



**STANDING COMMITTEE ON AGRICULTURE
(2019-2020)**

SEVENTEENTH LOK SABHA

MINISTRY OF FOOD PROCESSING INDUSTRIES

'DEMANDS FOR GRANTS (2020-21)'

THIRTEENTH REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

MARCH 2020/ PHALGUNA, 1941 (SAKA)

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(2019-2020)**

(SEVENTEENTH LOK SABHA)

MINISTRY OF FOOD PROCESSING INDUSTRIES

DEMANDS FOR GRANTS (2020-2021)

Presented to Lok Sabha on 13.03.2020

Laid on the Table of Rajya Sabha on 13.03.2020



**LOK SABHA SECRETARIAT
NEW DELHI
MARCH 2020/PHALGUNA,1941 (SAKA)**

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**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE
(2019-20)**

|| PARVATAGOUDA CHANDANAGOUDA GADDIGOUDAR - CHAIRPERSON

MEMBERS

LOK SABHA

2. Shri Afzal Ansari
3. Shri Horen Sing Bey
4. Shri Devendra Singh 'Bhole'
5. Shri A. Ganeshamurthi
6. Shri Kanakmal Katara
7. Shri Abu Taher Khan
8. Shri Bhagwanth Khuba
9. Dr. Amol Ramsing Kolhe
10. Shri Mohan Mandavi
11. Shri Devji Mansingram Patel
12. Smt. Shardaben Anilbhai Patel
13. Shri Bheemrao Baswanthrao Patil
14. Smt. Navneet Ravi Rana
15. Shri Vinayak Bhaurao Raut
16. Shri Pocha Brahmananda Reddy
17. Shri Mohammad Sadique
18. Shri Virendra Singh
19. Shri V.K. Sreekandan
20. Shri Mulayam Singh Yadav
21. Shri Ram Kripal Yadav

RAJYA SABHA

22. Shri Partap Singh Bajwa
23. Sardar Sukhdev Singh Dhindsa
24. Shri Narayan Rane
25. Shri Kailash Soni
26. Shri Ram Nath Thakur
27. Shri Vaiko
28. Shri R. Vaithilingam
29. Smt. Chhaya Verma
30. Dr. Chandrapal Singh Yadav
31. Shri Harnath Singh Yadav

(iii)

SECRETARIAT

- | | | | |
|----|------------------------|---|-----------------------------|
| 1. | Shri Shiv Kumar | - | Joint Secretary |
| 2. | Smt. B.Visala | - | Director |
| 3. | Shri Sumesh Kumar | - | Deputy Secretary |
| 3. | Shri S. Vijayaraghavan | - | Assistant Executive Officer |

(iv)

INTRODUCTION

I, the Chairperson, Standing Committee on Agriculture, having been authorized by the Committee to submit Report on their behalf, present this Thirteenth Report on the Demands for Grants (2020-2021) of the Ministry of Food Processing Industries.

2. The Committee under Rule 331E(1)(a) of the Rules of Procedure and Conduct of Business in Lok Sabha considered the Demands for Grants (2020-21) of the Ministry of Food Processing Industries, which were laid on the table of the House on 11 February, 2020. The Committee took evidence of the representatives of the Ministry of Food Processing Industries at their Sitting held on 19 February, 2020. The Report was considered and adopted by the Committee at their Sitting held on 12 March, 2020.

3. For facility of reference and convenience, the Recommendations/Observations of the Committee have been printed in bold letters in Part-II of the Report.

4. The Committee wish to express their thanks to the Officials of the Ministry of Food Processing Industries for appearing before the Committee and furnishing the information that they desired in connection with the examination of Demands for Grants of the Ministry.

5. The Committee would also like to place on record their deep sense of appreciation for the invaluable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
12 March, 2020
22 Phalguna, 1941 (Saka)

P.C. GADDIGOUDAR
Chairperson,
Standing Committee on Agriculture

PART I
CHAPTER - 1

INTRODUCTORY

1.1. A strong and dynamic Food Processing Sector plays a vital role in diversification and commercialization of Agriculture, enhancing shelf life, ensuring value addition to agricultural produce, generation of employment, enhancing income of farmers and creating markets for export of Agro Foods. The Ministry of Food Processing Industries acts as a catalyst for bringing in greater investment into this Sector, guiding and helping the industry and creating a conducive environment for healthy growth of the food processing industry. The Ministry of Food Processing Industries aims at:

- i. Creating the critical infrastructure to fill the gaps in the supply chain from farm to consumer;
- ii. Funding projects for Value addition of agricultural produce;
- iii. Funding projects for minimizing wastage at all stages in the food processing chain by the development of infrastructure for storage, transportation and processing of agro- produce;
- iv. Funding projects for Induction of modern technology in the Food Processing Industries;
- v. Encouraging R&D for product and process development;
- vi. Providing policy support, promotional initiative and facilities to promote value added produce for domestic consumption and also exports.

DEVELOPMENTAL INITIATIVES

1.2. The Ministry in its Annual Report (2018-19) has stated that over the years agricultural production in India has consistently recorded higher output. India ranks first in the world in the production of Milk, Ghee, Pulses, Ginger, Bananas, Guavas, Papayas and Mangoes. Further, India ranks no. second in the world in the production of Rice, Wheat and several other vegetables & fruits. Abundant supply of raw materials, increase in demand for food products and incentives offered by the Government has impacted Food Processing Sector positively. During the last 5 years ending 2017-18, Food Processing Sector has been growing at an Average Annual Growth Rate (AAGR) of around 8.41 per cent as compared to around 3.45 per cent in Agriculture at 2011-12 Prices. Food Processing Sector has also emerged as an important segment of the Indian Economy in terms of its contribution to GDP, employment and investment. The Sector constituted as much as 8.83 per cent and 10.66 per cent of GVA in Manufacturing and Agriculture Sector respectively in 2017-18 at 2011-12 prices.

A. DEMANDS FOR GRANTS FOR THE YEAR 2020-21

1.3. Going by the Expenditure Budget 2021, the Actual for the last 3 years and the BE for the year 2020-21 are:-:-

MINISTRY OF FOOD PROCESSING INDUSTRIES
DEMAND NO. 41
Ministry of Food Processing Industries

(in Rs. crores)

	Actual 2018-2019			Budget 2019-2020			Revised 2019-2020			Budget 2020-2021		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
Gross	719.17	-	719.17	1196.60	-	1196.60	1042.79	-	1042.79	1232.94	-	1232.94
Recoveries	-2.47	-	-2.47	-	-	-	-	-	-	-	-	-
Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Net	716.70	-	716.70	1196.60	-	1196.60	1042.79	-	1042.79	1232.94	-	1232.94
A. The Budget allocations, net of recoveries, are given below:												
CENTRE'S EXPENDITURE												
Establishment Expenditure of the Centre												
1. Secretariat	25.08	-	25.08	27.00	-	27.00	29.39	-	29.39	32.16	-	32.16
2. International Cooperation	0.31	-	0.31	0.16	-	0.16	0.32	-	0.32	0.16	-	0.16
Total-Establishment Expenditure of the Centre	25.39	-	25.39	27.16	-	27.16	29.71	-	29.71	32.32	-	32.32
Central Sector-Schemes/Projects												
3. Pradhan Mantri Kisan Sampada Yojana	591.63	-	591.63	1101.0	-	1101.00	889.43	-	889.43	1081.41	-	1081.41
OTHER CENTRAL SECTOR EXPENDITURE												
Autonomous Bodies												
4. Indian Institute of Food Processing Technology (IIFPT)	24.20	-	24.20	32.00	-	32.00	77.50	-	77.50	77.89	-	77.89
5. National Institute of Food Technology Entrepreneurship and Management (NIFTEM)	77.95	-	77.95	36.44	-	36.44	46.15	-	46.15	41.32	-	41.32

Total-Autonomous Bodies	102.15	-	102.15	68.44	-	68.44	123.65	-	123.65	119.21	-	119.21
Total-Other Central Sector Expenditure	102.15	-	102.15	68.44	-	68.44	123.65	-	123.65	119.21	-	119.21
TRANSFERS TO STATES/UTS												
Centrally Sponsored Schemes												
6. Actual Recoveries	-2.47	-	-2.47	-	-	-	-	-	-	-	-	-
Grand Total	716.70	-	716.70	1196.60	-	1196.60	1042.79	-	1042.79	1232.94	-	1232.94
B. Developmental Heads												
Economic Services												
1. Food Storage and Warehousing	691.63	-	691.63	1059.59	-	1059.50	924.46	-	924.46	1092.64	-	1092.64
2. Secretariat-Economic Services	25.07	-	25.07	27.00	-	27.00	29.39	-	29.39	32.16	-	32.16
Total-Economic Services	716.70	-	716.70	1086.50	-	1086.50	953.85	-	953.89	1124.80	-	1124.80
Others												
3. North Eastern Areas	-	-	-	110.10	-	110.10	88.94	-	88.94	108.14	-	108.14
Total-Others	-	-	-	110.10	-	110.10	88.94	-	88.94	108.14	-	108.14
Grand Total	716.70	-	716.70	1196.60	-	1196.60	1042.79	-	1042.79	1232.94	-	1232.94

1.4. On being asked by the Committee to provide the details of Scheme wise Budget Allocation and its utilization in the year 2019-20, the following information was provided to the Committee:-

		Rs. in Crore		
Sl. No.	Budget Allocation (BE)	BE	RE	Actual Expenditure as on 13.02.20
1	Mega Food Parks	200	140	65.68
2	Integrated Cold Chain & Value Addition Infrastructure	290	326.16	233.7
3	Creation/Expansion of Food Processing & Preservation	160	202.52	120.94
4	Infrastructure for Agro Processing Clusters	48.75	50.14	22.82
5	Creation of Backward and Forward Linkages	40	50.46	32.67
6	Human Resources and Institutions	94	32.07	12.72
7	Food Safety and Quality Assurance	40	40	16.56

8	Committed Liabilities	28.11	17.81	3.45
9	Operation Greens	200	30.03	2.64
10	Swacchta Action Plan (SAP)	0.14	0.24	0.13
	Total	1101	889.43	511.31

B. FUND SURRENDERED

1.5. On being categorically asked by the Committee to provide Scheme wise details and funds surrendered during the year 2018-19 and 2019-20, the Ministry submitted:-

(Amount in Crore)

Financial Year		Savings Surrendered		
		Capital	Revenue	Total
BE 2018-19	1313.08	-	-	-
RE 2018-19	870.33	-	279.44	279.44
BE 2019-20	1101.00	-	-	-
RE 2019-20*	889.43	-	211.57	211.57

* To be surrendered

1.6. Elaborating further on the issue, the Ministry submitted:-

Funds have been surrendered due to low off take under new Schemes like Scheme for Agro Processing Cluster, Scheme for Creation/Expansion of food Processing and Preservation Capacities, Scheme for Creation of Backward and Forward Linkages (these 3 Schemes were launched in May, 2017 as New Schemes under PMKSY) and Operation Greens Scheme launched in November, 2018.

1.7. During the evidence while explaining the reasons for under-utilisation of funds and the problems being faced in implementing the projects, the representative of MOFPI explained:-

"सर, मेरा सब्मिशन यह है कि ओवर ऑल हमारी मिनिस्ट्री में इश्यू यह होता है, क्योंकि हम सारा पैसा प्राइवेट सेक्टर को देते हैं। सेफगार्ड्स होने चाहिए, जैसे आपने चार केस बताए हैं, इतने केसों में सिर्फ चार ही निकले हैं, जो सीबीआई तक गए हैं। इश्यू यह होता है कि उनको पहले खर्च करने के लिए बोलते हैं। हम रिम्बर्समेंट ही देते हैं। हम किसी को एडवांस नहीं देते हैं। मान लीजिए, अगर मई, 2017 में स्कीम अनाउंस हुई और मार्च, 2018 तक गाइडलाइन्स बनीं, तो हम सैंक्शन भी करेंगे, and I will just read out the period for each projects. मेगाफूड पार्क के लिए 30 मंथ्स हैं, कोल्ड चेन के लिए 20 मंथ्स हैं और अगर आईटीडीपी एरिया है तो 24 मंथ्स हैं, नॉर्थ ईस्ट के लिए भी 24 मंथ्स हैं। यूनिट स्कीम

के लिए 18 मंथ्स हैं। For agro processing cluster, it is 20 months in general, 24 months in other areas and difficult areas. Similarly, minimum is 18 months for a small unit like BackwardForward Linkage. We give only reimbursement. We do not give any advances. In every project, it would seem that there are teething troubles that expenditure is not getting spent. But today, we are very confident that we have sanctioned about 800 more projects since 2018-19. You will see that in the next years, all these projects are under-implementation. In fact, the hon. Chairman was also asking. Under-implementation means actually under implementation where we have given first instalment because he has spent , and he is using the money for the second instalment . you will see, in the next year's performance that all of them have actually now started to spend; and I would believe that this is the best method. I am sure, Finance will also agree that there is no scope for having unutilized subsidy with private people, which is very difficult to recover. आपने जो केसेस बताए, हम लोगों ने दो मेगा फूडपार्क्स कैंसिल किए हैं या यूनिट करप्शन में चार केसेस हैं, इसकी रिकवरी प्रोसेस is so difficult because the first charge is of the lending bank. As per the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act (SARFAESI Act) or the Insolvency and Bankruptcy Code, 2016 (IBC), the lending bank gets the first charge, and their secured creditors. After that only, the grand-in-aid of the Government comes. So, it is a long process and it is an arduous process. So, it is my humble submission for telling that scheme is of 2017 or the scheme started in 2018, actually it takes care of fact that there are first nine months before I can release any money. Even if I sanction the project, the promoter has to get the land, get all permission to construct, start constructions, spend at least 30 per cent of the project cost. Then, I give another 30 per cent. So, this is the language in our statement."

C. SUPPLEMENTARY DEMANDS FOR GRANTS

1.8. The Committee desired to have the details regarding provisions made for Supplementary Demands for the year 2018-19 and 2019-20 the Ministry of Food Processing Industries in its reply submitted:-

"Ministry of Food Processing Industries made provisions in 2018-19 for Supplementary Demands as follows: -

Sr. No.	Name of Programme		Supplementary Demand Order No. with date	Amount (In thousands)
	From	To		
1	Creation/Expansion of Food Processing & Preservation Capacities (GiA)	Human Resources and Institutions (Professional Services)	W-13/7/2018-IFD (13) Dt: 04.10.2018	80,00
2	Creation/Expansion of Food Processing & Preservation Capacities(GiA)	Backward and Forward Linkages (Professional Services)	W-13/7/2018-IFD (14) Dt: 04.10.2018	19,00

3	i. Mega Food Park(GiA) ii. CEFPPC (GiA)	i. Operation Green (Professional Services) ii. PMAs	W-13/11/2018-IFD (16) Dt: 13.11.2018	1,64,00,00
4	iii. cold Chain (GiA) EFPPC	Operation Greens	W-13/11/2018-IFD (16) Dt: 13.11.2018	8,00,00
5	v. Cold Chain (GiA) vi. CEFPPC	Operation Greens	W-13/11/2018-IFD (16) Dt: 13.11.2018	8,00,00
6	CEFPPC(GiA)	i. Agro Processing Cluster ii. Swachhta Action Plan	W-13/2/2019-IFD (24) Dt: 13.02.2019	10,06,00
7	CEFPPC (GiA)	NIFTEM	W-13/8/2018-IFD (9) Dt: 14.09.2018	44,01,00

1.9. On the above issue, the Ministry further submitted:-

"The Proposals for Supplementary DFGs for the year 2019-20 under process in Ministry of Finance are:

S. No.	From (Voted/ Revenue)	Amount in Thousand	Reasons	To (Voted/ Revenue)	Amount in Thousand	Reasons
1	Scheme for Operation Greens Head 2408:01:103:19.09.31 Grant-in-aid	4,50,00 (under 1 st SDG)	Savings are due to non-receipt of viable proposals under OG Scheme	Assistance to IIFPT for Grants for Creation of Capital Assets Head: 2408:01:103:20.01.35 Grant for creation of Capital Assets	4,50,00	Additional funds are required for payment of cost of land on Court Judgement
2	Scheme for Operation Greens Head 2408:01:103:19.09.31 Grant-in-aid	88,64,00	-do-	Integrated Cold Chain and Value addition Infrastructure Head: 2408:01:103:19.03.31 Grant-in-aid-General	36,66,00	Additional Demand of Cold Chain Scheme
				Creation/Expansion of Food Processing & Preservation Capacities Head: 2408:01:103:19.04.31 Grant-in-aid-General	42,02,00	Additional Demand
				Creation of Backward & Forward Linkages Head: 2408:01:103:19.05.31 Grant-in-aid-General	9,96,00	Additional Demand
3	Scheme for Mega Food Park Head: 2408:01:103:19.01.31 Grant-in-aid	9,71,00		NIFTEM Head: 2408:01:103:18.01.31 Grant-in-aid-General	6,37,00	Additional Demand
				NIFTEM Head: 2408:01:103:18.01.36 Grant-in-aid-Salary	3,34,00	Additional Demand
4	Scheme for Operation Greens Head 2408:01:103:19.09.31 Grant-in-aid	1,66,00		Creation/Expansion of Food Processing & Preservation Capacities Head: 2408:01:103:19.04.28	90,00	Additional Demand

				Grant-in-aid-Prof. services		
				Creation of Backward & Forward Linkages Head: 2408:01:103:19.05.28 Grant-in-aid- Prof. Services	50,00	Additional Demand
				Swacchta Action Plan Head: 2408:01:103:19.96.50	10,00	Additional Demand
				Contribution to IOWV Head: 2408:01:798.04.00.32	16,00	
5	Scheme for Operation Greens Head 2408:01:789.01.07.31 Grant-in-aid-General for SCSP	2,45,00		Infrastructure for Agro Processing Cluster Head: 2408:01:789.01.001.31 Grant-in-aid-General for SCSP	2,45,00	Additional Demand
6	Scheme for Operation Greens Head 2408:01:103.19.09.31 Grant-in-aid-	2,39,00		Establishment Expenditure Head: 3451:00:090.38	2,39,00	Additional Requirement

D. SCHEDULED CASTES SUB-PLAN

1.10. The Government has made provision for earmarking specific funds for implementation of Scheduled Castes Sub Plan (SCSP) under different Schemes / Programmes. When asked by the Committee to detail the Financial Performance of SCSP under various Schemes being implemented, the Ministry submitted:-

“MoFPI was in non-obligatory category till 2017-18 for earmarking of funds for SCSP and TSP under its schemes. Based on ceiling prescribed by Department of Economic Affairs vide their OM dated 26.12.2017, the Ministry earmarked funds @ 4.3 % of BE each for SC & ST Components in the Budget of 2018-19. For the year, 2019-20 and 2020-21, the Ministry has earmarked @ 8.3% for SCSP and @ 4.3% for TSP of the allocated funds under the schemes except the scheme of Mega FoodParks

Financial performance of SCSP under the Schemes is as under :-

(Rs in Crore)			
Year	BE	RE	Actual Expenditure
2018-19	55.00	37.42	7.86
2019-20	91.38	73.82	14.45 (as on 13.02.2020)
2020-21	89.75	-	-

1.11. During the course of evidence with regard to SCSP and TSP, the Secretary of the Ministry deposed:-

“Sir, on SCSP and TSP, you mentioned that a very poor performance is there. Here, our problem is that the minimum project costs, which we support, is about Rs. 3 crore of subsidy for projects of Rs. 7 to Rs. 8 crore. I would just like to share with the Committee that to promote this, entrepreneurs from these categories must apply. We have actually spent a lot of money from 2018-19 through DICCI, which is the Industry Associations for Dalits and also for the tribals. We have done conferences with SC/ST entrepreneurs in Trichy, Lucknow, Jodhpur, Hyderabad, Nagpur, Bengaluru, Vijayawada, Silchar, Dimapur, Bhubaneswar, Patna, Mumbai. Every parts of the country, we have had meetings with potential entrepreneurs. We also give them hand-holding support. We have achieved some success. Some amount has been sanctioned, but they have not come to the released stage. Spending is also increasing in SC's schemes. In 2018-19, we have already done about 12 such workshops in Gangtok, Dibrugarh, Raipur, Puducherry, Jamshedpur, Baroda. We are, with all our efforts, holding such meetings. We have now taken TRIFED on board..... We have had workshops with entrepreneurs to help them to apply for our schemes. Secondly, we have reduced their net worth requirement, our criteria, so that more SC, ST can come. But we still do not want to eliminate net worth criteria because finally he will take bank loan and if he does not have net worth, it will become an NPA”.

1.12. When asked by the Committee to furnish State-wise details of Physical progress made under SCSP and various Scheme being implemented, the Ministry submitted the following information:-

State wise details of projects under SCSP in PMKSY						
Sr. No	Name of the State/ UT	Integrated Cold Chain and Value Addition Infrastructure Scheme	Creation/Expansion of Food Processing & Preservation Capacities (CEFPPC) Scheme	Infrastructure for Agro Processing Clusters	Creation of Backward & Forward Linkages	Operation Greens
1	A&N Islands	0	0	0	0	0
2	Andhra Pradesh	0	1	0	0	0
3	Arunachal Pradesh	0	0	0	0	0
4	Assam	0	0	0	0	0
5	Bihar	0	0	0	0	0
6	Chandigarh	0	0	0	0	0
7	Chhatisgarh	0	0	0	0	0

8	D&N Haveli	0	0	0	0	0
9	Daman & Diu	0	0	0	0	0
10	Delhi	0	0	0	0	0
11	Goa	0	0	0	0	0
12	Gujarat	1	0	0	0	0
13	Haryana	1	0	0	0	0
14	Himachal Pradesh	1	2	0	0	0
15	Jammu & Kashmir	0	0	0	0	0
16	Jharkhand	0	0	0	0	0
17	Karnataka	0	3	0	1	0
18	Kerala	0	0	0	0	0
19	Lakshdweep	0	0	0	0	0
20	Madhya Pradesh	0	0	0	0	0
21	Maharashtra	0	5	0	0	1
22	Manipur	0	0	0	0	0
23	Meghalaya	0	0	0	0	0
24	Mizoram	0	0	0	0	0
25	Nagaland	0	0	0	0	0
26	Odisha	0	0	0	0	0
27	Pondicherry	0	0	0	0	0
28	Punjab	1	0	0	1	0
29	Rajasthan	0	0	0	0	0
30	Sikkim	0	0	0	0	0
31	Tamil Nadu	0	4	0	3	0
32	Telangana	0	0	0	0	0
33	Tripura	0	0	0	0	0
34	Uttar Pradesh	0	1	1	0	0
35	Uttarakhand	0	0		0	0
36	West Bengal	0	0		0	0
	Total	4	16	1	5	1

1.13. On being asked by the Committee about the ways in which carving out a separate Component for Scheduled Caste has benefitted this community, the Ministry submitted:-

“The PMKSY is a Central Sector Umbrella Scheme which is demand driven. The separate allocation for SCSP Component under its Sub-Schemes since 2018-19 has opened an opportunity for SC entrepreneurs to setup food processing projects/ units across the country. Although, the Ministry is not receiving adequate eligible proposals from SC entrepreneurs against Expression of Interest floated from time to time, however, the separate allocation is benefiting the community which is evident from the fact that the fund utilization in 2019-20 has been more than the utilization in 2018-19.

1.14. The Committee desired to know about the details of awareness Campaign started in States with significant Scheduled Castes population for educating them about various Schemes the Ministry submitted:-

“Yes, MoFPI had extended financial support of Rs. 35,76,173 to Dalit Indian Chamber of Commerce and Industry (DICCI) for organizing seven events in year 2018-19. In 2019-20, Ministry had already released financial support of Rs. 8,92,080 to DICCI on organizing four events and also issued in-principle approval to DICCI and Indian Chamber of Commerce (ICC) to the tune of Rs.53,60,000 for ten events”

E. TRIBAL SUB-PLAN

1.15. The Government has made provision for earmarking specific funds for implementation of Tribal Sub Plan (TSP) under different Schemes/ Programmes. When asked by the Committee to provide financial performance of TSP under various Schemes during the last three financial years, the Ministry submitted:-

"Separate allocation of funds under TSP component has been introduced since 2018-19 as given below:.

(Rs in Crore)			
Year	BE	RE	Actual Expenditure
2018-19	55.00	37.42	5.75
2019-20	47.34	38.25	0.00 (as on 13.02.2020)
2020-21	46.50	-	-

1.16. When asked by the Committee to furnish State-wise details of Tribal Entrepreneurs who got benefits under various Schemes the Ministry submitted:-

“Based on ceiling prescribed by Department of Economic Affairs vide their OM dated 26.12.2017, the Ministry earmarked funds @ 4.3 % of BE each for SC & ST Components in the Budget of 2018-19. For the year, 2019-20& 2020-21 the Ministry has earmarked @ 8.3% for SCSP and @ 4.3% for TSP of the allocated funds under the schemes except the scheme of Mega FoodParks.”

1.17. Elaborating further on the issue, the Ministry submitted:-

"The State-wise details of projects approved under the TSP category, (ii) scheme wise projects details under TSP and (iii) projects approved in ITDP areas during the FY 2018-19 and 2019-20 are at **Annexure-II**"

1.18. During the evidence, the representative of the Ministry further submitted in respect of SC Sub Plan and Tribal Sub Plan:-

“सर, इसमें हमें यह बताना था की We are having not enough proposals from SCs and STs and that is why, you will find that our expenditure has come down. Although we have a lot of proposals for general category, we are unable to spend the amount that is earmarked for them. That is one reason which will explain why our expenditure seems to be coming down”.

1.19. On a query by the Committee regarding awareness Campaign being carried out in the States with significant Scheduled Tribe population, the Ministry submitted:-

“Yes, in year 2019-20, Ministry had issued in-principle approval to DICCI, MSME Export Promotion Council and Indian Chamber of Commerce (ICC) to the tune of Rs.58,60,000 for eleven events”.

CHAPTER-2

SCHEME-WISE ANALYSIS

A. MEGA FOOD PARKS

2.1. Mega Food Park Scheme (MFPS) aims at providing modern infrastructure facilities for food processing along the value chain from farm to market. The Scheme functions on a Hub and spoke model. It includes creation of infrastructure for primary processing and storage near the farm gate at Primary Processing Centers (PPCs), Collection Centres (CCs) and common facilities and enabling infrastructure at Central Processing Centre. The food processing units, under the scheme, would be located at Central Processing Centre (CPC) with need based common infrastructure required for processing, packaging, environmental protection systems, quality control labs, trade facilitation centers, etc. On being asked by the Committee to furnish details of facilities/ support being provided to the Entrepreneurs and Farmers under the Scheme, the Ministry submitted:-

“The Mega Food Park Scheme aims at providing modern infrastructure facilities for food processing along the value chain from farm to market. The scheme functions on a hub and spoke model. It includes creation of infrastructure for primary processing and storage near the farm gate at Primary Processing Centers (PPCs) and common facilities and enabling infrastructure at the Central Processing Centre. The Central Processing Centre (CPC) has need based common infrastructure required for processing, packaging, environmental protection, quality control, trade facilitation etc.

The responsibility of execution, ownership and management of the Mega Food Park (MFP) vests with a Special Purpose Vehicle (SPV) in which financial Institutions/banks, organized retailers, processors, service providers, producers, farmer organizations and other related stakeholders would be the shareholders

Under the scheme, Ministry provides financial assistance in the form of grant-in-aid @50% of the eligible project cost in general areas and @75% in difficult and hilly areas i.e. North East Region including Sikkim, J&K, Himachal Pradesh, Uttarakhand and ITDP notified areas of the States subject to a maximum of Rs. 50 Crore per project”.

2.2. When asked by the Committee to furnish State-wise details of Physical performance (Targets & Achievements) under the Scheme since 2017-18, the Ministry submitted:-

“There are no State-wise targets fixed under the Mega Food Park scheme. However, details of physical performance (Targets & Achievements) under the Scheme since 2017-18 are given below:

Year	2017-18	2018-19	2019-20
Target	Operationalization of 11 MFPs.	Operationalization of 16 MFPs.	Operationalization of 12 MFPs.
Achievement	3 MFPs became operational.	6 MFPs became operational.	2 MFPs have become operational till date.

2.3. On being enquired by the Committee regarding the reasons for delay in operationalization of the Projects approved under MFP Scheme, the Ministry submitted:-

“Reasons for delay in operationalization of the Projects approved under MFP Scheme are:

- Delay in acquiring appropriate land with CLU for CPC/PPC.
- Difficulty in getting Term loan.
- Delay in getting statutory clearances (environmental, town and country planning, ground water, electricity, etc.) from the State Government.
- Delay in equity contribution by co-promoters and change of promoter(s) midway.
- Changes in DPR mid-way.

Out of 42 slots sanctioned for Mega Food Park project by the Government, presently Ministry has accorded final approval to 39 projects. There are no projects accorded in-principle approval. To fill up the vacant slots, the Ministry has invited Expression of Interest with a closing date as 31.03.2020”.

2.4. The Committee desired to know about problems being faced by the Ministry in implementation of the MFP Scheme, the Ministry submitted:-

“Problems being faced by the Ministry in implementation of MFP scheme are following:

- Lack of active role of State Government in implementation of MFP scheme.
- SPV/IAs repeatedly failing to adhere to the timelines assured for compliance of the conditions and targeted implementation of project components.
- Repeated EoIs are being invited due to cancellations of the approval of projects midway due to delay in implementation.
- Lack of incentives for MFP projects of the Ministry at par with SEZ, State Industrial parks etc”

2.5. On the query of the Committee regarding any changes being contemplated to enhance the pace of completion of Projects sanctioned under the Scheme, the Ministry submitted:-

“The Ministry has appointed a Consultant Agency for evaluation of the impact of the scheme for Mega Food Parks. This study is presently under progress. Based on the outcome and recommendation of this study and inputs of stakeholders, the Ministry would take further appropriate action”.

2.6. On being asked by the Committee about steps being taken by the Ministry to establish Mini Food Parks to promote Local Entrepreneurs /Small Entrepreneurs in the country, the Ministry submitted:-

“Ministry of Food Processing Industries is also implementing another scheme for Creation of Infrastructure for Agro Processing Cluster which is a sub-scheme under Pradhan Mantri Kisan Sampada Yojana. This scheme caters to the requirement of local entrepreneurs/small entrepreneurs interested in setting up a mini food park. The scheme aims at development of modern infrastructure and common facilities to encourage groups of entrepreneurs to set up food processing units based on cluster approach by linking groups of producers/ farmers to the processors and markets through well-equipped supply chain with modern infrastructure. In addition to the setting up of Common Core Infrastructure and basic enabling facilities, scheme requires setting up of at least 5 food processing units with a minimum investment of Rs. 25 crore. The Scheme envisages grants-in-aid @ 35% of eligible project cost in general areas and @50% of eligible project cost in the North East States including Sikkim and difficult areas namely Himalayan States (i.e. Himachal Pradesh, Jammu & Kashmir and Uttarakhand), State notified ITDP areas & Islands of Union Territories of Lakshadweep and Andaman & Nicobar Islands subject to max. of Rs. 10.00 crore per project”.

2.7. During the evidence, while explaining the reasons for problems being faced in implementing the projects under Mega Food Parks, the Secretary, MOFPI submitted:-

“ सर, मेगा फूड पार्क का जो पूरा 50 करोड़ रुपये है। पहला इंस्टॉलमेंट 30 परसेंट जाएगा, जब वह 30 परसेंट खर्च करेगा। फिर 30 परसेंट जाएगा, जब वह दूसरा 30 परसेंट खर्च करेगा। फिर 20 परसेंट जाएगा, जब वह 20 परसेंट खर्च करेगा और लास्ट 20 परसेंट जाएगा, जब सारे 25 परसेंट यूनिट्स लग गए हों। हम हर पार्क में जो इन्फ्रास्ट्रक्चर बनाते हैं, किसी में 10 यूनिट की लैंड होती है, किसी में 15 यूनिट का होता है, उसका 25 परसेंट

should be set up. Then only, we will give the last instalment. So, when I say that only 18 are operational, actually many more are ready. But we say, unless you get 25 per cent units functional, we will not give you the last instalment because there is a danger that it can be used for something else. So, this explains the kind of language we have used on the delay; and the fact that it appears that all of them are under implementation. So, we are very confident. In fact, if you look at a scheme like Backward-Forward Linkage, which you were telling here, we gave a budget of 50 units, but there is demand. So, we have sanctioned 64. We gave 25 per cent more for the that sector. Same thing is in the cold chain. इतनी डिमांड है, हमने मेगा फूड पार्क और यूनिट स्कीम से उनको एक्स्ट्रा 25 परसेंट दिया है, जो मिनिस्टर को अथॉरिटी दी गई है बाय द कैबिनेट । ये दो स्कीम्स जो अच्छी चल रही हैं, उसमें हमने बहुत ज्यादा सैंक्शन भी किया है । Sir, we are very confident and careful also that we do not give away money without work on the ground. In fact, we have an online portal जो इन लोगों का काम होता है । लैटलॉग लगा कर फोटोग्राफ्स लगते हैं कि कितना खर्च हुआ है। यह नहीं कि सिर्फ बैंक से पैसा गया है । The system is like this. हर प्रोजेक्ट में एक एस्क्रो एकाउंट डालना होता है, जिसमें बैंक का पैसा, प्रमोटर का पैसा और हमारा रहता है। Then, they will show that money has been spent. We do not give based on that . हमारे पोर्टल में फोटोग्राफ्स आते हैं कि लास्ट मंथ में क्या हुआ था, अब क्या खड़ा है, क्या बना है, मशीनरी इरेक्ट हुआ है । So, we monitor by the photographs also. It is not that he can upload photographs from anywhere. उसका लैटलॉग के साथ फोटोग्राफ्स अपलोड करते हैं। हमने ये सब सेफ गार्ड्स लगाए हैं ।"

B. SCHEME FOR INTEGRATED COLD CHAIN AND VALUE ADDITION INFRASTRUCTURE

2.8. During the 11th plan period (2007-12), Government had permitted setting up of 79 Cold Chain Projects in 3 phases with financial assistance by the Ministry. The Ministry had sanctioned 74 Cold Chain Projects for financial assistance. Subsequently, the Ministry cancelled 19 projects mainly due to very slow progress of implementation. Thus, 55 Cold Chain Projects were taken up for implementation in 11th Plan. CCEA in its meeting held on 08.08.2013 approved assisting 75 cold chain projects, out of which, sanctions were issued for setting up of 66 projects. Of this, 16 projects were cancelled/ withdrawn mainly due to very

slow progress in implementation. When asked by the Committee to furnish the details about assessment for total requirement of Integrated Cold Chain facilities in the country, the Ministry submitted:-

“The Prime Minister’s Office has set up a Task Force under the Chairmanship of Secretary, Ministry of Food Processing Industries [Siraj Hussain Task Force on Cold Chain Projects] to accelerate the availability of cold storage and to improve the efficiency of Cold Chain Management, with a view to re-visit the strategies, financials and incentives of all cold storage/ cold chain related schemes and recommend institutional mechanism for enhancing capacity of cold chain in the country.

The Committee submitted their report on 31.10.2014 to the Government.

The Committee had, inter alia, recommended that the Govt. should aim at creating an additional capacity of 7.5 million tonnes over the next 05 years with financial allocation of Rs. 6100 crore.

Out of the 7.5 million capacity, 5 million tonnes may be created together by National Horticulture Mission (NHM) & National Horticulture Board (NHB) under the Mission for Integrated Development of Horticulture (MIDH) scheme of Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) and 2.5 million tonnes under the scheme of the Ministry of Food Processing Industries”.

2.9. On being asked by the Committee to provide details of facilities/ support being provided to the Entrepreneurs and Farmers under the Scheme, the Ministry submitted:-

“Under the scheme, Ministry provides financial assistance in the form of grant-in-aid @ 35% for general areas and @ 50% for North East States, Himalayan States, ITDP areas and Islands for storage and transport infrastructure and @ 50% and 75% respectively for value addition and processing infrastructure subject to a maximum grant-in-aid of ₹10 crore per project for setting up integrated cold chain projects including irradiation facility without any break from the farm gate to the consumer. Standalone cold storages are not covered under the Scheme. The integrated cold chain and preservation infrastructure can be set up by individuals, groups of entrepreneurs, cooperative societies, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs), NGOs, Central/State PSUs, etc. The scheme is primarily private sector driven and proposals under this scheme are invited through Expression of Interest (EOI)”.

2.10. The Committee desired to know the State-wise details of Physical performance (Targets & Achievements) under the Scheme since 2017-18, the Ministry submitted:-

“Neither State-wise physical targets nor financial allocation are made under the Scheme. The Scheme is primarily private sector driven and proposals under this scheme are invited through Expression of Interest (EOI). The details of physical performance phase-wise implementation (Targets & Achievements) as on 31.01.2020.

Phase Wise Implementation of Projects

Phase	Approved by CCEA/ EFC	Sanctioned by Ministry	Cancelled	Completed	On-going
Phase -1 (2008-09)	10 (19.03.08)	10	00	10	00
Phase -2 (2011-12)	39 (15.04.10)	28	01	27	00
Phase - 3 (2012-13)	30 (23.03.12)	25	07	18	00
Phase - 4 (2013-14)	59 (08.08.13)	66	16	50	00
Phase - 5 (2015-16)	-	34 (18.05.15)	08	24	02
Phase-6 (2016-17)	100 (09.02.16)	113	25	61	27
Phase-7 (2017-18)	50 + 28 (03.05.17)	76	25	02	49
Phase-8 (2018-19)	25 (03.05.17)	30	02	00	28
Phase-9 (2019-20)	-	Eoi has been issued on 29.01.2020 for filling up the vacant slots arisen due to withdrawal of projects by promoters or cancellation by the Ministry for want of documents /justifications)			
Total	341	382	84	192	106

Total cold chain projects approved by CCEA/EFC upto 2019-20 was 341 and out of this, as on 31.01.2020, 192 projects have been completed and started commercial operations and 106 projects are under various stages of implementation. For filling up the remaining vacant slots, Eoi has been issued on 29.01.2020.

The physical target of the Scheme for 2020-21 is implementing the 106 on- going projects and approving and initiating the remaining vacant slots.

The financial target of the Scheme in the BE 2020-21 is Rs. 349.71 crore."

2.11. When asked by the Committee about the reasons for delay in operationalization of the Projects approved under the Scheme for Integrated Cold Chain and Value Addition

Infrastructure and problems being faced in implementation of the Scheme, the Ministry submitted:-

“Projects are delayed due to delay in obtaining statutory approvals like CLU, CTE, Building plan, Power connection, FSSAI licence, Final sanction of term loan, etc”.

2.12. On being asked by the Committee about the Physical and Financial Targets proposed to be achieved in the year 2020-2021 in respect of Scheme for Integrated Cold Chain and Value Addition Infrastructure, the Ministry submitted:-

“The physical and financial targets proposed to be achieved under the scheme during 2020-21 are provided below:

Financial Year	Physical Target	Financial Target (BE 2020-21) (Rupees in crore)
2020-21	40	349.71

C. SCHEME FOR CREATION / EXPANSION OF FOOD PROCESSING & PRESERVATION CAPACITIES

2.13. Scheme for Creation / Expansion Of Food Processing & Preservation Capacities envisages Creation/ expansion and / or modernization of processing / preservation capacities which will help in increasing the level of processing, value addition and thereby reduction of wastage. The setting up of new units and modernization/ expansion of existing units will be covered under the Scheme. The processing units undertake a wide range of processing activities depending on the Processing Sectors which results in value addition and/or enhancing shelf life of the processed products.

2.14. On being asked by the Committee about the current level of Food processing of various crops, fruits and vegetables in the Country and also in comparison to other Countries which are known for their Food Processing Industries at the global Level, the Ministry submitted:-

“The overall level of Food Processing in India has been estimated to be 6.76 % for 2010-11 (as per study conducted by Institute of Economic Growth (IEG)) which is lower as compared to other developed countries. The level of processing in perishable products in India is estimated at 2.1% in fruits and vegetables, 35% in milk and milk products, 21% in meat, 6% in poultry and 23% in marine”

2.15. When asked by the Committee to furnish details about types of Projects which are approved under the Scheme, the Ministry submitted:-

Sector-wise details of 219 approved food processing units under CEFPPC Scheme are as under:

Sr. No.	Sector	Number of Units		
		Completed	Ongoing	Total
1	Consumer Industry	5	84	89
2	Fruits & Vegetables Processing	3	72	75
3	Dairy/ Milk Processing	0	12	12
4	Fish & Marine Processing	1	4	5
5	Grain Milling	5	24	29
6	Meat & Poultry Processing	0	5	5
7	Oil Milling	0	4	4
	Total	14	205	219

2.16. On being asked by the Committee about the Physical and Financial targets proposed to be achieved by the Department in the year 2020-2021 in respect of Creation/Expansion of Food Processing and Preservation Capacities, the Ministry submitted:-

“The time schedule for completion and operationalization of project will be 18 months from the date of approval, unless extended by IMAC for the reasons to be recorded. Ministry has targeted 50 projects for completion in 2020-21 involving GIA of Rs. 190 crore”

D. SCHEME FOR CREATION OF INFRASTRUCTURE FOR AGRO-PROCESSING CLUSTERS

2.17. The Scheme has two basic Components i.e. Basic Enabling Infrastructure (roads, water supply, power supply, drainage, ETP etc.) and Core Infrastructure/Common facilities (ware houses, cold storages, IQF, tetra pack, sorting, grading etc). Creation of common facilities in a cluster may vary depending upon requirements of food processing units existing outside the cluster or to be set up in a cluster. Minimum 5 food processing units with minimum investment of Rs. 25 crore are to be set up in the cluster. The Committee desired to know whether the Scheme is a Demand Driven Scheme or any State-level target has been set under the Scheme, the Ministry submitted:-

“Originally, the Scheme was launched with an outlay of Rs. 750 Cr. and target of setting up 100 Agro-processing Clusters in various States. Based on Statewise share of Agri produce, ceiling limit was also set for various States from these 100 cluster. However, no separate financial allocation is done for the States as such. Moreover, the outlay of the scheme has now been revised to Rs. 562.50 Cr. and consequently target of number of APCs to be set up has been revised to 75”.

2.18. When asked by the Committee to provide details of timelines set for completion of Projects under the Scheme; the Ministry submitted:-

“The time schedule for completion and operationalization of project is 20 months from the date of approval for general areas and 24 months for North East States including Sikkim and difficult areas namely Himalayan States (i.e. Himachal Pradesh, Jammu & Kashmir and Uttarakhand), State notified ITDP areas, Islands & SC/ST entrepreneurs, unless extended by IMAC for the reasons to be recorded”.

E. SCHEME FOR CREATION OF BACKWARD AND FORWARD LINKAGES

2.19. Scheme for Creation of Backward & Forward Linkages in May 2017 has been revamped as a vertical under the Pradhan Mantri Kisan Sampada Yojana. The objective of the scheme is to provide effective and seamless backward and forward integration for processed food industry by plugging the gaps in supply chain in terms of availability of raw material and linkages with the market. The scheme will enable linking of farmers to processors and the market thereby ensuring remunerative prices for their produce. On being asked by the Committee about the kind of assistance made available to the Entrepreneurs under the Scheme, the Ministry submitted:-

“The maximum admissible grant for each project would be 35% of eligible project cost in general areas and 50% of eligible project cost in North East States and difficult areas subject to max. to Rs. 5.00 crore”.

2.20. When asked about the Physical and Financial targets proposed to be achieved by the Department in 2020-2021 in respect of Scheme for Creation of Backward & Forward Linkages, the Ministry submitted:-

“Ministry has targeted 56 projects with Grant-in-aid of Rs. 100 crore for 2020-21”.

F. SCHEME FOR FOOD SAFETY AND QUALITY ASSURANCE INFRASTRUCTURE

2.21. Scheme of Setting Up/Up gradation of Food Testing Lab is implemented with the rationale to support the Food Safety regulatory activities of the Food Processing Sector and to help the Food Processing Industry in regard to quality control measures. During the reference period of last three Financial Years, 36 Food Testing Labs have been completed and put in operation across the country. Besides these 36 Food Testing Labs, Ministry has approved 43 new labs since 2016. On being asked by the Committee to furnish details regarding any assessment carried out by the Ministry or any other Government Agencies on the requirement of Food Testing Lab to support Food Processing Industries in the Country; the Ministry submitted:-

“The Ministry has not done any such assessment. However, the Ministry is undertaking an independent impact assessment study of the Scheme of Food Safety & Quality Assurance by employing a professional agency”.

2.22. On being further asked by the Committee about the kind of assistance made available to the entrepreneurs under the scheme, the Ministry submitted:-

“Under the Scheme, Central/State Government and their organizations/ Government universities (including deemed universities) are eligible for grant – in - aid for entire cost of the laboratory equipment. In addition, they are also eligible for 25% of the cost of technical civil work to house the equipment and furniture & fixtures associated with the equipment for general areas and 33% of the cost for difficult areas. They are also eligible for 80% of the monthly emoluments of two technical staff for two years from the date of completion of the laboratory i.e. on procurement and installation of all the equipment and completion of civil work of Food Testing Laboratory, provided this does not exceed the emoluments prescribed for Junior Research Fellow (JRF) under ICAR.

All other implementing agencies/ private sector organizations/ universities (including deemed universities) are eligible for grant-in-aid of 50% of cost of laboratory equipment and 25% of the cost of technical civil works to house the equipment and furniture and fixtures associated with the equipment for general areas and 70% of cost of laboratory equipment and 33% of cost of technical civil work and furniture & fixtures associated with the equipment for difficult areas. When the Ministry establishes/sponsors such food testing laboratories, there would be no ceiling on financial assistance and the amount to be approved will be decided on case to case basis with the approval of Competent Authority.

(Difficult areas include J&K, Himachal Pradesh, Uttarakhand, Sikkim, North-Eastern States, Andaman & Nicobar Islands, Lakshadweep, and Integrated Tribal Development Project (ITDP) areas)”.

2.23. The Committee desired to know the State-wise details of Financial Allocations under the Scheme since 2017-18, the Ministry submitted:-

“The Scheme is Central Sector Scheme and funds are not allocated State Wise. The details of Financial Allocations under the Scheme since 2017-18 are as under:

Year	BE	RE	Expenditure
2017-18	20.00	20.00	20.00
2018-19	25.00	25.00	16.80
2019-20 (as on 14.02.2020)	40.00	40.00	20.56

2.24. When asked by the Committee to furnish State-wise details of Physical performance (Targets & Achievements) under the Scheme since 2017-18, the Ministry provided the information as given below:-

“The Scheme is Central Sector Scheme and therefore Physical (Targets & Achievements) are not measured in terms of State wise performance. However, the State Wise physical performance of the projects approved /assisted since 2017-18 are:

State Wise details of Food Testing Laboratory Project supported (completed) since 2017

S. No.	State	No. of projects
	Delhi	2
	Gujarat	4
	Haryana	6
	Jammu & Kashmir	1
	Karnataka	2
	Madhya Pradesh	1
	Maharashtra	6
	Nagaland	01
	Odisha	1
	Punjab	1
	Tamil Nadu	4
	Uttar Pradesh	1
	Uttarakhand	2
	Total	32

State Wise details of HACCP Project assisted since 2017

Sr. No.	State	No of Projects
1.	J&K	06
2.	Odisha	01
2.	Kerala	01
4.	Maharashtra	13
5.	Madhya Pradesh	01
7.	Uttar Pradesh	02
	Total	24

G. SCHEME FOR HUMAN RESOURCES AND INSTITUTIONS

(a) RESEARCH & DEVELOPMENT: -

2.25. Objective of the Research and Development Component of the scheme is that end product/outcome/findings of R&D work should benefit food processing industry in terms of product and process development, efficient technologies, improved packaging, value addition etc. with commercial value along with standardization of various factors viz. additives, colouring agents, preservatives, pesticide residues, chemical contaminants, microbiological contaminants and naturally occurring toxic substances within permissible limits.

2.26. The Scheme for Research and Development was started by the Ministry during 9th Plan (1997-2002). Since, inception of the scheme during 9th Plan to 11th Plan, the Scheme was directly implemented by the Ministry. During 12th Plan Period, the Scheme was implemented through Science and Engineering Research Board (SERB) of Department of Science and Technology. From 1st April, 2017 onwards, the Scheme is again being implemented directly by the Ministry of Food Processing Industries. As the Ministry had decided to administer R&D Scheme directly w.e.f. 01.04.2017, no new projects were approved during financial years 2016-17 & 2017-18 in order to complete ongoing projects of SERB. Therefore, achievement for new projects during financial years 2016-17 & 2017-18 were NIL. When asked about the kind of assistance made available to the Researchers and Research Institutions under the Scheme, the Ministry ,submitted:-

“Project based financial assistance as grant-in-aid is made available to the Researchers and Research Institutions under the Scheme as under:

(i) For Government Organizations/ Universities/ Institutions:

Grant-in-Aid is given for 100% of cost of equipment, consumables, manpower, TA/DA (up to Rs.1 lakh) and institutional charges (10% of the project cost subject to max. of Rs.3 lakh or Rs.5 lakh for Non-academic and Academic Organizations respectively) specific to the Project of specified duration for maximum of three years.

(ii) **For Private Organizations/Universities/ Institutions:**

Grant-in-aid is given to the tune of 50% of equipment cost in general areas and 70% in the difficult areas. Difficult areas include J&K, Himachal Pradesh, Uttarakhand, Sikkim, North-Eastern States, Andaman & Nicobar Islands, Lakshadweep, and Integrated Tribal Development Projects (ITDP) areas.

2.27. When asked by the Committee to provide details regarding the kind of research required to be undertaken by the Ministry / Government agency to assist Food Processing Industries, the Ministry stated:-

“Under the scheme, the Ministry has been extending financial assistance to undertake demand driven R&D work for the benefit of food processing industry in terms of product and process development, efficient technologies, improved packaging, value addition etc. with commercial value along with standardization of various factors viz. additives, colouring agents, preservatives, pesticide residues, chemical contaminants, microbiological contaminants and naturally occurring toxic substances within permissible limits”

2.28. On being asked by the Committee about the reasons for taking back responsibilities of administering R&D Scheme from SERB, the Ministry submitted:-

“During the meeting of Parliamentary Consultative Committee held on 04.08.2016, it was decided that R&D projects are required to be selected by Ministry so as to ensure that these are beneficial for SMEs & farmers. Accordingly, the scheme implementation was taken back from SERB”.

2.29. When asked to furnish details with regard to any timelines set for completion of Research Projects under the Scheme, the Ministry submitted:-

“The projects under the R&D scheme are sanctioned with timelines normally for 2-3 years duration”

2.30. On the query of the Committee regarding details of Research Projects approved under the Scheme and status thereof since its inception, the Ministry submitted:-

“Timelines for the completion of project are decided in accordance with the recommendations of the Expert Committee (EC) keeping in view the quantum of

projectwork. Normally this varies from two to three years. Accordingly, the projects are monitored and reported upon to the EC for their review. Since inception of scheme, the Ministry has sanctioned 246 R&D projects, out of which 190 projects have been completed. Usually, the projects are completed within the timeline. However, some projects get delayed on account of unavoidable circumstances such as transfer of PIs, delay in procurement of equipment, recruitment of project fellows (JRF/SRF/RA), etc”.

2.31. When asked by the Committee to furnish details of Financial Allocations under the Scheme since 2017-18, the Ministry submitted:-

(Rs.in Crore)

Year	BE	RE	Actual Expenditure
2017-18	4.00	3.825	1.67
2018-19	6.75	8.45	7.69
2019-20	9.67	8.77	4.45

(b) PROMOTIONAL ACTIVITIES:

2.32. To create awareness among various stakeholders on plan, policy & programmes of the Ministry and the various schemes of Pradhan Mantri Kisan SAMPADA Yojana and its components being implemented by the Ministry through advertisement and publicity material, print, audio-visual media, social media platforms, electronic media like website, development of software, etc, to encourage investment for the development of food processing sector by extending financial support for organizing / co-sponsoring / sponsoring / participating in an event such as national / international fair, exhibition, roadshow and / or logo support on non-financial terms, to encourage investment for the development of food processing sector by extending financial support for organizing /co-sponsoring /sponsoring / participating in an event such as seminar, workshop, conference, campaign, symposium for the development of Food Processing Sector in India and / or logo support on non-financial terms etc and the focus areas of the scheme are processing, storage, packaging, marketing & retailing of food products and food ingredients.

2.33. When asked by the Committee to furnish details of Financial Allocations under the Scheme since 2017-18, the Ministry submitted:-

Rs. in Crore			
Year	BE	RE	Actual Expenditure
2017-18	16.34	31.09	31.66
2018-19	18.50	18.35	18.35
2019-20	71.02	20.65	12.72*

*as on 14.02.2020

H. OPERATION GREENS

2.34. In pursuance to Budget announcement for the year 2018-19, MoFPI launched a new Central Sector Scheme “Operation Greens – A Scheme for Integrated Development of Tomato, Onion and Potato” with a Budgetary Allocation of Rs.500 crore. Operational Guidelines for the Scheme were uploaded on the website of the Ministry on 05/11/2018. Advertisement regarding Invitation of proposal under the Scheme was issued in Newspaper on 10/11/2018.

2.35. The year-wise expenditure made by the Ministry under this Scheme from 2017-18 onwards shows that the Ministry has failed badly to utilize the Budgetary Allocation made to it thereunder. Out of total Budgetary Allocation of Rs 500 crore so far the Ministry has able to make an Actual Expenditure to the tune of Rs. 5.77 crore as on 31.01.2020. To make it more specific, under the Scheme only 5 Projects have been approved by the Ministry up to 18.01.2020.

As per the Scheme Guidelines, the Scheme has the following two main components:

- (i) Short Term: Price Stabilization measures
- (ii) Long Term: Integrated Value Chain Development Projects.

2.36. On being asked by the Committee about specific reasons for not making any significant headway in this Scheme, the Ministry submitted:-

“The Operation Greens scheme is a new central sector scheme and it was launched in Nov’2018. Ministry has issued advertisement regarding Invitation of proposal under scheme in Newspaper on 10/11/2018. The scheme has two-pronged

strategy of Price Stabilization measures (for short term) and Integrated Value Chain Development Projects (for long term).

Under short term price stabilization measures, there is provision to undertake short term intervention only in case of glut situation. No glut situation was reported by any State Govt other than Madhya Pradesh, till date. Ministry had conveyed in-principle approval vide letter dated 16/05/2019 to Govt of Madhya Pradesh for short term intervention for Onion crops during the period of May-Jul'2019. Ministry had sanctioned an amount of ₹ 5.00 Cr as advanced to NAFED for disbursement to subsidy on 09.01.2019. However, no claim has been received till date.

Under Integrated value chain development projects, during last 14 months since launch of the scheme, 24 proposals have been received. Out of this, most of the proposals, about 12 were found to be deficient and ineligible under the scheme. 6 proposals were approved and another 6 proposals are under consideration. However, subsequently, 1 project was withdrawn by the applicant. As on date, 5 proposals are approved for financial assistance.

Being the Integrated Value Chain Development Project, the scheme guidelines provides for several essential components such as Capacity Building of FPOs, Quality Production, Post-harvest Processing facilities, Agri-logistics and Marketing/ Consumption Points. Being integrated nature of the project, the proposal needs to include all the above components, which not only requires huge investment but also long time for completion of project. Further being infrastructure project, it has long gestation period. Huge investment and reluctant of banks to provide bank term loan at competitive & affordable terms and conditions are major reasons for lack of interest from the promoters for submission of proposals."

2.37. On being further asked by the Committee about the Budgetary Allocation kept for this Scheme during the year 2020-21, the Ministry submitted:-

(Rs. in crore)

S. No.	Object Head	Proposed BE 2020-21
1.	Professional Services	5.00
2.	Grants-in-aid	100.00
3.	Grants-in-aid SCSP	15.00
4.	Grants-in-aid TSP	7.50
5.	NER Grants-in-aid	Nil
	Total	127.50

2.38. The Committee wanted to know about the exact Action Plan of the Ministry with regard to implementation of the Scheme in letter and spirit so that the desired benefits reach the poor farmers and thereby contribute to their income enhancement, the Ministry submitted:-

“Under this Scheme, Rs. 450 crore has been earmarked for providing grant-in-aid for setting up of integrated value chain development projects. It is estimated to support about 15-16 projects. As on date, 5 proposals are approved with the total project costs of Rs. 425.82 crore and total grant-in-aid of Rs. 161.17 crore, thereby the committed liability of the Ministry as on date under the Scheme is approximately 35% of the earmarked budget. Further, Mission has recommended in its meeting held on 27.01.2020 approval of 3 projects with the total project costs of Rs. 164.61 crore and total grant-in-aid of Rs. 59.01 crore.

Ministry has revised the scheme guidelines on 10.12.2018, 10.01.2019, 20.09.2019 and 15.01.2020 based on the feedback and consultation with stakeholders for the purpose of smooth implementation and to achieve the objective of the scheme.

The definition of glut situation has been broadened to increase the scope of utilization of the fund, benefitting the farmers in adverse situation. Revised guidelines provides that during the glut situation, as determined by the following, evacuation of surplus production from producing areas to consumption centres will be undertaken:

- a) When the prices fall below preceding 3 years' average market price at the time of harvest;
- b) When the prices fall more than 50% compared to last year market price at the time of harvest;
- c) When the prices fall less than the benchmark, if any, fixed by the State/Central Government for a specified period

The list of clusters for setting up of the integrated value chain development project have been enlarged to include more districts from more number of major TOP producing States. This is done to ensure receipt of more number of eligible proposals.

Ministry is pursuing with the nodal officers appointed by the different State Governments requesting them to facilitate submission of proposals under the scheme. Further, Ministry has organized number of roadshows/workshops in the major TOP crops producing States for inviting the proposals in coordination with respective State Governments. More such roadshows/workshops will be organized in the coming days.

The status of implementation of sanctioned projects are reviewed regularly with the promoters of the PIAs at the level of Secretary and Hon'ble Minister, FPI."

2.39. During the evidence while giving details of Operation Greens Scheme, the representative of the Ministry submitted:-

"सर,ऑपरेशन ग्रीन बहुत बड़ा महत्वाकांक्षी प्रोजेक्ट तीन खास फसलों के लिए चालू किया गया था। यह आलू, प्याज और टमाटर के लिए था। इनमें कई बार होता है कि दाम बहुत बढ़ जाते हैं और कई बार दाम घट जाते हैं। यह इस तरह के समय के लिए एक नई स्कीम थी। इसमें यह था कि जब बहुत ज्यादा पैदावार हो जाए तो मिनिस्ट्री इसमें इंटरवीन करके कार्य करेगी। इस नई स्कीम को शुरू होने में थोड़ा टाइम लगा था।"

I. SKILL DEVELOPMENT:

2.40. As regard the Physical Achievement under this Scheme, it has been stated by the Ministry that 15 Projects have been approved by it under the Scheme. Out of which 14 Projects are meant for creation for infrastructure in Food Processing Skill Training Centres of which only one Project has so far been completed and one proposal has been approved for development/translation of courses curriculum for 13 Food Processing Job Rolls.

2.41. On being asked about the reasons for low level achievements under this Scheme along with the reasons for not being able to utilize the funds allocated for this purpose during the year 2018-19 and 2019-20, the Ministry submitted:-

"SHRISD is a demand driven Scheme. Initially, no eligible proposal was received under the scheme despite promotion/ advocacy of the scheme by the Ministry. In view of poor response to the scheme, stakeholders' consultation was done for removing bottlenecks in the scheme and based on inputs received from the stakeholders, Scheme guidelines were modified on 05.10.2018 to make Scheme more streamlined and attractive to investors. Guidelines were further modified on 11.03.2019.

There was no budget allocation to the scheme in 2016-17 and 2017-18. In 2018-19, only two suitable proposals were received which were approved in March 2019. Hence, an expenditure of Rs. 1.89 crore was made in the scheme during this financial year. In FY 2019-20, an expenditure of Rs. 0.395 Crores has been made under the GIA-General Budget Head and Rs. 0.15 Crores under GIA-NER Budget Head of the Scheme. The proposals for release of Rs. 0.78 Crores from GIA-General Budget Head, proposal for release of Rs. 0.23 Crores from GIA-NER Budget Head and proposal for release of Rs. 0.06 Crores from GIA-SCSP Budget Head are at various stages of processing for release.

It may be mentioned that financial assistance for establishment of total 22 food processing skill training centres for 14 projects has been approved till date against a tentative target of assisting establishment of total 30 Training Centers fixed by the Ministry under the Scheme, 1 Training Center has been set up in Mumbai, Maharashtra. Ministry is expecting to fully achieve the tentative target of assisting establishment of total 30 Training Centers by the end of FY 2019-20. Ministry has also

approved 1 proposal for development/ translation of course curriculum for 13 Food Processing Job Roles”

2.42. The Committee enquired about the Budget Allocation for the Scheme for the year 2020-21 and Action Plan to fully utilize the fund, the Ministry submitted:-

(a) Budget Allocation for the Scheme for 2020-2021 is as follows:

S. No.	Head	BE 2020-2021 (in Crore Rs.)
1.	Other Administrative Expenses	0.20
2.	Advertisement & Publicity	0.00
3.	Professional Services	0.20
4.	GIA-General	8.93
5.	GIA-SCSP	1.32
6.	GIA-TSP	1.00
7.	NER-Advt. & Publicity	0.00
8.	GIA – NER	0.25
Total		11.90

To fully utilize the Budget allocation for the Scheme for FY 2020-21, following is the tentative action plan:

- (i) 2nd installment of GIA in 11 approved proposals amounting to Rs. 1.96 Crores
- (ii) Both installments of GIA in 6 proposals which are being put up for approval amounting to Rs. 2.9 Crores
- (iii) Payment of Rs. 0.97 Crores for the approved project for Development of Course Curriculum of 13 QPs
- (iv) Remaining funds will be utilized against the proposals which are expected to be approved under the Scheme in next FY 2020-2021."

2.43. The Ministry has further submitted that the following steps have also been contemplated to facilitate release of the total funds allotted to the Scheme:

- (i) Organizing awareness campaigns/events for popularization of the Scheme
- (ii) Suitable modifications in the Scheme/Scheme Guidelines based on the inputs received from Desk Research/ Internal review of the Scheme.

2.44. During the course of evidence regarding the need for higher allocation for the Skilling Scheme, the representative of the Ministry submitted:-

"सर, स्किल वाली स्कीम में एक्सपेंडिचर कम हुआ है । इसका कारण यह है कि जब (पीएमकेएसवाई) को वर्ष 2017 में कैबिनेट ने अप्रूव किया था, तब एक छोटा सा कंपोनेंट हमें स्किलिंग के लिए दिया गया था । लेकिन हम वर्ष 2017-18 और 2018-19 तक स्किल मिनिस्ट्री से बातचीत करते रहे कि जो रिक्वायरमेंट ऑफ स्किलिंग इन फूड प्रोसेसिंग है, जो स्किल मिनिस्ट्री का ही ऐस्टीमेट था, we needed 5,00,000 skilling to be done every year. हम को पूरा एलोकेशन 1520 करोड़ रुपये दिया गया था । इसलिए हम बता रहे हैं कि जो हमारी स्कीम अभी डिजाइन्ड है, उसमें हम सिर्फ स्किलिंग सेंटर्स को इन्फ्रास्ट्रक्चर्स देते हैं । स्किलिंग देने के लिए जो मशीनें हैं, हम वही देते हैं। स्किलिंग बैचेज नहीं करते हैं। For one year, we kept talking under the Cabinet Secretary's chairmanship हमें एक स्किलिंग स्कीम ही दे दीजिए क्योंकि हमारी डिमांड स्किल मिनिस्ट्री के केलकुलेशन से इतना ज्यादा है और स्किल मिनिस्ट्री करन हीं पा रहा था। वह 5-10 हजार एक साल में कर रहे थे। हमें बहुत कम एलोकेशन किया था । 6.75 करोड़ रुपये था । हम इस को बढ़ाने के लिए डिसक्शन कर रहे थे। हम इसको बढ़ाने के लिए कह रहे थे कि हम स्किलिंग भी करेंगे ।"

PART II

OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

ANALYSIS OF DEMANDS

1. The Committee note that during the last 5 years ending 2018-19 the Food Processing Sector has been growing at an Average Annual Growth Rate (AAGR) of around 8.41 per cent as compared to around 3.45 per cent in Agriculture at 2011-12 Prices. Food Processing Sector has also emerged as an important segment of the Indian economy in terms of its contribution to Gross Domestic Product (GDP), employment and investment. The Sector constituted as much as 8.83 per cent and 10.66 per cent of Gross Value Added (GVA) in Manufacturing and Agriculture Sector respectively in the year 2017-18 at 2011-12 prices. The Committee note that several development initiatives have been taken by the Ministry to promote growth of the Food Processing Sector in the Country. The Committee are concerned to observe that there has been a continuous decline in allocations to the Ministry at BE Stage during 2018-19, 2019-20 and 2020-21. The Ministry has been allocated Rs. 1081.41 crore during the year 2020-21 as against the allocations of Rs. 1313.08 crore and Rs. 1101.00 crore at BE stage during the year 2018-19 and 2019-20 respectively. The Committee further observe that the Ministry were able to utilize only Rs. 591.38 crore and about 511.31 crore as against allocations of Rs. 870.33 crore and Rs. 889.43 crore at RE stage during the year 2018-19 and 2019-20 respectively. The Committee are of the considered view that there is need for the enhancement in the allocations to the Ministry for implementation of important Schemes in Food Processing Sector so that more numbers of entrepreneurs and especially farmer entrepreneurs could be

extended support to establish units at viable locations in the country. The Committee, therefore, recommend the Government to enhance the allocations for this Sector.

2. FUNDS SURRENDERED

Optimal utilization of funds by the Ministry is as much important as allocation of funds. However, the Committee observe that the Ministry of Food Processing Industries has not been able to fully utilize the allocated funds. The Committee are constrained to note that the Ministry has surrendered an amount of Rs. 279.44 crore and Rs. 211.57 crore (anticipated) during the year 2018-19 and 2019-20 respectively. The Committee were informed that funds have been surrendered due to low off take under New Schemes like Scheme for Agro Processing Cluster, Scheme for Creation/Expansion of food Processing and Preservation Capacities, Scheme for Creation of Backward and Forward Linkages (these 3 Schemes were launched in May, 2017 as New Schemes under Pradhan Mantri Kisan Sampda Yojana (PMKSY) and Operation Greens Schemes launched in November, 2018. The Committee were further informed by the Secretary, Ministry of Food Processing Industries (MoFPI), that the Ministry provides funds to the Private Sector and in order to safeguard the interests of the Ministry the expenditure in the first instance made by Private Sector Players is only reimbursed and as such any advances are not offered to them. Further, utilization of funds remains low as there are teething issues in the beginning of any New Scheme. However, the Committee were assured that utilization level of funds will improve in future and all the Sanctioned Projects will be under implementation. The Committee strongly recommend the Ministry to make sure maximum utilization of funds available under various Schemes in order to make sure the establishment of more units in the Food Processing Sector; which would ultimately benefit farmers across Country. The Committee, therefore, desire the Ministry to identify the factors

which hinder or restrict the utilization of funds and draw up an Action Plan accordingly to improve the utilization of funds. The Committee would like to be apprised about steps taken in this direction within three months of presentation of this Report.

3. SCHEDULES CASTES SUB-PLAN AND TRIBAL SUB PLAN

The Committee note that the Ministry of Food Processing Industries has earmarked funds @ 4.3 % of BE each for SC & ST Components in the Budget of 2018-19. The Ministry has earmarked @ 8.3% for SCSP and @ 4.3% for TSP of the allocated funds under the Schemes except the Scheme of Mega Food Parks for the year, 2019-20 and 2020-21. The Committee are constrained to note that the Ministry were able to utilize Rs. 7.86 Crore and Rs. 14.45 Crore (provisional) as against allocations of Rs. 55.00 Crore and Rs. 91.38 Crore at RE Stage during the year 2018-19 and 2019-20 respectively under SCSP. The Committee are highly constrained to further note that the Ministry were able to utilize a very meager amount of Rs. 5.75 Crore as against allocation of Rs. 55.00 Crore during 2018-19 under Tribal Sub Plan. The Committee are extremely dismayed to note that the Ministry was not able to utilize even a single penny as on 13.02.2020 as against the allocations of Rs. 47.34 Crore at Budget Estimate (BE) stage during 2019-20 under Tribal Sub Plan. The Committee were informed that the Ministry is not receiving adequate eligible proposals from SC and ST entrepreneurs against Expression of Interest floated from time to time. The Ministry has cited requirement of Minimum Project Cost which most of the entrepreneurs from these categories are unable to arrange, as one of the reasons for less utilization of funds under these Heads. The Committee were further informed that the Ministry are taking steps such as consultation and financial support to Dalit Indian Chamber of Commerce and Industry (DICCI), Micro, Small and Medium Enterprises (MSME) Export Promotion Council and Indian Chamber of Commerce to organize awareness

Campaign about various Schemes being implemented in the Food Processing Sector among entrepreneurs from these Categories and encouraging them to apply. The Committee were also informed about the reduction in net worth requirement for entrepreneurs from these Categories to enable them to apply for schemes of the Ministry. The Committee are of the view that Schedules Castes Sub-Plan (SCSP) and Tribal Sub Plan (TSP) are the Major Schemes being implemented by the Ministry which can bring persons from these categories in to the mainstream and initiate a culture of entrepreneurship amongst them. The Committee, therefore, desire the Ministry to take necessary steps to enhance the level of utilization of funds under SCSP and TSP. The Committee also recommend the Ministry to undertake Special Drives for Scheduled Caste and Scheduled Tribe Entrepreneurs to make sure that the benefits available under various schemes being implemented by the Ministry reach them.

4. MEGA FOOD PARKS

The Committee note that the Mega Food Park Scheme aims at providing modern infrastructure facilities for food processing along the value chain from farm to market. The Scheme functions on a hub and spoke model. It includes creation of infrastructure for primary processing and storage near the farm gate at Primary Processing Centres (PPCs) and common facilities and enabling infrastructure at the Central Processing Centre. The Central Processing Centre (CPC) has need based common infrastructure required for processing, packaging, environmental protection, quality control, trade facilitation etc. The Committee note that only 11 Mega Food Park projects have become operational as against 39 projects approved by the Ministry. The Committee are constrained to note that the Ministry is constantly failing to achieve Physical Targets under the Scheme as only 3, 6 and 2 Mega food Park Projects have become operational as against target of 11, 16 and 12 during the years 2017-18, 2018-19 and

2019-20 respectively. The Committee were informed that various factors such as Lack of active role of State Governments in implementation of Mega Food Parks (MFP) Scheme, Special Purpose Vehicle/ Implementing Agencies (SPV/IAs) repeatedly failing to adhere to the timelines assured for compliance of the conditions and targeted implementation of Project Components, Repeated Expression of Interests (EoIs) are being invited due to cancellations of the approval of Projects midway due to delays in implementation, lack of incentives for Mega Food Parks (MFP) projects of the Ministry at par with Special Economic Zone (SEZ), State Industrial parks, etc. are causing delay in effective implementation of the Scheme. The Committee were further informed that the Ministry has appointed a Consultant Agency for evaluation of the impact of the Scheme for Mega Food Parks and the Ministry would take further appropriate action on the basis of outcome and recommendation of this study and inputs of stakeholders. The Committee are of opinion that there is need of Single Window Facility for execution of the Mega Food Park Scheme. The Committee also feel that active involvement of State Governments will help in resolving issues being faced by the concerned Entrepreneurs. The Committee, therefore, recommend the Ministry to take necessary steps to bring the respective State Governments on board to create a Single Window Facility for early completion of stalled Mega Food Park Projects. The Committee also desire the Ministry to complete evaluation study in time bound manner for complete reorientation of Scheme. The Committee would like to be informed of the action taken in the matter within three months of Presentation of this Report to Parliament.

5. SCHEME FOR CREATION OF INFRASTRUCTURE FOR AGRO - PROCESSING CLUSTERS

The Committee note that the Scheme for Creation of Infrastructure for Agro Processing Cluster is a Sub-scheme under Pradhan Mantri Kisan Sampada Yojana. This Scheme caters to the requirement of local entrepreneurs/small entrepreneurs interested in setting up of a Mini Food Park. The Scheme aims at development of modern infrastructure and common facilities to encourage groups of entrepreneurs to set up food processing units based on cluster approach by linking groups of producers/ farmers to the processors and markets through well-equipped supply chain with modern infrastructure. In addition to the setting up of Common Core Infrastructure and basic enabling facilities, the Scheme requires setting up of at least 5 food processing units in the cluster with a minimum investment of Rs. 25 crore. The Scheme envisages grants-in-aid @ 35% of Eligible Project Cost in general areas and @50% of Eligible Project Cost in the North East States including Sikkim and difficult areas namely Himalayan States (i.e. Himachal Pradesh, Jammu & Kashmir and Uttarakhand), State notified Integrated Tribal Development Program (ITDP) areas & Islands of Union Territories of Lakshadweep and Andaman & Nicobar Islands subject to max. of Rs. 10.00 crore per Project. The Committee were informed that the Scheme was launched with an outlay of Rs. 750 Cr. and target of setting up 100 Agro-processing Clusters in various States. Based on State wise share of Agriculture produce, ceiling limit was also set for various States from these 100 clusters. However, no separate financial allocation is done for the States as such. Moreover, the outlay of the Scheme has now been revised to Rs. 562.50 Cr. and consequently target of number of Agro Processing Clusters (APCs) to be set up has been revised to 75. The Committee were further informed that time schedule for completion and operationalization of Project is 20 months from the date of approval for general areas

and 24 months for North East States including Sikkim and difficult areas namely Himalayan States (i.e. Himachal Pradesh, Jammu & Kashmir and Uttarakhand), State notified Integrated Tribal Development Program (ITDP) areas, Islands & Scheduled Castes/Scheduled Tribes (SC/ST) entrepreneurs, unless extended by Inter Ministerial Approval Committee (IMAC) for the reasons to be recorded.

The Committee are of the firm view that the establishment of Mini Food Park is more appropriate for depending upon availability of local agriculture produce. It will also help to reduce the project cost and encourage local entrepreneurs with limited finance to take up projects even in far flung areas of the Country. The Committee desire the Ministry to give adequate attention for timely implementation of Sanctioned Projects under this Scheme. The Committee also desire the Ministry to enhance allocations under this Scheme in future in order to enhance penetration of Food Processing Industries in the Country.

6. SCHEME FOR INTEGRATED COLD CHAIN AND VALUE ADDITION INFRASTRUCTURE

The Committee note that Ministry provides financial assistance in the form of grant-in-aid @ 35% for general areas and @ 50% for North East States, Himalayan States, ITDP areas and Islands for storage and transport infrastructure and @ 50% and 75% respectively for value addition and processing infrastructure subject to a maximum grant-in-aid of ₹10 crore per project for the setting up integrated cold chain projects including irradiation facility without any break from the farm gate to the consumer under Scheme for Integrated Cold Chain and Value Addition Infrastructure. The Committee were further informed that Standalone cold storages are not covered under the Scheme. The Integrated Cold Chain and Preservation Infrastructure can be set up by individuals, groups of entrepreneurs, cooperative societies, Self Help

Groups (SHGs), Farmer Producer Organizations (FPOs), NGOs, Central/State PSUs, etc. The Scheme is primarily private sector driven and proposals under this scheme are invited through Expression of Interest (EOI). The Committee further note 192 projects have been completed and started commercial operations and 106 projects are under various stages of implementation as against 341 Cold Chain Projects approved by Cabinet Committee on Economic Affairs/ Expenditure Finance Committee (CCEA/EFC) as on 31.01.2020. The Committee were informed that the Projects are delayed due to delay in obtaining statutory approvals like Change of Land Use (CLU), Consent to Establish (CTE), Building plan, Power connection, Food Safety and Standards Authority of India (FSSAI) licence, Final sanction of term loan, etc. In the opinion of the Committee, one of the main reasons for high losses in the supply chain of perishables is the absence of adequate and efficient cold chain infrastructure right from the farm gate to the consumers. The Committee, therefore, recommend the Ministry to strive hard to make sure that all the Approved Projects are completed in time so that they can start commercial operations as envisaged by them. The Committee also desire the Ministry to stress to establish Cold Storage Plants as per the need and requirement in remote parts of the Country so that the objective of arresting Post-harvest Losses of Agriculture and Horticulture Produce can be achieved. The Committee would like to be informed of the action taken in this regard.

NEW DELHI;
12 March, 2020
22 Phalgun, 1941 (Saka)

SHRI P. C. GADDIGOUDAR
Chairperson,
Standing Committee on Agriculture

**STANDING COMMITTEE ON AGRICULTURE
(2019-20)**

MINUTES OF THE TWENTIETH SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 19th February, 2020 from 1445 hours to 1545 hours in Committee Room "3", Extension to Parliament House Annexe (Block-A), New Delhi.

PRESENT

Shri Parvatagouda Chandanagouda Gaddigoudar – Chairperson

MEMBERS

LOK SABHA

2. Shri Afzal Ansari
3. Shri A. Ganeshamurthi
4. Shri Devji M. Patel
5. Shri Bheemrao Baswanthrao Patil
6. Shri Pocha Brahmananda Reddy
7. Shri Devendra Singh (Bhole)
8. Shri Virendra Singh
9. Smt. Shardaben A. Patel.

RAJYA SABHA

10. Shri Partap Singh Bajwa
11. Shri Ram Nath Thakur
12. Shri Vaiko
13. Smt. Chhaya Verma
14. Shri Harnath Singh Yadav

SECRETARIAT

- | | | | |
|----|-------------------|---|---------------------|
| 1. | Shri Shiv Kumar | – | Joint Secretary |
| 2. | Smt. B. Visala | – | Director |
| 3. | Smt. Juby Amar | – | Additional Director |
| 4. | Shri Sumesh Kumar | – | Deputy Secretary |

REPRESENTATIVES OF MINISTRY OF FOOD PROCESSING INDUSTRIES

- | | | |
|-----|----------------------------|-------------------------|
| 1. | Smt. Pushpa Subrahmanyam | Secretary |
| 2. | Shri Manoj Joshi | AS |
| 3. | Shri Bijoy Kumar Singh | AS & FA |
| 4. | Shri Minhaj Alam | JS |
| 5. | Ms. Reema Prakash | JS |
| 6. | Dr. Bijaya Kumar Behera | Economic Adviser |
| 7. | Shri Ashok Kumar | JS |
| 8. | Ms. Vinita Barua | CCA |
| 9. | Dr. Chindi Vasudevappa | Vice Chancellor, NIFTEM |
| 10. | Shri C. Nandharamakrishnan | Director, IIFPT |

2. At the outset, the Chairperson welcomed the Members and the Representatives of the Ministry of Food Processing Industries to the Sitting of the Committee convened for examination of Demand for Grants (2020-21) of the Ministry and apprised them of the confidentiality of the proceedings.

3. After the introduction, a Powerpoint presentation was made by the Representatives of the Ministry. Thereafter, the Committee raised several issues/points as briefly mentioned below and sought clarification/information from the Ministry:

- (i). Reasons for less utilisation of funds under Operation Greens;
- (ii). Need for early implementation of Pradhan Mantri Kisan Sampada Yojana;
- (iii). Reasons for less utilisation of Budget Grants available for skill development;
- (iv). Need to enhance awareness among SCs and STs regarding the Schemes being implemented by the Ministry of Food Processing Industries;
- (v). Reason for delay in completion of Projects under Mega Food Park Scheme;
- (vi). Need for exploring the possibility of having Single Window System for implementation of Schemes in the Sector;
- (vii). Reasons for reduction of funds at RE Stage;
- (viii). Reasons for low utilisation of funds under SC Sub-Plan and Tribal Sub-Plan;
- (ix). Steps being taken by the Ministry to enhance utilisation of funds; and
- (x). Reasons for pending Utilisation Certificates from States.

4. The Representatives of the Ministry responded to most of the queries raised by the Members. The Chairperson, then, thanked the witnesses for sharing valuable information with the Committee on the Subject and directed them to furnish the replies to the queries raised by the Members which remain unanswered and in respect of information which was not readily available with them to the Committee Secretariat.

**The Committee then adjourned.
(A copy of the Verbatim Proceedings of the Sitting has been kept)**

STANDING COMMITTEE ON AGRICULTURE

(2019-20)

MINUTES OF THE TWENTY SECOND SITTING OF THE COMMITTEE

The Committee sat on Thursday, the 12th March, 2020 from 1500 hrs. to 1545 hrs. in the Committee Room '139', First Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Parvatagouda Chandanagouda Gaddigoudar– Chairperson

MEMBERS

LOK SABHA

2. Shri Afzal Ansari
3. Shri Kanakmal Katara
4. Shri Abu Taher Khan
5. Dr. Amol Ramsing Kolhe
6. Shri Mohan Mandavi
7. Smt. Shardaben Anilbhai Patel
8. Shri Bheemrao Baswanthrao Patil
9. Shri Vinayak Bhaurao Raut
10. Shri Mohammad Sadique
11. Shri V.K. Sreekandan
12. Shri Ram Kripal Yadav

RAJYA SABHA

13. Shri Kailash Soni
14. Shri Vaiko
15. Shri R. Vaithilingam
16. Smt. Chhaya Verma

SECRETARIAT

- | | | | |
|----|-----------------|---|---------------------|
| 1. | Shri Shiv Kumar | – | Joint Secretary |
| 2. | Smt. B. Visala | – | Director |
| 3. | Smt. Juby Amar | – | Additional Director |

2. At the outset, Chairperson welcomed the Members to the Sitting of the Committee. Thereafter, the Committee took up for consideration the followings Reports:

* (i) XXXX XXXX XXXX XXXX XXXX

* (ii) XXXX XXXX XXXX XXXX XXXX

(iii) Draft Report on 'Demands for Grants (2020-21)' of the Ministry of Food Processing Industries

3. After some deliberations, the Committee adopted the Draft Reports without any modifications and authorized the Chairperson to finalize and present these Reports to Parliament.

The Committee then adjourned.

*Matter not related to this Report