

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
STARRED QUESTION NO. *426
ANSWERED ON 23RD JULY, 2019

INVESTMENT IN FOOD PROCESSING INDUSTRY

***426. SHRI HEMANT SRIRAM PATIL:**

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

- (a) the details of the measures taken by the Government to promote investment in food processing industry since 2014, year-wise;
- (b) the details of the funds and resources allocated for promoting food processing industry, State and year-wise since 2014;
- (c) the details of the steps taken by the Government to improve and augment the cold storage facilities in the country, State and year-wise since 2014;
- (d) the details of additions to the capacity of cold storage between 2014-2018, State-wise; and
- (e) the details of the major challenges faced by the food processing industry and the steps taken to ease these constraints, State and year-wise since 2014?

ANSWER

THE MINISTER OF FOOD PROCESSING INDUSTRIES
(SMT. HARSIMRAT KAUR BADAL)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (e) OF LOK SABHA STARRED QUESTION NO. *426 ANSWERED ON 23RD JULY, 2019 REGARDING INVESTMENT IN FOOD PROCESSING INDUSTRY

(a): The year-wise major policy/fiscal measures and other steps taken by the Government to promote investment in the food processing industry is at **Annexure-I**.

(b): No state-wise allocation of funds is made under the schemes implemented by the Ministry of Food Processing Industries (MoFPI) as the schemes are demand-driven and financial assistance to eligible applicants is provided against expression of interest issued by MoFPI from time to time. The year wise allocation of funds under the schemes of MoFPI for setting up of food processing industries is as below:

Year	Allocation of Funds (Rs. in crore)
2014-15	600.00
2015-16	487.00
2016-17	688.56
2017-18	633.84
2018-19	870.33
2019-20	1101.00

(c) & (d): The Ministry of Food Processing Industries (MoFPI) does not set up stand-alone cold storage projects. However, under the scheme of 'Integrated Cold Chain and Value Addition Infrastructure' of Pradhan Mantri Kisan Sampada Yojana (PMKSY) implemented by MoFPI, a total capacity of 3.67 lakh MT cold storage has been created during the last 5 years, the state-wise details of which is at **Annexure-II**. In addition, the Department of Agriculture, Cooperation & Farmers' Welfare (DAC&FW) assists setting up of cold storage projects under its scheme, 'Mission for Integrated Development of Horticulture (MIDH)'. During the last 5 years, a total 799 projects have been sanctioned with a total capacity of 32.03 lakh MT, the state-wise details of which is at **Annexure-III**. Also, the National Horticulture Board of Ministry of Agriculture and Farmers' Welfare is implementing a scheme of 'Capital Investment Subsidy for Construction/ Expansion/ Modernization of Cold Storages for Horticulture Products' providing financial assistance for setting up of cold storage facilities. A total 236 number of projects have been sanctioned with a total capacity of 12.59 lakh MT during last 5 years, the state-wise detail of which is at **Annexure-IV**.

(e): The major identified challenges faced by food processing industry are lack of modern infrastructure, efficient supply chain, cold chain infrastructure, food testing laboratories, trained manpower and availability of cheaper credit. To address the infrastructural and logistic challenges, the Ministry of Food Processing Industries (MoFPI) has been implementing various Central Sector Schemes under Pradhan Mantri Kisan Sampada Yojana (PMKSY). To meet the credit requirement at concessional rates of interest for the food processing industries, a Special Food Processing Fund of Rs.2000 crore has been created with National Bank for Agriculture and Rural Development. Further, food and agro processing sector has been brought under the ambit of Priority Sector Lending (PSL). The MoFPI has two institutes viz; Indian Institute of Food Processing Technology (IIFPT), Thanjavur, Tamil Nadu and National Institute of Food Technology Entrepreneurship and Management (NIFTEM), Sonapat, Haryana offering academic programmes on food processing/technology and also undertaking research activities pertaining to food processing to bridge the human capital gap in the sector.

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PART (a) OF THE LOK SABHA STARRED QUESTION NO. *426 ANSWERED ON 23RD JULY, 2019 REGARDING INVESTMENT IN FOOD PROCESSING INDUSTRY

Year-wise major policy/fiscal measures and other steps taken to promote investment in food processing

Year	Measures/Policy/Fiscal/Announcement/Steps taken
2014-15	Setting up of Special Food Processing Funds of Rs.2000 crore with National Bank for Agriculture and Rural Development
2015-16	Bringing Food-processing and value addition and cold chain infrastructure under the ambit of Priority Sector Lending (PSL)
2016-17	(a) Permission for 100% FDI under Government approval route for retail trading, including through e-commerce, in respect of food products produced and/or manufactured in India (b) Restructuring of the Schemes of the Ministry of Food Processing Industries under the Umbrella-Pradhan Mantri Kisan Sampda Yojana (PMKSY) by introducing three new schemes in addition to the existing schemes.
2017-18	During the implementation of GST, it was ensured that 80% of the food items are in 0-12% slab.
2018-19	(a) 100 percent income tax exemption from profit derived by FPOs having annual turnover up to Rs.100 crore for activities such as post-harvest value addition to agriculture. (b) Launched a new scheme of 'Operation Greens' for integrated development of value chain exclusively of Tomato, Onion and Potato (TOP) crops and their price stabilization through short term price intervention measures.

ANNEXURE – II

ANNEXURE REFERRED TO IN REPLY TO PART (c) TO (d) OF LOK SABHA STARRED QUESTION NO. *426 ANSWERED ON 23RD JULY, 2019 REGARDING INVESTMENT IN FOOD PROCESSING INDUSTRY

State wise cold storage facilities created under the completed Cold Chain Infrastructure Projects of MoFPI during the last five years.

Sl.No.	Name of the States/ UTs	Number	Capacity (Lakh MT)
1	ANDHRA PRADESH	3	0.06
2	ASSAM	2	0.08
3	CHHATISGARH	2	0.09
4	GUJARAT	9	0.11
5	HARYANA	7	0.36
6	HIMACHAL PRADESH	5	0.09
7	JAMMU & KASHMIR	4	0.072
8	KARNATAKA	5	0.08
9	MADHYA PRADESH	3	0.11
10	MAHARASHTRA	27	0.93
11	MANIPUAR	1	0.03
12	NAGALAND	1	0.01
13	ODISHA	2	0.02
14	PUNJAB	11	0.37
15	RAJASTHAN	4	0.2
16	TAMIL NADU	1	0.027
17	TELEANGANA	3	0.075
18	UTTAR PRADESH	9	0.346
19	UTTARAKHAND	14	0.5
20	WEST BENGAL	3	0.11
	TOTAL	116	3.67

ANNEXURE – III

ANNEXURE REFERRED TO IN REPLY TO PART (c) TO (d) OF LOK SABHA STARRED QUESTION NO. *426 ANSWERED ON 23RD JULY, 2019 REGARDING INVESTMENT IN FOOD PROCESSING INDUSTRY

State wise and Year wise cold storage projects sanctioned under the scheme of National Horticulture Mission

	2014-15		2015-16		2016-17		2017-18		2018-19	
	Number	Capacity (in MT)	Number	Capacity (in MT)	Number	Capacity (in MT)	Number	Capacity (in MT)	Number	Capacity (in MT)
Andhra Pradesh	8	38680			10	49281	1	5000		
Bihar	1	5000								
Chattisgarh	5	25000							1	3243
Gujarat	61	277032	61	211443	68	332661	116	564289	66	277169
Haryana	1	3794	4	9009	23	60313	9	31554	3	10890
Himachal Pradesh	2	9371	17	31993	10	13441			5	4078
Jammu & Kashmir	1	5000	4	24207	3	12000	14	54284		
Jharkhand			1	5000	1	10000				
Karnataka	2	6600	1	4900	3	10770	5	18923	2	6026
Madhya Pradesh	13	59375	14	63266						
Maharashtra	12	44391	6	14798	3	6980				
Manipur							1	1600		
Odisha	9	40060	47	156440	6	30000	2	1200		
Punjab	3	12841	30	86904			12	37368		
Rajasthan	2	3998			1	5000			3	12933
Sikkim	1	100								
Tamil Nadu								10000		
Telangana			10	56029	5	23000			4	20000
Uttar Pradesh			15	40437	27	108533	52	217566	1	5000
Uttarakhand			9	19150	1	2500	1	2400		
West Bengal										
Total	121	531242	219	723576	161	664479	213	944183	85	339339

ANNEXURE-IV

ANNEXURE REFERRED TO IN REPLY TO PART (c) TO (d) OF LOK SABHA STARRED QUESTION NO. *426 ANSWERED ON 23RD JULY, 2019 REGARDING INVESTMENT IN FOOD PROCESSING INDUSTRY

State wise and Year wise cold storage projects sanctioned under the scheme of Capital Investment Subsidy for Construction/ Expansion/ Modernization of Cold Storages for Horticulture Products

Sl. No.	Name of the States/ UTs	2014-15		2015-16		2016-17		2017-18		2018-19	
		Number	Capacity (MT)	Number	Capacity (MT)	Number	Capacity (MT)	Number	Capacity (MT)	Number	Capacity (MT)
1	ANDHRA PRADESH	1	3924	6	29037	1	5499	1	9760	2	17357
2	ASSAM	1	6165	2	19677	2	10552	0	0	2	15200
3	BIHAR	0	0	0	0	0	0	0	0	3	22172
4	CHANDIGARH	1	246	0	0	0	0	0	0	0	0
5	CHHATTISGARH	3	17742	1	5200	0	0	0	0	0	0
6	GUJARAT	1	5038	1	8515	4	22954	0	0	1	7398
7	HARYANA	12	63113	4	12685	1	4518	0	0	0	0
8	HIMACHAL PRADESH	0	0	2	7099	0	0	0	0	2	10579
9	JAMMU & KASHMIR	0	0	0	0	1	2730	3	17825	1	5094
10	JHARKHAND	1	4400	0	0	0	0	0	0	0	0
11	KARNATAKA	1	3551	0	0	2	13809	1	2954	2	11356
12	KERALA	0	0	0	0	0	0	1	1300	0	0
13	MADHYA PRADESH	0	0	4	23863	0	0	3	22102	3	22340
14	MAHARASHTRA	4	17639	2	10359	3	10767	0	0	0	0
15	ODISHA	0	0	0	0	1	9982	0	0	0	0
16	PUDDUCHERY	0	0	0	0	0	0	0	0	0	0
17	PUNJAB	9	36799	3	15623	1	8015	2	10292	19	100015
18	RAJASTHAN	1	1200	2	10979	1	1506	1	6000	7	28896
19	TAMIL NADU	1	6135	1	5112	0	0	0	0	3	14576
20	TRIPURA	1	7173	0	0	0	0	0	0	0	0
21	UTTAR PRADESH	27	139014	23	121447	15	98565	9	55056	16	92284
22	UTTARAKHAND	1	4016	1	600	0	0	0	0	0	0
23	WEST BENGAL	3	5217	2	6077	0	0	0	0	0	0
	TOTAL	68	321372	54	276273	32	188897	21	125289	61	347267