized about ₹ 20 crores. They still have some grant left with them. If the hon. Member would, through the Mission Director, who is the Head in Karnataka, like to set up something specific in his constituency or in any other area, the grants are available with the State.

MR. CHAIRMAN: Mr. Seelam, it is almost one o'clock.

SHRI JESUDASU SEELAM: Sir, I just want to put one small question.

MR. CHAIRMAN: Do you have a question on Karnataka?

SHRI JESUDASU SEELAM: Yes, Sir, it is on Karnataka. Lots of youths from Karnataka have requested...

MR. CHAIRMAN: I am afraid. Mr. Seelam, I am sorry. Question Hour is over.

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### WRITTEN ANSWERS TO STARRED QUESTIONS

#### **Aadhaar-based cash transfer to NFSA beneficiaries**

\*51. SHRIMATI WANSUK SYIEM : Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether High Level Committee on restructuring FCI has sought for lowering the coverage of the National Food Security Act (NFSA) from 67 per cent to around 40 per cent of country's population;

(b) whether the Committee has proposed FCI to completely exit procurement operations in wheat and paddy producing States such as Punjab, Haryana, Andhra Pradesh, Madhya Pradesh, Chhattisgarh and Odisha under MSP scheme which covers only 6 per cent farmers; and

(c) whether the Committee found that current system of physical grain delivery is leaky and called for cash transfer to Aadhaar-based bank accounts of NFSA beneficiaries?

THE MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI RAMVILAS PASWAN): (a) to (c) Yes, Sir. The HLC has made many recommendations on restructuring of FCI and its working. It has recommended to reduce coverage from 67 per cent of population to 40 per cent and to raise allocation to priority households from 5 kg to 7 kg per person per month under the National Food Security Act (NFSA). The HLC has also recommended that FCI handover all procurement operations of wheat, paddy and rice to States that have gained sufficient experience in this regard and have created reasonable infrastructure for procurement. These States are Andhra Pradesh, Chhattisgarh, Haryana, Madhya Pradesh, Odisha and Punjab (in alphabetical order). FCI will accept only the surplus (after deducting the needs of the States under NFSA) from these State Governments (not millers) to be moved to deficit States. FCI should move on to help those States where farmers suffer from distress sales at prices much below MSP, and which are dominated by small holdings, like Eastern Uttar Pradesh, Bihar, West Bengal, Assam etc. The HLC has recommended to gradually