

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO.2934
ANSWERED ON 15ST MARCH, 2016.

FLAGSHIP PROGRAMME IN FPIs

2934. SHRI RAYAPATI SAMBASIVA RAO:

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

- (a) the major flagship programme of the Ministry and the status of food processing industries in the country;
- (b) whether any efforts have been made to improve storage facilities of fruits and vegetables in the food processing industries during the last three years and the current year;
- (c) if so, the details thereof; and
- (d) if not, the reasons therefor?

ANSWER

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

(a) For the development of food processing industries in the country, the Ministry is implementing a major flagship Central Sector Scheme of Infrastructure Development for food processing having components of Mega Food Parks, Cold Chain, Value Addition and Preservation Infrastructure and Setting up / Modernization of Abattoirs. As per latest Annual Survey Industries: 2012-13, the total number of factories in the registered food processing sector in the country was 37,175. In terms of investment in fixed capital, registered food processing sector is growing annually at an average of 18.47 per cent during five years ending 2012-13. As per latest, ASI 2012-13, the Fixed Capital in food processing industries was at ₹ 1,58,865 crore.

(b) & (c) For setting up of integrated cold chain and preservation infrastructure facilities in the country, Ministry of Food Processing Industries is implementing a Central Sector Scheme of Cold Chain, Value Addition and Preservation Infrastructure since 2008. Under the scheme, financial assistance @ 50% of the total cost of plant & machinery and technical civil works in general areas and 75% for NE region and difficult areas (North Eastern states, Sikkim, J&K, Himachal Pradesh and Uttarakhand) subject to a maximum grant-in-aid of ₹ 10 crore per project is provided for setting up the cold chain infrastructure. Under this scheme, a total 66 projects with 2,92,391 metric tonne storage capacity for fruits and vegetables have been sanctioned by the Ministry during the last three years and the current year. In addition, 30850 MT cold storage capacity for fruits and vegetables, have been created in 7 operational Mega Food Parks projects under the Scheme of Mega Food Parks of this Ministry.

Government is also providing various other incentives to promote creation of cold chain infrastructure in the country as detailed in **Annexure**.

- (d) Does not arise.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (b) & (c) OF THE LOK SABHA UNSTARRED QUESTION NO.2934 FOR 15TH MARCH, 2016 REGARDING FLAGSHIP PROGRAMME IN FPIs.

Details of various other incentives provided by the Government to the Cold Chain Sector

- Services of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labeling of fruits and vegetables have been exempted from Service Tax in Budget 2015-16.
- Loans to food & agro-based processing units and Cold Chain have been classified under Agriculture activities for Priority Sector Lending (PSL) as per the revised RBI Guidelines issued on 23/04/2015.
- Under Section 35-AD of the Income tax Act 1961, deduction to the extent of 150% is allowed for expenditure incurred on investment for (i) setting up and operating a cold chain facility; and (ii) setting up and operating warehousing facility for storage of agricultural produce.
- Government has extended Project Imports benefits to cold storage, cold room (including for farm level pre-cooling) or industrial projects for preservation, storage or processing of agricultural, apiary, horticultural, dairy, poultry, aquatic and marine produce and meat. Consequently, all goods related to Food Processing, imported as part of the project, irrespective of their tariff classification, would be entitled to uniform assessment at concessional basic customs duty of 5%.
- Refrigeration machineries and parts used for installation of cold storage, cold room or refrigerated vehicle, for the preservation, storage, transport or processing of agricultural, apiary, horticultural, dairy, poultry, aquatic and marine produce and meat under Tariff Head: Chapter 84 are exempted from Excise Duty.
- Construction, erection, commissioning or installation of original works pertaining to post-harvest storage infrastructure for agricultural produce including cold storages for such purposes are exempted from Service tax.
- Capital investment in the creation of modern storage capacity has been made eligible for Viability Gap Funding scheme of the Finance Ministry. Cold chain and post-harvest storage has been recognized as an infrastructure sub-sector.