

**GOVERNMENT OF INDIA  
FOOD PROCESSING INDUSTRIES  
LOK SABHA**

UNSTARRED QUESTION NO:6481  
ANSWERED ON:09.05.2005  
CREDIT FACILITY FOR FOOD PROCESSING SECTOR  
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**Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:**

- (a) whether the Government are contemplating to extend more credit facilities to the food processing sector;
- (b) if so, the details thereof; and
- (c) the amount of loans extended to the food processing sector during the last three years?

**Answer**

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHA)

(a) to (c): In order to ensure easy availability of credit, Government has included food processing industries in the list of priority sector for bank lending. According to available information, outstanding advances to food and agro based processing sector units by all scheduled commercial banks on the last reporting Friday of March of 2003 was Rs. 4726.93 crore. However, Plan schemes have been implemented to provide financial assistance for establishment and modernization of food processing units, creation of infrastructure, support for R&D, human resource development besides other promotional measures to encourage development of food processing industries. The rate of assistance for establishment/modernization of food processing units is 25% of the project cost of plant & machinery and technical civil works subject to maximum of Rs. 50 lakh in general areas and 33.33% of the project cost subject to maximum of Rs. 75 lakh in difficult areas. The other major scheme of scheme of food parks provides for assistance upto Rs. 4.00 crore, for specified common facilities at the rate of 25% and 33.33% of the project cost in the two areas respectively.