



**STANDING COMMITTEE ON AGRICULTURE, ANIMAL  
HUSBANDRY AND FOOD PROCESSING**  
**(2024-2025)**

**EIGHTEENTH LOK SABHA**

**MINISTRY OF FOOD PROCESSING INDUSTRIES**

**SCHEME FOR CREATION/ EXPANSION OF FOOD PROCESSING AND  
PRESERVATION CAPACITIES – AN EVALUATION**

{Action-taken by the Government on the Observations / Recommendations contained in  
the Sixty Seventh Report (Seventeenth Lok Sabha) of the Standing Committee on  
Agriculture, Animal Husbandry and Food Processing (2023-24)}

**EIGHTEENTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**August, 2025 / Shravana, 1947 (Saka)**

# **EIGHTEENTH REPORT**

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**(EIGHTEENTH LOK SABHA)**

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{Action-taken by the Government on the Observations / Recommendations contained in the Sixty Seventh Report (Seventeenth Lok Sabha) of the Standing Committee on Agriculture, Animal Husbandry and Food Processing (2023-24)}

*Presented to Lok Sabha on*

*20.08.2025*

*Laid on the Table of Rajya Sabha on*

*20.08.2025*



सत्यमेव जयते

**LOK SABHA SECRETARIAT  
NEW DELHI**

**August, 2025 / Shravana, 1947 (Saka)**

**COA No. 517**

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**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE, ANIMAL  
HUSBANDRY AND FOOD PROCESSING\***  
(2021-22)

**SHRI P.C. Gaddigoudar – Chairperson**

**MEMBERS**

**LOK SABHA**

2. Shri Afzal Ansari
3. Shri Horen Sing Bey
4. Shri Devendra Singh 'Bhole'
5. Shri A. Ganeshamurthi
6. Shri Kanakmal Katara
7. Shri Abu Taher Khan
8. Shri Mohan Mandavi
9. Shri Kinjarapu Ram Mohan Naidu
10. Shri Devji Mansingram Patel
11. Smt. Shardaben Anilbhai Patel
12. Shri Bheemrao Baswanthrao Patil
13. Shri Shriniwas Dadasaheb Patil
14. Shri Vinayak Bhaurao Raut
15. Shri Pocha Brahmananda Reddy
16. Shri Rajiv Pratap Rudy
17. Shri Mohammad Sadique
18. Shri Virendra Singh
19. Shri V.K. Sreekandan
20. Shri Mulayam Singh Yadav
21. Shri Ram Kripal Yadav

**RAJYA SABHA**

22. Shri Pratap Singh Bajwa
23. Smt. Ramilaben Becharbhai Bara
24. Sardar Sukhdev Singh Dhindsa
25. Shri Surendra Singh Nagar
26. Shri Kailash Soni
27. Shri Ram Nath Thakur
28. Shri Vaiko
29. Shri Harnath Singh Yadav
30. Vacant
31. Vacant

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*\* Standing Committee on Agriculture renamed as Standing Committee on Agriculture, Animal Husbandry and Food Processing vide Para No. 3293, Bulletin Part-II dated 23.11.2021*

**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE, ANIMAL  
HUSBANDRY AND FOOD PROCESSING (2023-24)**

**SHRI P.C. Gaddigoudar – Chairperson**

**MEMBERS**

**LOK SABHA**

2. Shri Horen Sing Bey
3. Shri A. Ganeshamurthi
4. Shri Kanakmal Katara
5. Shri Abu Taher Khan
6. Shri Ram Mohan Naidu Kinjarapu
7. Shri Mohan Mandavi
8. Shri Devji Mansingram Patel
9. Smt. Sharda Anilkumar Patel
10. Shri Bheemrao Baswanthrao Patil
11. Shri Shriniwas Dadasaheb Patil
12. Shri Vinayak Bhaurao Raut
13. Shri Pocha Brahmananda Reddy
14. Shri Sushil Kumar Rinku
15. Shri Rajiv Pratap Rudy
16. Shri 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 Mastan Rao Beedha Yadav
24. Dr. Anil Sukhdeorao Bonde
25. Shri S. Kalyanasundaram
26. Shri Kailash Soni
27. Shri Randeep Singh Surjewala
28. Shri Ram Nath Thakur
29. Shri Vijay Pal Singh Tomar\*
30. Shri Vaiko
31. Shri Harnath Singh Yadav

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*\* Shri Vijay Pal Singh Tomar, MP, Rajya Sabha has been nominated to the Committee vide Bulletin Part-II, Para No. 7523 dated 29.09.2023 vice Shri Surendra Singh Nagar w.e.f. 26.09.2023*

## **SECRETARIAT**

- |    |                            |   |                      |
|----|----------------------------|---|----------------------|
| 1. | Shri Shiv Kumar Wadhawan   | - | Additional Secretary |
| 2. | Shri Uttam Chand Bharadwaj | - | Director             |
| 3. | Shri N. Amarathiagan       | - | Under Secretary      |
| 4. | Shri S. Vijayaraghavan     | - | Executive Officer    |

**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE, ANIMAL  
HUSBANDRY AND FOOD PROCESSING  
18<sup>th</sup> Lok Sabha (2024-25)**

**SHRI CHARANJIT SINGH CHANNI – CHAIRPERSON**

**MEMBERS**

**LOK SABHA**

2. Shri Patel Umeshbhai Babubhai
3. Smt. Harsimrat Kaur Badal
4. Shri Rajkumar Chahar
5. Smt. Anita Nagarsingh Chouhan
6. Shri Kuldeep Indora
7. Shri Rajpalsinh Mahendrasinh Jadav
8. Md. Abu Taher Khan
9. Shri Rahul Singh Lodhi
10. Shri Sukanta Kumar Panigrahi
11. Smt. Krishna Devi Shivshankar Patel
12. Shri Naresh Chandra Uttam Patel
13. Shri Narayan Tatu Rane
14. Shri Murasoli S
15. Shri Dharambir Singh
16. Shri Dushyant Singh
17. Shri Sudhakar Singh
18. Shri Kodikunnil Suresh
19. Shri Tejasvi Surya
20. Smt. Geniben Nagaji Thakor
21. Shri Bhausahab Rajaram Wakchaure

**RAJYA SABHA**

22. Smt. Ramilaben Becharbhai Bara
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24. Dr. Anil Sukhdeorao Bonde
25. Shri Banshilal Gurjar
26. Shri S. Kalyanasundaram
27. Shri Nitin Laxmanrao Jadhav Patil
28. Shri Madan Rathore
29. Shri Ramji Lal Suman
30. Shri P. P. Suneer
31. Shri Randeep Singh Surjewala

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*Shri Krishan Lal Panwar, Member resigned from Rajya Sabha on 14.10.2024.*

*\*Shri Masthan Rao Yadav Beedha, Member, Rajya Sabha has been nominated to the Standing Committee on Agriculture, Animal Husbandry and Food Processing w.e.f 8<sup>th</sup> August 2025, vide Lok Sabha Bulletin Part-II, Para No. 3117 dated 13.08.2025.*



## **SECRETARIAT**

- |    |                                  |   |                             |
|----|----------------------------------|---|-----------------------------|
| 1. | Shri Maheshwar                   | - | Director                    |
| 2. | Shri Ashwaghosh Bhaurao Lokhande | - | Under Secretary             |
| 3. | Smt. Paromita Kumar              | - | Assistant Executive Officer |

## **INTRODUCTION**

I, the Chairperson, Standing Committee on Agriculture, Animal Husbandry and Food Processing (2024-25), having been authorized by the Committee to submit the Report on their behalf, present this Eighteenth Report on Action taken by the Government on the Observations/Recommendations contained in the Sixty Seventh Report (Seventeenth Lok Sabha) of the Standing Committee on Agriculture, Animal Husbandry and Food Processing (2023-24) on the subject 'Scheme for Creation/Expansion of Food Processing and Preservation Capacities - An Evaluation' pertaining to the Ministry of Food Processing Industries.

2. The Sixty Seventh Report (Seventeenth Lok Sabha) of the Standing Committee on Agriculture, Animal Husbandry and Food Processing (2023-24) on 'Scheme for Creation /Expansion of Food Processing and Preservation Capacities- An Evaluation' pertaining to the Ministry of Food Processing Industries was presented to Lok Sabha and laid on the Table of Rajya Sabha on 7<sup>th</sup> February, 2024. The Action Taken Notes on the Report were received on 2<sup>nd</sup> April, 2024.

3. The Report was considered and adopted by the Committee at their Sitting held on 18<sup>th</sup> August, 2025.

4. An Analysis of the action taken by the Government on the Observations/Recommendations contained in the Sixty Seventh Report (Seventeenth Lok Sabha) of the Committee is given in **Appendix**.

**New Delhi;  
18 August , 2025**  
**27 Shravana, 1947 (Saka)**

**CHARANJIT SINGH CHANNI**  
***Chairperson,***  
***Standing Committee on Agriculture,***  
***Animal Husbandry and Food Processing***

## REPORT

### CHAPTER - I

This Report of the Standing Committee on Agriculture, Animal Husbandry and Food Processing deals with the Action Taken by the Government on the Observations/Recommendations contained in the Sixty Seventh Report (Seventeenth Lok Sabha) of the Standing Committee on Agriculture, Animal Husbandry and Food Processing (2023-24) on 'Scheme for Creation /Expansion of Food Processing and Preservation Capacities- An Evaluation pertaining to the Ministry of Food Processing Industries' which was presented to the Lok Sabha and Laid on the Table of Rajya Sabha on 7<sup>th</sup> February, 2024 respectively.

1.2 The Ministry of Food Processing Industries has furnished Action Taken Replies in respect of all the 13 Observations/Recommendations contained in the Report. These have been categorized as under:

- |  |                           |
|--|---------------------------|
| • Observations/Recommendations that have been accepted by the Government:<br>Recommendation Para Nos. 1, 2, 3, 4, 9, and 13                                | Total - 06<br>Chapter II  |
| • Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies:<br>Recommendation Para No. 5, 6, 11 and 12 | Total - 04<br>Chapter III |
| • Observations/Recommendations in respect of which Replies of the Government have not been accepted by the Committee:<br>Recommendation Para No. 7, 8, 10  | Total- 03<br>Chapter IV   |
| • Observations/Recommendations in respect of which final replies of the Government are still awaited.<br>Recommendation Para No. NIL                       | Total - NIL<br>Chapter V  |

1.3 The Committee trust that utmost importance would be given by the Ministry to implement the observations/recommendations accepted by the Government. In cases, where it is not possible for the Ministry to implement the Recommendations in letter and

spirit for any reason, the matter may be reported to the Committee with the reasons for non-implementation. The Committee desire that future Action Taken Notes on the Observations/Recommendations contained in Chapter - I of this Report be furnished to them at an early date.

1.4 The Committee will now deal with the action taken by the Government on some of the Recommendations in the succeeding paragraphs.

### **Progress in Reduction of Harvest & Post Harvest Losses**

#### **(RECOMMENDATION SERIAL NO. 1)**

1.5 The Committee had observed/recommended:

“The Committee note that Agricultural Production in India has consistently recorded higher output over the years. In 2019, India ranked first in pulses & milk, second in vegetable, fruit, wheat and rice and third in cereals, eggs in the World Agriculture. However, the demand for food in India is likely to increase in the coming years - in direct proportion to likely increase in population of the country. The Harvest and Post-harvest losses in Agricultural Produces is however a drain on the food security and economic development of the country. An effective Harvest and Post-harvest Management is therefore, very important for planning and utilization of the Agricultural Produces both scientifically and economically. Studies have been conducted on Harvest and Post-harvest losses by the Central Institute of Post-Harvest Engineering and Technology (CIPHET) in 2015 and by the NABARD Consultancy Services Pvt. Ltd. (NABCONS) in 2022. The post-harvest losses in respect of cereals, pulses, Fruits, vegetables, Egg, etc. are stated to be in the range of 3.89% to above 5%. The Ministry of Food Processing Industries has informed the Committee that as per findings of these Study Reports Post-harvest losses have marginally come down during the period from 2015 to 2022.”

2. Food Processing could strengthen the link between Agriculture and Industry and help in generating farm income and employment as also in reducing wastage of agricultural products. The Ministry of Food Processing Industries with the view to achieving the broad objective of bringing down post-harvest losses, is implementing

various Schemes and Programmes including the Pradhan Mantri Kisan Sampada Yojana (PMKSY), for the promotion of Food Processing Industries.

3. The Committee, while taking note of the fact that the post-harvest losses, which is more than 3% in the cases of cereals, pulses, Fruits, vegetables, Egg, etc., recommend that realistic targets be set for the reduction of post-harvest losses in respect of Agricultural Produces through target-oriented implementation of various Schemes of the Ministry including the Scheme for Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC). The Committee would like to be apprised of the action taken in the matter.

1.6 In its Action Taken Reply, the Ministry has submitted: -

“The Ministry of Food Processing Industries (MoFPI) has been implementing a Central Sector umbrella scheme viz. Pradhan Mantri Kisan Sampada Yojana (PMKSY) since 2017-18. Under PMKSY, one of the component schemes viz. Creation/ Expansion of Food Processing and preservation capacities (CEFPPC Scheme) is being implemented with an objective to set up new food processing units and modernization/ expansion of existing units thereby creating processing and preservation capacities to increase the level of processing and value addition and to reduce wastage.

2. As on 13.02.2024, 501 food processing units have been approved under various sectors viz. Fruit & Vegetable, Consumer products, Dairy, Grain milling, Oil milling and Meat & Poultry processing for total grants-in-aid/subsidy of Rs. 1931.64 crore under CEFPPC scheme. Out of 501 units, 227 have been completed and commenced commercial operations, thereby creating 104.77 lakh metric tonnes (LMT) processing / preservation capacities, which leads to considerable reduction in the post-harvest losses.”

**1.7 The Committee had recommended that the Ministry should set realistic targets for reducing post-harvest losses in agricultural produce through the target-oriented implementation of various schemes, including the Scheme for Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC), to ensure effective reduction of post-harvest losses. In its reply, the Ministry has**

stated that under the CEFPPC Scheme, 501 food processing units had been approved and 227 units had commenced operations, resulting in the creation of substantial processing and preservation capacity. The Ministry further stated that these efforts have contributed to a reduction in post-harvest losses. However, the Committee observe that, while these developments are appreciable, the Ministry's reply is not specific regarding the setting of realistic targets for post-harvest loss reduction. The Committee, therefore, reiterate their recommendation that the Ministry must establish clear targets for reduction of post-harvest losses during the implementation of its schemes. The Committee also desire to be apprised of the steps taken in this regard, and the details of progress achieved so far at the time of furnishing Action Taken Statement.

#### **Implementation of the Scheme for CEFPPC for SCSP. TSP & NE Region**

#### **(RECOMMENDATION SERIAL NO. 7)**

##### **1.8 The Committee had observed/recommended:**

The Committee note that the Ministry could not properly utilise the funds allocated under the Scheme for CEFPPC for Schedule Caste Sub Plan (SCSP), Tribal Sub Plan (TSP) and for the North Eastern Region since the launch of the Scheme. As regards the implementation of SCSP during 2018-19 to 2022-23, the Budget Estimates (BE), Revised Estimates (RE), Actual Expenditure (AE) are Rs. 368.93 Crore; Rs. 292.92 Crore; and Rs. 107.50 Crore respectively. In the implementation of TSP, the achievements in terms of BE, RE and AE are Rs. 217.64 Crore, Rs. 170.83 Crore and Rs. 35.32 Crore. Similarly, the BE, RE and AE in respect of North Eastern Region are Rs. 509.54 Crore, Rs. 397.27 Crore and Rs. 199.28 Crore respectively.

2. The Committee note that utilization of funds for SCSP and TSP has been less than 1/3<sup>rd</sup> of the amount allocated and utilization of funds for North Eastern Region (NER) is less than 50% which is not an encouraging trend. The Committee, therefore,

recommend that the Ministry should try to find out the reasons for Non-utilization of allocated funds for SCSP, TSP and also for NER so as to make sure that the funds are utilized to the optimum level by the Ministry in the implementation of the Scheme.

1.9 In its Action Taken Reply, the Ministry has submitted: -

Under CEFPPC scheme, the Ministry of Food Processing Industries (MoFPI) has been providing the following benefits to encourage SC/ ST and NER category applicants as per the extant scheme guidelines dated 08.06.2022:

- (i) Proposals received from entities where Scheduled Caste (SC)/ Scheduled Tribe (ST) holding at least 51% stake in the entity, will be treated as SC/ST proposals.
- (ii) The entities applying under a scheme for financial assistance are required to submit a non-refundable fee of Rs. 20,000/- (Rupees twenty thousand) in favour of "Pay and Accounts Officer, Ministry of Food Processing Industries, New Delhi". This non-refundable fee is Rs. 15,000/- for applications from SC/ST.
- (iii) Term loan from the Bank for an amount not less than 20% of the total project cost is required in respect of proposals from General Areas. In case of proposals from Difficult Areas or proposals from SC/ST or Farmer Producer Organisations or Self-Help Groups, minimum term loan amount requirement has been made 10% of the total project cost as against 20% in other cases.
- (iv) The minimum marks for eligibility of proposal is 45 for an applicant belonging to SC/ ST as against 60% in other cases.
- (v) Grants-in-aid will be considered @35% for projects in General Areas and @50% for projects in Difficult Areas (including NER) as well as for projects of SC/ST subject to a maximum of ₹5 crore.

2. MoFPI has been taking regular steps to boost the utilization of funds under SCSP, TSP and NER by (i) organizing periodical review meetings with the implementing agencies (IAs) of the projects approved under SCSP, TSP and NER categories of CEFPPC scheme in order to understand the problems faced (including non-submission of requisite documents for claiming grants-in-aid) in implementing these projects and to facilitate IAs to complete the projects within time and (ii) undertaking inspection of these units through Project Management Agencies from time to time so as to guide the IAs in

implementing the projects and to facilitate them in submitting documents on Sampada portal for claiming the installments of grants-in-aid under the scheme.

3. MoFPI had floated an EoI dated 27.07.2023 for inviting applications specifically from prospective applicants belonging to SC & ST category and NER. Under this EoI, 42 projects (20 projects under SC, 1 project under ST and 21 projects under NER) have been approved with total grants-in-aid of ₹159.90 crore. These approved projects will become eligible for claiming installments of grants-in-aid in due course of time.

4. Subsequently, a fresh EoI was issued on 04.10.2023 for inviting applications from all categories under the CEFPPC scheme. Against it, 1007 proposals have been received.

5. In view of above actions, this Ministry would be able to utilize the funds to the optimum level under the heads of SCSP, TSP and NER of the scheme.

**1.10 The Committee observe that while the Ministry have outlined certain measures in its reply to encourage participation of SC/ST and NER category applicants and steps taken to boost the utilization of funds under the SCSP, TSP and NER for implementation of CEFPPC Scheme, the reply does not satisfactorily address the main concern raised by the Committee in its earlier recommendation regarding the reasons for continued underutilization of funds during the years from 2018-19 to 2022-23. The Committee also find that the Ministry in its reply has not furnished the status of approved projects, number of pending projects and also the timelines for completion of projects under the SCSP, TSP and NER components for the aforementioned period.**

**In view of these shortcomings, the Committee are of the view that without identifying and addressing the reasons for underutilization of funds, the purpose of optimal utilization of funds for ‘Implementation of the Scheme for CEFPPC for**



**SCSP, TSP and NER head' is defeated. The Committee, therefore, reiterate their earlier recommendation that the Ministry must undertake a detailed review to identify the causes behind the underutilization of funds under the SCSP, TSP and NER heads and further desire to be apprised of the steps taken in this regard along with the outcomes achieved so far at the time of furnishing the Action Taken Statement.**

### **Non-Refundable Fee in respect of Non-Implemented Eligible Proposals**

#### **(RECOMMENDATION SERIAL NO. 8)**

1.11 The Committee had observed/recommended:

The Committee note that the probable beneficiaries under the Scheme for CEFPPC need to submit their Application / Project Proposal complete in all respects in accordance with the instructions laid down in the Operative Guidelines and as per the Notification of the Ministry. All the Applicants are also required to submit a Non-refundable fee of Rs.20,000/- (Rs.15,000/- for SC/ST Applicants) along with the Project Proposal. Moreover, the successful applicants, on being selected for financial assistance by the Ministry, are also required to submit a Refundable Bank Guarantee of 5% of eligible Grants-in Aid within 30 days of approval of the Project for the period, till 60 days beyond the date of completion of the Project. According to the Ministry, the Non-refundable Application fee is sought in order to ascertain the genuineness and interest of the Applicant for availing Grants-in-Aid and also to meet out the expense involved in processing the Applications / Proposals. This fee in respect of the Rejected/ Ineligible proposals is not returned to the Applicants.

2. Keeping in view the above factors, the Committee hold the view that prescription of Non-refundable fee for the submission of application for the Scheme is a discouraging factor for prospective applicants particularly, SC/ST applicants and weaker categories like farmers, SHGs, etc. The Committee, therefore, recommend that the condition of Non-refundable Application Fee for submission of proposals needs a serious reconsideration.

However, the Ministry may consider other alternate measures to discourage Non-serious candidates instead of prescribing Non-refundable Application Fee.

3. The Committee also specifically desire that the Ministry shall look into the matter of 107 Eligible Proposals, which still remain pending with it out of the 307 Eligible proposals received by it against its previous Notification dated 21.06.2022. The Committee would like to be apprised of the action taken in the matter.

1.12 In its Action Taken Reply, the Ministry has submitted: -

The Ministry of Food Processing Industries (MoFPI) as per the extant CEFPPC guidelines dated 08.06.2022, stipulates that the applicant against Expression of Interest (Eol) is required to submit (a) non-refundable application fee at the time of submission of the proposal in the Sampada portal in order to ascertain the genuineness and the actual interest of the applicant for availing grants-in-aid and to discourage non-serious applicants irrespective of the category they belong; and (b) refundable Bank Guarantee worth of 5% of the eligible grants-in-aid within 30 days of approval of the project. The non-refundable fee is lower @ ₹15000 in case of SC/ST applications.

2. MoFPI received 307 eligible proposals under CEFPPC scheme against the Eol dated 21.06.2022. Out of 307 eligible proposals, 243 proposals have been accorded approval and remaining eligible proposals could not be approved due to paucity of funds. Thereafter, Ministry vide its notice dated 18.07.2023 has conveyed that approval of any new projects under CEFPPC scheme will be on the basis of new Expression of Interest that may be published in due course of time. Any entity who had submitted its application against earlier Eol dated 21.06.2022 may apply afresh as and when new EOI is issued by the Ministry.

**1.13 The Committee note that the Ministry's reply regarding the nonrefundable application fee under the CEFPPC Scheme merely reiterates existing guidelines, without adequately addressing the Committees' earlier recommendation to review the provisions of Non-refundable application fee charged at the submission of application for the Scheme. The Committee believe that while it is important to**

deter nonserious applicants, the current fee model may inadvertently disadvantage SC/ST applicants, small and marginal farmers, and Self Help Groups (SHGs).

The Committee further observe that no remedy has been proposed for the 64 eligible project proposals, out of a total of 307 submitted under the Expression of Interest (Eoi) dated 21.06.2022, which were left unapproved due to lack of funds. They are of the view that the Ministry's approach of merely notifying these applicants that they may reapply when a new Eoi is issued does not adequately address the financial and procedural disadvantages faced, particularly by applicants from marginalized groups.

The Committee, therefore, reiterate their earlier recommendation that the Ministry should review the fee provision with a view to introducing inclusive alternatives which should aim to uphold the seriousness of applications while minimizing undue financial burden on SC/ST applicants and other vulnerable groups such as farmers and SHGs. They also desire to be apprised of the steps taken in this regard, along with the timeline and current status of the 243 projects approved under the Scheme, at the time of furnishing the Action Taken Statement.

#### **Participation of Different Categories in the Scheme for CEFPPC**

##### **(RECOMMENDATION SERIAL NO. 10)**

1.14 The Committee had observed/recommended:

“As per the CEFPPC Operative Guidelines any organization/individual engaged in creation/ expansion/ modernization of Food Processing and Preservation Capacities would be eligible for Grants-in Aid (GIA) under the Scheme. The scheme is Demand Driven and subject to availability of funds. Although no specific State-wise allocation of

funds is made under the Scheme, however, 10% of total BE is reserved for North-Eastern Region. Many concessions including the enhanced rate of Grants-in-Aid are permitted in respect of Project Proposals submitted by Persons belonging to SC/ST and Difficult Areas, Farmers Producers Organizations (FPOs), Self-Help Groups (SHGs) and Central / State Entities in order to encourage these sections to participate in the Scheme for CEFPPC.

2. As regards Selection Criteria, the Ministry clarified to the Committee that when many applications have the same score in assessment, the Project with higher project cost will gain preference in order to attract more private investment. This provision has the effect of nullifying the concessions extended to proposals from SC/ST, Difficult Areas, FPOs, SHGs and Central / State Entities. The Committee also note that out of the 473 approved Projects, the break-up of different categories is Private sector-399; SC category-27; STcategories-21; FPO's-13; MNC's-10; Multipurpose-Societies-1; Public Sector-1 and SHGs-Nil. Against this backdrop, the Committee recommend that the Selection Criteria be reviewed to ensure that FPOs, SHGs, Entities from Difficult Areas and Public Entities-having participation of farmers and women also get benefits under the Scheme for CEFPPC. The Committee would like to be apprised of the action taken in the matter.”

1.15 In its Action Taken Reply, the Ministry has submitted: -

“Ministry vide extant CEFPPC scheme guidelines dated 08.06.2022 has given the following benefits to encourage applicants from SC/ ST category and NER, SHGs &FPOs applicants to apply against Expression of Interests (Eols) issued from time to time under the scheme:

- (i) Proposals received from entities where Scheduled Caste (SC)/ Scheduled Tribe (ST) holding at least 51% stake in the entity, will be treated as SC/ST proposals.
- (ii) The entities applying under the scheme for financial assistance are required to submit a non-refundable fee of Rs. 20,000/- (Rupees twenty thousand) in favour of “Pay and Accounts Officer, Ministry of Food Processing Industries, New Delhi”. This non-refundable fee is Rs. 15,000/- for applications from SC/ST.

(iii) Infusion of equity of at least 10% for proposals from Difficult areas or proposals from SC/ST or FPOs or SHGs against the requirement of at least 20% for the proposals from General areas.

(iv) The proposal from Difficult areas, applicants of SC/ST category, FPOs and SHGs, the combined net worth are required to be less than the grants-in-aid sought against the requirement of at least 1.5 times of grants-in-aid sought for others.

(v) Term loan from the Bank for an amount not less than 20% of the total project cost in respect of proposals from General Areas. In case of proposals from Difficult Areas or proposals from SC/ST or Farmer Producer Organisations or Self-Help Groups, term loan amount should not be less than 10% of the total project cost.

(vi) The minimum marks for eligibility of proposal will be 45 for an applicant belonging to SC/ ST against the requirement of 60% marks for general category applicants.

(vii) Grants-in-aid will be considered @35% for projects in General Areas and @50% for projects in Difficult Areas (including NER) as well as for projects of SC/ST, FPOs and SHGs subject to a maximum of ₹5 crore.

Ministry is of the view that the aforementioned benefits to the applicants from SC/ ST category and NER, SHGs & FPOs applicants would help them to avail the benefits under the scheme without affecting the merit.”

**1.16 The Committee had recommended that the Selection Criteria be reviewed to ensure that FPOs, SHGs, Entities from Difficult Areas and Public Entities-having participation of farmers and women also get benefits under the Scheme for CEFPPC. The Ministry in its reply has enumerated various provisions for these groups under the Scheme guidelines dated 08.06.2022. They have further stated that aforementioned benefits to the applicants from SC/ ST category and NER, SHGs & FPOs applicants would help them to avail the benefits under the Scheme without affecting the merit. The Committee, however, find this reply routine in nature as the Ministry has not mentioned any new measure or corrective steps taken by them in light of the recommendation of the Committee. The Committee,**

therefore, would like to reiterate their recommendation. The Committee desire the Ministry to examine this important issue expeditiously and diligently to explore avenues to ensure greater participation of these groups.

## **CHAPTER-II**

### **OBSERVATIONS/RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **1. Progress in Reduction of Harvest & Post Harvest Losses**

“The Committee note that Agricultural Production in India has consistently recorded higher output over the years. In 2019, India ranked first in pulses & milk, second in vegetable, fruit, wheat and rice and third in cereals, eggs in the World Agriculture. However, the demand for food in India is likely to increase in the coming years - in direct proportion to likely increase in population of the country. The Harvest and Post-harvest losses in Agricultural Produces is however a drain on the food security and economic development of the country. An effective Harvest and Post-harvest Management is therefore, very important for planning and utilization of the Agricultural Produces both scientifically and economically. Studies have been conducted on Harvest and Post-harvest losses by the Central Institute of Post-Harvest Engineering and Technology (CIPHET) in 2015 and by the NABARD Consultancy Services Pvt. Ltd. (NABCONS) in 2022. The post-harvest losses in respect of cereals, pulses, Fruits, vegetables, Egg, etc. are stated to be in the range of 3.89% to above 5%. The Ministry of Food Processing Industries has informed the Committee that as per findings of these Study Reports Post-harvest losses have marginally come down during the period from 2015 to 2022.

Food Processing could strengthen the link between Agriculture and Industry and help in generating farm income and employment as also in reducing wastage of agricultural products. The Ministry of Food Processing Industries with the view to achieving the broad objective of bringing down post-harvest losses, is implementing various Schemes and Programmes including the Pradhan Mantri Kisan Sampada Yojana (PMKSY), for the promotion of Food Processing Industries.

The Committee, while taking note of the fact that the post-harvest losses, which is more than 3% in the cases of cereals, pulses, Fruits, vegetables, Egg, etc., recommend that realistic targets be set for the reduction of post-harvest losses in respect of Agricultural Produces through target-oriented implementation of various Schemes of the

Ministry including the Scheme for Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC). The Committee would like to be apprised of the action taken in the matter.”

### **REPLY OF THE GOVERNMENT**

“The Ministry of Food Processing Industries (MoFPI) has been implementing a Central Sector umbrella scheme viz. Pradhan Mantri Kisan Sampada Yojana (PMKSY) since 2017-18. Under PMKSY, one of the component schemes viz. Creation/ Expansion of Food Processing and preservation capacities (CEFPPC scheme) is being implemented with an objective to set up new food processing units and modernization/ expansion of existing units thereby creating processing and preservation capacities to increase the level of processing and value addition and to reduce wastage.

As on 13.02.2024, 501 food processing units have been approved under various sectors viz. Fruit & Vegetable, Consumer products, Dairy, Grain milling, Oil milling and Meat & Poultry processing for total grants-in-aid/subsidy of Rs. 1931.64 crore under CEFPPC scheme. Out of 501 units, 227 have been completed and commenced commercial operations, thereby creating 104.77 lakh metric tonnes (LMT) processing / preservation capacities, which leads to considerable reduction in the post-harvest losses.”

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### **Comments of the Committee**

**For comments of the Committee please refer to Para No. 1.7 of Chapter-I of this Report.**

## **2. Schemes and Programmes for the Promotion of Food Processing Sector of India**

“The Committee note that Food Products Industry of the country figures among the top five Sectors with respect to Output and Gross Value Added (GVA). About 70 lakh persons are directly engaged both in formal and informal segments of Food Processing Sector and this volume is almost 14% of the total employment in the Manufacturing



Sector. The average annual growth rate in Food Processing Sector was around 8.38% during the five years ending in 2020-21. However, this Sector faces many challenges including Supply-Chain infrastructural gaps in primary processing/storage/distribution & marketing facilities, Seasonality of operations leading to low-capacity utilization & increased cost of production, Lack of product development and innovation, Inadequate institutional credit, etc.

The Committee appreciate that the Government of India have taken several measures for the growth and development of the Food Processing Sector. The Food Processing Sector has been included under Priority Sector Lending (PSL) Norms under the 'Agriculture' category by Reserve Bank of India (RBI). The Ministry of Micro, Small and Medium Enterprises is implementing Credit Guarantee Scheme for Micro & Small Enterprises through Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE). The Ministry of Food Processing Industry is implementing two Central Sector Schemes - Pradhan Mantri Kisan Sampada Yojana (PMKSY) and Production Linked Incentive Scheme for the Food Processing Industries (PLISFPI) and one Centrally Sponsored Scheme of 'Pradhan Mantri Formalisation of Micro Food Processing Industries (PMFME)' towards promotion of the Food Processing Sector. Implementation of the umbrella Scheme of PMKSY, which at present comprises six separate Scheme-Components including the Scheme for Creation / Expansion of Food Processing and Preservation Capacities (CEFPPC) have resulted in significant addition to infrastructure and manufacturing/storage capacity in the Sector.

While acknowledging the progress so far, achieved, the Committee even then hold the view that the full scope and growth potential of Food Processing Sector of the country has not been fully realized. The Committee, therefore, recommend the Ministry to take necessary action to address the challenges faced by the Sector, especially the issues relating to credit needs of Entrepreneurs, through its Schemes and Programmes. The Committee also recommend the Government to give wide publicity to the Schemes & Programmes available under the Food Processing Sector and periodically bring out a Compendium of Updated Information on Schemes and Programmes implemented by the Union Government for the information of the farmers and Agro-Processing Industries.”

## **REPLY OF THE GOVERNMENT**

The Ministry of Food Processing Industries has been taking continuous steps to mitigate challenges faced viz. (i) delay in submission of the statutory clearances, certificates from the State Government regarding Consent to Establish (CTE), Consent to Operate (CTO), building plan approval, electricity connection etc. by the implementing agency in relation to the project to the Ministry and (ii) inadequate support from lending banks in disbursement of term loan to the approved projects in implementation of PMKSY component scheme viz. Creation/ Expansion of Food Processing and preservation capacities (CEFPPC scheme).

Ministry has been issuing letters/ making calls to State Departments dealing with the subject and request them to expedite the issue of statutory approvals to the implementing agency. Further, based upon requests of promoters of approved projects, matter is taken up with the term loan lending banks for timely completion of the projects.

Information and benefits of various schemes being implemented by this Ministry are disseminated through awareness campaigns, food fairs/ exhibitions, being organized/ supported by the Ministry and the National Institute of Food Technology Entrepreneurship and Management (NIFTEM) across the country from time to time. Further, proposals are invited from eligible entities by publishing the Expression of Interests from time to time in the leading Regional and National newspapers and in the public domain of the Ministry.

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### **3. Implementation of Pradhan Mantri Kisan Sampada Yojana (PMKSY)**

The Government launched the Pradhan Mantri Kisan Sampada Yojana (PMKSY), an Umbrella Scheme comprising eight Scheme-Components including the Scheme for Creation / Expansion of Food Processing and Preservation Capacities (CEFPPC) on 03.05.2017 - with a view to give necessary boost to growth of Food Processing Sector of the country. PMKSY was envisaged as a comprehensive package towards creation of Modern infrastructure with efficient supply Chain Management from Farm Gate to Retail

Outlet. However, the Committee find that funds utilization for PMKSY has been found to be less than optimal level since its launch in 2017-18. During the period of 2017-18 to 2020-21, the Revised Estimates and the Actual Expenditure was Rs.3143.60 Crore and Rs.2555.28 Crore, respectively against the Outlay of Rs. 6107.50 Crore. The Committee further note that the PMKSY has since been restructured and provided with a marginally reduced outlay of Rs.4600 Crore for the 15<sup>th</sup> FCC Period of 2021-22 to 2025-26 against the proposed outlay of Rs.9824 Crore. The Cumulative Funds Utilization under the PMKSY till 31.05.2023 was Rs.3864.17 Crore against a Cumulative Budgetary Allocation of Revised Estimates of Rs.5530.94 Crore for 2017-18 to 2023-24.

Notwithstanding the issue of under-utilization of funds, the Committee note that a total of 1360 Projects with potential to create 364.9 LMT/amount of processing capacity were approved till 31.05.2023 and 776 Projects of these Projects were made operative leading to creation of 208.09 LMT of processing capacity. Against this backdrop, the Committee while appreciating the positive impacts of PMKSY towards creation / expansion of Food Processing and preservation capacities in the country, hold the firm view that the issue of under-utilization funds under PMKSY needs to be addressed on the top most priority.

In view of the foregoing the Committee recommend that appropriate remedial measures be taken to improve the process of implementation and its regular monitoring so as to ensure optimal utilization funds and target oriented implementation of PMKSY. The Committee also emphasize that the Ministry needs look into the all issues affecting smooth implementation of PMKSY, particularly, the aspect of receipt of ineligible proposals, which has been stated to be a major constraint in the implementation of PMKSY. The Committee would like to be apprised of the action taken in the matter.

### **REPLY OF THE GOVERNMENT**

The Ministry of Food Processing Industries has been implementing a Central Sector umbrella scheme viz. Pradhan Mantri Kisan Sampada Yojana (PMKSY) since 2017-18. Under various component schemes of PMKSY, from 2017-18 to 2023-24 (till 25.01.2023), 1115 projects have been approved. Out of 1115 projects, 579 have been completed and have commenced commercial operations, thereby creating processing capacity of 256.32 LMT and preservation capacity of 37.61 LMT. Further, against the RE

allocation of ₹5283.24 crore from 2017-18 to 2023-24, actual expenditure of ₹4131.52crore has been done till 09.02.2024 in implementation of PMKSY.

Under component scheme, Creation/ Expansion of Food Processing and preservation capacities (CEFPPC scheme) of PMKSY, from 2017-18 to 2023-24 (till 13.02.2024), 501 projects have been approved. Out of 501 projects, 227 have been completed and commenced commercial operations, thereby creating 104.77 lakh metric tonnes (LMT) processing/ preservation capacities. Further, against RE allocation of ₹1270.30 crore from 2017-18 to 2023-24, actual expenditure of ₹998.20 crore has been done till 09.02.2024 in implementation of CEFPPC scheme.

In order to reduce receipt of ineligible proposals against the Expression of Interests (Eols), Ministry provides awareness/ guidance on the scheme to the prospective entrepreneurs/ applicants by publishing the operative scheme guidelines and arranging pre-bid meetings at the time of issue of Expression of Interests for inviting proposals from the prospective applicants/ entrepreneurs. Further, the queries of prospective applicants are being answered by uploading Frequently Asked Questions (FAQs) and during the Food Fairs/ Exhibition organized by this Ministry across the country.

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#### **4. Need for Engagement of Resource Persons/Experts in the Implementation of Scheme for Creation / Expansion of Food Processing and Preservation Capacities (CEFPPC)**

The Ministry of Food Processing Industries is implementing the Scheme for Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC) since 2017-18 under the Central Sector Umbrella Scheme of “Pradhan Mantri Kisan Sampada Yojana”. The Main Objective of the Scheme is to increase the level of food processing and value addition to facilitate reduction of wastage and enhancement of farmers income through creation of incremental processing and preservation capacities and modernization/ expansion of existing food processing units. The CEFPPC Scheme, which covers a wide range of processing activities, is implemented in accordance with the Operative Guidelines issued by the Ministry. These Operative Guidelines lay down

the detailed procedure for the implementation of the Scheme including eligibility conditions.

The Committee note that the CEFPPC Scheme is demand driven and the Projects selected under the Scheme are eligible for Grants-in-aid @35% of eligible project cost for projects in General Areas and @50% in Difficult Areas as well as for projects of SC/ST, FPOs and SHGs subject to a maximum of Rs. 5 crore. As provided in the Guidelines, the Ministry invites proposals from the public through Notification of Expression of Interest from time to time. Submission of proposals under the Scheme involves voluminous work requiring preparation of Detailed Project Report and fulfilment of other eligibility conditions as laid down in the Operative Guidelines including obtaining of Term-loan from bank, etc., within a time period of 45 days or so, as specified in the Notification. An Applicant also needs to furnish Non-Refundable Fee of Rs. 20,000/- along with his project proposal, and this fee is not returned to the Applicants, even if the application is found ineligible or rejected subsequently. Since the inception of the Scheme, the Ministry has invited proposals six times including the last Notification of 27.07.2023.

The Committee further note that more than 50% of the Applications received by the Ministry during each of the previous five times were rejected as those were found to be ineligible. The Committee, feel that the main reason for receipt of Ineligible Proposals is lack of information and knowledge about the Scheme among the applicants and the accompanying Formalities/ Technicalities associated with it.

The Committee, recommend that suitable Experts/Resource Persons be engaged by the Ministry for providing necessary guidance and assistance to probable applicants / entrepreneurs for the preparation and submission of project proposals to the Ministry under all the Schemes of PMKSY including the Scheme for CEFPPC. The Committee would like to be apprised of the action taken on the issue.

### **REPLY OF THE GOVERNMENT**

The Ministry of Food Processing Industries (MoFPI) has been implementing the component scheme – Creation/ Expansion of Food Processing and Preservation Capacities of PMKSY since 2017-18. The awareness on the benefits of the scheme are being made by the Ministry through organizing food fairs/ exhibitions across the country.

The operative guidelines of the scheme contain all the details regarding (i) eligibility criteria to be fulfilled to apply, and (ii) documents to be submitted along with the proposal. Further, pre-bid meeting is being arranged by the Ministry at the time of issue of Expression of Interest (EoI) to clarify the doubts of the prospective applicants/ entrepreneurs both by offline and online. The queries are received on email and they are answered either through return email or by uploading Frequently Asked Questions (FAQs) in the Ministry's website.

Apart from the above, till the last date of EoI, the queries raised by the prospective applicants/ entrepreneurs through telephones/ emails are also addressed promptly by the Ministry and facilitate them to submit applications/ proposals within the closing date of EoI.

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## **9. Criterion of Eligibility of Location for Implementation of the Scheme for CEFPPC and the Issue(s) Associated with Eligible Proposals**

As per the Operative Guidelines of the CEFPPC Scheme, the proposals under the Scheme will be considered both inside Mega Food Parks (MFPs)/Agro-processing Clusters (APCs) and anywhere outside MFPs/ APCs. As far as practicable, 60% of funds will be for units inside MFPs/APCs and 40% to units outside MFPs/APCs. The Committee note that 41 MFPs and 76 APCs have been sanctioned under the PMKSY and out of this sanctioned numbers, as on 11-06-2023, there are 24 Functional MFPs and 18 Functional APCs, only.

Further, the Committee note that many States/UTs like, Jharkhand, Goa, Pondicherry, Ladakh, etc., have had neither any MFPs nor any APCs. The Committee, therefore, recommend that the existing criteria regarding Eligible Location for implementation of the Scheme for CEFPPC including the ratio of 60: 40 for Projects Inside and Outside the MFPs/APCs be reviewed suitably. Further, New Provisions be incorporated in the Operative Guidelines so as to ensure that implementation of the CEFPPC Scheme is encouraged in the States/UTs and in the Regions, which do not have any MFPs or APCs. The Committee also recommend that until such time the New Provisions are made in this regard, due preference be accorded to those States/UTs

which do not have any MFPs or APCs, while selecting / approving new Projects against the present 40% Project-quota meant for the places located outside the MFPs/APCs. The Committee would however, like to be apprised of the action taken in this matter.

### **REPLY OF THE GOVERNMENT**

Ministry vide extant CEFPPC scheme guidelines dated 08.06.2022 has made provisions in the guidelines to consider the proposals received both inside Mega Food Parks (MFPs)/ Agro Processing Clusters (APCs) and anywhere outside MFPs/APCs by bifurcating the total fund allocation to 60% and 40% for setting up of units inside MFPs/ APCs and outside MFPs/ APCs respectively under CEFPPC scheme. This fund sharing pattern would assist in making MFPs/ APCs approved by this Ministry under the respective scheme, operational and functional and encourage prospective entrepreneurs/ applicants anywhere outside the MFPs/ APCs to apply and avail the benefits of the CEFPPC scheme.

Further, Expression of Interests (EoIs) are being issued from time to time under the CEFPPC scheme to invite proposals from the prospective entrepreneurs / applicants across the country irrespective of the State/UT. In order to encourage the applicants from the States/ UTs and Regions where no MFP/ APC is available, wide publicity on the EoI and benefits of the scheme are being made.

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### **13. Delay and Challenges in the Implementation of the Scheme for CEFPPC**

The Committee note that the time period specified for completion and operationalization of Approved Projects under the Scheme for CEFPPC, is 18 months from the date of issue of Approval Letter. However, the Sanctioned Projects have been observed to incur delay / time-overruns in their implementation and completion. The Ministry have stated before the Committee that it could not approve the targeted 305 projects during 14<sup>th</sup> Finance Commission Cycle (FCC) period due to paucity of funds for the Scheme. However, the Ministry subsequently intimated that during the 14<sup>th</sup> FCC Period of 01.04.2017 to 31.03.2021 a total of 353 Projects were approved, out of which 212 Projects were completed, 96 were cancelled/withdrawn and 45 Projects are still

ongoing. During the 15<sup>th</sup> FCC period starting from 01.04.2021 onwards, out of the total 243 Approved Projects, 7-Projects were completed 26-Projects were cancelled/ withdrawn and 210-Projects were ongoing. As on 12.09.2023, the cumulative achievements since the launch of the Scheme for CEFPPC in 2017-18, are stated to be Total Number of Approved Projects - 596, Projects Completed - 218, Projects cancelled/ withdrawn - 105 and Ongoing Projects - 273.

The Committee note that delay in obtaining Statutory Clearances / Certificates from States/UTs and inadequate support from lending banks in disbursement of Term-loans are stated to be main factors causing delay in the implementation of the Approved Projects. As regards cancellation or withdrawal of approved Projects is concerned, the Committee note that the reason for the same is that the applicants could not fulfil the eligibility conditions or show required progress/documents in the implementation of the project for getting benefits under the Scheme. The Committee, therefore, recommend that the Ministry should take necessary action to address the problems/ challenges faced by the Project Implementing Agencies (PIAs) in States/UTs through creation of Monitoring Cells/Units in concerned State/UTs and through effective coordination with the Institutions/Resources that have been established in States/UTs for the implementation of the Centrally Sponsored Scheme of 'Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME)'. The Committee also recommend that the Technical Evaluation and Monitoring Process for the implementation of the Scheme for CEFPPC be suitably strengthened by way of improving its mechanism so as to avoid subsequent Cancellation/ Withdrawal in respect of large number of Approved Projects. The Committee would like to be apprised of action taken in the matter.

### **REPLY OF THE GOVERNMENT**

MoFPI has been taking regular steps to combat the delay and challenges faced in implementation of the CEFPPC scheme by (i) organizing periodical review meetings with the implementing agencies (IAs) of the projects approved under CEFPPC scheme in order to understand the problems faced (including non-submission of requisite documents for claiming grants-in-aid) in implementing these projects and to facilitate IAs to complete the projects within time; (ii) taking up issues of projects with concerned banks, State Governments and other organisations; and (iii) undertaking inspection of



these units through Project Management Agencies from time to time to guide the IAs in implementing the projects and to facilitate them to set up units as per scheme guidelines and submitting documents on Sampada portal for claiming the installments of grants-in-aid under the scheme.

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## **CHAPTER III**

### **OBSERVATION/RECOMMENDATIONS IN RESPECT OF WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY**

#### **5. Utilization of Funds and Progress in Implementation of the Scheme for CEFPPC**

The Scheme for CEFPPC, which was launched in 2017-18, was allocated a Budgetary Outlay of Rs.1290 Crore for the 14<sup>th</sup> Finance Commission Cycle (FCC) Period ending on 31.03.2021. The Budgetary Support was subsequently revised to Rs.1068.50 Crore for approving 305 Projects, with an average Grants-in-Aid of Rs.3.5 Crore Per Unit. The Ministry, however, exhausted the amount in approving 297 Units up to 31.03.2021 and accordingly the target of approving 305 Units could not be achieved. The Committee note with concern that the Ministry could eventually utilize only Rs.456.70 Crore against Rs.1068.50 Crore. With regard to lower achievements, the Ministry attributed the factors responsible for the same like Inadequate number of eligible proposals at initial stages of implementation, Approval of large number of Projects at the end of 14<sup>th</sup> FCC period, Time period of 18/24 months required for completion of Projects and the delay in submission of Documents for claiming Grants-in-Aid.

During the 15<sup>th</sup> FCC Period of 2021-22 to 2025-26, the outlay for CEFPPC was Rs.1292 Crore, out of which Rs.642 Crore has been earmarked only towards meeting the liabilities of Previously Sanctioned Ongoing Projects. Hence, an amount of Rs.650 Crore, was only available for implementation of New Proposals against which, the Ministry envisaged to implement 162 New Proposals including a backlog of 43 Eligible Proposals. The Ministry also received 307 More Eligible Proposals as against its Notification of 21.06.2022 and thus there were a total of 350 (43+307) Eligible Proposals for implementation. In regard to additional funds allocation for the Scheme, the Department of Expenditure has suggested to the Ministry that it may utilize additional Rs.950 Crore only (20% of outlay of Rs.4600 Crore for PMKSY) after obtaining requisite approvals.

Under these circumstances, the Ministry has now informed that 107 pending eligible proposals will not be approved for implementation due to non-availability of funds. Surprisingly, even in this crisis situation of non-availability of funds for approving already

received 107 Eligible Proposals and inadequacy of funds for completion of 273 Ongoing Projects, the Ministry has again issued Notification inviting proposals under the Scheme.

Keeping in view the above factors, the Committee feel that the Ministry has failed to visualize, plan and ensure proper implementation of the Scheme and the Ministry has under-utilized the funds during the 14<sup>th</sup> FCC period and faces financial constraints during 15<sup>th</sup> FCC period in the implementation of the Scheme. The Committee, therefore, recommend that the Ministry needs to improve its planning process and execution mechanism in implementation of the CEFPPC Scheme. The Committee further recommend to the Ministry that necessary approvals as suggested by the Department of Expenditure be obtained well in time for getting additional funds allocation for the Scheme for CEFPPC in order to ensure smooth implementation of this most important Scheme-Component of PMKSY. The Committee would like to be apprised of the precise action taken in the matter.

### **REPLY OF THE GOVERNMENT**

The Ministry of Food Processing Industries (MoFPI) has been implementing the component scheme – Creation/ Expansion of Food Processing and Preservation Capacities of PMKSY since 2017-18. During the 14<sup>th</sup> Finance Commission Cycle period (2015-16 to 2019-20 extended up to 2020-21), a budgetary outlay of ₹1290 crore was allocated, which was subsequently revised to ₹1068.50 crore for approving 297 units against the target of 305 projects. During the 14<sup>th</sup> FCC period ending 31.03.2021, ₹460.78 crore has been utilized against the Revised Estimate (RE) of ₹533.22 crore, which is 86.41% of the RE allocation.

During the 15<sup>th</sup> FCC period (2021-22 to 2025-26), a budgetary outlay of ₹1292 (₹ 650 crore for approving 162 new projects and remaining ₹ 642 crore for meeting out liabilities). During the 15<sup>th</sup> FCC period, an EoI dated 21.06.2022 was issued against which 307 eligible proposals were received. During 2022-23, a total of 200 proposals against EoI dated 21.06.2022 plus 43 proposals of earlier EoI of which 243 proposals were approved based upon availability of funds. Thereafter, Ministry vide its notice dated 18.07.2023 has conveyed that approval of any new projects under CEFPPC scheme will be on the basis of new Expression of Interest that may be published in due course of time and that any entity which had submitted its application against earlier EoI dated

21.06.2022 may apply afresh as and when new EOI is issued by the Ministry.

Further, MoFPI has floated an EOI dated 27.07.2023 for inviting applications specifically from prospective applicants belonging to SC & ST category and North-Eastern Region (NER). Under this EOI, 42 projects (20 projects under SC, 1 project under ST and 21 projects under NER) have been approved with total grants-in-aid of ₹159.90 crore. These 42 projects have been approved against the cancellation/ withdrawal of the projects and allocation of additional funds by Ministry of Finance. Subsequently, a fresh EOI was issued on 04.10.2023 under the CEFPPC scheme. Against it, 1007 proposals have been received.

During the 15<sup>th</sup> FCC period, against RE of ₹737.30 crore allocated from 2021-22 to 2023-24, ₹537.42 crore has been utilized till 09.02.2024, which is 72.90% of the RE allocation.

This Ministry has taken necessary approvals from the Department of Expenditure regarding allocation of funds under the scheme. Thereafter, based on availability of funds, Eois are floated and accordingly approvals are accorded to the eligible projects.

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## **6. Requirement of Additional Budgetary Allocation for the Scheme for CEFPPC**

The Committee note that since the launch of the Scheme for CEFPPC in 2017-18, the cumulative achievements as on 17.09.2023 are that a total of 596 Projects have been approved, out of which 218-Projects were completed, 105-Projects cancelled/ withdrawn and 273-Projects are ongoing. According to the Ministry an amount of Rs.1034.74 Crore is required for these 273 ongoing Projects. In addition, the Ministry may need additional funds for the implementation of New Eligible Proposals that will be received in response to its notification of 27.07.2023. The Committee also note that an outlay for the Scheme for CEFPPC for the duration of 15<sup>th</sup> FCC period of 2021-22 to 2025-26 was Rs.1292 Crore. As on 01.06.2023, the Ministry has already incurred an expenditure of Rs. 415.12 Crore. The Ministry has taken up the matter of additional funds allocation for the Scheme for CEFPPC with the Ministry of Finance. According to the Ministry 107 Eligible Proposals already pending with it could not be approved for implementation due to Non-

availability of funds. The Non-Availability of sufficient funds during the current year, as also for the remaining duration of 15<sup>th</sup> FCC period has also been one of the major reasons for the same. The Funds requirements for completion of Ongoing Projects and additional funds needed by the Ministry for the implementation of New Projects under the Scheme, have not been clearly indicated by the Ministry.

The Committee, therefore, strongly recommend that funds requirements for the Scheme be worked out afresh taking into account the balance funds available out of the outlay for 15<sup>th</sup> FCC period, Number of projects likely to be completed during 2023-24, 2024-25 & 2025-26 and the likely Number of new eligible proposals to be implemented out of the eligible application to be received against notification issued on 27.07.2023.

The Committee, further emphasize that the Ministry shall work out a realistic estimate of its funds requirements and convince the Government for providing the required additional funds for the Scheme at the earliest so that all the eligible proposals received by it are implemented towards attaining the objective of reducing Post-harvest losses of Agricultural Produces in the country. The Committee also desire that the Government should provide more funds for efficient and smooth implementation of the Scheme for CEFPPC during the current financial year and for the period of 2024-26 for effective implementation of the important Scheme Component of the Pradhan Mantri Kisan Sampada Yojana (PMKSY). The Committee would like to be apprised of the achievements made by the Ministry in this regard.

### **REPLY OF THE GOVERNMENT**

As on 13.02.2024, 501 food processing units have been approved under various sectors viz. Fruit & Vegetable, Consumer products, Dairy, Grain milling, Oil milling and Meat & Poultry processing for total grants-in-aid/subsidy of Rs. 1931.64 crore under CEFPPC scheme. Out of 501 units, 227 have been completed and commenced commercial operations, thereby creating 104.77 lakh metric tonnes (LMT) processing / preservation capacities, which leads to considerable reduction in the post-harvest losses. The balance 274 units are under different stages of implementation.

During the 14<sup>th</sup> Finance Commission Cycle period (2015-16 to 2019-20 extended up to 2020-21), a budgetary outlay of ₹ 1290 crore was allocated, which was subsequently revised to ₹ 1068.50 crore for approving 297 units against the target of 305

projects. During the 14<sup>th</sup> FCC period ending 31.03.2021, ₹460.78 crore has been utilized against the Revised Estimate (RE) of ₹ 533.22 crore, which is 86.41% of the RE allocation.

During the 15<sup>th</sup> FCC period (2021-22 to 2025-26), a budgetary outlay of ₹1292 (₹ 650 crore for approving 162 new projects and remaining ₹ 642 crore for meeting out liabilities) had been provided. During 2022-23, a total of 200 proposals against EoI dated 21.06.2022 plus 43 proposals of earlier EoI were approved based upon availability of funds. Thereafter, Ministry vide its notice dated 18.07.2023 has conveyed that approval of any new projects under CEFPPC scheme will be on the basis of new Expression of Interest that may be published in due course of time and that any entity which had submitted its application against earlier EoI dated 21.06.2022 may apply afresh as and when new EOI is issued by the Ministry.

Ministry of Food Processing Industries has been taking up with Ministry of Finance for allocation of additional funds under various component schemes of PMKSY. With these efforts, an amount of ₹920 crore has been allowed by Ministry of Finance over and above ₹4600 crore allocated under PMKSY earlier. Of this amount, it has been decided that ₹580 crore will be utilized for approving projects under component scheme of CEFPPC.

**Ministry of Food Processing Industries**  
(OM. No. H-11012/1/2024-Parl. dated 02.04.2024)

## **11. Time Schedule for Invitation of Proposals under the Scheme for CEFPPC**

The Committee note that the Ministry of Food Processing Industries invites Online proposals/Applications from the prospective Entrepreneurs by issuing Expression of Interest (EoI) from time to time under various Sub-schemes of PMKSY including the Scheme for CEFPPC based on availability of funds, number of Cancelled/ Withdrawn Projects and the number of vacant slots. During the past six years of implementation of the Scheme for CEFPPC since its inception, the Ministry has invited proposals six times on 31.07.2017, 29.12.2017, 16.07.2019, 01.06.2020, 21.06.2022 & 27.07.2023. The last date for submission of proposals as per the current Notification of 27.07.2023 is 22.11.2023.

The Committee further note that the Ministry has not followed any Annual time Schedule in inviting proposals reportedly due to Covid-19 Pandemic and non-receipt of adequate number of eligible applications/proposals at initial stages of implementation of the Scheme. However, during the 15th Finance Commission Cycle period starting from 01.04.2021, the Ministry is receiving good response for the Scheme and is getting sufficient number of eligible proposals for the Scheme. Against the backdrop the Committee recommend that the Ministry must chalk out an Annual Time Schedule for Invitation, Selection and Approval / Sanction of Projects under the Scheme for CEFPPC and the Notification for inviting proposals be issued at least once in a year after budgetary allocation for the year. Action taken in this regard be intimated to the Committee.

### **REPLY OF THE GOVERNMENT**

Expression of Interests (Eols) are being issued by this Ministry from time to time under the CEFPPC scheme based on the availability of funds and vacant slots to invite proposals from the prospective entrepreneurs/ applicants across the country irrespective of the State/UT based on the availability of funds and vacant slots. During 2022, one Eol was issued while during 2023, two Eol were issued based on availability of funds.

**Ministry of Food Processing Industries**  
(OM. No. H-11012/1/2024-Parl. dated 02.04.2024)

## **12. Promotion of Region Specific Products under the Schemes of the Ministry**

The main objective of the scheme for CEFPPC is to increase the level of Food Processing and Value Addition through creation of processing and preservation capacities and modernization / expansion of existing Food Processing Units. The Committee, note that the Scheme for CEFPPC plays a major role in establishment / expansion of Food Processing Units. The Committee further note that the Scheme is Demand Driven and as such no State/UT-wise Project implementation and funds allocation is done. Out of the already Approved 473 Food Processing Units till June, 2023, 210 Projects have been completed with creation of processing/ preservation capacity of 38.32 LMT/Annum. Further, 263 Ongoing Projects will result in creating processing / preservation capacity of 55.58 LMT/Annum. However, the State/UT-wise

data of 484 Projects furnished by the Ministry indicates that there is a vast disparity among States/UTs and in different Regions.

The Committee are also of the view that the problem of periodic glut in production of some Agricultural Produces like Onion, Potato, Tomato, etc. in different Regions of the country has not been properly addressed to under the Scheme. Moreover, the Post-harvest losses - in respect of fruits and vegetables in the country, are in the range of 4.58% to above 11%, which remains a big cause of concern. Processing of Agricultural Produces into suitable value added products and facilitation of appropriate storage for excess production can help to reduce the Post-Harvest losses and also give protection against price fluctuation during the glut periods. The Committee therefore, recommend that Region Specific and Product Specific Programmes be promoted under the Scheme for CEFPPC to address the issue through suitable interventions by the way of necessary modifications in the Operative Guidelines of the Scheme. The Committee also recommend that more number of Common Facility Centers with Gamma Radiation Centres, etc. be promoted under the Scheme to increase preservation capacities - in respect of perishable items of agricultural produces. The Committee desire to be apprised of the action taken in the matter.

### **REPLY OF THE GOVERNMENT**

The Ministry of Food Processing Industries (MoFPI) has been implementing a Central Sector umbrella scheme viz. Pradhan Mantri Kisan Sampada Yojana (PMKSY) since 2017-18. Under PMKSY, a component scheme viz. Creation/ Expansion of Food Processing and preservation capacities (CEFPPC scheme) with an objective to set up new food processing units and modernization/ expansion of existing units thereby creating processing and preservation capacities to increase the level of processing and value addition and to reduce wastage. As on 13.02.2024, 501 food processing units have been approved under various sectors viz. Fruit & Vegetable, Consumer products, Dairy, Grain milling, Oil milling and Meat & Poultry processing for total grants-in-aid/subsidy of Rs. 1931.64 crore under CEFPPC scheme. Out of 501 units, 227 have been completed and commenced commercial operations, thereby creating 104.77 lakh metric tonnes (LMT) processing / preservation capacities, which leads to considerable reduction in the post-harvest losses.



Further, this Ministry has been implementing a Centrally Sponsored scheme viz. PM Formalisation of Micro Food Processing Enterprises (PMFME) adopts the 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. There may be more than one cluster of ODOP products in one district. There may be a cluster of ODOP products consisting of more than one adjacent district in a State. Hence, the recommendation of inclusion of Region specific and Product specific programme under the CEFPPC scheme may lead to duplication/ overlapping among the schemes.

Under PMKSY, there is a component scheme –viz. Integrated Cold Chain and Value Addition Infrastructure which provide integrated cold chain and preservation infrastructure facilities, without any break, from the farm gate to the consumer. It covers creation of infrastructure facility along the entire supply chain viz. pre-cooling, weighing, sorting, grading, waxing facilities at farm level, multi product/multi temperature cold storage, CA storage, packing facility, IQF, blast freezing in the distribution hub and reefer vans, mobile cooling units for facilitating distribution of non-horticulture, horticulture, fish/marine (except shrimp), dairy, meat and poultry. The scheme allows flexibility in project planning with special emphasis on creation of cold chain infrastructure at farm level. Further, under the component scheme, there is a provision to support setting up of standalone Irradiation facility. Under irradiation facility, financial assistance of ₹10.00 crore in the form of grants-in-aid/ subsidy is provided for creating irradiation facility along with cold store, grading & sorting facilities, refer vans for storage and transport of raw material and finished products for efficient utilization of the facility. Hence, the recommendation for inclusion of irradiation facility under the CEFPPC scheme may lead to duplication/ overlapping within the component schemes of PMKSY.

**Ministry of Food Processing Industries**  
(OM. No. H-11012/1/2024-Parl. dated 02.04.2024)

## **CHAPTER IV**

### **OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH ACTION TAKEN REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE**

#### **7. Implementation of the Scheme for CEFPPC for SCSP, TSP & NE Region**

The Committee note that the Ministry could not properly utilise the funds allocated under the Scheme for CEFPPC for Schedule Caste Sub Plan (SCSP), Tribal Sub Plan (TSP) and for the North Eastern Region since the launch of the Scheme. As regards the implementation of SCSP during 2018-19 to 2022-23, the Budget Estimates (BE), Revised Estimates (RE), Actual Expenditure (AE) are Rs. 368.93 Crore; Rs. 292.92 Crore; and Rs. 107.50 Crore respectively. In the implementation of TSP, the achievements in terms of BE, RE and AE are Rs. 217.64 Crore, Rs. 170.83 Crore and Rs. 35.32 Crore. Similarly, the BE, RE and AE in respect of North Eastern Region are Rs. 509.54 Crore, Rs. 397.27 Crore and Rs. 199.28 Crore respectively.

The Committee note that utilization of funds for SCSP and TSP has been less than 1/3<sup>rd</sup> of the amount allocated and utilization of funds for North Eastern Region (NER) is less than 50% which is not an encouraging trend. The Committee, therefore, recommend that the Ministry should try to find out the reasons for Non-utilization of allocated funds for SCSP, TSP and also for NER so as to make sure that the funds are utilized to the optimum level by the Ministry in the implementation of the Scheme.

#### **REPLY OF THE GOVERNMENT**

Under CEFPPC scheme, the Ministry of Food Processing Industries (MoFPI) has been providing the following benefits to encourage SC/ ST and NER category applicants as per the extant scheme guidelines dated 08.06.2022:

- (i) Proposals received from entities where Scheduled Caste (SC)/ Scheduled Tribe (ST) holding at least 51% stake in the entity, will be treated as SC/ST proposals.
- (ii) The entities applying under a scheme for financial assistance are required to submit a non-refundable fee of Rs. 20,000/- (Rupees twenty thousand) in favour of "Pay

and Accounts Officer, Ministry of Food Processing Industries, New Delhi". This non-refundable fee is Rs. 15,000/- for applications from SC/ST.

(iii) Term loan from the Bank for an amount not less than 20% of the total project cost is required in respect of proposals from General Areas. In case of proposals from Difficult Areas or proposals from SC/ST or Farmer Producer Organizations or Self-Help Groups, minimum term loan amount requirement has been made 10% of the total project cost as against 20% in other cases.

(iv) The minimum marks for eligibility of proposal is 45 for an applicant belonging to SC/ ST as against 60% in other cases.

(v) Grants-in-aid will be considered @35% for projects in General Areas and @50% for projects in Difficult Areas (including NER) as well as for projects of SC/ST subject to a maximum of ₹5 crore.

MoFPI has been taking regular steps to boost the utilization of funds under SCSP, TSP and NER by (i) organizing periodical review meetings with the implementing agencies (IAs) of the projects approved under SCSP, TSP and NER categories of CEFPPC scheme in order to understand the problems faced (including non-submission of requisite documents for claiming grants-in-aid) in implementing these projects and to facilitate IAs to complete the projects within time and (ii) undertaking inspection of these units through Project Management Agencies from time to time so as to guide the IAs in implementing the projects and to facilitate them in submitting documents on Sampada portal for claiming the installments of grants-in-aid under the scheme.

MoFPI had floated an EoI dated 27.07.2023 for inviting applications specifically from prospective applicants belonging to SC & ST category and NER. Under this EoI, 42 projects (20 projects under SC, 1 project under ST and 21 projects under NER) have been approved with total grants-in-aid of ₹159.90 crore. These approved projects will become eligible for claiming installments of grants-in-aid in due course of time.

Subsequently, a fresh EoI was issued on 04.10.2023 for inviting applications from all categories under the CEFPPC scheme. Against it, 1007 proposals have been received.

In view of above actions, this Ministry would be able to utilize the funds to the optimum level under the heads of SCSP, TSP and NER of the scheme.

Ministry of Food Processing Industries  
(OM. No. H-11012/1/2024-Parl. dated 02.04.2024)

### **Comments of the Committee**

**For comments of the Committee please refer to Para No. 1.10 of Chapter-I of this Report.**

#### **8. Non-Refundable Fee in respect of Non-Implemented Eligible Proposals**

The Committee note that the probable beneficiaries under the Scheme for CEFPPC need to submit their Application / Project Proposal complete in all respects in accordance with the instructions laid down in the Operative Guidelines and as per the Notification of the Ministry. All the Applicants are also required to submit a Non-refundable fee of Rs.20,000/- (Rs.15,000/- for SC/ST Applicants) along with the Project Proposal. Moreover, the successful applicants, on being selected for financial assistance by the Ministry, are also required to submit a Refundable Bank Guarantee of 5% of eligible Grants-in Aid within 30 days of approval of the Project for the period, till 60 days beyond the date of completion of the Project. According to the Ministry, the Non-refundable Application fee is sought in order to ascertain the genuineness and interest of the Applicant for availing Grants-in-Aid and also to meet out the expense involved in processing the Applications / Proposals. This fee in respect of the Rejected/ Ineligible proposals is not returned to the Applicants.

Keeping in view the above factors, the Committee hold the view that prescription of Non-refundable fee for the submission of application for the Scheme is a discouraging factor for prospective applicants particularly, SC/ST applicants and weaker categories like farmers, SHGs, etc. The Committee, therefore, recommend that the condition of Non-refundable Application Fee for submission of proposals needs a serious reconsideration. However, the Ministry may consider other alternate measures to discourage Non-serious candidates instead of prescribing Non-refundable Application Fee.

The Committee also specifically desire that the Ministry shall look into the matter of 107 Eligible Proposals, which still remain pending with it out of the 307 Eligible

proposals received by it against its previous Notification dated 21.06.2022. The Committee would like to be apprised of the action taken in the matter.

### **REPLY OF THE GOVERNMENT**

The Ministry of Food Processing Industries (MoFPI) as per the extant CEFPPC guidelines dated 08.06.2022, stipulates that the applicant against Expression of Interest (Eol) is required to submit (a) non-refundable application fee at the time of submission of the proposal in the Sampada portal in order to ascertain the genuineness and the actual interest of the applicant for availing grants-in-aid and to discourage non-serious applicants irrespective of the category they belong; and (b) refundable Bank Guarantee worth of 5% of the eligible grants-in-aid within 30 days of approval of the project. The non-refundable fee is lower @ ₹15000 in case of SC/ST applications.

MoFPI received 307 eligible proposals under CEFPPC scheme against the Eol dated 21.06.2022. Out of 307 eligible proposals, 243 proposals have been accorded approval and remaining eligible proposals could not be approved due to paucity of funds. Thereafter, Ministry vide its notice dated 18.07.2023 has conveyed that approval of any new projects under CEFPPC scheme will be on the basis of new Expression of Interest that may be published in due course of time. Any entity who had submitted its application against earlier Eol dated 21.06.2022 may apply afresh as and when new EOI is issued by the Ministry.

Ministry of Food Processing Industries  
(OM. No. H-11012/1/2024-Parl. dated 02.04.2024)

### **Comments of the Committee**

**For comments of the Committee please refer to Para No. 1.13 of Chapter-I of this Report.**

## **10. Participation of Different Categories in the Scheme for CEFPPC**

As per the CEFPPC Operative Guidelines any organization/individual engaged in creation/ expansion/ modernization of Food Processing and Preservation Capacities would be eligible for Grants-in Aid (GIA) under the Scheme. The scheme is Demand Driven and subject to availability of funds. Although no specific State-wise allocation of

funds is made under the Scheme, however, 10% of total BE is reserved for North-Eastern Region. Many concessions including the enhanced rate of Grants-in-Aid are permitted in respect of Project Proposals submitted by Persons belonging to SC/ST and Difficult Areas, Farmers Producers Organizations (FPOs), Self-Help Groups (SHGs) and Central / State Entities in order to encourage these sections to participate in the Scheme for CEFPPC.

As regards Selection Criteria, the Ministry clarified to the Committee that when many applications have the same score in assessment, the Project with higher project cost will gain preference in order to attract more private investment. This provision has the effect of nullifying the concessions extended to proposals from SC/ST, Difficult Areas, FPOs, SHGs and Central / State Entities. The Committee also note that out of the 473 approved Projects, the break-up of different categories is Private sector-399; SC category-27; STcategories-21; FPO's-13; MNC's-10; Multipurpose-Societies-1; Public Sector-1 and SHGs-Nil. Against this backdrop, the Committee recommend that the Selection Criteria be reviewed to ensure that FPOs, SHGs, Entities from Difficult Areas and Public Entities-having participation of farmers and women also get benefits under the Scheme for CEFPPC. The Committee would like to be apprised of the action taken in the matter.

### **REPLY OF THE GOVERNMENT**

Ministry vide extant CEFPPC scheme guidelines dated 08.06.2022 has given the following benefits to encourage applicants from SC/ ST category and NER, SHGs &FPOs applicants to apply against Expression of Interests (Eols) issued from time to time under the scheme:

- (i) Proposals received from entities where Scheduled Caste (SC)/ Scheduled Tribe (ST) holding at least 51% stake in the entity, will be treated as SC/ST proposals.
- (ii) The entities applying under the scheme for financial assistance are required to submit a non-refundable fee of Rs. 20,000/- (Rupees twenty thousand) in favour of “Pay and Accounts Officer, Ministry of Food Processing Industries, New Delhi”. This non-refundable fee is Rs. 15,000/- for applications from SC/ST.

(iii) Infusion of equity of at least 10% for proposals from Difficult areas or proposals from SC/ST or FPOs or SHGs against the requirement of at least 20% for the proposals from General areas.

(iv) The proposal from Difficult areas, applicants of SC/ST category, FPOs and SHGs, the combined net worth are required to be less than the grants-in-aid sought against the requirement of at least 1.5 times of grants-in-aid sought for others.

(v) Term loan from the Bank for an amount not less than 20% of the total project cost in respect of proposals from General Areas. In case of proposals from Difficult Areas or proposals from SC/ST or Farmer Producer Organisations or Self-Help Groups, term loan amount should not be less than 10% of the total project cost.

(vi) The minimum marks for eligibility of proposal will be 45 for an applicant belonging to SC/ ST against the requirement of 60% marks for general category applicants.

(vii) Grants-in-aid will be considered @35% for projects in General Areas and @50% for projects in Difficult Areas (including NER) as well as for projects of SC/ST, FPOs and SHGs subject to a maximum of ₹5 crore.

Ministry is of the view that the aforementioned benefits to the applicants from SC/ ST category and NER, SHGs & FPOs applicants would help them to avail the benefits under the scheme without affecting the merit.

Ministry of Food Processing Industries  
(OM. No. H-11012/1/2024-Parl. dated 02.04.2024)

### **Comments of the Committee**

**For comments of the Committee please refer to Para No. 1.16 of Chapter-I of this Report.**

## **CHAPTER V**

### **OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED**

**-NIL-**

New Delhi;  
19 August , 2025  
28 Shravana, 1947 (Saka)

**CHARANJIT SINGH CHANNI**  
*Chairperson,*  
*Standing Committee on Agriculture,*  
*Animal Husbandry and Food Processing*



## ANNEXURE

### MINUTES OF THE THIRTY FIFTH SITTING OF THE COMMITTEE ON AGRICULTURE, ANIMAL HUSBANDRY AND FOOD PROCESSING (2024-25)

The Committee sat on Monday, 18<sup>th</sup> August, 2025 from 1500 hours to 1530 hours in Committee Room No. 3, Extension to Parliament House Annexe, New Delhi.

#### **Present**

Shri Charanjit Singh Channi – Chairperson

#### **Members**

##### ***Lok Sabha***

2. Shri Umeshbhai Babubhai Patel
3. Shri Rajkumar Chahar
4. Smt. Anita Nagarsingh Chouhan
5. Shri Rajpalsinh Mahendrasinh Jadav
6. Md. Abu Taher Khan
7. Shri Sukanta Kumar Panigrahi
8. Smt. Krishna Devi Shivshankar Patel
9. Shri Naresh Chandra Uttam Patel
10. Shri Murasoli S.
11. Shri Dharambir Singh
12. Shri Sudhakar Singh
13. Shri Kodikunnil Suresh
14. Smt. Geniben Nagaji Thakor
15. Shri Bhausahab Rajaram Wakchaure

##### ***Rajya Sabha***

16. Smt. Ramilaben Becharbhai Bara
17. Shri Masthan Rao Yadav Beedha
18. Shri Banshilal Gurjar
19. Shri Nitin Laxmanrao Jadhav Patil
20. Shri Madan Rathore
21. Shri Ramji Lal Suman
22. Shri P.P. Suneer

#### **Secretariat**

- |    |                   |   |                  |
|----|-------------------|---|------------------|
| 1. | Shri Dhiraj Kumar | - | Joint Secretary  |
| 2. | Shri Maheshwar    | - | Director         |
| 3. | Shri Prem Ranjan  | - | Deputy Secretary |

2. At the outset, the Chairperson welcomed the Members to the Sitting of the Committee and \*xxxxx. Thereafter, the Committee took up for consideration and adoption the following Reports:

- (i) \*xxxx                xxxx                xxxx                xxxx                xxxx;
- (ii) \*xxxx                xxxx                xxxx                xxxx                xxxx;
- (iii) \*xxxx                xxxx                xxxx                xxxx                xxxx;
- (iv) \*xxxx                xxxx                xxxx                xxxx                xxxx;
- (v) Draft Action-taken Report on the Action taken by the Government on the Observations/ Recommendations contained in the 67<sup>th</sup> Report of the Committee on the subject, "Scheme for Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC) – An Evaluation", pertaining to the Ministry of Food Processing Industries presented during 17<sup>th</sup> Lok Sabha;
- (vi) \*xxxx                xxxx                xxxx                xxxx                xxxx;
- (vii) \*xxxx                xxxx                xxxx                xxxx                xxxx; and
- (viii) \*xxxx                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 the Report to Parliament.

***The Committee then adjourned.***

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\* Matter not related to this Report

## APPENDIX

### ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE SIXTY SEVENTH REPORT (17<sup>TH</sup> LOK SABHA) OF THE STANDING COMMITTEE ON AGRICULTURE, ANIMAL HUSBANDRY AND FOOD PROCESSING (2023-24)

(Vide Para 4 of Introduction of the Report)

(i) Total Number of Recommendations	13
(ii) Observations/Recommendations which have been accepted By the Government Para Nos. 1, 2, 3, 4, 9, and 13.	Total 06 Percentage 46.15%
(iii) Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies Para No. 5, 6, 11, and 12	Total 04 Percentage 30.77%
(iv) Observations/Recommendations in respect of which Replies of the Government have not been accepted by the Committee Para No. 7, 8, and 10	Total 03 Percentage 23.08%
(v) Observations/Recommendations in respect of which final replies of the Government are still awaited Para No. NIL	Total 00 Percentage 0.00%