

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 1958
ANSWERED ON 03RD MARCH, 2020

AFFORDABLE CREDIT TO FOOD PROCESSING PROJECTS

1958. SHRI P. RAVEENDRANATH KUMAR:

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

- (a) whether there is a special fund of Rs.2000 crore created by the Government with the National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit to food processing projects/units during the last financial year 2019-2020;
- (b) if so, the details thereof and the total number of food processing units provided affordable credit across the country including the State of Tamil Nadu;
- (c) whether the Government has also initiated action plan to invite FDI for the development of food processing sector; and
- (d) if so, the details thereof and the follow up action taken by the Government in this regard?

ANSWER

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES
(SHRI RAMESWAR TELI)

(a) & (b): Yes, Sir, there is a special fund of Rs.2000 crore created by the Government with the National Bank for Agriculture and Rural Development (NABARD) to provide credit at affordable rates to food processing projects such as Mega Food Parks (MFPs), Agro-processing Clusters (APCs), Designated Food Parks (DFPs) and units set up in these MFPs, APCs, and DFPs. Out of this special fund, NABARD has sanctioned term loan of Rs.490.69 crore to 12 Mega Food Park projects, Rs. 44.71 crore to 4 individual processing units in Designated Food Parks, and Rs 64.39 crore to 5 Agro Processing Clusters so far. However, no project/unit in the State of Tamil Nadu has availed loan out of this fund so far.

(c) & (d): Government has allowed 100% Foreign Direct Investment (FDI) in the food processing sector through automatic route subject to applicable laws/sectoral rules/regulations/security conditions. Also, Government has permitted 100% FDI with Government approval for retail trading, including through e-commerce, for food products manufactured and/or produced in India. A total of US\$3745.54 million of FDI equity has been received in the sector during the last five years and current year (up to September 2019).
