

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 2190
ANSWERED ON 15TH MARCH, 2022

PRIORITY SECTOR LENDING IN FPIs

2190. DR. G. RANJITH REDDY:

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

- (a) whether all sectors of food processing have been included under Priority Sector Lending (PSL), if so, the details thereof;
- (b) if not, details of sectors that have been included and details of sectors that have not been included under PSL along with the reasons for not including the left out sectors under PSL;
- (c) whether it is true that there is special food processing fund;
- (d) if so, the manner in which the fund is helping the food processing sector to provide credit to units; and
- (e) the manner in which PLI is helping the sector to boost manufacture and export of processed items?

ANSWER

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES
(SHRI PRAHLAD SINGH PATEL)

(a) to (b): As per RBI's Master Directions dated 04.09.2020, all food & agro- processing activities have been included as eligible under Priority Sector Lending (PSL). The list of eligible activities under PSL is attached as **ANNEX**.

(c) to (d): A special fund of Rs.2000 crore has been set up in National Bank for Agriculture and Rural Development (NABARD) to provide credit at affordable rates to boost food processing sector. Under this fund, loan is extended to individual entrepreneurs, cooperatives, farmers producer organizations, corporates, joint ventures, Special Purpose Vehicle and entities promoted by the Government for setting up, modernization, expansion of food processing units and development of infrastructure in designated food parks. Apart from Mega Food Parks of the Ministry of Food Processing Industries, other designated Food Parks (DFPs) notified by the Ministry in different States have also been included. Till 31.1.2022, term loan of Rs. 466.26 crore has been disbursed from the Fund.

(e): The Production Linked Incentive Scheme of Food Processing Industry (PLISFPI) has been formulated by the Ministry as part of "Aatma Nirbhar Bharat Abhiyaan" for enhancing India's manufacturing capabilities and enhancing exports. The scheme has three broad components. The first component relates to incentivizing manufacturing of four major food product segments viz. Ready to Cook/ Ready to Eat (RTC/ RTE) including millet-based foods, Processed Fruits & Vegetables, Marine Products and Mozzarella Cheese. The second component is intended for incentivizing innovative/ organic products of SMEs across all the above four food product segments including Free Range - Eggs, Poultry Meat and Egg Products. The third component relates to support for branding and marketing abroad to incentivize the emergence of strong Indian brands.

ANNEXURE REFERRED TO IN REPLY TO PART (a) AND (b) OF LOK SABHA UNSTARRED QUESTION NO. 2190 FOR ANSWER ON 15TH MARCH, 2022 REGARDING “PRIORITY SECTOR LENDING IN FPIS”.

Indicative list of Permissible Activities under Food Processing Sector

1. Cleaning, Air Cooling (Field Heat Removal), Sorting, Grading/Sizing, Packaging, Warehousing, Distribution of Fruits & Vegetables etc.
2. Transportation including in refrigerated van/Cold Chain infrastructure system Packaging and storage including techniques like Silo, Hermetic storage; pest management.
3. Storage at low temperature/Cold Storage/Modified/Controlled Atmosphere packaging, Refrigeration/Chilling etc.
4. Primary and/or Minimal Processing of F&V: - Blanching (Vegetables), Peeling, Cutting, Storage, Distribution at Low temperature, vacuum packaging etc.
5. Sun Drying and Mechanical Drying: - Solar Drying, Hot air drying, Dehydration, hybrid drying, fluidized bed drying, refractive window drying, drum drying, radio frequency drying, Lyophilisation (Freeze Drying), Vacuum Drying, Spray Drying, De-hydro-freezing etc.
6. Preservation through various methods; both traditional and modern.
7. Frozen Products: Individually Quick Frozen (IQF) of Fruit, Vegetables, Meat, Fish, Sea Foods etc.
8. Milk and Milk products processing, including their transportation, packaging and storage.
9. Canning of Fruit, Vegetables including Mushrooms, Meat, Fish, crustaceans, molluscs, other Sea Foods etc.
10. Milling Grains, Legumes & Pulses, Preparation of their by-products such as Bran Oil, Cattle Feed/Poultry feed etc.
11. Processing of F&V into different products such as juices, concentrates, sauces, jam, jellies, marmalades, Chips, Flakes, Powders etc.
12. Processing of Grains & Pulses, Fish, Meat, Poultry, Sea Foods, Egg etc. into their different products including extruded, popped, puffed and flaked products and their packaging and storage including fumigation, Smoking etc.
13. Oil seed Extraction- Rendering, Pressing, Hydrogenation, Refining with Extraction, Filling/packaging etc.
14. Spices, Seasoning and Condiments - Grinding, Crushing, Milling, Sieving, Mixing, Blending, Roasting, Packaging, Storage, Distribution.
15. Production of fermented Products and Alcoholic- Wines, Vinegar, Milk products, Prebiotics, Probiotics etc.
16. Production of beverages - Juices, RTS, Nectar, Squash, Cordial, Syrups/Sherbets, Soups, Carbonated Beverages etc.
17. Production of Cocoa, Coffee, Chicory and Tea Products; including Cocoa Butter, Cocoa Powder, Chocolates, wafers etc.
18. Production of Bakery and Confectionary Products - Biscuits, Bread, Cakes, Cookies, Toffee etc.
19. Production of Jaggery, Sugar, Khandasari etc from Sugarcane, Beet, Palm etc.
20. Production of apiary products (honey processing; both natural and artificial honey).
21. Production of Starch and Starch Products - Sago, Tapioca, Corn, Noodles, Macaroni, Vermicelli etc,
22. Slaughtering of animals/ruminants/birds etc. and their processing.
23. Nuts Processing; coconut-based product processing such as water, nuts etc.
24. Processing of other products such as Instant Mixes, Ready to Eat (RTE) retort-based products, ready to cook and Beverages etc.
25. Nutraceutical products/functional foods/fortified food/enriched food preparation.
26. Production of Organic food products.
27. Processing of algal and fungal products (eg Spirulina, Mushrooms etc), including packaging and enhancement of shelf life.
28. Processing plantation crops, packaging, storage and enhancement of shelf life.
29. Production of food grade packaging material such as laminates, tetra packs, bottles, tin containers etc.