

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

UNSTARRED QUESTION NO:3256
ANSWERED ON:06.09.2007
PROCESSING OF POTATOES
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Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

- (a) whether the Government is aware that there is a huge scope of indigenous processing of potatoes, available in the country, into a processed food;
- (b) if so, the details thereof;
- (c) whether the potato-based processed food items in the country are controlled by the multinationals; and
- (d) if so, the steps being taken to promote and develop indigenous industry in this field?

Answer

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

(a) to (d): There is an adequate scope to increase the level of processing of potatoes in the country. Hundred per cent Foreign Direct Investment is permitted in the food processing sector except in the cases of food retailing, plantations and alcoholic beverages. Some multinational companies have set up their units for processing of potatoes. The Ministry has been implementing various Plan Schemes for promotion and development of food processing industries and to attract private investment in food processing sector in order to give boost to agro-food processing including processing of potatoes. Under the Scheme for Technology Upgradation/ Modernisation / Establishment of food processing industries, Ministry of Food Processing Industries extends financial assistance to food processing units in the form of grant-in-aid @ 25% of the cost of plant and machinery and technical civil works subject to maximum of Rs. 50.00 lakhs in general areas or 33.33% subject to maximum of Rs. 75.00 lakhs in difficult areas such as Jammu & Kashmir, Himachal Pradesh, Uttrakhand, Sikkim and North Eastern States, A & N Islands, Lakshadweep and ITDP Areas. Besides, Government has already exempted fruits & vegetable products from payment of excise duty. The Government has allowed a deduction of 100% of profit under Income Tax Act, 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.