



**STANDING COMMITTEE ON AGRICULTURE, ANIMAL
HUSBANDRY AND FOOD PROCESSING**
(2022-23)

SEVENTEENTH LOK SABHA

MINISTRY OF FOOD PROCESSING INDUSTRIES

**DEMANDS FOR GRANTS (2023-24)
(DEMAND NO. 45)**

FIFTY FIFTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2023/Phalguna, 1944 (Saka)

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FOOD PROCESSING
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MINISTRY OF FOOD PROCESSING INDUSTRIES

DEMANDS FOR GRANTS (2023-2024)

Presented to Lok Sabha on 13.03.2023

Laid on the Table of Rajya Sabha on 14.03.2023



LOK SABHA SECRETARIAT
NEW DELHI

March, 2022/ Phalguna, 1944 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE, ANIMAL
HUSBANDRY AND FOOD PROCESSING (2022-23)**

Shri P.C. Gaddigoudar- Chairperson

MEMBERS

LOK SABHA

2. Shri Afzal Ansari
3. Shri Horen Sing Bey
4. Shri A. Ganeshamurthi
5. Shri Kanakmal Katara
6. Shri Abu Taher Khan
7. Shri Ram Mohan Naidu Kinjarapu
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12. Shri Shrinivas Dadasaheb Patil
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14. Shri Pocha Brahmananda Reddy
15. Shri Rajiv Pratap Rudy
16. Mohammad Sadique
17. Shri Devendra Singh *alias* Bhole Singh
18. Shri Virendra Singh
19. Shri V.K. Sreekandan
20. Shri Ram Kripal Yadav
21. *VACANT**

RAJYA SABHA

22. Smt. Ramilaben Becharbhai Bara
23. Shri Masthan Rao Beeda
24. Dr. Anil Sukhdeorao Bonde
25. Shri S. Kalyanasundaram
26. Shri Surendra Singh Nagar
27. Shri Kailash Soni
28. Shri Randeep Singh Surjewala
29. Shri Ram Nath Thakur
30. Shri Vaiko
31. Shri Harnath Singh Yadav

** Vacant w.e.f. 10.10.2022 due to demise of Shri Mulayam Singh Yadav on 10.10.2022 vide Bulletin-Part II, Para No. 5316 dated 14.10.2022.*

SECRETARIAT

1. Shri Shiv Kumar - Additional Secretary
2. Shri Naval K. Verma - Director
3. Shri Uttam Chand Bharadwaj - Additional Director
4. Shri S.Vijayaraghavan - Executive Officer

INTRODUCTION

I, the Chairperson, Standing Committee on Agriculture, Animal Husbandry and Food Processing, having been authorized by the Committee to submit the Report on their behalf, present this Fifty Fifth Report on the Demands for Grants (2023-2024) of the Ministry of Food Processing Industries,

2. The Committee under Rule 331E(1)(a) of the Rules of Procedure and Conduct of Business in Lok Sabha considered the Demands for Grants (2023-24) of the Ministry of Food Processing Industries. The Committee took evidence of the representatives of the Ministry of Food Processing Industries at their Sitting held on 21 February, 2023. The Report was considered and adopted by the Committee at their Sitting held on 06 March, 2023.

3. For facility of reference and convenience, the Recommendations/Observations of the Committee have been printed in bold letters in Part-II of the Report.

4. The Committee wish to express their thanks to the Officials of the Ministry of Food Processing Industries for appearing before the Committee and furnishing the information that they desired in connection with the examination of Demands for Grants of the Ministry.

5. The Committee would also like to place on record their deep sense of appreciation for the invaluable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
06 March, 2023
15 Phalgun, 1944 (Saka)

P.C. GADDIGOUDAR
Chairperson,
Standing Committee on Agriculture,
Animal Husbandry and Food Processing

Chapter - 1 **Introductory**

Background

The Ministry of Food Processing Industries was set up in July, 1988 to give an impetus for development of Food Processing Sector in the country. Subsequently in 1999, it was made a Department and brought under the Ministry of Agriculture. However, It was again notified as the Ministry of Food Processing Industries in 2001.

Allocation of Business Rules

1.2 The Subjects allocated to the Ministry under Government of India (Allocation of Business) Rules, 1961 are as under:-

1. Industries relating to:
 - i. Processing and Refrigeration of certain Agricultural Products (milk powder, infant milk food, malted milk food, condensed milk, ghee and other dairy products), poultry and eggs, meat and meat products.
 - ii. Processing of Fish (including canning and freezing).
 - iii. Establishment and servicing of Development Council for Fish Processing Industry. Technical assistance and advice to Fish Processing Industry.
 - iv. Fruit and Vegetable Processing Industry (including freezing and dehydration).
 - v. Food Grains Milling Industry.
2. Planning, development and control of, and assistance to, industries relating to bread, oil seeds, meals (edible), breakfast foods, biscuits, confectionery (including Cocoa processing and chocolate making), malt extract, protein isolate, high protein food, weaning food and extruded food products (including other ready to eat foods).
3. Specialized packaging for food processing industry.
4. Beer including non-alcoholic beer.
5. Alcoholic drinks from non-molasses base.
6. Aerated water and soft drinks

(Annual Report 2022-23, Page-5)

Role and Function of the Ministry

1.3 The Ministry of Food Processing Industries is concerned with formulation and implementation of the policies for the food processing industries within the overall national priorities & objectives. A major issue in the country is to ensure remunerative prices to the farmers for their produce. If the surplus production of cereals, fruits,

vegetables, milk, fish, meat and poultry, etc., is processed and marketed both inside and outside the country, there will be greater opportunities for adding to the income of farmers and employment. The functions of the Ministry can be broadly classified under policy support, policy initiatives, developmental initiatives and promotional initiatives.

(Annual Report 2022-23, Page-5&6)

Focus of the Ministry

- 1.4 (i) Reduce post-harvest losses of perishables
- (ii) Promote Value addition, Generation of off-farm jobs
- (iii) Enhance processing and preservation capacities, Encourage Agro-processing clusters
- (iv) Identify gaps in infrastructure and assist in its creation.
- (v) Formalization of Micro Food Processing Enterprises
- (vi) Creation of global food manufacturing champions
- (vii) Promote Millet Based Food Processing

(PowerPoint Presentation Page-2)

Contribution to Economy and Employment

1.5 While highlighting the main focus of the Ministry, the Secretary, Ministry of Food Processing Industry, apprised the Committee as under :-

"The main focus of the Ministry is to prevent wastage of crops, promote value addition, increase processing capacity, increase infrastructure facilities, to become a global food manufacturing hub and to promote millet based food processing. To fulfill this objective, the Ministry mainly runs 3 schemes. The first is the Prime Minister Formalisation of Micro Food Processing Enterprises (PMFME) Scheme, which is meant for Micro Units. Second is PMKSY for medium and Small Units and the third is PLI which is mainly for large scale industries but MSMEs also get a good share in it."

(Proceedings Page 35&36)

1.6 Replying to a query by the Committee regarding the contribution of the Food Processing Sector to the economic growth of the country, the Secretary, Ministry of Food Processing Industry elaborated the same as under :-

"This Sector provides employment to 71 lakh people in which 20 lakh people are in registered sector and 51 lakh people are in unregistered sector. Out of these

71 lakh, 14.89 lakh are women, out of which 12.62 lakh women work in the unregistered sector. The level of processing is 4.5% of fruits, 2.7% of vegetables, 21.1% of milk, 15.4% of fish and 34.2% of meat. The Gross Value Added (GVA) is Rs 2.37 Lakh Crore. The manufacturing Sector has a share of 10.5 percent GVA, Agriculture sector has 22.6 percent share."

(Proceedings Page 35&36)

Schemes of the Ministry

Central Sector Schemes

I Pradhan Mantri Kisan Sampada Yojana (PMKSY)

1.7 Given the nature and size of processing units operating in the Food Processing Sector, investment in basic infrastructure and common facilities are unlikely to come from the Private Sector in a significant way. With a view to augment private investment to Food Processing Sector, Ministry of Food Processing Industries, therefore, has been implementing a number of schemes for creation of infrastructure, expansion of processing capacity, and other supporting measures for healthy growth of Food Processing Industry. All these existing schemes were reviewed, critical gaps identified, and some new schemes were formulated to address these gaps in promoting the sector. All these schemes were integrated under an umbrella scheme - Pradhan Mantri Kisan Sampada Yojana (PMKSY) which was launched on 3rd May, 2017 to give necessary thrust for accelerated growth of the Sector.

(Annual Report (2022-23) Page 46)

II. Production Linked Incentive Scheme for Food Processing Industry (PLIS)

1.8 The Food Processing Sector in India encompasses manufacturing enterprises in all the segments from micro to large industries. India is having competitive advantage in terms of resource endowment, large domestic market and scope for promoting value added products. Achieving full potential of this sector would require Indian Companies to improve their competitive strength *vis-à-vis* their global counterparts in term of scale of output, productivity, value addition and their linkages with the global value chain.

(Annual Report (2022-23) Page 93)

Centrally Sponsored Scheme

Prime Minister Formalisation of Micro Food Processing Enterprises (PMFME)

1.9 Prime Minister Formalisation of Micro Food Processing Enterprises (PMFME) is the only centrally sponsored Scheme for providing financial, technical and business support for upgradation of existing micro food processing enterprises.

(Annual Report (2022-23) Page 93)

Chapter - 2

Analysis of Last Three Years of the Schemes of the Ministry

Central Sector Schemes

I. Pradhan Mantri Kisan Sampada Yojana (PMKSY)

2.1 PMKSY is a comprehensive package resulting in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet. Not only it provides a big boost to the growth of Food Processing Sector in the country but also helps in providing better returns to farmers and is a big step towards doubling of farmers' income, creating huge employment opportunities especially in the rural areas, reducing wastage of Agricultural Produce, increasing the level of processing and enhancing the export of the processed foods..

(Annual Report 2022-23, Page-46)

2.2 The details of allocations made and expenditure incurred on PMKSY schemes implemented by the Ministry during the last three financial years are as under-

(₹ in Crore)			
Year	BE	RE	AE
2020-21	1081.41	750	667.05
2021-22	700.00	791	713.49
2022-23	900	673	108.27*

* As on 10.02.2023.

(RLOP Page-1)

A. Mega Food Park

2.3 The Mega Food Park Scheme (MFPS) aims at providing modern infrastructure facilities for food processing along the value chain from farm to market. The Scheme functions on a Hub and spoke model. It includes creation of infrastructure for primary processing and storage near the farm gate at Primary Processing Centres (PPCs), Collection Centres (CCs) and common facilities and enabling infrastructure at Central Processing Centre. The food processing units, under the scheme, would be located at Central Processing Centre (CPC) with need based common infrastructure required for processing, packaging, environmental protection systems, quality control labs, trade facilitation centres, etc.

2.4 The Scheme envisages a capital grant @50% of the eligible project cost in general areas and @75% in difficult and hilly areas i.e. North East Region including

Sikkim, J&K, Ladakh, Himachal Pradesh, Uttarakhand and ITDP Notified Areas of the States subject to a maximum of Rs. 50 Crore per Project. At least 50 Acres of land is required to be arranged by the SPV / IA either by purchase or on lease of at least 75 years for the Central Processing Centre of the Mega Food Park.

(Preliminary Material, Page - 13 & 14)

2.5 Year-wise expenditure from 2020-21 to 2022-23 is as under:

(₹ in Crore)

Year	BE	RE	AE
2020-21	100	61.85	61.87
2021-22	57.60	54.37	52.59
2022-23	55.80	24.80	15.59*

* As on 10.02.2023.

(RLOP Page-3)

2.6 The Committee observed that for 2020-21 the target set was 8 and only 4 Projects are operational. This is due to pandemic and time taken in mobilization of funds/possession of land, want of statutory clearance, etc. For the year 2021-22 the target set for implementation of the Project was 4 and out of which 2 Parks are almost ready for operation. However, implementation has been affected due to pandemic. For the year 2022-23 out of 4 Parks to be set up, 1 Project has been operationalized. For the year 2023-24, the target has been set for 2 Parks.

(Preliminary Material, Page 29, Statement No.2)

B. Scheme for Infrastructure for Agro Processing Clusters:

2.7 The Scheme has two basic components *i.e.* Basic Enabling Infrastructure (roads, water supply, power supply, drainage, ETP etc.) and Core Infrastructure/Common facilities (ware houses, cold storages, IQF, tetra pack, sorting, grading etc). Creation of common facilities in a cluster may vary depending upon requirements of food processing units existing outside the cluster or to be set up in a cluster. Minimum 5 food processing units with minimum investment of Rs. 25 crore are to be set up in the cluster.

2.8 Units are to be set up simultaneous along with creation of common infrastructure. Such infrastructure facilities may be developed by: (a) The promoter(s) willing to set up own units in the cluster and also allow utilization of common infrastructure to other units in the area; (b) The promoter(s) willing to develop common infrastructure for use by the units to be set up in the food processing cluster by other

entrepreneurs; and (c) The promoter(s) willing to develop common infrastructure in the existing food processing clusters.

2.9 Entity/Organization such as Govt. Departments/PSUs/Joint Ventures/NGOs/Cooperative/ Self-help Groups (SHGs)/Farmer Producer Organizations(FPOs)/Private Sector Companies/Partnership firms/Proprietorship Firms etc are eligible for financial assistance under the Scheme. The maximum admissible grant for each Project is 50% of eligible project cost in North East States, SC/ ST, FPOs, SHGs Entrepreneurs and @35% of eligible project cost for others with maximum of 10 Cr.

(Preliminary Material, Page- 13&14)

2.10 On being asked to give details of the total number of Agro-Processing Clusters operationalized since inception of this Scheme State/Union territories-wise and year-wise till date, the Ministry has stated as under:-

"State-wise details of the total number of Agro-Processing Clusters wherein core processing & basic enabling infrastructure have been completed are as under:

State/ UT	State/ UT No. of projects wherein core processing & basic enabling infrastructure completed			
	2019-20	2020-21	2021-22	2022-23
Maharashtra	2	1	1	-
Uttar Pradesh	1	1	-	-
Gujarat	1	-	1	-
Himachal Pradesh	-	-	1	-
Haryana	-	-	1	-
J&K	-	1	-	-
Madhya Pradesh	-	-	2	-
Karnataka			1	
Kerala	-	-	-	2
Total	4	3	7	2

(RLOP, Page 25 and 26)

2.11 Year-wise expenditure from 2020-21 to 2022-23 is as under:

(₹ in Crore)

Year	BE	RE	AE
2020-21	65	56.69	48.47
2021-22	37.50	53.90	49.08
2022-23	48.45	56.55	28.00*

*As on 10.02.2023.

(RLOP Page-3)

2.12 The Committee observed that out of 17 Projects, 3 Projects are operational. This is due to the fact that the timelines for completion of Agro Processing Clusters (APC) Projects are 20/24 months in general. Further in this period of 20/24 months, promoters are also required to complete at least 5 units of the proposed APC, which mainly depend on the approval of units under CEFPPC. For 2021-22, the target set was 8 and 7 Projects have been completed. For the year 2022-23, the target set was 8 Projects but only two Projects has been completed. For the year 2023-24, the target set has been 12.

(Preliminary Material, Statement No.2)

C. Scheme for Integrated Cold Chain and Value Addition Infrastructure

2.13 In order to minimize the Post-harvest Losses and enhance value addition in the Agricultural produce, Ministry of Food Processing Industries has been implementing the Scheme for Integrated Cold Chain and Value Addition Infrastructure since 2008. Scheme provides for promoting integrated and complete cold chain facilities without any break from the farm gate to the consumer, end to end, to reduce losses by improving efficiency in collection of farmer produce, storage, transportation and minimal processing. Both Horticultural and Non-horticultural produce are eligible for support under this scheme.

2.14 **Components of the Scheme:** The Scheme allows flexibility in project planning with special emphasis on creation of cold chain infrastructure at farm level. Guidelines of the scheme have been revised latest on 17.12.2019. The Scheme has the following Project Components: -

- (i) Farm Level Infrastructure (FLI)
- (ii) Processing Centre
- (iii) Distribution Hub
- (iv) Refrigerated Van/Refrigerated truck/Insulated Van/Mobile Insulated tanker
- (v) Irradiation facility.

(Annual Report 2022-23, Page 54)

2.15 Year-wise expenditure from 2020-21 to 2022-23 is as under:

Year	BE	RE	Expenditure (₹ in Crore)
2020-21	349.71	252.70	207.41
2021-22	227.60	262.99	225.31
2022-23	230.50	222..34	165.23.*

* As on 10.02.2023.

(RLOP Page-3)

2.16 The target set for the year 2020-21 was 43 Projects and the achievement is 30 Projects. The target set for the year 2021-22 was 44 and the achievement is 30. The target set for 2022-23 was 47 and the achievement is 14. The delay in implementation is due to statutory clearance from respective agencies. Further, Cold Chain Projects are dependent on import of plant and machinery from Europe and South-East Asia and their transportation was severely impacted due to travel restrictions imposed by the respective countries due to COVID Pandemic.

(Preliminary Material page, Statement No.2)

2.17 When asked by the Committee to give details of utilisation of balance amount of fund as only an amount of Rs. 140.21 Crore has been utilized till 17.01.2023 out of an allocation of Rs. 203.74 Crore at RE (2022-23), the Ministry stated as under:-

“Allotted RE-2022-23 is Rs. 222.34 Crores and expenditure achieved as on 13.02.2023 is Rs.165.24 Crores. Sanction for release of another Rs. 6.66 Crores has been issued. Proposals for additional release of around Rs. 30.40 Crores have also been planned. Net expenditure of Rs. 203.40 Crore is targeted for achievement”.

(RLOP Page-31-32)

D. Scheme for Creation/ Expansion of Food Processing and Preservation Capacities

2.18 The Scheme envisages Creation/ expansion and / or modernization of processing / preservation capacities which will help in increasing the level of processing, value addition and thereby reduction of wastage. The setting up of new units and modernization/ expansion of existing units will be covered under the Scheme. The Processing Units undertake a wide range of processing activities depending on the processing sectors which results in value addition and/or enhancing shelf life of the processed products.

2.19 The Scheme envisages financial assistance to food processing units in the form of grant-in-aid @50% of eligible project cost for NER/SC/ST, FPOs, SHGs and @35% of eligible Project Cost for others with maximum of 5 Cr. Any Organization or an individual engaged in or that plans to engage in creation/expansion of Food Processing and Preservation Capacities would be eligible for financial assistance under the scheme. Under the scheme, a total of 427 projects have been approved up to 31.12.2022, out of which 183 have been completed and rest are at various stages of implementation.

(Preliminary Material Page 16)

2.20 Year-wise expenditure from 2020-21 to 2022-23 is as under:

(in ₹Crore)

Year	BE	RE	AE*
2020-21	190.00	219.30	202.84
2021-22	162.00	242.50	238.08
2022-23	282.80	219.68	101.68

*As on 10.02.2023

(RLOP Page 4)

2.21 The target set for the year 2020-21 was 85 out of which 40 Projects were operational. For 2021-22 the target set for was 112 and 77 Projects were operational. For 2022-23 the achievement so far is 45.

(Preliminary Material page, Statement No.2)

2.22 When asked about the current level of Food processing of various crops, fruits and vegetables in comparison to other Countries which are known for their Food Processing Industries at the global Level, the Ministry stated as under:-

“Ministry has conducted a study to assess the level of food processing in the country through M/s Deloitte in 2020-21. The study has assessed level of processing across different segment and has concluded that there is significant increase in level of processing compared to previous available data (IEG study of 2014). However, the level of processing in the country is lower compared to advanced economies. The comparison between two studies is as follows:

Category/ Commodity	Year			
	2005-06	2010-11	2015-16	2018-19
Paddy	26.7	30.2	82.5	92.3
Wheat	20.1	10.1	70.1	78.0
Coarse Cereals	17.7	23.23	28.6	29.4
Cereals (Overall)	24.0	-	63.7	68.8
Gram	16.0	-	59.6	80.4
Arhar	49.4	-	51.3	51.7
Other Pulses	39.8	-	58.1	53.8
Pulses (Overall)	33.6	-	57.4	61.8
Food grains	-	-	63.2	68.2
Groundnut	5.43	5.82	17.5	43.7
Mustard	-	--	36.0	32.5

Other Oilseeds	-	--	79.9	61.5
Oilseeds (Overall)	17.1	27.8	49.5	49.8
Fruits	1.0	2.42	2.9	4.5
Vegetables	1.2	2.2	2.2	2.7
Fruits and Vegetables (Overall)	-	--	2.5	3.3
Milk	11.4	5.72	20.1	21.1
Eggs & Poultry	4.6	5.17	7.4	11.6
Meat	8.3	11.37	22.7	34.2
Fish	14.0	7.66	8.3	15.4

(RLOP Page 34)

2.23 State-wise details of Physical performance (Targets & Achievements and Shortfall/Excess, if any along with the reasons for the same) year-wise and State/Union territories-wise under the scheme for the last three years :-

Annexure-IV

Sector wise details of the approved projects under the CEFPPC Scheme as on 08.02.2023

Sr. No.	Sector	Number of Units		
		Completed	Ongoing	Total
1	Consumer Industry	74	108	182
2	Fruits & Vegetables Processing	61	95	156
3	Dairy/ Milk Processing	6	28	34
4	Fish & Marine Processing	4	3	7
5	Grain Milling	36	45	81
6	Meat & Poultry Processing	5	4	9
7	Oil Milling	4	17	21
	Total	190	300	490

2.24 State-wise details of projects approved under the CEFPPC scheme as on 08.02.2023

Sr. No.	State	Number of Units Approved/ Sanctioned	Number of Units completed
1	Andhra Pradesh	11	2
2	Arunachal Pradesh	10	1
3	Assam	38	9
4	Bihar	5	1
5	Chhatisgarh	4	1

6	Goa	1	1
7	Gujarat	40	18
8	Haryana	19	13
9	Himachal Pradesh	23	14
10	Jharkhand	0	0
11	Karnataka	21	9
12	Kerala	19	10
13	Madhya Pradesh	22	5
14	Maharashtra	88	24
15	Manipur	4	1
16	Meghalaya	2	2
17	Mizoram	1	0
18	Nagaland	4	0
19	Odisha	4	2
20	Punjab	17	5
21	Rajasthan	24	7
22	Sikkim	1	0
23	Tamil Nadu	32	16
24	Telangana	9	1
25	Tripura	5	4
26	Uttar Pradesh	34	21
27	Uttarakhand	18	6
28	West Bengal	15	5
29	A&N Islands	0	0
30	Chandigarh	0	0
31	Delhi	0	0
32	Dadra & Nagar Haveli and Daman & Diu	1	1
33	Jammu & Kashmir	18	11
34	Ladakh	0	0
35	Lakshdweep	0	0
36	Pondicherry	0	0
	Total	490	190

E. Scheme for Creation of Backward and Forward Linkages

2.25 The objective of the Scheme is to provide effective and seamless backward and forward integration for processed food industry by plugging the gaps in supply chain in terms of availability of raw material and linkages with the market. The Scheme will enable linking of farmers to processors and the market thereby ensuring remunerative prices for their produce. The maximum grant extended per project is Rs 5.00 crore @ 35% of the eligible project cost for general areas and @ 50% for North East States, Himalayan States/UTs, ITDP Areas and Islands respectively. The grant is provided only in respect of technical civil work and eligible plant & machinery.

2.26 Under the Scheme, a total of 61 projects have been approved as on 31.12.2022, out of which 47 have been completed and rest are at various stages of

implementation. Further Backward and Forward linkages Project are to be sanctioned under OG Scheme, as Creation of Backward and Forward Linkages (CBFL) scheme has been merged with OG scheme in 15th FC cycle with provision for committed liability for ongoing projects.

(Preliminary Material Page No.17)

2.27 Year-wise expenditure from 2020-21 to 2022-23 is as under:

(₹ in Crore)			
Year	BE	RE	AE
2020-21	100	56.60	54.42
2021-22	51.70	40.79	32.98
2022-23	22.20	18.78	3.74

* As on 10.02.2023.

(RLOP Page-4)

2.28 The target set for the year 2020-21 is 25 out of which 17 Projects are operational. For 2021-22 the target set was for 25 Projects and 29 Projects were operational. For 2022-23 the target set was 15 and the achievements were 5 Projects. The Scheme has been closed for 15th FC cycle.

(Preliminary Material Statement No.2)

F. Scheme for Food Safety and Quality Assurance Infrastructure

2.29 The Ministry is implementing a Scheme for setting up/Up-gradation of Quality Control/Food Testing Laboratories under this Component of the Scheme. With the growth of the market for and production of food products, there is a need for availability of facilities to (a) test domestic production in order to ensure that it complies with domestic standards as well as international standards for exports; and (b) test all imports coming into the country to ensure that they are of the requisite standard and such products are not allowed to come in from foreign markets. The level of contaminants, additives, and pesticide residues in food items are required to be monitored regularly. Therefore, a network of laboratories assumes importance for carrying out various tests required to support the food safety regulatory activities and help the food processing industry in regard to quality control measures, technical guidance, awareness creation, etc. In order to address the needs of the industry, the Ministry has been implementing a scheme for setting up/up-gradation of quality control / food testing laboratories with the following objectives :

- (i) Analysing the samples received from processing industries and other stakeholders;
- (ii) Reducing the time taken for analysis of samples by reducing transportation time of samples;

- (iii) Ensuring compliance with international and domestic standards on food in case of exports as well as imports, and
- (iv) Establishing a surveillance system for monitoring the quality and composition of food.

(Annual Report 2022-23 Page 65 & 66)

2.30 Year-wise expenditure from 2020-21 to 2022-23 is as under:

(₹ in Crore)

Year	BE	RE	AE*
2020-21	44.00	36.83	29.00
2021-22	45.20	46.71	34.25
2022-23	51.80	33.80	10.90**

* All expenditure in Scheme for Food Safety and Quality Assurance Infrastructure

** As on 10.02.2023.

(RLOP Page-4)

2.31 The target set for the year 2020-21 was 17 out of which 7 Projects have been made operational. For 2021-22 the target set was for 18 Projects and 4 Projects were operational. Pandemic has slowed down the execution of Projects. For 2022-23 the target set was 10 and the achievements were 12 Projects.

G. Scheme for Human Resources and Institutions

2.32 Objective of the Scheme is to provide sector specific skilled workforce from floor level workers, operators, packaging and assembly line workers to quality control supervisor etc. and to meet the skilled Human Resources requirement in food processing sector and to contribute towards achieving the skilled human resources requirement as envisaged by National Skill Development Corporation (NSDC) in Food Processing Sector.

(Annual Report 2022-23 Page 75)

2.33 Year-wise expenditure from 2020-21 to 2022-23 is as under:

(₹ in Crores)

Year	BE	RE	Actual Expenditure
2020-21	84.00	23.03	20.36
2021-22	44.80	15.14	13.03
2022-23	23.69	22.36	10.69**

** As on 10.02.2023.

(RLOP Page-4)

H. Operation Greens

2.34 Year-wise expenditure from 2020-21 to 2022-23 is as under:

(₹ in Crores)			
Year	BE	RE	AE
2020-21	127.50	38.20	38.21
2021-22	73.40	74.50	68.15
2022-23	184.56	74.49	48.35*

* as on 10.02.2023

(RLOP Page-4)

2.35 The target set for the year 2020-21 was 2 and for 2021-22 was 5 Projects. However none Projects could be operationalized. Pandemic slowed down the execution of Projects. Also there were implementation issues. For 2022-23 the target set was 3 and the achievements were 2 Projects. The reason for delay in 1 Project is due to delay in installation of imported machinery. It was also stated that these projects were expected to be completed in 2023-24 and the physical target for the year 2023-24 would be achieved.

(RLOP Page-51)

2.36 When asked whether the Ministry was satisfied with the progress of the Scheme since its inception and the specific reasons owing to which the Ministry had not been able to make much progress under this Scheme, and the concrete action taken by the Ministry, the Ministry in this regard stated:-

"Scheme was launched in November, 2018 and 6 Projects were approved till 31.03.2021. The slow progress of the Scheme is mainly due to following reasons:

- a) In the beginning, the Scheme was only for three crops namely Potato, Onion and Tomato;
- b) Maximum grants-in-aid of Rs. 50 crore envisaged proposals of higher capital investment;
- c) Only Integrated Projects in selected Production Clusters were allowed;
- d) All Components in Integrated Projects were mandatory;
- e) There was condition of Minimum Investment of 21% on Farm Level Infrastructure, Quality Production & FPO/Farmer & their training etc.;
- f) Maximum grants-in-aid on secondary processing was 50% of Eligible Project cost/ Rs.25 crore;
- g) Had longer implementation/ gestation Period;
- h) Not many applications were received in 14th FC Cycle – Only 6 Projects were approved.

Revised scheme guidelines were issued on 08.06.2022 with the following changes:

- a) Scheme extended from three crops (tomato, onion and potato) to 22 crops - 10 fruits, 11 vegetables and shrimp;
- b) Major Production Clusters for 22 crops identified across all over India;
- c) Standalone projects along with Integrated Projects are allowed;
- d) Options to applicants to choose components under Standalone projects;
- e) Maximum Grant: Rs.15 crore per project of Integrated nature and Rs.10 crore per project of Standalone nature;
- f) Implementation period is 24 months for General Areas & 30 months for Difficult Areas;
- g) Instalments reduced from 5 to 3 to reduce compliance burden."

(RLOP Page-51&52)

2.37 On being asked by the Committee about the specific Budgetary Allocation for this Scheme during 2023-24, the Ministry stated :-

"The Budgetary Allocation for this Scheme during 2023-24 is Rs. 213.59 Crore."

(RLOP Page-52)

2.38 On being asked about the exact Action Plan of the Ministry to make sure that this Scheme is implemented in letter and spirit so as to make sure that its desired benefits reach the poor farmers and thereby contribute to their income enhancement, the Ministry stated as under :-

"After revision of the scheme guidelines, the response from the stakeholders is overwhelming against the Expression of Interest floated for inviting applications. 46 projects were approved in the FY 2023-24 against the 6 projects approved from November 2018 to 31.03.2021."

(RLOP Page-52)

2.39 When asked the reasons for drastic reduction in the Expenditure for 2022-23 as compared to RE (2022-23), the Ministry stated as under :-

"The expenditure in FY 2022-23 till 13.02.2023 is Rs.48.35 Crore against RE (2022-23) of Rs.74.49 Crore and estimated expenditure till 31.03.2023 is Rs.70 Crore. The likely savings of Rs.4.49 Crore would be on account of delayed submission of claim for release of grants-in-aid in case of Projects approved."

(RLOP Page-52)

2.40 On being asked about the time to be taken to make the total 52 Approved Projects operational, the Ministry stated as under :-

"It is expected that 52 Approved Projects will be made operational by March 2026. It is stated that implementation period (once approval letter is issued) is 24 months for General Areas and 30 months for Difficult Areas."

I. Swachhata Action Plan

2.41 An amount of Rs. 0.10 Crore was allocated at RE stage for the year 2020-21 and the Actual Expenditure was 0.09 Crore. For the year 2021-22 against an amount of Rs. 0.10 Crore allocated in RE, the Actual Expenditure was Rs. 0.01 Crore. An amount of Rs. 0.20 Crore has been allocated at RE 2022-23 and the Actual Expenditure is Rs. 0.08 Crore. An amount of Rs. 0.20 Crore has been proposed in BE 2023-24.

2.42 During evidence, however, the Secretary elaborating the details of the Scheme Pradhan Mantri Kisan Sampada Yojana(PMKSY), submitted before the Committee :-

"Sir, our third scheme is Pradhan Mantri Kisan Sampada Yojana. By the way, most of the members will know a lot about the scheme. But I will mainly tell about the performance of the year 2022-23. A scheme worth Rs 6,000 crore was approved under the 14th Finance Commission and we got an allocation of Rs 4,600 Crore in the 15th Finance Commission. We were given only Rs 1970 Crore for new projects and this expenditure has almost been committed except a small amount. The objective of the scheme is to create modern infrastructure and strengthen supply chain related infra. Sir, Integrated cold chain under component wise scheme, which is called unit scheme, Agro Processing Clusters, Food Safety and Quality Assurance, Operation Greens, Human Resources, Mega Food Parks, creation of backward and forward linkages were the initial components. In the case of this scheme, last year it was estimated that if it should be made better for the beneficiaries of the scheme, so we have slightly upgraded the guidelines to make the scheme convenient. Now uniform guidelines have been implemented on almost everyone, due to which there has been a lot of reduction in confusion. Talking about reducing the compliance burden, a lot of effort has been made in that direction. We have reduced the demand for many documents and papers in this. In the beginning, we used to ask companies to produce a lot of papers in front of us, now we do not ask for that and we give them later also. Since it is now a reimbursement scheme, it has become even more convenient."

(Proceedings Page 39&40)

2.43 The Secretary further added :-

"Earlier we used to say for the units that mini parks or Mega Food Parks would be built inside the park, but under the new revised guidelines of this scheme, we have made a provision to approve units outside as well. We have made many changes in North East and SC, ST Projects. The equity contribution which was earlier 20 per cent has been reduced to 10 per cent. The minimum loan requirement has been reduced from 20 per cent to 10 per cent. For project recognition we calculate marks, for rest we keep minimum 60, for North East

and SC, ST project we keep 45. A lot of facilities are being provided to these three even during the completion of the project."

(Proceedings Page 39&40)

II. Production-Linked Incentive Scheme for Food Processing Industry (PLIS)

2.44 Union Cabinet in its meeting on 31.03.2021 approved the Central Sector Scheme- "Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)" to support creation of global food manufacturing champions and support Indian brands of food products in the international markets with an outlay of Rs. 10,900 crores. The PLISFPI has been formulated based on the Production Linked incentive scheme of NITI Aayog under "Aatma Nirbhar Bharat Abhiyaan for Enhancing India's Manufacturing Capabilities and Enhancing Exports". The Scheme will be implemented over a six-year period from 2021-22 to 2026-27.

2.45 The Scheme Objectives are to extend financial support to food manufacturing entities, with stipulated minimum Sales and willing to make committed investment for expansion of food processing capacity and incur expenditure in branding & marketing of food products abroad to facilitate emergence of strong Indian brands. It aspires to not only support creation of global food manufacturing champions, but also to strengthen select Indian brand of food products for global visibility and wider acceptance in the international markets, increase employment opportunities of off-farm jobs, ensure remunerative prices of farm produce and higher income to farmers.

2.46 The First Component of the Scheme relates to incentivizing manufacturing of four major food product segments viz. Ready to Cook/ Ready to Eat (RTC/ RTE) foods including Millets based products, Processed Fruits & Vegetables, Marine Products and Mozzarella Cheese. The second component relates to production of Innovative/ Organic products of SMEs including Free Range - Eggs, Poultry Meat, Egg Products in these four segments. The third component relates to support for branding and marketing abroad to incentivize emergence of strong Indian brands for in-store Branding, shelf space renting and marketing.

2.47 The Ministry had invited Expression of Interest (EOI)/Proposals vide EOI notice dated 02.05.2021 for availing incentives under PLISFPI. The last date for submission of proposals was 24.06.2021. The scheme has been well received by the food processing industry and a total of 274 applications were received.

2.48 Another Component for Millet Based Products was subsequently added in the scheme to encourage the use of Millets in RTC/RTE products and incentivizing them under the PLI Scheme to promote its value addition and their sale in domestic and

export markets. Fresh Expression of Interest (EoI)/ Proposals were invited vide notice dated 27.06.2022 for availing incentives for millet based products having more than 15% millet content by weight/volume.

(Annual Report 2022-23 Page 93&94)

2.49 Year-wise expenditure from 2020-21 to 2022-23 was stated to be as under:-

(₹ in Crores)

Year	BE	RE	AE
2020-21	-	-	-
2021-22	-	10	9.27
2022-23	1022	801	108.27*

* As on 10.02.2023

(RLOP Page-4)

2.50 When asked how the Ministry is going to utilize the increased amount of Rs.1530 Crore in BE (2023-24) as compared to RE (2022-23) of Rs.801 Crore, the Ministry stated:-

"It is submitted that the Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) has 150 applicants covered under three categories. A PLI Scheme for Millet Based Products has also been carved out from the savings of original scheme. 30 applicants are covered under the scheme for Millet Based Products. Following table shows the distribution of applicants amongst the different categories of scheme.

S.No	Scheme	No of Applicants
1	Category I of PLISFPI	56*
2	Category II of PLISFPI	16**
3	Category III of PLISFPI	78
4	PLI Scheme for Millet Based Products	30
	Total	180

*Matter of one applicant is sub-judice

**Out of 16, 3 applicants were approved in the FY 2022-23

It is submitted that PLI Scheme for Millet Based Products was launched in the FY 2022-23 and the incentives under this scheme shall be payable in the next financial year i.e. FY 2023-24. It is also submitted that in the meeting dated 09.06.2022 it was decided to shift the expenditure base year for Category III applicants by one year. Therefore incentive shall be payable for Category III applicants from next financial year i.e. FY 2023-24.

For the FY 2022-23, the estimate for incentive outgo was with respect to 68 applications. For the FY 2023-24 the estimate for incentive outgo is for 180 applications, as submitted in the table above. The outgo on account of fee to the Project Management Agency (PMA) would accordingly be higher in FY 2023-23. As such, an increased allocation of Rs. 1530 Crore for BE (2023-24) has been sought as against Rs. 801 Crore for RE (2022-23)."

(RLOP Page-53)

2.51 When asked by the Committee as to whether any strategy has been formulated by the Ministry to utilize the amount allocation judiciously, the Ministry stated :-

"It is submitted that for consideration of disbursement of the incentives, the selected firms are required to submit claims based on the performance as stipulated in the scheme guidelines. An on-line portal is in place for uploading of the Quarterly Review Reports (QRRs). The companies are required to submit the QRRs of the performance on-line to the nominated Project Management Agency (PMA) i.e. M/s IFCI Ltd. The claims forms for the incentive for FY 2022-23 are also received online by PMA.

During the implementation of the Scheme, the reports received from the PLI beneficiaries are examined by PMA for correctness and eligibility. It has been the endeavour of the Ministry to ensure that the PLI beneficiaries are apprised of the requirements of the Scheme. It would be ensured that the funds allocated for the year 2022-23 are properly and correctly utilized.

In respect of the claims form submitted by the PLI Beneficiaries, PMA have also been instructed to ensure the correctness of the performance and claims by accessing the information received as per the Scheme Guidelines. "

(RLOP Page-54)

2.52 While deposing before the Committee, the Secretary explained the stages of implementation of this Scheme as under :-

"Its main objective is to make industries global manufacturing champions and promote Indian brands. We have linked companies to this scheme in two stages. Phase-1 had 3 components – RTC, RTE, Fruits and Vegetables, Marine and Mozzarella Cheese. The second is – the category of new products and organic and the third is – giving a component of expenditure to the companies on branding in marketing. In Phase-2, we have done a PLI for millets based products last year and it has also been very successful.

This is the total number of approvals under PLI, in which 56 companies have been approved in RTE, RTC, Food and Vegetables, Marine and Mozzarella. These 56 companies will get the facility of this scheme from the year 2021-22 to the year 2026-27. Next category is Innovative and Organic, they will also get this facility from 2021-22 to 2026-27. Branding in Marketing in Category 3, started simultaneously but due to the suggestion of Empowered Group of Secretaries, its facility has been extended from the year 2022-23 to 2026-27. Basically, the cost of this Component has increased by one year. Third is- Thirty Companies are associated with us in PLI Four Millets based products. It has 8 large companies and 22 small companies. They will get the facility of incentive gain from the year 2022-23 to 2026-27. The 56 Companies which belong to Category 1, mainly only they have to do the work of investment. We do not expect small companies to take advantage of this scheme by investing.

2.53 The Secretary further added :-

"Sir, this Scheme was started on 02.05.2021. As I said in Phase 1, 150 proposals were accepted and in Phase 2, a total of 30 proposals were accepted. The Scheme is expected to increase processing capacity equivalent to an output of Rs 33,000 Crore. We estimate that 2.5 Lakh people will get employment by the year 2026-27. The committed investment of 56 companies is of Rs. 7722 Crore. Out of this, the investment of around 5 thousand has been completed. We have started receiving claims under this scheme in this financial year and we are estimating that we will be able to distribute an incentive of about 750 crores this year. As I told earlier that 350 Crore have been kept in this year's budget for branding in marketing, it will not be spent this year, next year their claims will come."

(Proceedings Page 38 & 39)

Centrally Sponsored Scheme

Prime Minister Formalization of Micro Food Processing Enterprises (PMFME) Scheme

2.54 As part of Aatmanirbhar Bharat Abhiyan, Ministry of Food Processing Industries (MoFPI) has launched an all India centrally sponsored scheme, namely, "PM Formalisation of Micro Food Processing Enterprises (PMFME) Scheme" for providing financial, technical and business support for upgradation of existing micro food processing enterprises. The Scheme was approved by the Union Cabinet on 20 May,

2020 and Guidelines for the scheme were issued on 19 June, 2020. It is to be implemented for a period of five years from 2020-21 to 2024-25 with an outlay of Rs. 10,000 cr. Two lakh micro food processing units will be directly assisted with credit linked subsidy.

(Annual Report 2022-23 Page 83)

Objectives: Taking cognizance of the contribution of the unorganized micro food processing enterprises and the challenges that impede their performance, MoFPI is implementing the scheme through a package of support and services. The objectives of the scheme are as follows:

- (i) Increased access to credit by existing Micro Food Processing entrepreneurs, FPOs, Self Help Groups and Co-operatives;
- (ii) Integration with organized supply chain by strengthening branding & marketing;
- (iii) Support for transition of existing 2,00,000 enterprises into formal framework;
- (iv) Increased access to common services like common processing facility, laboratories, storage, packaging, marketing and incubation services;
- (v) Strengthening of institutions, research and training in the food processing sector; and
- (vi) Increased access for the enterprises to professional and technical support.

The Scheme aims to:

- (i) Enhance the competitiveness of existing individual microenterprises in the unorganized segment of the food processing industry and promote formalization of the sector; and
- (ii) Support Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives along their entire value chain.

2.55 Year-wise expenditure from 2020-21 to 2022-23 is as under:-

(₹ in Crores)			
Year	BE	RE	AE
2020-21	-	400.00	394.59
2021-22	500.00	399.00	326.46
2022-23	900.00	290.00	181.86*

* As on 10.02.2023

(RLOP page 4)

2.56 When categorically asked by the Committee as to whether Expenditure in Central Sector Schemes, Centrally Sponsored Schemes and Non-Schemes of the

Ministry of Food Processing Industries was evenly spent during the Financial Years 2020-21, 2021-22 and 2022-23, the Ministry in its written reply stated as follows:-

“The Expenditure, during the years 2020-21 and 2021-22, was incurred as per the guidelines issued by the Ministry of Finance from time to time including relaxations issued due to situation arising out of the then the prevailing Covid situation. Excess expenditure towards the end of FY was incurred with the approval of Ministry of Finance. During the FY 2022-23 also, the guidelines for incurring expenditure has been followed. In the first 3 Quarters of the FY, the expenditure has been less than the Quarterly targets projected in the DDG 2022-23. However, the shortfall in expenditure will be met in fourth Quarter with the permission of Ministry of Finance, so that expenditure of RE 2022-23 is maximized. The quarter-wise details are given below:

(Rs. in Crore)

Financial year	I st Qtr		II nd Qtr		III rd Qtr		IV th Qtr	
	Projected	Expdr.	Projected	Expdr.	Projected	Expdr.	Projected	Expdr.
2020-21	271.25	184.97	406.87	284.41	246.59	193.82	308.23	489.48
2021-22	287.77	304.54	433.82	242.96	261.60	271.59	325.47	328.30
2022-23	735.49	126.62	970.85	219.51	588.41	319.09	647.24	111.87(upto 13/02/23)

(RLOP page 5)

2.57 When categorically asked by the Committee as to whether there had been rush of funds in Central Sector Schemes, Centrally Sponsored Schemes and Non-Schemes of the Ministry of Food Processing Industries at the end of 2020-21, 2021-22 and 2022-23; the Ministry submitted as under:-

“There had been no rush of expenditure at the end of the Financial Year in 2020-21 and 2021-22 whereas in FY 2022-23 the expected expenditure in fourth quarter will exceed the quarterly target reflected in the DDG 2022-23. This will be done with necessary permission of Ministry of Finance”.

(RLOP page 6)

2.58 When asked out of Rs. 1901.59 Crore allocated at RE (2022-23) stage only Rs. 693.48 Crore has been utilized by the Ministry, the Ministry stated as under:-

“CCEA approval for PMKSY continuation during 15th FC Cycle was obtained on 01.02.2022, leading to no new projects approved under the scheme during 2021-22. As most of the projects supported under component schemes of PMKSY have gestation period of 2-3 years with staggered fund releases against milestones, fund utilization in the scheme has been relatively subdued in recent

past. However, during 2022-23, Ministry has so far sanctioned a total of 323 new projects with committed grants of about 1800 Cr. Ministry is continuously monitoring/ handholding these projects, which would lead to better fund utilization during the remainder of FY.

Finance Ministry has introduced revised procedure for flow of funds under Central Sector and Centrally sponsored schemes, which has impacted disbursement of central share releases under FME scheme. As per revised procedure only 25% of the Central share can be released in one installment. The second installment of 25% can only be released when the State utilized at least 75% of the previous release. In the absence of utilization of prior released funds by states and non-updation of PFMS data, Ministry was unable to release central share component to many states.

PLIS scheme was introduced in 2021-22 and after finalization of guidelines and finalization of EoI for applicants, scheme beneficiaries could be finalized only in first quarter of 2022-23. This led to sluggish pace of fund utilization in initial part of FY”.

(RLOP Page 13)

2.59 When asked whether utilization of funds during 2022-23 has so far hampered the progress of achieving the objectives of the Schemes by the Ministry of Food Processing Industries the Ministry stated as under:-

“Ministry has substantially exhausted funds available under General Head of the schemes like Mega Food Parks, Agro Processing Clusters, Integrated Cold Chain and Value Addition Infrastructure; Creation/Expansion of Food Processing and Preservation Capacities; Food Safety and Quality Assurance Infrastructure, Operation Greens and PM Formalization of Micro Food Processing Enterprises Scheme and has proposed re-appropriation of funds from schemes, where it has not been able to fully utilize allocations. Sufficient number of proposals is ripe for release of additional funds in these schemes. Thus the objectives of the schemes have not been adversely affected in substantial way”.

(RLOP Page 13)

2.60 When asked by the Committee about the number of Micro Food Processing Units so far have been formalized and the money spent for the purpose during the last 3 years, year-wise, the Ministry stated:-

"Till 10th February 2023, 11,285 micro food processing enterprises have been formalized. The PMFME scheme was approved in June 2020 and online portal for submission of application under the scheme was started in January 2021. The year wise details of units formalised along with money spent during the last 2 years, are as under:

Sl. No.	Financial Year	No. of unit	Amount of loan disbursed to units (Rs. in Cr)
1	2020-21	0	0
2	2021-22	1255	116
3	2022-23	10030	861
	Total	11285	977

"

(RLOP Page 56)

2.61 When asked about the target fixed for 2023-24 and the Outlay envisaged for the purpose, the Ministry stated:-

"The target for setting up / upgradation of micro food processing units fixed for FY 2023-24 is 22000 units and the Budget Estimates (BE) for FY 2023-24 is Rs. 639.05 Cr."

(RLOP Page 56)

Status of Utilisation Certificates

2.62 When asked to furnish details about Utilization Certificates (UCs) furnished by the States/Union territories under various Schemes of the Ministry for the last three Financial Years, State/ Union territories -wise, year-wise, the Ministry stated:-

	UCs Pending as on 01.04.2020	UCs Pending as on 01.04.2021	UCs Pending as on 01.04.2022
No. of UCs	2221	1418	1389
Amount	1055.21	699.41	629.68

"The status of pending UCs is being regularly reviewed in the Senior Officers Weekly Meeting and O/o CCA closely coordinates with the scheme Divisions for liquidation of pending UCs."

(RLOP Page 20)

2.63 The Secretary detailing the genesis, structure and implementing process, deposited before the Committee as under :-

"I would like to give some brief information about PMFME. Under the self-reliant India campaign, it was started in May 2020 with any outlay of 10 thousand crore

rupees till the year 2024-25. One of our main tasks in this scheme is to provide credit linked subsidy to 2 lakh micro food processing units. It is our job to link two lakh SHG members with Seed Capital. In this, importance has to be given to one district one product. Common facilities will provide the facility of marketing branding. The main objective of this scheme is to strengthen our small units, which have not yet been formalized, which do not have proper linkage anywhere. In this, FPOs, SHGs, cooperatives help.

(Proceedings Page 36&37)

2.64 The Secretary further added :-

"A general profile of PMFME is that a grant of 35 per cent, subject to a maximum of Rs 10 lakh, is given to individual units and groups. In this, for common infrastructure, at the rate of 35 percent with the limit of Rs. 3 crore, is given. Those who are SHG Members, whose total number has been given 2 lakh under our Scheme, there is a provision to give seed capital upto Rs 40 thousand per member. They can use it as working capital in a way. We can refund 50 percent subsidy to these small units for whatever expenditure they will incur for marketing and branding, for which we will have to give approval in advance. Apart from this, there is also a provision for imparting training for capacity building."

(Proceedings Page 36&37)

Chapter - 3

Demands for Grants (2023-24)

3.1 The Ministry proposed an amount of Rs. 3473.97 Crore to the Ministry of Finance but an amount of Rs. 3287.65 Crore has been allocated at BE (2023-24) stage.

(Preliminary Material Statement No.2)

3.2 Scheme-wise break up of funds allocated for the year 2023-24 for Scheme components is as under :-

Details of Funds Proposed, Allocated, Revised and Actually Spent for the last three years by the Ministry of Food Processing Industries

2020-21				2021-22				2022-23 (in Rs. Crores)			
Proposed	BE	RE	Actual Expenditure	Proposed	BE	RE	Actual Expenditure	Proposed	BE	RE	Actual Expenditure
1182.94	1382.94	1247.42	1152.68	3490.07	1308.66	1304.12	1147.39	3564.92	2941.99	1901.59	693.48

(Preliminary Material, Annexure-II)

Proposed Outlay and Budget Allocation 2023-24 (Rs. in Crore)

Sl. No.	Budget Allocation (BE)	Proposed Outlay 2023-24	BE 2023-24
A.	PM Formalisation of Micro Food Processing Enterprises (PM FME) (CSS)	750.00	639.05
B.	Production Linked Incentive Scheme (PLIS)	1530.00	1530.00
C.	PMKSY		
1.	Integrated Cold Chain & Value Addition Infrastructure	195.00	196.50
2.	Creation/Expansion of Food Processing & Preservation	320.00	320.00
3.	Infrastructure for Agro Processing Clusters	81.00	81.30
4.	Creation of Backward and Forward Linkages	3.19	5.39
5.	Food Safety and Quality Assurance	48.56	46.50
6.	Operation Greens	216.75	213.59
7.	Human Resources and Institutions	3.44	4.96
8.	Mega Food Parks	55.80	54.80
9.	Swacchta Action Plan (SAP)	0.20	0.20
D.	Non Scheme Expenditure	270.03	195.36
	Total	3473.97	3287.65

(Powerpoint Presentation, Page 32)

Central Sector Schemes

Pradhan Mantri Kisan Sampada Yojana (PMKSY)

3.3 An amount of Rs. 923.94 Crore has been proposed by the Ministry for all the Sub- Schemes of PMKSY for the year 2023-24 and Rs. 923.24 Crore has been allocated at BE stage.

(Preliminary Material Statement No.2)

Scheme for Mega Food Projects

3.4 The responsibility of execution, ownership and management of the Mega Food Park is vested with a Special Purpose Vehicle (SPV) in which financial Institutions/banks, organized retailers, processors, service providers, producers, farmer organizations and other related stakeholders would be the shareholders.

3.5 Out of the total 41 Mega Food Parks (MFPs) sanctioned by the Government, 23 Mega Food Parks have become Operational. Since APC is going to supplant the intent behind MFP scheme, it has been discontinued in 15th FC cycle with provision for committed liability for ongoing projects.

(Preliminary Material, Page - 13 & 14)

3.6 When asked to give reasons for proposing funds to Scheme for Mega Food Parks for the year 2023-24 as the Scheme has been discontinued in the 15th Finance Cycle, the Ministry stated as under:-

“The MFP scheme has been discontinued in the 15th Finance Cycle with provision for committed liability. Thus, projects which have already been approved prior to 15th FC cycle and are still ongoing, need funds for completion. Therefore, budget provisions have been proposed during 2023-24 for release in respect of ongoing projects”.

(RLOP Page 14)

Scheme for Infrastructure for Agro Processing Clusters

3.7 When asked with regard to the Scheme for Creation of Infrastructure for Agro Processing Clusters, the Target for 2023-24 is 12 but looking into the past achievements for the year 2020-21, 2021-22 and 2022-23 the set target has not been achieved. How the Ministry is going to achieve the target set for the year 2023-24, the Ministry stated as under:-

“As the Mega Food Park Scheme has been discontinued, there is possibility for attracting more prospective entrepreneurs for applying under the Scheme for

Creation of Infrastructure for Agro Processing Clusters (APC scheme) thereby the requisite number of project proposals could be completed during the year 2023-24. By continuous monitoring / reviewing and physical site inspection of Projects, the Project Implementing Agencies of the approved Agro Processing Clusters would be encouraged to complete the projects within the stipulated timeline”.

(RLOP Page 14)

3.8 When asked out of 79 Projects approved upto 17.01.2023, how many Projects are functional, how many farmers have been benefitted directly with the implementation of this Project, the Ministry stated as under:-

“Out of 79 approved projects, in 16 projects –core processing & basic enabling infrastructure have been completed. 41775 numbers of farmers have been benefitted from these 16 completed projects”.

(RLOP, Page 27)

3.9 On being asked for the year 2022-23, an amount of Rs. 56.55 Crore had been allocated and an amount of Rs. 24.84 Crore is the Actual Expenditure till 17.01.2023, the Ministry stated as under:-

“As on 10.02.2023, an actual expenditure of Rs. 31.06 Crore has already been utilised under APC scheme during the current financial year. Further, there are release proposals under process and it is expected that the entire fund would be utilised by the end of this financial year except the funds under SCSP and TSP budget heads of the scheme”.

(RLOP, Page 27)

State/UT-wise number of approved and completed Agro Processing Cluster projects under Scheme for creation of infrastructure for Agro Processing Clusters from 2017-18 to 2022-23 (31.01.2023)

S.No	State/ UT	Approved	Completed
1	Andhra Pradesh	4	0
2	Assam	8	0
3	Bihar	1	0
4	Chhattisgarh	1	0
5	Goa	0	0
6	Gujarat	4	2
7	Haryana	3	1
8	Himachal Pradesh	2	1
9	Jammu & Kashmir UT	1	1
10	Jharkhand	0	0

11	Karnataka	5	1
12	Kerala	2	2
13	Madhya Pradesh	5	2
14	Maharashtra	14	4
15	Orissa	1	0
16	Punjab	3	0
17	Rajasthan	4	0
18	Tamil Nadu	11	0
19	Telangana	5	0
20	Uttar Pradesh	3	2
21	Uttarakhand	1	0
22	West Bengal	0	0
23	Arunachal Pradesh	0	0
24	Manipur	0	0
25	Meghalaya	1	0
26	Mizoram	0	0
27	Nagaland	0	0
28	Tripura	0	0
29	Sikkim	0	0
30	A & N Islands	0	0
31	Chandigarh	0	0
32	D & N Haveli & Daman & Diu	0	0
33	Delhi	0	0
34	Lakshadweep	0	0
35	Pondicherry	0	0
36	Ladakh UT	0	0
	Total	79	16

(RLOP ANNEXURE I)

Scheme for Integrated Cold Chain and value Addition Infrastructure

3.10 An amount of Rs. 195.00 Crore was proposed by the Ministry for this Scheme for the year 2023-24 and Rs. 196.50Crore has been allocated.

(Preliminary Material, Page)

3.11 When asked to furnish details of assessment carried out by the Ministry or any other Government agency regarding the requirement for Integrated Cold Chain Facilities in the country , the Ministry stated as under:-

“The National Centre for Cold Chain Development (NCCD) under the Ministry of Agriculture & Farmer’s Welfare had instituted a study on All India Cold-chain Infrastructure Capacity (AICIC-2015). This study was conducted by NABARD Consultancy Service and reported that 35 million metric tonnes (MMT) cold

storage capacity is required against the existing capacity of 32 million metric tonnes (MMT)".

(RLOP Page 28)

3.12 On being asked about the Physical and Financial Targets proposed to be achieved by the Department in 2023-2024 in respect of Scheme for integrated Cold Chain and Value Addition Infrastructure, the Ministry stated as under:-

"Achieving of expenditure of Rs.196.50 crore as financial target and completion of 40 projects as physical target has been set for 2023-24"

(RLOP Page 30)

3.13 When asked out of 269 Projects completed, how many Projects are functioning as on date, the Ministry stated as under:-

"260 projects are operational".

(RLOP Page 30)

3.14 When asked to give details of the number of farmers benefitted in this Scheme, the Ministry stated that:

"On an average, 9552 farmers are benefitted from one Cold Chain project."

(RLOP Page 31)

3.15 When asked to give reasons for not considering any eligible proposals / proposals received for this Scheme, the Ministry stated as under:-

"29 eligible proposals received in response to the EOI dated 21.06.2022 (as could not be approved for want of funds.)"

(RLOP Page 31)

3.16 When asked to give details Out of an allocation of Rs. 203.74 Crore (proposed) at RE (2022-23), an amount of Rs. 140.21 Crore has been utilized till 17.01.2023. How the balance amount will be utilized by the Ministry?

"Allotted RE-2022-23 is Rs.222.34 Crore and expenditure achieved as on 13.02.2023 is Rs.165.24 Crore. Sanction for release of another Rs.6.66 Crore have been issued. Proposals for additional release of around Rs.30.40 Crore have also been planned. Net expenditure of Rs.203.40 Crore is targeted for achievement".

Scheme for creation of Expansion of Food Processing and Preservation Capacities

3.17 An amount of Rs. 320.00 Crore has been allocated for this Scheme for the year 2023-24 against the same amount proposed.

(Preliminary Material Statement No.1)

3.18 **State-wise and year-wise details of Physical Performance (projects sanctioned and completed) under the Scheme for the last three years and current financial year (as on 31.01.2023):**

S.No.	State/UT	2019-20		2020-21		2021-22		2022-23 (as on 31.01.2023)	
		Approved	Completed	Approved	Completed	Approved	Completed	Approved	Completed
1	Andhra Pradesh	3	0	0	0	0	1	8	1
2	Arunachal Pradesh	3	0	2	0	0	0	5	1
3	Assam	3	2	9	1	3	2	21	3
4	Bihar	1	0	0	0	0	1	4	0
5	Chhatisgarh	0	0	0	1	0	0	3	0
6	Goa	1	0	0	0	0	0	0	0
7	Gujarat	13	2	5	3	0	6	13	5
8	Haryana	5	1	0	3	0	5	5	2
9	Himachal Pradesh	7	0	3	2	0	3	6	7
10	Jharkhand	0	0	0	0	0	0	0	0
11	Karnataka	5	0	4	5	0	2	6	1
12	Kerala	5	0	3	1	0	3	7	5
13	Madhya Pradesh	2	0	2	3	0	0	13	1
14	Maharashtra	15	0	7	3	0	11	52	7
15	Manipur	2	0	2	0	0	0	0	1
16	Meghalaya	0	1	1	0	0	0	0	0
17	Mizoram	1	0	0	0	0	0	0	0
18	Nagaland	0	0	0	0	0	0	0	0
19	Odisha	0	0	0	1	0	0	2	0
20	Punjab	3	2	1	1	0	1	9	1
21	Rajasthan	3	2	0	2	0	2	15	0
22	Sikkim	1	0	0	0	0	0	0	0
23	Tamil Nadu	2	5	3	6	0	1	13	3
24	Telanga	1	0	0	1	0	0	8	0

	na								
25	Tripura	3	0	1	0	0	1	1	2
26	Uttar Pradesh	7	4	2	3	0	6	12	4
27	Uttarakhand	5	0	1	1	0	1	9	2
28	West Bengal	7	0	1	2	0	1	6	0
29	A&N Islands	0	0	0	0	0	0	0	0
30	Chandigarh	0	0	0	0	0	0	0	0
31	Delhi	0	0	0	0	0	0	0	0
32	Dadra & Nagar Haveli and Daman & Diu	1	0	0	0	0	0	0	1
33	Jammu & Kashmir	4	0	2	1	0	3	0	4
34	Ladakh	0	0	0	0	0	0	0	0
35	Lakshdweep	0	0	0	0	0	0	0	0
36	Pondicherry	0	0	0	0	0	0	0	0
	Total	103	19	49	40	3	50	218	51

(RLOP Annexure V)

3.19 Sector wise details of the approved projects under the CEFPPC scheme as on 08.02.2023

Sr. No.	Sector	Number of Units		
		Completed	Ongoing	Total
1	Consumer Industry	74	108	182
2	Fruits & Vegetables Processing	61	95	156
3	Dairy/ Milk Processing	6	28	34
4	Fish & Marine Processing	4	3	7
5	Grain Milling	36	45	81
6	Meat & Poultry Processing	5	4	9
7	Oil Milling	4	17	21
	Total	190	300	490

(RLOP Annexure IV)

3.20 When asked to furnish State-wise details of Physical performance (Targets & Achievements and Shortfall/Excess, if any, along with the reasons for the same) year-wise and State/Union territories wise under the Scheme for the last three years, the Ministry that neither State-wise physical targets nor financial allocation are made under the scheme. However, they furnished State-wise and year-wise details of Physical Performance (projects sanctioned and completed) under the Scheme for the last three years and current financial year (as on 31.01.2023) which is explained below:

S.No.	State/UT	2019-20		2020-21		2021-22		2022-23 (as on 31.01.2023)	
		Approved	Completed	Approved	Completed	Approved	Completed	Approved	Completed
1	Andhra Pradesh	3	0	0	0	0	1	8	1
2	Arunachal Pradesh	3	0	2	0	0	0	5	1
3	Assam	3	2	9	1	3	2	21	3
4	Bihar	1	0	0	0	0	1	4	0
5	Chhattisgarh	0	0	0	1	0	0	3	0
6	Goa	1	0	0	0	0	0	0	0
7	Gujarat	13	2	5	3	0	6	13	5
8	Haryana	5	1	0	3	0	5	5	2
9	Himachal Pradesh	7	0	3	2	0	3	6	7
10	Jharkhand	0	0	0	0	0	0	0	0
11	Karnataka	5	0	4	5	0	2	6	1
12	Kerala	5	0	3	1	0	3	7	5
13	Madhya Pradesh	2	0	2	3	0	0	13	1
14	Maharashtra	15	0	7	3	0	11	52	7
15	Manipur	2	0	2	0	0	0	0	1
16	Meghalaya	0	1	1	0	0	0	0	0
17	Mizoram	1	0	0	0	0	0	0	0
18	Nagaland	0	0	0	0	0	0	0	0
19	Odisha	0	0	0	1	0	0	2	0
20	Punjab	3	2	1	1	0	1	9	1
21	Rajasthan	3	2	0	2	0	2	15	0
22	Sikkim	1	0	0	0	0	0	0	0
23	Tamil Nadu	2	5	3	6	0	1	13	3
24	Telangana	1	0	0	1	0	0	8	0

25	Tripura	3	0	1	0	0	1	1	2
26	Uttar Pradesh	7	4	2	3	0	6	12	4
27	Uttarakhand	5	0	1	1	0	1	9	2
28	West Bengal	7	0	1	2	0	1	6	0
29	A&N Islands	0	0	0	0	0	0	0	0
30	Chandigarh	0	0	0	0	0	0	0	0
31	Delhi	0	0	0	0	0	0	0	0
32	Dadra & Nagar Haveli and Daman & Diu	1	0	0	0	0	0	0	1
33	Jammu & Kashmir	4	0	2	1	0	3	0	4
34	Ladakh	0	0	0	0	0	0	0	0
35	Lakshdweep	0	0	0	0	0	0	0	0
36	Pondicherry	0	0	0	0	0	0	0	0
	Total	103	19	49	40	3	50	218	51

(RLOP Annexure IV)

3.21 On being asked about the Physical and Financial targets proposed to be achieved by the Department in 2023-2024 in respect of creation/expansion of Food Processing and Preservation Capacity, the Ministry stated as under:

“Under CEFPPC scheme, during financial year 2023-24, it is proposed to make physical achievement of 80 units (completed) with financial achievement of Rs 320 Cr, provided under BE for FY 2023-24”.

(RLOP page 35)

3.22 When asked out of 427 Approved Projects only 183 have been completed. By what time the remaining 244 Projects will be completed, the Ministry stated as under:-

“Out of these 244 projects, 80 projects are targeted to be completed in 2023-24 and remaining 164 projects are targeted to be completed in 2024-25”.

(RLOP page 35)

Scheme for Creation of Backward and Forward Linkages

3.23 An amount of Rs.3.19 Crore has been proposed by the Ministry for this Scheme for the year 2023-24 and Rs. 5.39 Crore has been allocated.

(Preliminary Material Statement No.1)

Scheme for Food Safety and Quality Assurance Infrastructure

3.24 An amount of Rs.48.56 Crore has been proposed by the Ministry for this Scheme for the year 2023-24 and Rs. 46.50 Crore has been allocated.

(Preliminary Material Statement No.1)

3.25 The Scheme for Setting Up/Up gradation of Food Testing Lab is implemented with the rationale to support the Food Safety regulatory activities of the Food Processing Sector and to help the food processing industry in regard to quality control measures. Under the scheme, Government organizations are eligible for Grant-in-Aid of @100% of eligible cost of the approved equipment for Government organizations and @70% of eligible cost of the approved equipment for private organizations for NER/SC/ST & @50% of eligible cost of the approved equipment for others.

Scheme for Human Resources and institutions

3.26 An amount of Rs. 3.44 Crore has been proposed by the Ministry for this Scheme for the year 2023-24 and Rs. 4.96 Crore has been allocated.

(Preliminary Material Statement No.1)

Production-Linked Incentive Scheme for Food Processing Industry (PLIS)

3.27 An amount of Rs. 1530.00 Crore has been proposed by the Ministry for this Scheme for the year 2023-24 and Rs. 1530.00 Crore has been allocated.

3.28 The Scheme was approved on 31.03.2021, for implementation during FY 2021-22 to 2026-27 with total outlay of Rs 10,900 Crore. The Main Objective is to support creation of global food manufacturing champions; to promote Indian brands.

Broad components of the scheme:

Phase I-

1st component- RTC/ RTE including millet-based foods, Processed F&V, Marine Products & Mozzarella Cheese;

2nd component- Innovative/ Organic products of SMEs across above food product segments including Free Range - Eggs, Poultry Meat & Egg Products;

3rd component- Branding and marketing support abroad;

Phase II -Millet Based Products.

Progress under PLI Scheme so far

- Scheme guidelines finalized and proposals invited on 02.05.2021. 150 proposals finalized in 3 categories after evaluation;
- With budget savings in 1st round, a component for “Millet Based Products” introduced and proposals invited on 27.06.2022;
- 30 proposals approved in 2nd round for Millet based products and 3 new proposals for organic products;
- Scheme likely to facilitate expansion of processing capacity for output of over Rs 33,000 crore and create nearly 2.5 lakh employment by 2026-27;
- Investment of about ₹ 5000 Crores made so far by the beneficiaries against total committed investment of ₹ 7722 Crores ;
- Incentive Disbursal started after receipt of the claims. Disbursal of about ₹ 750 Crores likely in FY 2022-23.

(Powerpoint presentation page 9 & 10)

Centrally Sponsored Scheme

Prime Minister Formalization of Micro Food Processing Enterprises (PMFME) Scheme

3.29 An amount of Rs. 750.00 Crore has been proposed by the Ministry for this Scheme for the year 2023-24 and Rs. 639.05 Crore has been allocated.

(Power point Presentation pg.30)

3.30 The Scheme has been rolled out as a Centrally Sponsored Scheme in 2020 under AtmaNirbhar Bharat Package with an outlay of Rs. 10,000 Crore to benefit 2 lakh micro food processing units over a period of five years. An amount of Rs. 639.05 Crore in BE 2023- 24 has been projected.

(Preliminary Material page.2)

3.31 **One District One Product:** PMFME Scheme adopts One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. ODOP for the scheme will provide the framework for value chain development and alignment of support infrastructure. The ODOP product selected are either a perishable agri-produce, cereal-based product or a food product widely produced, Minor Forest Produce or traditional food products in a district and their allied sectors. The ODOPs are recommended by the States/UTs on the basis of agriculture production, number of

micro food enterprises and SHGs/Cooperatives/Producer group engaged in processing of food product. The list of ODOP has been reconciled with the ODOP list of MoA&FW. PMFME Scheme provides support to existing individual micro units for capital investment. New units, for both individual and groups would be supported for ODOP products. The scheme also envisages strengthening backward and forward linkages, provision of common facilities, incubation centres, training, R&D, marketing & branding, provision of which would primarily be for ODOP products.

(Preliminary Material Annexure-VI Page 39&40)

3.32 During the evidence, however, regarding ODOP Products, the Secretary submitted before the Committee as follows:-

"We do not have restrictions any more on a particular product. Any product can be opted for and you can invest in any product."

(Proceedings Pg 49)

RECOMMENDATIONS/OBSERVATIONS

ANALYSIS OF DEMANDS

RECOMMENDATION NO. 1

The Committee note that against the proposed allocation of Rs. 3,473.97 Crore for BE 2023-24 by the Ministry, an amount of Rs. 3,287.65 Crore in BE 2023-24 has been allocated. Though it is less than the proposed amount, it is higher than the amount of Rs. 2,941.99 Crore allocated for BE 2022-23.

The Committee feel that less allocation of funds to the Ministry may be due to less utilization of allocated funds, which is clear from the Statement given by the Ministry regarding Scheme-wise outlays and Expenditure for the years 2020-21, 2021-22 and 2022-23. The Committee feel that the under-utilization of allocated funds consistently by the Ministry is acting as a stumbling block in achieving the objectives of various Schemes of the Ministry aimed at addressing critical issues of food security, food inflation and providing wholesome nutritious foods to the masses, ensuring better returns for the farmers, generating employment and earning foreign exchange through the exports.

The Committee, therefore, desire that the Ministry should strive hard for optimal utilization of allocated funds for effective implementation of the Schemes.

PRADHAN MANTRI KISAN SAMPADA YOJANA (PMKSY)

RECOMMENDATION NO. 2

The Committee note that the Ministry has been implementing the Pradhan Mantri Kisan Sampada Yojana Scheme launched in May, 2017, which is a Central Sector Scheme. The Scheme has eight components :- (i) Mega Food Parks (ii) Integrated Cold Chain and Value Addition Infrastructure (iii) Creation / Expansion of Food Processing and Preservation Capacities (Unit Schemes) (iv)

Infrastructure for Agro Processing Clusters (v) Creation of Backward and Forward Linkages (vi) Food Safety and Quality Assurance Infrastructure (vii) Human Resources and Infrastructure and (viii) Operation Greens. The Committee note that an amount of Rs. 923.94 Crore has been provisioned for BE 2023-24 for PMKSY. The Committee also note that with regard to achievement of targets for the Scheme, there has been shortfall in nearly all the Components of the Scheme. The Committee feel that unless all the Components of the PMKSY Scheme are implemented as per the target set by the Ministry, the avowed objective of the Scheme including better return to farmer and creating huge employment opportunities especially in the rural areas cannot be achieved.

The Committee, therefore, recommend that the Ministry should strive hard to implement the Scheme as per the targets set by them in a properly planned manner.

**INFRASTRUCTURE FOR AGRO PROCESSING CLUSTERS SCHEME
RECOMMENDATION NO. 3**

The Committee note that the objective of the Scheme is to create modern infrastructure for food processing closer to production areas, to provide integrated and complete preservation infrastructure facilities from the farm gate to the consumers and to create effective backward and forward linkages by linking groups of producers/farmers to the processors and market through well equipped supply chain. The Committee further note that for the year 2020-21 an amount of Rs. 56.69 Crore had been allocated at RE Stage and the Actual Expenditure was Rs. 48.47 Crore, for the year 2021-22 an amount of Rs. 53.90 Crore had been allocated and the Actual Expenditure was Rs. 49.08 Crore and for the year 2022-23 against Rs. 56.55 Crore allocation, and the Actual

Expenditure has been Rs. 28 Crore. For BE 2023-24, an amount of Rs. 81.30 Crore has been allocated against Rs. 81 Crore proposed.

The Committee also note that the target set for the year 2023-24 is 12 Projects but the target set for the years 2020-21, 2021-22 and 2022-23 have not been achieved. The Committee also note that out of 79 Projects approved, core processing and basic enabling infrastructure have been completed in 16 Projects and 41,775 numbers of farmers have benefitted from these 16 completed Projects. The Committee also note that this Scheme is demand driven and as such no Projects have been approved in the States of Goa, Jharkhand, West Bengal, Arunachal Pradesh, Manipur, Mizoram, Nagaland, Tripura, Sikkim, Andman and Nicobar Islands, Chandigarh, Dadar and Nagar Haveli of Daman and Diu, Delhi, Lakshadweep, Pondicherry and Ladakh.

The Committee, therefore, recommend that the Ministry should make earnest efforts to complete 79 Approved Projects in a time bound manner and also try to identify the reasons for the proposals not being received for a Single Project from the above mentioned States. The Committee would like to be informed of the action taken in this regard.

SCHEME FOR INTEGRATED COLD CHAIN AND VALUE ADDITION INFRASTRUCTURE

RECOMMENDATION NO. 4

The Committee note that under this Scheme for setting up of Integrated Cold Chain, Preservation and Value Addition Infrastructure Facilities without any break from the farm gate to the consumer, the Ministry provides financial assistance in the form of grant-in-aid @50% of eligible Project cost for areas for North-eastern States, Scheduled Caste, Scheduled Tribe, FPOs, SHGs and

@35% for other regions, subject to a maximum grants-in-aid of Rs. 10 Crore Per Project.

The Committee were further informed that as on 31.12.2022, 376 Integrated Cold Chain Projects have been taken up for implementation. Out of these, 269 Projects have been completed and 107 are at various stage of implementation. The Committee note that a study conducted by NABARD Consultancy Services (NABCONS) revealed that 35 Million Metric Tonnes (MMT) cold storage capacity was required against the existing capacity of 32 Million Metric Tonnes (MMT).

The Committee are of the opinion that one of the main reasons for high losses in the supply chain of perishables is the absence of adequate and efficient Cold Chain Infrastructure right from the farm gate to the consumers. The Committee, therefore, recommend the Ministry to strive hard to make sure that all the approved Projects are completed in time so that they can start commercial operations at the earliest. The Committee also desire the Ministry to establish Cold Storage Plants as per the need and requirement in remote parts of the country so that the objective of curtailing the Post Harvest Losses of Agriculture and Horticulture produce can be achieved. The Committee would like to be informed of the action taken in this regard.

**OPERATION GREENS
RECOMMENDATION NO. 5**

The Committee note that in pursuance of the budget announcement for the year 2018-19, the Ministry of Food Processing Industry had launched a new Central Sector Scheme "Operation Greens" for Integrated Development of Tomato, Onion and Potato (TOP) Value Chain with a budgetary allocation of Rs. 500 Crore. The Scheme envisages to promote Farmer Producers Organizations, Agri-logistics, Processing Facilities and Professional Management. Grants-in-aid

@35% of eligible Project cost for Projects in General Areas and @50% of eligible Project cost of Projects in Difficult Areas as well as for Projects of SC/ST, FPOs and SHGs with maximum of Rs. 50 Crore is provided under this Scheme. Organizations such as State Agriculture Federations, State Marketing Federations, Farmer Producer Organizations, Cooperative SHGs, Companies, Food Processors, Logistics Companies, Supply Chain Operators, Retail Chains, Wholesale Chains, State/Central entities/organizations etc. are eligible for financial assistance under this Scheme. The Scheme has two pronged strategies of Long term interventions and Short term interventions.

The Committee also note that revised Scheme Guidelines were issued on 08.06.2022 for effective implementation of this Scheme. 6 Projects were approved till 31.03.2021 but only 2 Projects are at completion stage. Further, the Committee were told that 52 Approved Projects will be made operational by March, 2026, which is due to the huge response from the Stakeholders, after the guidelines were revised.

The Committee are dismayed to note that even after 4 years of introduction of this Scheme, only 2 Projects are at completion stage. The Committee feel that with such a slow progress, the very objective of the Scheme gets diluted as till date growers of fruits and vegetables are forced to make distress sale, when there is surplus production or not able to store their perishable produce due to lack of cold storage.

The Committee, therefore, recommend that the Ministry should chalk out a strategy without any further loss of time to organize marketing of Tomato, Onion and Potatoes and other fruits and vegetables notified in the TOP to TOTAL Scheme by connecting farmers with consumers by inviting the respective State Agriculture and other Marketing Federations, FPOs, Cooperative Companies and

Self Help Groups (SHGs). The Committee feel this will not only help to prevent the loss of perishable produce but also increase the income of the farmers and contribute to the objective of Doubling of Farmers Income.

PRODUCTION LINKED INCENTIVE SCHEME (PLIS)
RECOMMENDATION NO. 6

The Committee note that the Union Cabinet in its meeting held on 31.3.2021 approved another ambitious Central Sector Scheme, Production Linked Incentive Scheme (PLIS) for Food Processing Industry to support Indian Brands of food products in the International market with an outlay of Rs. 10,900 Crore. The Scheme has been formulated based on the Production Linked Incentive Scheme (PLIS) of NITI Aayog under 'AatmaNirbhar Bharat Abhiyan' for enhancing India's manufacturing capabilities and exchanging exports. The Scheme will be implemented over a six year period from 2021-22 to 2026-27.

The Committee further note that the first Component of the Scheme is related to incentivizing manufacturing of four major food product segment *viz* Ready to Cook, Ready to Eat (RTC/RTE) foods including Millets based products, Processed fruits and vegetables, marine products and mozzarella cheese. The second component relates to Production of Innovative / Organic products of SMEs including Free Range - eggs, poultry meat, egg products in these four segments. The third component relates to support for branding and marketing abroad to incentivize emergence of strong Indian Brands for in-store Branding, Shelf-space renting and marketing. It was informed that the Scheme has been well received by the Food Processing Industry and a total of 274 applications have been received.

The Committee observe that an amount of Rs. 1,530 Crore has been allocated for the year 2023-24. The Committee also note that 150 Proposals have

been finalized in 3 Categories after evaluation and investment of about Rs. 5,000 Crore has been made so far by the beneficiaries against total committed investment of Rs. 7,722 Crore. However, the Committee are dismayed to note that an amount of Rs. 108.27 Crore has been spent against allocated Rs. 801 Crore till 31.01.2023.

The Committee, therefore, recommend to the Ministry that to bring Indian companies at par with their global counterparts, the Ministry should endeavor to properly utilize allocated funds in an effective way so as to reap maximum benefits from this ambitious Scheme.

PRIME MINISTER FORMALIZATION OF MICRO FOOD PROCESSING ENTERPRISES (PMFME)
RECOMMENDATION NO. 7

The Committee note that as part of Aatma Nirbhar Bharat Abhiyan, Ministry has launched an All India Centrally Sponsored Scheme 'PM Formalization of Micro Food Processing Enterprises (PMFME) Scheme' for providing financial, technical and business support for upgradation of existing Micro Food Processing Enterprises. The Scheme was approved by Union Cabinet on 20 May, 2020 and guidelines were issued on 19 June, 2020. It is to be implemented for a period of five years from 2020-21 with an outlay of Rs. 10,000 Crore. Two lakh Micro Processing Units will be directly assisted with Credit Linked Subsidy. The objective of the Scheme is to increase access to credit by the existing Micro Food Processing Entrepreneurs, Farmer Producer Organizations (FPOs), Self-Help Groups and Co-operatives, Integration with organized supply chain by strengthening branding and marketing, support for transition of existing 2,00,000 Enterprises into formal framework, increase access to common service like common processing facility laboratories, storage, packaging, marketing and incubation services, strengthening of

institutions, research and training in the Food Processing Sector and to increase access to professional, technical support and enterprises.

There is One District One Product (ODOP) approach to reap the benefits of scale in terms of procurement of inputs, availing common services and marketing of products. ODOP for the Scheme will provide the framework for value chain development and alignment of support infrastructure. The ODOP product selected is either a perishable agri-produce, cereal based product or a food product widely produced. The Committee are happy to note that under ODOP, the Ministry have removed the restriction imposed on a District regarding opting for a particular product. Now the District can opt for more than one Product and the Entrepreneurs can invest in any of these Products.

The Committee note that an amount of Rs. 290 Crore was proposed for this Scheme in 2022-23 and the Actual Expenditure is Rs. 180.95 Crore and for the year 2023-24 an amount of Rs. 750 Crore was proposed and finally Rs. 639.05 Crore has been allocated. The Committee also note that till 10th February, 2023, 11,285 Micro Food Processing Enterprises have been formalized.

The Committee are of the opinion that at the present pace of formalization, all the Micro Processing Enterprises cannot be covered within the stipulated time frame and therefore recommend that the Ministry should try to implement this Scheme as per the set time schedules. They are of the opinion that wide publicity should be given in electronic and print media including in all regional languages so that awareness about the Scheme may reach upto the Micro Level Entrepreneurs. They further urge that optimum level of utilization of funds be achieved. The Committee would like to be informed of the action taken in this regard.

LESS UTILIZATION OF ALLOCATED FUNDS FOR 2023-24 IN INTEGRATED COLD CHAIN AND VALUE ADDITION INFRASTRUCTURE

RECOMMENDATION NO. 8

The Committee observe that 29 eligible proposals received in response to EOI dated 21.06.2022 for this Scheme could not be approved for want of funds. The Committee observe that as per Budget Allocation 2022-23 an amount of Rs. 230.50 Crore was allocated at BE Stage and Rs. 222.34 Crore has been allocated at RE Stage, whereas the Actual Expenditure as on 31.01.2023 is Rs. 158.09 Crore.

The Committee are constrained to note that inspite of having sufficient funds at their end, 29 eligible proposals received for this Scheme have not been approved for want of funds. The Committee desire to know the reason for this and also recommend the Ministry to look into this aspect seriously. The Committee would like to be informed of the action taken in this regard.

**NEW DELHI;
06 March, 2023
15 Phalguna, 1944 (Saka)**

**P.C. GADDIGOUDAR
Chairperson,
Standing Committee on Agriculture,
Animal Husbandry and Food Processing**

**Standing Committee on Agriculture, Animal Husbandry And Food Processing
(2022-23)**

Minutes of the Eighth Sitting of the Committee

The Committee sat on Tuesday, the 21st February, 2023 from 1600hrs. to 1645hrs, in Committee Room '3', Block-A, First Floor, Extension to Parliament House Annexe, New Delhi.

Present

Shri P.C. Gaddigoudar, Chairperson

Members

Lok Sabha

2. Shri Devji Mansingram Patel
3. Smt. Sharda Anilkumar Patel
4. Shri Rajiv Pratap Rudy
5. Mohammad Sadique

Rajya Sabha

6. Shri Masthan Rao Beeda
7. Dr. Anil Sukhdeorao Bonde
8. Shri S. Kalyanasundaram
9. Shri Kailash Soni
10. Shri Ram Nath Thakur

Secretariat

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|----|----------------------------|---|---------------------|
| 1. | Shri Shiv Kumar | - | Joint Secretary |
| 2. | Shri Naval K. Verma | - | Director |
| 3. | Shri Uttam Chand Bharadwaj | - | Additional Director |
| 4. | Shri Prem Ranjan | - | Deputy Secretary |
| 5. | Shri S. Vijayaraghavan | - | Executive Officer |

LIST OF WITNESSES
Ministry of Food Processing Industries

<u>S.No.</u>	<u>Name of the Representatives</u>	<u>Designation</u>
1.	Ms. Anita Parveen	Secretary, FPI
2.	Shri Shashi Ranjan Kumar	AS&FA, FPI
3.	Shri Minhaj Alam	Additional Secretary, FPI
4.	Shri Preet Pal Singh	Joint Secretary, FPI
5.	Shri Binod Kumar	CCA, FPI
6.	Shri Kuntal Sensarma	Economic Advisor, FPI

2. At the outset, the Chairperson welcomed the Members and the Representatives of the Ministry of Food Processing Industries to the Sitting of the Committee convened for examination of Demand for Grant (2023-24) No.45 pertaining to the Ministry and apprised them of the confidentiality of the proceedings.

3. After the witnesses introduced themselves, a power point presentation was made by the Secretary enumerating various schemes of the Ministry and Budgetary proposals and utilization of funds. The power point presentation inter alia covered the following points:

- i. Budget Allocation, 2022-23 and 2023-24 and proposed outlay and budget allocation for 2023-24;
- ii. Contribution to the economy by the Food Processing Sector;
- iii. Focus areas of the Ministry
- iv. The following schemes implemented by the Ministry and their performance:
 - a) Prime Minister Formalisation of Micro Food Enterprises (PMFME)
 - b) Pradhan Mantri Kisan Sampada Yojana (PMKSY)
 - c) Production Linked Incentive (PLI)
- v. Simplification of guidelines under Pradhan Mantri Kisan SAMPADA Yojna (PMKSY) components;
- vi. Integrated Cold Chain and Value Addition Infrastructure;
- vii. Creation/expansion of Food Processing and Preservation Capacities;
- viii. Infrastructure for Agro-Processing Clusters (Mini Food Park);

- ix. Food Safety and Quality Assurance Infrastructure;
 - x. Operation Greens.
4. The Chairperson and Members of the Committee raised several issues/points briefly mentioned below, which included, *inter-alia*—
- i. Need for optimum utilisation of Funds allocated for various schemes;
 - ii. Procedural difficulties faced in implementation of One District One Product Scheme;
 - iii. Need for Single Window Clearance for ODOP Scheme;
 - iv. Need to provide extra subsidy to women entrepreneurs for setting up small industries;
 - v. Action plan of the Ministry to enhance cold storage capacity;
 - vi. Reduced allocation of funds to the Ministry;
5. The Representatives of the Ministry responded to most of the queries raised by the Members.

The Chairperson thanked the witnesses for sharing valuable information with the Committee on the Subject and directed them to furnish the requisite information in writing on the points/items which was not readily available with them to the Secretariat of the Committee by 24th February, 2023.

The Committee then adjourned.

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**STANDING COMMITTEE ON AGRICULTURE, ANIMAL HUSBANDRY AND FOOD
PROCESSING**

(2022-23)

MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 06th March, 2023 from 1100 hrs. to 1135 hrs. in the Committee Room '3', Block-A, First Floor, Extension to Parliament House Annexe, New Delhi.

Present

Shri P.C. Gaddigoudar – Chairperson

Members

Lok Sabha

2. Shri A. Ganeshamurthi
3. Shri Devji Mansingram Patel
4. Shri Bheemrao Baswanthrao Patil
5. Shri Pocha Brahmananda Reddy
6. Shri Rajiv Pratap Rudy

Rajya Sabha

7. Smt. Ramilaben Becharbhai Bara
8. Dr. Anil Sukhdeorao Bonde
9. Shri Surendra Singh Nagar
10. Shri Kailash Soni
11. Shri Harnath Singh Yadav

Secretariat

- | | | | |
|----|---------------------|---|----------------------|
| 1. | Shri Shiv Kumar | – | Additional Secretary |
| 2. | Shri Naval K. Verma | – | Director |
| 3. | Shri Prem Ranjan | – | Deputy Secretary |

2. At the outset, the Chairperson welcomed the Members to the Sitting of the Committee. Thereafter, the Committee took up for consideration the followings Reports:

*(i) XXXX XXXX XXXX XXXX

*(ii) XXXX XXXX XXXX XXXX

*(iii) XXXX XXXX XXXX XXXX

*(iv) XXXX XXXX XXXX XXXX

(v) Draft Report on 'Demands for Grants (2023-24)' of the Ministry of Food Processing Industries; and

*(vi) XXXX XXXX XXXX XXXX.

3. After some deliberations, the Committee adopted the Draft Reports without any modifications and the Committee authorized the Chairperson to finalize and present these Reports to Parliament.

The Committee then adjourned.

**Matter not related to this report.*