

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO: 4245
ANSWERED ON 28TH MARCH, 2017

MEGA FOOD PARKS

4245. DR. THOKCHOM MEINYA:
SHRI C.S. PUTTA RAJU:
SHRI LAXMAN GILUWA:
SHRI GEORGE BAKER:

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

- (a) the details of the objectives and selection process of Mega Food Parks (MFPs) including the yardsticks adopted for the relation of types and location thereof;
- (b) whether many of the MFPs are still not operational in the country and if so, the details thereof and the reasons therefor along with the pro-active steps taken to make all of them operational;
- (c) the details of works being carried out by the MFPs and the extent to which the success and objectives have been achieved thereunder along with the efforts made in this regard during the last three years and the current year, State-wise;
- (d) whether the Government has received any complaints from several States regarding the quality of processing of food items; and
- (e) if so, the details thereof along with the action taken by the Government in this regard?

ANSWER

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES
(SADHVI NIRANJAN JYOTI)

(a). The primary objective of setting up of Mega Food Parks (MFPs) is to provide modern infrastructure facilities for the food processing along the value chain from the farm to the market in the country. The Mega Food Park Scheme is demand driven and not location specific. Selection of the Mega Food Park project is done from the proposals received against EoI, based on a three tier appraisal according to prefixed criteria laid down in the Scheme Guidelines as given at **Annexure-I**:

(b). A total of 42 Mega Food Parks have been approved by the Government to be set up to create modern infrastructure facilities for food processing sector in the country. Out of 42 approved Mega Food Parks, 3 Mega Food Park projects have been completed and another 5 Mega Food Park projects have been made operational. The project-wise details of implementation of 42 Mega Food Parks is at **Annexure-II**.

As per the Mega Food Park scheme guidelines, the stipulated timeline for completion of project is 30 months. However, there have been delays in implementation of mega food parks approved in various parts of the country for the reasons given below:

- (i). Delay in acquiring 50 acre contiguous land with Change of Land Use (CLU).
- (ii). Delay in Permission for sub-leasing of plots required in case of Government/leased land.

- (iii). Difficulty in getting term loan from Banks / Financial Institutions.
- (iv). Delay in getting statutory clearances (environmental, town and country planning, ground water, electricity, etc.) from the concerned State Government.
- (v). Non availability of any special incentives for setting up food processing units in Mega Food Parks.

Ministry of Food Processing Industries has taken several steps to make the projects operational in time as under:

- (i). Issues have been taken up with State Governments to expedite statutory clearances and to remove the bottlenecks.
- (ii). State Governments and Ministry of Finance requested to provide fiscal incentives to the Mega Food Park projects.
- (iii). Issues have been taken up with the Banks/ FIs to expedite sanction of term loan to the projects.
- (iv). State Governments have been involved in selection and monitoring of the projects.
- (v). District Level Coordination Committee has been constituted under the Chairmanship of District Magistrate (DM) to resolve local issues.
- (vi). Release of installments of grant has been linked to allotment of plots to the processing units.
- (vii). Provision of penalty has been made in the scheme guidelines for delay in meeting the timeline for claiming grant installments.
- (viii). Regular monitoring of the projects is being done at various levels.

(c). The Mega Food Parks are providing modern infrastructure facilities for the food processing along the value chain from the farm to the market including transportation, logistics and centralized processing centres. During the last three years and the current year, six Mega Food Parks have become operational in the State of Karnataka, Punjab, Assam, Jharkhand, Madhya Pradesh and West Bengal. Each Mega Food Parks, on being fully completed and occupied by the food processing units, envisages a collective investment of around Rs. 250 crore in about 25-30 units leading to an annual turnover of about Rs. 450-500 crore creating direct and indirect employment of about 5,000 persons and benefitting about 25,000 farmers.

(d) & (e). Food Safety and Standards Authority of India (FSSAI) under Ministry of Health and Family Welfare is the Nodal Agency for the regulating and enforcing Food Safety and Quality Standards through State / UT Governments. As per the information made available by the Food Safety and Standards Authority of India (FSSAI), the statement indicating the State / UT wise details of food samples received, analysed, found non-conforming and action taken during the year 2015-16 is at **Annexure-III**.

ANNEXURE REFERRED IN REPLY TO PART (a) OF THE LOK SABHA UNSTARRED QUESTION NO. 4245 FOR ANSWER ON 28.03.2017 REGARDING MEGA FOOD PARKS

Criteria laid down in the Mega Food Park Scheme Guidelines for selection of the projects

- (i) The promoter holding maximum equity in the SPV would be the lead promoter.
- (ii) At least 50 acres of land for the project is required to be arranged by the SPV either by purchase or on lease of at least 75 years.
- (iii) The combined net worth of the promoters/proposed shareholders of SPV should not be less than Rs.50.00 crore. Each member in SPV must have a net worth at least 1.5 times of his/her proposed equity contribution in order to ensure requisite contribution for the project from each shareholder.
- (iv) The SPV needs to bring in at least 20 percent of the total project cost as equity in general areas and at least 10 percent of the total project cost in difficult and hilly areas i.e. North East Region including Sikkim, J&K, Himachal Pradesh, Uttarakhand and ITDP notified areas of the States. However, State Government / State Government entities will be required to contribute at least 10 percent of the total project cost of the Mega Food Park project, not necessarily, in the form of the equity.
- (v) Central Government agencies becoming shareholders in the SPV, can only hold up to 26 percent of equity in the SPV. However, there will be no such restriction on State Govt./ State Govt. entities/ its Cooperatives.
- (vi) SPVs / IAs are not permitted to sell the plots in Mega Food Parks. The plots can only be given on lease to other entrepreneurs for setting up of food processing units in the Park.
- (vii) The common facilities in the park cannot be sold or leased out. They can only be offered to units on rental basis.

Criteria for Assessment/ Evaluation of EoIs/ Proposals of Mega Food Parks by Program Management Agency (PMA)

| Sl. No. | Criteria | Max. Score | Reference Documents to be reviewed |
|----------------|---|-------------------|--|
| A. | Land | 40 | |
| A 1 | Possession of Appropriate Land | 25 | |
| a) | Complete title and possession of 50 acres or more land in the name of SPV along with CLU | 25 | CLU and Land Ownership Documents |
| b) | Complete title and possession of 50 acres or more land in the name of SPV | 20 | Ownership documents |
| c) | Allotment letter from State Govt. Agencies to the SPV or its member(s) | 15 | State Govt. land allotment letter |
| d) | 50 acres or more land available with one or more promoters | 10 | Ownership documents |
| e) | Agreement to Sale/Purchase 50 acres or more Land | 5 | Copy of Agreement |
| f) | Land identified, but not acquired | 0 | |
| A 2 | Location of Land | 15 | |
| a) | Proof of Water and Power Connection (2.5 marks each) | 5 | Letter/Certificate from respective Municipal body/Govt. authority |
| b) | Availability of Approach Road | 5 | Letter from local body confirming the availability of approach road |
| c) | Distance from NH/ SH (within 5 kms) | 2 | Certification from Tehsildaar/Local revenue department and Site coordinates |
| d) | Nearness of CPC location from domestic consumption center/ exports i.e. Metro/ Tier 1 cities/ Ports (within 50 kms) | 2 | Copy of map |
| e) | Distance from APMC Market from CPC (with in 50 kms) | 1 | |
| B | Viability of Cluster | 10 | |
| B 1 | Days of Operations of the Core Facility | 5 | Revenue Model, crop seasonality matrix and data on marketable surplus of the focused crops in the catchment area |
| a) | 300 and above days | 5 | ” |
| b) | 251 to 300 days | 3 | ” |
| c) | 200 to 250 days | 2 | ” |
| d) | Less than 200 days | 0 | |
| B 2 | Availability of raw material within 100 km of the project site | 5 | ” |
| a) | Availability of surplus perishable raw material | 3 | ” |
| b) | Area under cultivation of perishable | 2 | ” |
| C | Details of Promoters | 40 | |

| | | | |
|-------------|---|------------|---|
| C 1 | Networth of promoters whose proposed shareholding in SPV is 26% or more | 15 | Audited Balance Sheet/ CA Certificate/ Related Net-worth Documents |
| a) | More than 200 crore | 15 | |
| b) | Rs 151 cr - Rs 200 cr | 12 | |
| c) | Rs 101 Cr - Rs 150 Cr | 10 | |
| d) | Rs 50 Cr - Rs 100 Cr | 5 | |
| C 2 | Existing Linkages of Promoters | 15 | |
| (i) | Existing Backward Linkage | 5 | Documents in support of linkage like ownership, existing facilities |
| a) | Project in the same region/ catchment with existing backward linkages | 5 | Ownership documents |
| b) | Project in different region/ catchment with existing backward linkages in the proposed project area | 3 | Ownership documents |
| c) | No existing backward linkages | 0 | |
| (ii) | Existing Forward Linkages | 10 | Details of linkages with supporting documents |
| a) | Existing forward linkages | 10 | |
| b) | No existing forward linkages | 0 | |
| C 3 | Food Processing Experience | 10 | Balance Sheet of existing operations |
| a) | Turnover > Rs.10 crore | 10 | ” |
| b) | Turnover from Rs.1 crore to Rs.10 crore | 5 | ” |
| D | Anchor Investment Unit | 10 | |
| a) | More than 20 Crore | 10 | Undertaking along with project profile |
| b) | Rs 15 Crore to 20 Crore | 5 | Undertaking along with project profile |
| c) | Less than 15 Crore | 0 | |
| | Total | 100 | |

Criteria for Evaluation of EOIs / proposals of Mega Food Parks by Technical Committee (TC)

| Sl. No. | Criteria | Max. Score | Reference Documents to be reviewed |
|----------------|---|-------------------|--|
| A | Proposed Project Model | 15 | |
| A 1 | Synchronization of Core Processing facilities with focused crops | 10 | DPR/ Cluster Analysis and Project Components |
| a) | Common Processing Facilities at CPC and PPC in synchronization with focused crops | 10 | ” |
| b) | Common Processing Facilities at CPC or PPC in synchronization with focused crops | 5 | ” |
| c) | No synchronization | 0 | |
| A 2 | Eligible Investment in PPC/CC | 5 | |
| a) | More than 20% of eligible project cost | 5 | DPR/ Project Cost |
| b) | 10-20% of eligible project cost | 3 | ” |
| c) | Less than 10% | 1 | ” |
| B | Investment in Mega Food Park | 30 | |
| B 1 | Focus on Perishables (as % age of total investment in Core Processing Facilities) | 15 | DPR/ Project Cost and Components |
| a) | More than 40% | 15 | ” |
| b) | 30-40% | 10 | ” |
| c) | 10-30% | 5 | ” |
| B 2 | Total Eligible Investment in the MFP | 15 | DPR/ Project Cost |
| a) | More than Rs 150 Crore | 15 | ” |
| b) | Rs 130 Cr - Rs 150 Cr | 10 | ” |
| c) | Rs 100 Cr - Rs 129 Cr | 5 | ” |
| C | Special Strength | 5 | |
| a) | Any promoter with shareholding of 26% and more having existing export operations in food products | 2 | Supporting documents |
| b) | Any foreign food processor investor in the SPV as promoter (with shareholding 26% and more) | 2 | Supporting documents |
| c) | State Govt. support for the project | 1 | letter from state government confirming necessary support to the project |
| | Total | 50 | |

ANNEXURE-II

ANNEXURE REFERRED IN REPLY TO PART (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 4245 FOR ANSWER ON 28.03.2017 REGARDING MEGA FOOD PARKS

Status of Implementation of 42 Mega Food Park projects and fund released

(Rs. in Cr)

[illegible]

[illegible]

[illegible]

| | | | | | | | |
|-------------|---|--------|------------|---|---|--------|-------------------------|
| 33. | Greentech Mega Food Park Pvt. Ltd., Ajmer | 113.57 | 19.02.2014 | 50 | 14.85 | 47.54 | Under Implementation |
| Tamil Nadu | | | | | | | |
| 34. | Ratnatray Mega Food Park Pvt. Ltd, Coimbatore | 137.12 | --- | SPV is in the process of meeting the conditions for “Final Approval”. | | | |
| Telangana | | | | | | | |
| 35. | Telangana State Industrial Infrastructure Corporation Ltd., Khammam | 109.44 | 05.02.2016 | 50 | TSIIC is in the process of meeting the conditions for release of 1st installment. | | Under Implementation |
| 36. | Raaga Mayuri Agrovet Pvt. Ltd., Mahboobnagar | 124.15 | 31.12.2015 | 50 | 15.00 | 15.69 | Under Implementation |
| 37. | Smart Agro Industries Corporation Pvt. Ltd., Nizamabad | 108.95 | 10.06.2015 | 50 | 5.00 | 15.29 | Under Implementation |
| 38. | Basavashakti Mega Food Park Pvt. Ltd, Medak | 159.56 | --- | SPV is in the process of meeting the conditions for “Final Approval”. | | | |
| Tripura | | | | | | | |
| 39. | Sikaria Mega Food Park Pvt. Ltd., West Tripura | 87.45 | 30.11.2011 | 50 | 43.50 | 55.42 | Under Implementation |
| Uttarakhand | | | | | | | |
| 40. | Patanjali Food & Herbal Park Pvt. Ltd., Haridwar | 95.08 | 30.03.2009 | 50 | 50 | 98.61 | Completed & Operational |
| 41. | Himalayan Food Park Pvt. Ltd., Udham Singh Nagar | 99.96 | 23.01.2014 | 50 | 29.79 | 59.49 | Under Implementation |
| West Bengal | | | | | | | |
| 42. | Jangipur Bengal Mega Food Park Ltd., Murshidabad | 132.70 | 16.03.2010 | 50 | 45 | 161.99 | Operational |

ANNEXURE REFERRED IN REPLY TO PART (d) & (e) OF THE LOK SABHA UNSTARRED QUESTION NO. 4245 FOR ANSWER ON 28.03.2017 REGARDING MEGA FOOD PARKS

| Annual Public Laboratory Testing Report for the year 2015-2016 | | | | | | | | |
|--|-------------------------|-------------------------------|-------------------------|---|-----------------------|-------------|-------------------------------|------------------------------------|
| Sr. No. | Name of the State/ U.T. | Total No. of samples received | No. of Samples Analysed | No. of Samples found adulterated and Misbranded | No. of Cases Launched | | No. of Convictions/ Penalties | |
| | | | | | Criminal | Civil | Convictions | Penalties/ Amount raised in Rupees |
| 1. | A & N Islands | 156 | 156 | 25 | 0 | 0 | 0 | Rs. 2,71,000 |
| 2. | Andhra Pradesh | 4860 | 4860 | 870 | 194 | 347 | 4 | 83/ Rs. 52,15,000 |
| 3. | Arunachal Pradesh | 290 | 290 | 30 | 0 | 28 | 0 | 5/ Rs. 15,000 |
| 4. | Assam | 503 | 503 | 72 | 10 | 80 | 2 | 4 |
| 5. | Bihar | 2032 | 1447 | 35 | 0 | 93 | 0 | 4/ RS. 20,000 |
| 6. | Chandigarh | 206 | 206 | 15 | | 15 | 0 | Rs. 10,52,000 |
| 7. | Chhattisgarh | 1026 | 1026 | 298 | 3 | 17 | 0 | Rs. 85,000 |
| 8. | Dadra & N.H | 65 | 65 | 5 | 0 | 2 | 0 | 0 |
| 9. | Daman & Diu | 106 | 106 | 11 | 0 | 11 | 0 | 0 |
| 10. | Delhi | 1472 | 1472 | 239 | 149 | 0 | 0 | Rs. 44,82,500 |
| 11. | Goa | 1132 | 1155 | 72 | 0 | 4 | 1 | 1/ Rs. 5,000 |
| 12. | Gujarat | 15115 | 14891 | 1242 | 30 | 507 | 1 | 182/ Rs. 1,90,05,906 |
| 13. | Haryana | 2121 | 2063 | 180 | 7 | 149 | 0 | 111/ Rs. 27,43,600 |
| 14. | Himachal Pradesh | 415 | 390 | 53 | 22 | 12 | 25 | Rs. 9,50,000 |
| 15. | Jammu & Kashmir* | 1354 | 1215 | 334 | 1 | 335 | 215 | Rs. 22,14,400 |
| 16. | Jharkhand | | | | | | | |
| 17. | Karnataka | 2894 | 2340 | 433 | | 58 | 0 | Rs. 4,36,000 |
| 18. | Kerala | 2364 | 2196 | 459 | 138 | 246 | 17 | 44 / Rs. 66,33,500 |
| 19. | Lakshadweep | | | | | | | 0 |
| 20. | Madhya Pradesh | 10035 | 9994 | 1311 | 82 | 879 | 36 | 447/ Rs. 4,48,26,000 |
| 21. | Maharashtra | 2019 | 1400 | 345 | 396 | 85 | | Rs. 12,25,500 |
| 22. | Manipur | 67 | 67 | 0 | 0 | 8 | 8 | 8/ Rs. 1,64,000 |
| 23. | Meghalaya | 124 | 87 | 4 | 0 | 0 | 0 | 0 |
| 24. | Mizoram | 24 | 17 | 4 | 0 | 0 | 0 | 0 |
| 25. | Nagaland | 187 | 187 | 76 | | 32 | 20 | 20/ Rs. 10,000 |
| 26. | Odisha | 211 | 211 | 61 | | 2 | | 1 |
| 27. | Puducherry | 827 | 827 | 11 | 0 | 1 | 0 | 1/ Rs. 5,000 |
| 28. | Punjab | | | | | | | |
| 29. | Rajasthan | | | | | | | |
| 30. | Sikkim | 5 | 5 | 0 | 0 | 0 | 0 | 0 |
| 31. | Tamil Nadu | 1742 | 1783 | 607 | 107 | 308 | 23 | 202/ Rs. 58,90,800 |
| 32. | Telangana | | | | | | | |
| 33. | Tripura | 814 | 814 | 17 | | 5 | 0 | Rs. 2,750 |
| 34. | Uttar Pradesh | 17726 | 14833 | 7189 | 506 | 4864 | 164 | 2370/ Rs. 11,51,20,480 |
| 35. | Uttarakhand | 1073 | 1073 | 183 | 10 | 95 | 0 | Rs. 15,35,000 |
| 36. | West Bengal | 154 | 154 | 102 | 1 | 13 | 0 | 0 |
| | Total: | 71,119 | 65,833 | 14,283 | 1,656 | 8196 | 516 | 3,483/ Rs. 21,19,08,436 |

Note: Annual Report of the States* are awaited; Half Yearly reports are furnished for the same.