

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO.2989
ANSWERED ON 13TH MARCH, 2018

CHALLENGES OF FOOD PROCESSING SECTOR

2989. SHRI ANANDRAO ADSUL:
DR. PRITAM GOPINATH MUNDE:
SHRI VINAYAK BHAURAO RAUT:
DR. SHRIKANT EKNATH SHINDE:
SHRI ADHALRAO PATIL SHIVAJIRAO:

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

- (a) whether the Government is focusing on areas such as modern machines/technology and bio-degradable packaging to overcome the challenges that are being faced by the food processing sector and to promote its growth;
- (b) if so, the details thereof;
- (c) whether the food processing sector is facing non-availability of credit related facilities;
- (d) if so, the steps taken by the Government to resolve issues related to credit availability to the industry; and
- (e) whether there is a need to work on improving infrastructure for food processing sector to increase exports, reduce wastage and supply the products in every nook and corner of the country and if so, the steps taken by the Union Government in this regard?

ANSWER

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

(a) & (b): For overall growth and development of the food processing industries emphasis has been given, inter alia, on modern machines and technology including improved packaging of the food products. The Ministry of Food Processing Industries (MoFPI) has been implementing its Research and Development (R&D) scheme with the objective that the end products/outcome/findings of R&D work benefits the food processing industries in terms of product and process development, improved preservation, packaging, storage and distribution technologies, value addition, standardization of additives, coloring agents, preservatives, pesticide residues etc. with focus on enhancement of production, quality, consumer safety, public health and trade. Since Tenth Five Year plan and till date a total of 200 number of R&D projects have been financed by MoFPI to Science and Engineering Research Board (SERB) under the Ministry of science and technology to get the research conducted. Of the 220 projects, 151 projects have been completed and 49 are ongoing projects. According to Indian Institute of Packaging (IIP), Department of Commerce, Ministry of Commerce & Industry, bio-degradable packaging materials have got poor barrier properties against moisture and oxygen gas. Due to this fact, bio- degradable packaging materials, if uses for processed food products, in that case,

product will have limited shelf life as most of the processed food products do need barrier properties against moisture and oxygen gas. The hygroscopic food products like bakery items and spices do require less permeation of moisture to avoid lumpy formation, sogginess and fatty foods like Snack foods, Cashew nuts etc which need moisture as well as oxygen barrier to avoid hydrolytic as well as oxidative rancidity resulting into change in taste like bitter and thus reduce the shelf life of processed food products. However, the efforts are being taken through R & D by introducing nano-technology to improve upon the barrier properties.

(c) & (d): A special fund of Rs.2000 crore has been created in National Bank for Agriculture & Rural Development (NABARD) by Reserve Bank of India in 2014-15 for providing affordable credit to designated Food Parks and Agro Processing Units located in the designated Food Parks. The Ministry of Food Processing Industries has notified 176 designated Food Parks in various states for the purpose of availing credit from this fund. Also, Loans to food & agro-based processing units and Cold Chain have been classified under agriculture activities for Priority Sector Lending as per the revised RBI Guidelines issued on 23/04/2015 which facilitates availing of affordable credit under these activities.

(e): The Ministry of Food Processing Industries has been implementing various Central Sector Schemes for overall development of food processing sector in the country. The Ministry of Food Processing Industries has re-structured its schemes under the new Central Sector Scheme of PRDHAN MANTRI KISAN SAMPADA YOJANA with an allocation of Rs. 6,000 crore for period 2016-20 co-terminus with the 14th Finance Commission cycle. In addition to the existing scheme components of Mega Food Parks; Integrated Cold Chain and Value Addition Infrastructure; Food Safety and Quality Assurance Infrastructure; and Human Resources and Institutions, PRDHAN MANTRI KISAN SAMPADA YOJANA encompasses three new schemes namely; Infrastructure for Agro-Processing Clusters, Creation of Backward and Forward Linkages and Creation/Expansion of Food Processing & Preservation Capacities with the objective to create robust modern infrastructure along the entire value chain in food processing with a view to, inter alia, reduce wastage, improve the supply position of quality food products to various locations and thereby increase the exports. The farmers, Farmer Producer Organizations, entrepreneurs, cooperatives, societies, Self Help Groups, Private Companies and State PSUs etc. are eligible to avail financial assistance under these schemes for setting up food processing projects in the country.
