

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

UNSTARRED QUESTION NO:6502
ANSWERED ON:09.05.2005
FOOD DEVELOPMENT FUND
Bishnoi Shri Kuldeep

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

- (a) whether the Government proposes to set up a "Food Development Fund" for Food Processing Industries (FPI);
- (b) if so, the details thereof; and
- (c) the steps taken by the Government to provide a fillip of the Food Processing Sector by making available institutional finance to new entrepreneurs on soft terms?

Answer

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

(a) to (c): In order to ensure easy availability of loans food processing sector has been included in the list of priority sector for bank lending. Govt. has also formulated and implemented several plan schemes 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 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 a maximum of Rs. 75 lakh in difficult areas. The other major scheme of food parks provides for assistance up to Rs. 4.00 crore, for specified common facilities at the rate of 25% and 33.33% of project cost in the general and difficult areas respectively. At present there is no proposal to set up a food development fund for FPI sector.