

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

UNSTARRED QUESTION NO:1553
ANSWERED ON:06.03.2006
CREDIT PROBLEM IN FPI
Ramadass Prof. M

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

- (a) whether the Government is aware of the growing credit problems experienced by the Agro or Food Processing Industries in the country;
- (b) if so, the remedial steps taken by the Government to overcome these problems;
- (c) whether the Government proposes to provide credit to these industries; and
- (d) if so, the details thereof?

Answer

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

(a) to (d): No specific credit problem experienced by the agro or food processing industries has been reported to the Ministry of Food Processing Industries. However, in order to ensure easy availability of credit, the Government has announced in Budget 2006-07 to treat food processing industries as priority sector for bank credit. It has been announced that NABARD will create a separate window with a corpus of Rs. 1000 crores for refinancing loan to the sector especially for agro-processing infrastructure and market development. The Government has also implemented a Plan scheme to provide financial assistance for establishment and modernization of the food processing units. The rate of assistance for establishment/modernization of the food processing units is 25% of the project cost of plant & machinery and technical civil works subject to a maximum of Rs. 50 lakh in general areas and 33.33% of the project cost subject to a maximum of Rs. 75 lakh in difficult areas.