

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
STARRED QUESTION NO. *167
ANSWERED ON 03RD MARCH, 2020

NATIONAL FOOD PROCESSING POLICY

***167. SHRI NAMA NAGESWARA RAO:**

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

- (a) whether the Government proposes to introduce/formulate National Food Processing Policy and if so, the details thereof;
- (b) if not, the reasons therefor; and
- (c) the steps taken by the Government to provide loans at lower rates to entrepreneurs to set up new food processing units or acquire existing food processing units which have become Non-Performing Assets (NPAs)?

ANSWER

THE MINISTER OF FOOD PROCESSING INDUSTRIES
(SMT. HARSIMRAT KAUR BADAL)

(a) to (c): A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PART (a) TO (c) OF LOK SABHA
STARRED QUESTION NO. *167 FOR ANSWER ON 03RD MARCH, 2020
REGARDING “NATIONAL FOOD PROCESSING POLICY”**

(a): Yes, Sir. The Ministry of Food Processing Industries has formulated a draft National Food Processing Policy for the comprehensive development of the food processing sector through appropriate interventions to address the critical gaps hindering growth of the sector. The draft was circulated to Ministries/Departments of the Central Government and to the State Governments for inter-Ministerial consultations. The comments received from various Ministries/Departments and State Governments are under examination.

(b): Does not arise.

(c): The Government has created a special food processing fund of Rs.2000 crore with the National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit at lower interest rate of ranging from 3.90% to 7.10% to food processing projects such as Mega Food Parks (MFPs), Agro-processing Clusters (APC), other Designated Food Parks (DFPs) and processing units set up in these MFPs, APCs and DFPs. Under the Interest Subvention Scheme (ISS) operated through Small Industrial Development Bank of India (SIDBI), all GST registered Micro, Small and Medium Enterprises (MSMEs) including the MSME in the food processing sector are eligible for 2% interest subvention on fresh or incremental loans. All units that have become Non-Performing Assets (NPAs) including food processing units are subject to Corporate Insolvency Resolution Process (CIRP) under section 7 of the Insolvency and Bankruptcy Code (IBC), 2016.
