GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION No. 5165
ANSWERED ON 27TH MARCH, 2018

FINANCIAL CRISIS IN FOOD PROCESSING PROJECTS

†5165. SHRI FAGGAN SINGH KULASTE:

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

(a)   whether food processing entrepreneurs in several States are facing acute financial crisis due to shifting of National Mission on Food Processing to the States and if so, the details thereof;

(b)   the number of projects sanctioned under the National Mission on Food Processing throughout the country as on 31st March, 2015 and the amount of funds sanctioned by the Union Government for these projects alongwith the amount of fund allocation made by the State Governments in their budget for the said scheme during the last three years, year and State-wise;

(c)   the number of food processing projects in operation after the shifting of the scheme to the States including the number of projects discontinued and the number of projects which have not taken off, State-wise;

(d)   whether the Government has received memoranda on the issue from various States and entrepreneurs and if so, the details thereof; and

(e)   the steps being taken by the Government for redressal of the problems / grievances of the financially affected entrepreneurs so that food processing units do not get closed?

ANSWER

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

(a): The Ministry has launched a Centrally Sponsored Scheme (CSS) - National Mission on Food Processing (NMFP) w.e.f. 01.04.2012 which was implemented through States / UTs Govt. However, NMFP has been de-linked from Central Govt. support w.e.f. 01.04.2015 in view of increased resource devolution to states as per the recommendations of 14th Finance Commission. Accordingly, the State Govts. have been requested to take a decision regarding continuation of NMFP.

In addition, Ministry of Food Processing Industries is providing grants to Food Processing entrepreneurs under different categories under Pradhan mantra Kisan SAMPADA Yojana launched in May, 2017.

(b) & (c): National Mission on Food Processing (NMFP) was a Centrally Sponsored Scheme (CSS) wherein Ministry of Food Processing Industries used to place funds at the disposal of respective State Governments. State Level Empowered Committee (SLEC) chaired by Chief Secretary of the State had been vested with all the powers of approving / sanctioning of the applications received under NMFP. Details of the funds allocated and released state-wise / UT-wise as central share under NMFP in the year 2012-13, 2013-14 and 2014-15 are at **Annexure-I**.

(d) & (e): Representations in respect of delinking of NMFP from Central Government Support are received by the Ministry of Food Processing. In this regard, Ministry of Food Processing Industries had requested Ministry of Finance to allocate committed liabilities of Central Government Share under CSS-NMFP as State Governments are claiming the liabilities and that applicant under the scheme are largely small entrepreneurs. The Ministry of Finance is of the view that the scheme has been delinked from Central Government as a consequence of higher devolution of funds to states.

*****

ANNEXURE-I REFERRED TO IN REPLY TO PART (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 5165 ANSWERED ON 27.03.2018 REGARDING FINANCIAL CRISIS IN FOOD PROCESSING PROJECTS.

Statement indicating State / UT-wise allocation and funds released to State / UT Governments by Govt. of India (GOI) for implementation of CSS-NMFP during 2012-13 to 2014-15 (31.03.2015) before de-linking of CCS-NMFP from central government support

(Rs. in Crore)

S. No.	State	2012-13		2013-14		2014-15	
		Allocation	GOI share released	Allocation	GOI share released	Allocation	GOI share released
1	Andhra Pradesh	14.24	10.68	11.58	0.00	14.60	14.60
2	Bihar	11.42	8.565	9.07	2.29	6.608294	0.00
3	Chhattisgarh	7.88	5.91	5.91	0.00	5.94	5.226
4	Goa	3.66	2.745	2.15	0.00	1.55617	0.00
5	Gujarat	11.15	8.3625	8.83	0.62	8.89	8.51
6	Haryana	5.92	4.44	4.16	4.16	12.00	12.00
7	Himachal Pradesh	5.09	3.8175	3.42	0.00	3.43	1.69
8	Jammu and Kashmir	9.00	6.75	6.91	0.00	5.03041	0.7474
9	Jharkhand	7.09	5.3175	5.20	0.00	3.785474	1.5318
10	Karnataka	11.11	8.3325	8.79	8.225	8.84	8.84
11	Kerala	6.23	4.6725	4.44	2.22	3.228148	0.3613
12	Madhya Pradesh	14.27	10.7025	11.61	0.00	11.69	7.89
13	Maharashtra	16.51	12.3825	13.61	3.53	13.71	13.71
14	Orissa	9.24	6.93	7.12	0.00	7.16	5.8
15	Punjab	6.16	4.62	4.37	0.00	4.39	1.94
16	Rajasthan	14.77	11.0775	12.06	0	12.15	11.82
17	Tamil Nadu	10.40	7.80	8.16	0.00	5.942398	0.4405
18	Telangana	0.00	0.00	0.00	0.00	4.88	2.39
19	Uttar Pradesh	20.03	15.0225	16.75	0.00	12.21051	5.51
20	Uttarakhand	5.23	3.9225	3.54	0.00	2.56949	0.994
21	West Bengal	10.60	10.82	8.33	3.945	8.39	5.58
	Total	**200.00**	**152.87**	**156.00**	**24.99**	**157.00089**	**109.611**

(b) North Eastern States:

(Rs. in Crore)

S. No.	State	2012-13		2013-14		2014-15	
		Allocation	GOI share released	Allocation	GOI share released	Allocation	GOI share released
1.	Arunachal Pradesh	4.20	3.15	2.70	1.35	2.35	0.5150
2.	Assam	5.47	4.1025	3.97	0.00	2.98	2.35
3.	Manipur	3.79	2.8425	2.29	0.00	2.14	3.8406
4.	Meghalaya	3.80	2.85	2.30	1.15	2.15	0.8208
5.	Mizoram	3.71	2.7825	2.21	1.105	2.11	0.00
6.	Nagaland	3.71	2.7825	2.21	0.00	2.11	6.11
7.	Sikkim	3.58	3.06	2.08	0.00	2.04	0.62
8.	Tripura	3.74	2.805	2.24	1.12	2.12	0.7392
	Total	**32.00**	**24.375**	**20.00**	**4.725**	**18.00**	**14.9956**

(c) UTs:

<div align="right">(Rs. in Crore)</div>

S. No.	UTs	2012-13		2013-14		2014-15		2015-16	
		Allocation	GOI share released	Allocation	GOI share released	Allocation	GOI share released	Allocation	GOI share released
1.	Andaman and 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.	Dadra and 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
	Total	**16.74**	**7.44**	**9.00**	**0.00**	**5.00**	**0.705**	**7.00**	**2.0942**