

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 1363
ANSWERED ON 18TH DECEMBER, 2018

NBFCs FOR FPI

1363. SHRIMATI RAKSHATAI KHADSE:
SHRI C. MAHENDRAN:
DR. KIRIT SOMAIYA:

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

- (a) whether the Government proposes to set up a non-banking financial company (NBFC) with Rs. 2,000 crore to fund food processing industries as a boost in this sector and double farmer's income and if so, the details thereof;
- (b) whether this would be a Government institution or a private company with some Government shareholding and if so, the details thereof;
- (c) whether the rate of interest to be charged by the company will be lower than prevailing bank interest rates and if so, the details thereof and the time by which all formalities will be over and the company will be functional;
- (d) whether the Government also proposes to provide subsidy for setting up of mini food parks near agriculture cluster and if so, the details thereof;
- (e) whether the Government is of the opinion that food processing sector is "golden sector" and if so, the details thereof; and
- (f) whether India has the potential to become world food factory and if so, the details thereof?

ANSWER

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

(a) to (c): In pursuance to the Budget announcement for financial year 2018-19, this ministry has drafted a new Central Sector Scheme to promote establishment of "Specialized Agro Processing Financial Institutions" as a Non-Banking Finance Company (NBFC) with 20 % equity of Government of India subject to a maximum of Rs 400 crore. The approval process for the same is under way.

(d): Ministry is implementing scheme for Creation of Infrastructure for Agro Processing Clusters under the PRADHAN MANTRI KISAN SAMPADA YOJANA to incentivize the setting up of 100 agro processing clusters in the country.

The scheme aims at development of modern infrastructure to encourage entrepreneurs to set up food processing units based on cluster approach. These clusters will help in reducing the wastage of the surplus produce and add value to the horticultural / agricultural produce which will result in increase of income of the farmers and create employment at the local level.

The Scheme envisages grants-in-aid @ 35% of eligible project cost in general areas and @50% of eligible project cost in the North East States including Sikkim and difficult areas namely Himalayan States (i.e. Himachal Pradesh, Jammu & Kashmir and Uttarakhand), State notified ITDP areas & Islands subject to max. of Rs. 10.00 crore per project. Till date, 32 Agro-Processing Clusters has been approved in the country under the scheme.

(e) & (f): There is a vast scope for growth of food processing industries in the country as India has huge diversified production base.
