

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

UNSTARRED QUESTION NO:2012  
ANSWERED ON:10.08.2006  
PROMOTION OF FPI  
Scindia Shri Jyotiraditya Madhavrao

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

- (a) whether India despite being the second best producer of fruits and vegetables, processes less than 5 per cent of its produce;
- (b) if so, whether any study has been made about the areas holding promise and potential for promotion of food-processing industry in the country;
- (c) if so, the areas so identified; and
- (d) the plans, if any, worked out for adequately tapping such potential?

**Answer**

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

(a) to (d): In India level of processing of fruits & vegetables is about 2% Government has formulated and implemented several Plan Schemes to provide financial assistance for establishment and modernization of food processing units, creation of infrastructure, etc. Food processing is declared as a priority sector. Under the scheme for technology upgradation/establishment/expansion of food processing industries assistance in the form of grant-in-aid is provided for establishment/modernization of food processing units @ 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.

This Ministry has requested the State Nodal Agencies to carry out studies to ascertain the potential in various States for which assistance shall be provided by the Ministry. Uttar Pradesh has carried out such a study. In the States of West Bengal and Gujarat, studies have been commissioned with assistance from this Ministry.