

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 912
ANSWERED ON 7TH FEBRUARY, 2017

MEGA FOOD PARKS

912. SHRI ADHALRAO PATIL SHIVAJIRAO:
SHRI SULTAN AHMED:
SHRI ANANDRAO ADSUL:
SHRI SHRIRANG APPA BARNE:
DR. SHRIKANT EKNATH SHINDE:
SHRI K.C. VENUGOPAL:
SHRI MANSUKHBHAI DHANJIBHAI VASAVA:
SHRI DUSHYANT CHAUTALA:
SHRI M. MURALI MOHAN:
SHRI DILIP PATEL:
SHRI RAHUL KASWAN:
SHRI ANURAG SINGH THAKUR:

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

- (a) whether the Government is implementing a number of centrally sponsored schemes for the promotion and development of food processing sector in the country since the 12th Five Year Plan and if so, the details thereof and the achievements made thereunder during the last three years and the current year, State/UT-wise;
- (b) whether a number of schemes out of them have been stopped and if so, the reasons therefor;
- (c) whether the Government has assessed the socio-economic impact of Mega Food Parks and Cold Chain Projects and if so, the details thereof along with the employment created and benefits accrued to the farmers therefrom;
- (d) whether the Government has taken any steps to simplify the norms for approval of mega food park, integrated cold chain and value addition infrastructure in the country and if so, the details thereof and the action taken to fill up the vacant slots of Mega Food Parks and Cold Chain projects; and
- (e) whether the Government has formulated a new Integrated National Food Processing Policy to reduce large scale wastage of perishable fruits and vegetables in the country including Gujarat and if so, the details thereof?

ANSWER

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

(a) & (b): Yes, Madam. During 12th plan, the Ministry had launched a Centrally Sponsored Scheme - National Mission on Food Processing (NMFP) for implementation through States/UTs. The schemes for (i) Technology Up-gradation / Setting up / Modernization of Food Processing Industries (ii) Cold Chain, Value Addition and Preservation Infrastructure for Non-Horticulture Products (iii) Setting up/ Modernization/ Expansion of Abattoirs (iv) Human Resource Development (v) Promotional Activities (vi) Creating Primary Processing Centres / Collection Centres in Rural Areas (vii) Modernization of Meat Shops (viii) Reefer Vehicles and (ix) Food Parks (old scheme) were incorporated in the NMFP. The

NMFP has since been delinked from Central Government support with effect from 01.04.2015 (except for UTs, upto 31.03.2016) in view of the increased resources to States/ UTs resulting from the recommendations of 14th Finance Commission. The funds released to States/ UTs for implementation of NMFP are given in **Annexure I**.

(c) & (d): Yes, Madam. The socio-economic impacts of the Schemes of Mega Food Park and Cold Chain have been assessed through third party. Recommendations of the Socio Economic Impact study of the schemes of Mega Food Park and Cold Chain Projects are annexed at **Annexure II and III**. It is expected that, each Mega Food Park, on being fully operational, on an average, may lead to creation of direct/ indirect employment of about 5000 persons and will benefit about 25,000 farmers. Each Cold Chain Project will provide employment to about 100 persons and link about 500 farmers in the F&V sector and 5000 farmers in dairy/ fishery/ marine sector. Based on the experience of implementation of the projects under the scheme of Mega Food Park and Cold Chain and consultations with stakeholders, the operational guidelines of both the Schemes have been modified to make them investor friendly. The criteria of appraisal of projects have been made transparent and objective. To fill up the vacant slots under the schemes of Mega Food Park Expressions of Interest (EOI) were invited on 31.07.2016 and 8 Mega Food Park projects have been given 'In-principle' approval against vacant slots. Expressions of Interest (EOI) were invited on 31.08.2016 seeking proposals for sanction of around 100 new Cold Chain projects against which, 308 proposals have been received.

(e): The Ministry is conducting the consultations with stakeholders and domain experts for Integrated Food Processing Policy to reduce large scale wastage of perishable fruits and vegetables in the country including Gujarat.

STATEMENT REFERRED TO IN REPLY TO PART (a) AND (b) OF LOK SABHA UNSTARRED QUESTION NO. 912 ANSWERED ON 07.02.2017 REGARDING MEGA FOOD PARKS

Statement showing funds released to State Governments by Govt. of India (GOI) for implementation of CSS-NMFP during 2012-13 to 2014-15 (31.03.2015)/ (for UT Governments up to 31.03.2016)

(Rs. in Crore)

S. No.	States	2012-13		2013-14		2014-15		2015-16	
		Allo-cation	GOI share released	Allo-cation	GOI share released	Allo-cation	GOI share released	Allo-cation	GOI share released
1	Andhra Pradesh	14.24	10.68	11.58	0.00	14.60	14.60	0.00	0.00
2	Bihar	11.42	8.565	9.07	2.29	6.61	0.00	0.00	0.00
3	Chhattisgarh	7.88	5.91	5.91	0.00	5.94	5.226	0.00	0.00
4	Goa	3.66	2.745	2.15	0.00	1.56	0.00	0.00	0.00
5	Gujarat	11.15	8.3625	8.83	0.62	8.89	8.51	0.00	0.00
6	Haryana	5.92	4.44	4.16	4.16	12.00	12.00	0.00	0.00
7	Himachal Pradesh	5.09	3.8175	3.42	0.00	3.43	1.69	0.00	0.00
8	Jammu & Kashmir	9.00	6.75	6.91	0.00	5.03	0.7474	0.00	0.00
9	Jharkhand	7.09	5.3175	5.20	0.00	3.78	1.5318	0.00	0.00
10	Karnataka	11.11	8.3325	8.79	8.225	8.84	8.84	0.00	0.00
11	Kerala	6.23	4.6725	4.44	2.22	3.23	0.3613	0.00	0.00
12	Madhya Pradesh	14.27	10.7025	11.61	0.00	11.69	7.89	0.00	0.00
13	Maharashtra	16.51	12.3825	13.61	3.53	13.71	13.71	0.00	0.00
14	Orissa	9.24	6.93	7.12	0.00	7.16	5.8	0.00	0.00
15	Punjab	6.16	4.62	4.37	0.00	4.39	1.94	0.00	0.00
16	Rajasthan	14.77	11.0775	12.06	0	12.15	11.82	0.00	0.00
17	Tamil Nadu	10.40	7.80	8.16	0.00	5.95	0.4405	0.00	0.00
18	Telangana	0.00	0.00	0.00	0.00	4.88	2.39	0.00	0.00
19	Uttar Pradesh	20.03	15.0225	16.75	0.00	12.21	5.51	0.00	0.00
20	Uttarakhand	5.23	3.9225	3.54	0.00	2.57	0.994	0.00	0.00
21	West Bengal	10.60	10.82	8.33	3.945	8.39	5.58	0.00	0.00

North Eastern States:

1.	Arunachal Pradesh	4.20	3.15	2.70	1.35	2.35	0.5150	0.00	0.00
2.	Assam	5.47	4.1025	3.97	0.00	2.98	2.35	0.00	0.00
3.	Manipur	3.79	2.8425	2.29	0.00	2.14	3.8406	0.00	0.00
4.	Meghalaya	3.80	2.85	2.30	1.15	2.15	0.8208	0.00	0.00
5.	Mizoram	3.71	2.7825	2.21	1.105	2.11	0.00	0.00	0.00
6.	Nagaland	3.71	2.7825	2.21	0.00	2.11	6.11	0.00	0.00
7.	Sikkim	3.58	3.06	2.08	0.00	2.04	0.62	0.00	0.00
8.	Tripura	3.74	2.805	2.24	1.12	2.12	0.7392	0.00	0.00

Union Territories:

1.	A & Nicobar Islands	2.64	1.98	1.77	0.00	1.41	0.705	2.24	1.12
2.	Chandigarh	2.28	0.00	1.06	0.00	0.00	0.00	0.00	0.00
3.	D & Nagar Haveli	2.28	0.00	1.06	0.00	0.00	0.00	0.00	0.00
4.	Daman and Diu	2.26	0.00	1.02	0.00	0.00	0.00	0.00	0.00
5.	Delhi	2.73	2.0475	1.97	0.00	1.53	0.00	2.58	0.00
6.	Lakshadweep	2.25	1.6875	1.01	0.00	1.00	0.00	1.01	0.00
7.	Pondicherry	2.30	1.725	1.11	0.00	1.06	0.00	1.17	0.9742
Grand Total		248.74	184.69	185.00	29.72	180.00	125.31	7.00	2.0942

STATEMENT REFERRED TO IN REPLY TO PART (c) & (d) OF LOK SABHA UNSTARRED QUESTION NO. 912 ANSWERED ON 07.02.2017 REGARDING MEGA FOOD PARKS

Assessment of Socio-Economic Impact of Mega Food Park Projects:

The Ministry awarded “Evaluation of the Impact of the Scheme for Mega Food Park to M/s Indian Council for Research on International Economic Relations (ICRIER). The report submitted by ICRIER has been accepted by the Ministry. The recommendations of ICRIER are summarized as below:

- i) While preparing the DPR, there is a need for a detailed diagnostic study that should have detailed inputs of the end users of the facilities;
- ii) The Ministry should consider revising the time frame for completion of the project to five years as in case of cluster development scheme of the Ministry of MSME;
- iii) The scheme should be made flexible in terms of land requirement, the amount of grant and contribution of SPV. It is also suggested that to ensure that the scheme is not misused, the guidelines should be more generic rather than specifying 30-35 units to be set up in the park. A more generic requirement of the units like “more than 10 units” may be provided in the scheme guidelines;
- iv) Making provision for forward linkages has also been suggested along with existing provision of backward linkages;
- v) The Ministry should design innovative incentives to attract the units to the Mega Food Parks. These can be in the form of support for machinery purchasing, use of green technology and R&D. The individual investor setting up unit in the park may be given priority in other schemes of the Ministry;
- vi) The Ministry should select DPRs which have more realistic provisions rather than those which provide large numbers;
- vii) To ensure collaboration with the State Governments in the project implementation, it has been suggested to have a tripartite agreement signed between the Ministry, State Government and the SPV. Such provisions reportedly exist in the MSE–CDP Scheme of Ministry of MSME and National Investment and Manufacturing Zones (NMZs);
- viii) It has also been suggested that the Ministry can explore the possibility of having an empanelled set of public and private banks that pre-approve the scheme guidelines and spread information about it;
- ix) It is also essential to take bank’s feedback while redesigning the scheme guidelines;
- x) The Ministry should do a detailed study on the dovetailing of the Ministry’s scheme with other central and state government schemes and this should be published in its website;
- xi) The State should be encouraged to promote Mega Food Parks in their agro-processing and industrial policies;
- xii) It has been suggested that a bidding and selection procedures have to be made on-line. The project evaluation documents and consultations on modification of the scheme guidelines should also be made available on the website for comments by the stakeholders. Similarly, the decisions of the IMAC and TC should also be made online and regularly published in the website of the Ministry;
- xiii) The Ministry’s schemes should clearly mention the objective of the Mega Food Parks to link Indian farmers and processors with global value chains;
- xiv) The Ministry should push for regulatory reforms focusing on Acts such as the APMC Act, which help the SPV and farmers to connect with each other. The Ministry should work with the FSSAI to speed up the approval process;

- xv) Ministry should have proper infrastructure mapping based on the mapping of fruits and vegetable availability to streamline the supply chain and assist the SPV to plan their infrastructure. There should be mapping of existing PPCs;
- xv) The SPV should be allowed to select their consultants and if they need help of the Ministry in that case they can be referred to empanelled PMCs;
- xvi) It is important for the Ministry to have field visits to some of the global food parks and learn from their best practices;
- xvii) The Ministry should reconsider the number of Mega Food Parks which it wants to create. Rather than having more food parks it should focus on few food parks and make them operational;
- xvii) The Ministry should work with the operational MFPs to help them to attract units in their parks and help SPVs to develop brands and market them;
- xix) The Ministry should focus on closing the projects which have received third installment of the grant but taking very long time in completion of the projects. This has been also recommended that the Ministry should release the final amount of grant in advance and not before the completion of the project so that the bank can release the entire term loan to the SPV to complete the project.

STATEMENT REFERRED TO IN REPLY TO PART (c) & (d) OF LOK SABHA UNSTARRED QUESTION NO. 912 ANSWERED ON 07.02.2017 REGARDING MEGA FOOD PARKS

Assessment of Socio-Economic Impact of Cold Chain Projects

The Ministry has awarded an evaluation study for assessing the impact of scheme for Cold Chain, Value Addition and Preservation Infrastructure to M/s NABARD Consultancy Services Pvt. Ltd. (NABCONS). The recommendations of NABCONS are summarized as below:

- a. In order to avoid regional skewness, MoFPI may consider state-wise/ region-wise cap on grant or region specific/ state specific drives may be launched in those states where no or few projects have been approved.
- b. The subsidy may be provided more than one time for expansion of existing cold chain project/ setting up new cold chain project in other states to those units which has not availed full subsidy to the extent of maximum eligible subsidy.
- c. MoFPI may discontinue the practice of floating EOI and do away with close end system of receiving application. The applications may be received after the financial closure and all the mandatory approvals are in place. Another option with MoFPI could be that the scheme is made partially open-ended and the opening and closing dates of EOI is spaced for period of minimum six months. The proposals received on tap may be processed by PMA as and when received.
- d. MoFPI may introduce an online submission of applications and application tracking system on its portal to ensure smooth application processing. The portal should have automated alert facilities to notify the applicants.
- e. Based on previous experience and also data base available with other agencies like NCCD & NHB, MoFPI may standardize normative cost for all infrastructure components, instead of considering expenditure on technical civil work and cost of plant and machinery.
- f. MoFPI may switch over to credit-linked-back-ended subsidy regime, which has been very successful and tested in other leading GOI schemes. It will help Ministry to reduce its work load to a considerable extent and that time and energy can be directed for implementation in an effective manner.
- g. MoFPI may consider dividing the grant in two components capital subsidy and interest subsidy. It will help in better spread of grant to the unit and reduced burden on MoFPI to release grant during implementation.
- h. The role of State Government may explicitly be defined and State Nodal Agencies may be identified who can provide assistance in single window clearance for cold chain units.
- i. The role of FIs/ Banks needs to be strengthened further to enhance the utilization of fund in effective manner. The banks may be made major channel partners in the appraisal, implementation and monitoring process.
- j. MoFPI may introduce method of empanelment of PMC on the lines of Mega Food Park for effective appraisal and implementation of cold chain project.
- k. The implementing agencies may be advised to maintain separate books of accounts for utilization of grant assistance under the scheme. A detailed accounting procedure may be prescribed wherein the treatment to be given to the assistance at different level may be prescribed.
