

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

STARRED QUESTION NO:312

ANSWERED ON:13.03.2006

REFORMS IN FOOD PROCESSING SECTOR

Barad Shri Jashubhai Dhanabhai;Shakya Shri Raghuraj Singh

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

- (a) whether the Government proposes to initiate reforms in the food processing sector in various States;
- (b) if so, the details thereof; and
- (c) the measures being taken to create competition in this sector and to bring improvement in the quality of the products?

Answer

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

(a) to (c): A statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) FOR LOK SABHA STARRED QUESTION NO. 312 FOR 13TH MARCH 2006 REGARDING REFORMS IN FOOD PROCESSING SECTOR

Introduction of reforms in food processing sector is an ongoing process. Several fiscal reforms have been introduced by Government from time to time for promotion of food processing industries. Fruit & vegetable processing units are already exempted from payment of excise duty. In the year 2004-05 the Government has allowed under Income Tax Act, a deduction of 100% of profit for five years and 25% of profits for the next five years in case of new agro processing industries set up to process, preserve and package fruits and vegetables. In the Union Budget of 2006- 07, Government has announced to exempt the condensed milk, ice cream, preparation of meat, fish and poultry, pectins, pasta and yeast from payment of excise duty. Government has also implemented Plan Schemes to provide financial assistance for technology upgradation / modernization/ establishment of the food processing units, creation of infrastructure, support for Research & Development, Human Resource Development besides other promotional measures to enable the food processing industries to improve their quality and become competitive in the market. In order to rationalize / reform food laws so as to ensure better food quality / safety, the Government has since introduced the Food Safety & Standards Bill, 2005 in the Lok Sabha on 25.08.2005.