

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

UNSTARRED QUESTION NO:2788
ANSWERED ON:12.12.2005
STRENGTHENING OF FOOD PROCESSING SECTOR
Reddy Shri Magunta Sreenivasulu

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

- (a) whether the food processing industry is one major area that needs immediate attention; and
- (b) if so, the measures being taken by the Government to strengthen supply chain between the farmer and the consumer by offering ware housing, cold storage and transport facilities?

Answer

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

(a) & (b): There is adequate scope for growth of food processing industries in the country. Government has implemented several plan schemes to provide financial assistance for establishment/expansion/modernization of the food processing units, creation of infrastructure like food park, cold storage etc. Assistance @ 25% of the project cost in general areas and 33.33% in difficult areas subject to a uniform ceiling of Rs. 75 lakh is provided for cold storage facilities for non horticultural produce. The National Horticulture Board of the Department of Agriculture provides assistance for cold storages for horticultural produce. In order to facilitate marketing of agri produce in a more efficient manner, State Governments have been approached to carryout necessary amendment in the APMC Act so as to enable better sourcing of raw material by food processing industries. For improvement in cold chain facilities, the government has reduced customs duty on reefer van from 20% to 10%.