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**STANDING COMMITTEE ON AGRICULTURE
(2016-2017)**

SIXTEENTH LOK SABHA

MINISTRY OF FOOD PROCESSING INDUSTRIES

'DEMANDS FOR GRANTS (2016-17)'

**{Action Taken by the Government on the Observations/
Recommendations contained in the Twenty Third Report (Sixteenth Lok Sabha) of
the Standing Committee on Agriculture (2015-2016)}**

THIRTY FIRST REPORT



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**LOK SABHA SECRETARIAT
NEW DELHI**

December 2016/Agrahayana, 1938 (Saka)

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Recommendations contained in the Twenty Third Report (Sixteenth Lok Sabha)
of the Standing Committee on Agriculture (2015-2016))**

Presented to Lok Sabha on
Laid on the Table of Rajya Sabha on

14.12.2016
14.12.2016



**LOK SABHA SECRETARIAT
NEW DELHI**

December 2016/Agrahayana, 1938 (Saka)

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(i)

**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE
(2016-17)**

Shri Hukm Deo Narayan Yadav - Chairperson

MEMBERS

LOK SABHA

2. Prof. Ravindra Vishwanath Gaikwad
3. Shri Sanganna Karadi
4. Shri Nalin Kumar Kateel
5. Smt. Raksha Khadse
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16. Shri Arjun Charan Sethi
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19. Shri Dharmendra Yadav
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RAJYA SABHA

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SECRETARIAT

1. Shri U.B.S. Negi - Joint Secretary
2. Shri Arun K. Kaushik - Director
3. Smt. Juby Amar - Additional Director
4. Shri Nirantar Kumar Singh - Sr. Executive Assistant

INTRODUCTION

I, the Chairperson, Standing Committee on Agriculture (2016-17), having been authorized by the Committee to submit the Report on their behalf, present this Thirty First Report on action taken by the Government on the Observations/Recommendations contained in the Twenty Third Report (Sixteenth Lok Sabha) of the Standing Committee on Agriculture (2015-16) on 'Demands for Grants (2016-17)' pertaining to the Ministry of Food Processing Industries.

2. The Twenty Third Report (Sixteenth Lok Sabha) of the Standing Committee on Agriculture (2015-16) on 'Demands for Grants (2016-17)' of the Ministry of Food Processing Industries was presented to Lok Sabha and laid on the Table of Rajya Sabha on 02 May, 2016. The Action Taken Notes on the Report were received on 21 November, 2016.

3. The Report was considered and adopted by the Committee at their Sitting held on 09.12.2016.

4. An analysis of the action taken by the Government on the Observations/Recommendations contained in the Twenty Third Report (Sixteenth Lok Sabha) of the Committee is given in **Appendix**.

NEW DELHI;
09 December, 2016
18 Agrahayana, 1938 (Saka)

HUKM DEO NARAYAN YADAV
Chairperson,
Standing Committee on Agriculture

CHAPTER - I

REPORT

This Report of the Committee on Agriculture deals with the action taken by the Government on the Observations/Recommendations contained in the Twenty Third Report (Sixteenth Lok Sabha) of the Committee on Agriculture (2015-2016) on "Demands for Grants (2016-17) pertaining to Ministry of Food Processing Industries which was presented to Lok Sabha and laid on the Table of Rajya Sabha on 02.05.2016.

1.2 The Ministry of Food Processing Industries have furnished Action Taken Replies in respect of all the 11 Observations/Recommendations contained in the Report. These replies have been categorized as under:

- (i) Observations/Recommendations that have been accepted by the Government:

Recommendation Nos. 1, 2, 3, 4, 5, 6, 7,8,10 and 11

Chapter- II
Total- 10

- (ii) Observations/Recommendations in respect of which the Committee do not desire to pursue in view of the Government's reply:

Recommendation Nos. NIL

Chapter- III
Total- NIL

- (iii) Observations/Recommendations in respect of which action taken replies of the Government have not been accepted by the Committee:

Recommendation No. NIL

Chapter- IV
Total- NIL

- (iv) Observations/Recommendations in respect of which final replies of the Government are still awaited:

Recommendation No. 9

1.3 The Committee trust that utmost importance would be given to implementation of the Observations/Recommendations accepted by the Government. In cases, where it is not possible for the Department to implement the Recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation. The Committee desire that further Action Taken Notes on the Observations/Recommendations contained in Chapter-I of this Report be furnished to them at an early date.

1.4 The Committee will now deal with the action taken by the Government on some of the Recommendations in the succeeding paragraphs.

**A. BUDGETARY ALLOCATION
(RECOMMENDATION PARA NO. 2)**

1.5 The Committee had observed/ recommended as under :-
“The Committee note that a well developed food processing sector with higher level of processing helps in the reduction of wastage, improves value addition, promotes crop diversification, ensures better return to the farmers, promotes employment as well as increases export earnings. This sector is also capable of addressing critical issues of food security, food inflation and providing wholesome, nutritious food to the masses. Food Processing sector has also emerged an important segment of the Indian economy in terms of its contribution to GDP, employment and investment. However, the Committee are distressed to note that against the proposal of the Ministry for the 12th Five Year Plan outlay of Rs. 14604.00 crore, only Rs. 5990

crore was made to them by the Planning Commission. However, the actual budget allocation made to the Ministry in the first four years of the 12th Plan was only Rs. 2625 crore which was further reduced to Rs.2297 crore at RE stage. Out of this allocation, the Ministry has been able to utilize Rs. 2204.55 crore which is 95.96 % of the budget provided at RE Stage. The budgetary allocations for the year 2016-17 is just Rs. 636.02 crore. According to the Ministry, the resource constraint of the Central Government has been the main reason for not providing budget allocation as per the requirements of the Ministry. The allocations of the different sectors are finalized by the Ministry of Finance on the basis of resource availability and expenditure priorities of the Government as on date. The Committee are deeply concerned to note that the budgetary allocation during the first four years of 12th Plan has been grossly inadequate. As a result of the reduced allocation, the implementation of various schemes of the Ministry has been adversely affected. The committed liabilities of the 11th Plan were spilled over to the 12th Plan due to resource constraints. The reduced allocation forced delay in discharging the committed liabilities under the Scheme of Technology Upgradation/Establishment/ Modernization of Food Processing Industries and the Scheme of Human Resource Development. Further, delinking of Central Government Support for the implementation of Centrally Sponsored Scheme of National Mission on Food Processing w.e.f. 01.04.2015, has resulted in accumulating committed liabilities with the State Governments. NMFP was launched during 12th Five Year Plan for decentralized implementation through State / UT Governments wherein

State/ UT Governments were empowered to receive applications, sanction projects and release grant as per the area specific needs of the states. A number of projects under Mega Food Park Scheme, Integrated Cold Chain Scheme and Modernization/Setting up of Abattoir Scheme are under implementation in various stages. According to the Ministry, due to non availability of adequate funds to release the grant due to these projects, the progress of their completion is likely to be affected adversely. The Committee, therefore, express their concern over the lesser allocation of funds by the Planning Commission/Ministry of Finance than demanded by the Ministry of Food Processing Industries for implementation of its various schemes. The Committee are of the view that Food Processing Sector (FPI) is an important segment of Indian economy in terms of its contribution to GDP, employment and investment. A well developed food processing sector not only helps in reduction of wastage, improves value addition, promotes crop diversification, ensures better return to the farmers, promotes employment as well as increases export earnings but it is also capable of addressing critical issues of food security, food inflation and providing wholesome, nutritious food to the masses. The Contribution of FPI Sector to the GDP of the country was 1.67% in 2012-13, 1.63% in 2013-14 and also in 2014-15 whereas the plan allocation of Rs. 600 crore for the year 2016-17 is just 0.086% of the total Central Plan Outlay of Rs. 706248 crore. The Committee, therefore, strongly recommend that the Ministry should raise the matter with Ministry of Finance to allocate funds as per their requirement and urge them to take into account the contribution of the FPI sector to the

GDP while allocating funds to the Ministry. However, as informed to the Committee, the Ministry is making efforts to get more allocation for the food processing sector in view of its importance in reduction of the wastage of agriculture produce and increasing the income of the farmers. The Committee hope that the Ministry of Finance will allocate adequate funds to the Ministry of FPI at the stage of RE. The Committee would like to be apprised of the initiative undertaken by the Ministry of FPI in this regard."

1.6 In its reply, the Ministry has stated as under:-

"The Ministry has been making efforts to get additional allocation at RE stage from the Ministry of Finance every year. The issue was taken up at all the levels but the Plan allocation of the Ministry was not enhanced due to financial constraints. However, during the current year 2016-17, the allocation of Rs. 636 crore at BE stage has been enhanced to Rs. 729 crore at RE stage, an increase of Rs. 93.00 crore. While considering the proposal of the Ministry for a new Central Sector Scheme for Agro-Marine Produce Processing and Development of Agro Clusters (SAMPADA), Expenditure Finance Committee (EFC) recommended re-structuring of the schemes of the Ministry under a Central Sector Scheme NMFP (SAMPDA) with following verticals:

- (i) Mega Food Park;
- (ii) Integrated Cold Chain and Value Addition Infrastructure;
- (iii) Modernization / Setting up of Abattoirs;
- (iv) Food Safety and Quality Assurance Infrastructure;
- (v) Infrastructure for Agro-processing Clusters;

- (vi) Creation of Backward and Forward Linkages;
- (vii) Creation / Expansion of Food Processing & Preservation Capacities;
- (viii) Human Resources and Institutions.

An allocation of Rs. 6,000 crore has been recommended by EFC for the National Mission on Food Processing (SAMPADA) including the liabilities of the ongoing schemes for the period coterminous with the Fourteenth Finance Commission i.e. upto 2019-20. All the ongoing Central Sector Schemes of the Ministry have been brought under Central Sector Scheme named as National Mission on Food Processing (SAMPADA) as its verticals from the financial year 2016-17. The on-going projects under various schemes of the Ministry will continue to be implemented as per the existing norms of the concerned scheme. Since these schemes form part of the umbrella Scheme of NMFP (SAMPADA), a consolidated proposal will be submitted for approval of the cabinet with an allocation of Rs. 6000.00 crore for the period co-terminus to the period of 14th Finance Commission as recommended by the Expenditure Finance Committee (EFC).”

1.7 While expressing their concern over the less allocation of funds than demanded by the Ministry for implementation of the various schemes, the Committee had recommended that the Ministry should raise the matter with Ministry of Finance to allocate funds as per their requirement taking into account the contribution of FPI sector to the GDP. The Committee regret to note from Action Taken Reply of the Ministry that the issue was taken up at all

levels but the Plan allocation of the Ministry was not enhanced due to financial constraints. However, the Committee are happy to note that during the current financial year the Ministry have been able to get an enhanced allocation of Rs. 729 crores at RE stage against BE of Rs.636 crore. The Committee also note that the allocation of Rs. 6,000 crores has been recommended by EFC for the National Mission on Food Processing (SAMPADA) including the liabilities of the ongoing schemes for the period coterminous with the Fourteenth Finance Commission i.e. upto 2019-20. The Committee expect the Ministry to expedite the consolidated proposal for approval of the Cabinet with an allocation of Rs.6000 crore without further delay so that the wastage of agri-produce could be reduced significantly. The Committee also hope that the Ministry will continue to make sustained efforts and impress upon the Ministry of Finance to allocate adequate funds from the next financial years for effective implementation of ongoing/new schemes of the Ministry.

**B. NATIONAL POLICY ON FOOD PROCESSING SECTOR
(RECOMMENDATION PARA NO. 5)**

1.8 The Committee had observed/ recommended as under:-

"The Committee note that Expenditure Finance Committee (EFC) has recommended re-structuring of the schemes of the Ministry under a Central Sector Scheme NMFP (SAMPADA) with the following verticals:

- (i) Mega Food Park;
- (ii) Integrated Cold Chain and Value Addition Infrastructure;
- (iii) Modernization / Setting up of Abattoirs;
- (iv) Food Safety and Quality Assurance Infrastructure;

- (v) Infrastructure for Agro-processing Clusters;
- (vi) Creation of Backward and Forward Linkages;
- (vii) Creation / Expansion of Food Processing & Preservation Capacities;
- (viii) Human Resources and Institutions.

An allocation of Rs. 6,000 crore has been recommended by EFC for the National Mission on Food Processing (SAMPDA) including the liabilities of the ongoing schemes for the period coterminous with the Fourteenth Finance commission i.e. upto 2019-20. If the States decide to continue NMFP with their own resources and design, the scheme may be implemented as State scheme. However, no funds will be provided to States by Central Government for implementation of their scheme. Therefore, the NMFP scheme for development of food processing may continue both at State level in State sector as well as at the Central level in Central Sector. According to the Ministry, the creation of umbrella Scheme of NMFP (SAMPDA) will provide flexibility to the Ministry in better utilization of the outlays to achieve intended outcomes of the various programmes. The Committee also note that all the ongoing as well as the proposed new schemes of the Ministry will be subsumed in the umbrella scheme for better convergence and flexibility in implementation. However, the Committee are not convinced with the explanation of the Ministry on the issue and feel that before restructuring of the Central Sector schemes, a comprehensive policy should have been formulated after consulting all States and other stakeholders taking into consideration their genuine concerns and the modalities worked out for their effective implementation.

In its earlier report, the Committee had recommended for a consolidated policy on food processing sector. In this context, the Ministry has informed the Committee that the process of preparing the policy document is being initiated. Since it will be an important guiding document for the food processing sector, it will require consultation with all stakeholders at various levels and policy planners and concerted efforts will be made in this direction to bring out a pragmatic, consolidated national policy on food processing with clearly defined objectives, goals and methodology for implementation. The Committee would like the Ministry to expedite the process of consultation with all concerned including stakeholders so that a national policy on food processing sector is drafted and implemented without further loss of time. The Committee would like to be apprised of the progress made in the matter."

1.9 The Ministry in its Action Taken Reply has stated as under:-

"The Ministry welcomes the suggestion of the Hon'ble Committee for a comprehensive National Policy on Food Processing. The Ministry has initiated the process for formulation of this important document with Vision: 2025.

Being an important guiding document for the Food Processing sector, it requires consultation with all stakeholders at various levels and policy planners to bring out a pragmatic, consolidated National policy on Food Processing with clearly defined objectives, goals and methodology for implementation.

An Expert Group is proposed to be constituted to prepare a Draft National Policy on Food Processing with clearly defining objectives, goals, methodology and modalities for implementation of the Policy. The national policy document will be finalized after intensive interaction with all the stakeholders. "

1.10 In response to the recommendation of the Committee in its original report for a comprehensive policy on food processing sector, the Ministry in its Action Taken Reply has stated that they have initiated the process for formulation of this important document with Vision : 2025, which requires consultation with all stakeholders at various levels and policy planners to bring out a pragmatic, consolidated National Policy on Food Processing with clearly defined objectives, goals and methodology for implementation. An Expert Group is proposed to be constituted to prepare a Draft National Policy on Food Processing with clearly defining objectives, goals, methodology and modalities for implementation of the Policy. However the Ministry is silent on the time frame fixed for devising the proposed Policy. The Committee are of the view that absence of a National policy on Food Processing results in lack of proper coordination between the States and Centre in effective implementation of the schemes. The Committee, therefore, reiterates that the Ministry should expedite the process of formulation of consolidated National policy on Food Processing within stipulated time frame. The Committee would like to be informed of the progress made by the Ministry in this regard.

**C. COLD CHAIN, VALUE-ADDITION AND PRESERVATION INFRASTRUCTURE
(RECOMMENDATION PARA NO. 07)**

1.11 The Committee had recommended as under:-

" The Committee note that there exist a substantial gap in the cold chain infrastructure capacity in the country. As per Dr. Saumitra Chaudhuri Committee report, the cold storage requirement of the country is 61 million tonnes against which the existing capacity of cold storage is estimated at around 32 million tones. Thus, the present gap in the cold storage infrastructure is estimated around 29 million tonnes. As per the All India Cold Chain Infrastructure Capacity conducted by the NCCD, there is requirement of approximately 69750 numbers of Integrated Pack Houses, 52,000 Reefer Trucks, 8000 numbers of Ripening Chambers and 3 million tonnes of Cold Storage capacity. This Cold Chain Infrastructure requirement excludes the requirement for milk, meat, marine and easily perishable processed products. Presently, the Ministry is implementing 135 cold chain projects which were sanctioned in V phases, out of which 75 projects have achieved completion and started commercial operations as on 23.03.2015. The Committee note that in many cases the projects under the Scheme could not achieve completion within prescribed timelines. According to the Ministry, some of the reasons attributed for delay in implementation of projects are due to change in location by the promoter to ensure viability of the project, delay in obtaining various statutory approvals integral to the commissioning of the project for example permission for change of land use, exemption from land ceiling laws, permission to establish and operate units from State Pollution Control Board,

NoC from Town & Country Planning Department etc., delay in construction work due to natural calamities, remote locations especially in the hilly and North East Region and inability and lack of interest on the part of the promoters to implement the project. The Committee also note that delay in disbursement of grant due to non-availability of funds is also one of the reasons for time overruns in implementation of cold chain projects. During 2014-15, 100% funds earmarked for general areas were utilized by October 2014 and approximately 15 proposals with committed liabilities of Rs. 47 crores could not be released grant due to resource crunch. These projects were released grant during April-May 2015 after approximately 7 months of delay. During 2015-16, the Budget allocation for General area was utilized by December, 2015 and approximately 12 proposals with committed liabilities of Rs.30 crores could not be released grant due to non availability of funds. The Committee note that lack of funds is a major reason for delay in implementation of Cold Chain Scheme. The Ministry are not able to provide financial assistance to the promoters in time. The Committee are of the view that the Integrated Cold Chain Scheme is ambitious project and in the absence of old chain infrastructure, the farmers are compelled to sell their produce without waiting for a better price. The Committee, therefore, strongly recommend that the cold chain infrastructure should be expended expeditiously to enable the farmers to store their produce as far as possible close to farm, which would in turn help the farmers to market their produce at better price and in the process to augment their income. The Committee also recommend that the Ministry of Finance may be impressed upon to allocate

funds as per their requirement so that the projects being assisted by them by way of grant of financial assistance are not held up for want of adequate funds. The Committee would like to be apprised of the initiatives undertaken by them in this regard.

The Committee also note that the Ministry had conducted an evaluation study for assessing inter-alia the socio- economic impact of the scheme of Cold Chain, Value Addition and Preservation Infrastructure. This study has been undertaken by M/s NABCONS on behalf of the Ministry. The study has inter-alia observed that operationalisation of all cold chain projects will generate direct employment for 14082 persons and indirect employment of 78752. There has been increase in farm gate price between 5 to 10% in fruits and vegetables sector and 2.4 to 10% in dairy sector in the catchment area. Farmers' interviews have reported benefit of assured procurement, timely payment and convenience. Based on analysis of data and field observations, the impact evaluation study has made certain suggestions for improvement in the scheme. The suggestions are under consideration of the Ministry. The Committee would like that the suggestions made by the impact study may be examined/analysed and if felt necessary the scheme should be modified and implemented to enable the farmers to get maximum benefits under the scheme."

1.12 The Ministry in its Action Taken Reply has stated as under:-

" The Ministry of Food Processing Industries is implementing the component of Cold Chain, Value Addition and Preservation Infrastructure of Infrastructure Development Scheme under the Central Sector National Mission on Food

Processing. The objective of the scheme is to arrest post-harvest losses of horticulture & non-horticulture produce by providing financial assistance to individuals, groups of entrepreneurs, cooperative societies, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs), NGOs, Central/State PSUs, etc. in setting up integrated cold chain and preservation infrastructure facilities without any break from the farm gate to the consumer.

In order to achieve seamless backward and forward integration, the scheme envisages setting up of (i) Minimal Processing Centre at farm level, (ii) Distribution Hub at consumption centres and (iii) Reefer vans. In order to setup integrated cold chain the entrepreneur has to setup any two components out of the three components. Irradiation facility as standalone component is also supported under the scheme.

To accelerate the availability of cold storage and to improve the efficiency of cold chain management, a Task Force set up by the PMO under the Chairmanship of Secretary, FPI in October 2014, has *inter alia*, recommended that government should aim at creating additional capacity of 7.5 million tonnes over the next five years. Out of this, Department of Agriculture & Cooperation can take up to 5 million tonnes under the Mission for Integrated Development for Horticulture (MIDH) (2.5 million tonnes each by NHM and NHB) and MoFPI can take up 2.5 million tonnes.

In order to achieve aforementioned objectives, the Ministry has proposed for upscaling the cold chain scheme for taking up additional cold chain projects to create capacity of 2.5 million tonnes in next five years with an additional allocation of Rs. 4000 crore.

The original guidelines of the scheme were notified on 18.03.2010. Based on feedback and consultations with stakeholders, the scheme guidelines were modified on 20.11.2013 and subsequently on 08.08.2014 for the purpose of smooth implementation and to achieve the objective of the scheme. Based on the experience gained during the implementation of the scheme and taking into consideration the observations of the evaluation study by NABCONS, the guidelines have been further revised on 29.08.2016. The revised guidelines are available on the website of the Ministry i.e. mofpi.nic.in. These revised guidelines will be applicable to Expression of Interest (EOI) issued by the Ministry for taking up new Integrated Cold Chain Projects prospectively. "

1.13 The Committee had recommended that the cold chain infrastructure should be expanded expeditiously to enable the farmers to store their produce as far as possible close to farm, which would in turn help the farmers to market their produce at better price and in the process to augment their income. In its Action taken Reply, the Ministry has submitted that to accelerate the availability of cold storage and to improve the efficiency of cold chain management, a Task Force set up by the PMO under the Chairmanship of Secretary, FPI in October 2014, has *inter alia*, recommended that government should aim at creating additional capacity of 7.5 million tonnes over the next five years. Out of this, Department of Agriculture & Cooperation can take up to 5 million tonnes under the Mission for Integrated Development for Horticulture (MIDH) (2.5 million tonnes each by NHM and NHB) and MoFPI can take up 2.5 million tonnes. In order to achieve aforementioned objectives, the Ministry has proposed for upscaling the cold chain scheme for taking up additional

cold chain projects to create capacity of 2.5 million tonnes in next five years with an additional allocation of Rs. 4000 crore. While expressing their satisfaction over the initiatives undertaken by the Government on the issue, the Committee hope that concerted and coordinated efforts will be made by the Ministry to create proposed additional capacity over the stipulated next five years. The Committee desire to be kept apprised of the progress made in this regard.

**D. SPILL-OVER LIABILITIES
(RECOMMENDATION PARA NO. 10)**

1.14 The Committee had observed/ recommended as under:-

"The Committee note that the Ministry was implementing the scheme of Technology Up-gradation/ Establishment/ Modernization of Food Processing Industries (TUS) and Human Resources Development (HRD) scheme during the 11th Plan. Both the schemes were subsumed in CSS-NMFP scheme w.e.f 01.04.2012 and were being implemented through State /UT Governments. During the 12th plan, the TUS and HRD were subsumed in Centrally sponsored scheme – National Mission on Food Processing. Although the scheme in the central sector was discontinued w.e.f. 01.04.2012, it was decided to clear all the pending liabilities as on 01.04.2012 during 12th Plan by the Ministry. On 01.04.2012 as many as 3168 applications were pending with the fund requirement of Rs. 740.00 Cr. as spill-over liabilities. Approval of cabinet was obtained to clear the proposals of 11th Plan during 12th Plan period. As on date, the actual expenditure incurred during 12th Plan period as committed liabilities is Rs. 588.88 Cr. The left over

committed liabilities for the last year of 12th Plan period (i.e. 2016-17) are about Rs. 151.12 Cr. At the beginning of 12th Plan the spill-over liabilities of HRD scheme was Rs. 35.61 Crore. However, the pending proposals of Entrepreneurship Development Programmes (EDP), Food Processing & Training Centre (FPTC) wherein no installments were released were transferred to the states subsequently. The remaining spill over liabilities will be liquidated out of BE 2016-17 of Rs. 2.50 Crore.

The Committee are constrained to note that the spill-over liabilities of 11th Plan are still continuing and the Ministry has not been able to clear the liabilities even during the last four years of the 12th Plan period. Although the Committee understand that the actual allocation during this plan period was lower than that proposed by the Ministry, the Ministry should have given priority to liquidate the spill-over liabilities and should have spread the allocated funds accordingly. The Committee recommend that the liabilities should be cleared on priority basis during this fiscal year."

1.15 The Ministry in its Action Taken Reply has stated as under:-

"A. Scheme For Technology Upgradation, Establishment And Modernization of FPI

Under the committed liabilities of 11th plan of the TUS scheme, the details of cases assisted along with BE, RE and AE during 12th plan (2012-13, 2013-14, 2014-15, 2015-16 and 2016-17) are given below:

(Rs. In Crores)

Sl.No	Year	BE	RE	AE	Cases assisted (1st and 2nd Installment))
1	2012-13	100.00	186.46	186.19	1224
2	2013-14	160.00	163.98	162.08	998
3	2014-15	160.00	157.03	144.72	889
4	2015-16	100	102.11	99.12	562
5	2016-17	112.16		51.44	294

To liquidate the left over pending liabilities, Rs. 112.16 crore have been allocated as BE during the current Financial Year (2016-17). Out of total approved amount of Rs. 740 crores for meeting committed liabilities of 11th Plan under TUS Scheme, an expenditure of Rs. 643.55 Crore has been incurred during the 12th Plan by 8th November, 2016. The balance committed liabilities are likely to be liquidated in the current financial year itself.

B. Scheme of Human Resources Development

Under the Scheme of Human Resources Development, total committed liabilities were amounting to Rs. 35.61 Crores at the end of 11th plan. Year wise expenditure for HRD scheme is during 12th plan is as below-

(Rs. in Crores)

S. No	Year	Creation of Infra for Degree/ Dip	*FPTC	**EDP	Total
1.	2012-13	1.07	0.55	2.36	3.98
2.	2013-14	1.35	0.32	2.11	3.78
3.	2014-15	2.72	0.15	0.78	3.65
4.	2015-16	1.30	0.14	0.30	1.74
	2016-17	0.0	0.0	0.07	0.07

* Food Processing Training Centre

** Entrepreneurship Development Programme

1.16 The Committee were constrained to note that the Ministry is yet to liquidate the spillover liabilities of the 11th Plan. In its Action Taken Reply, the Ministry has stated that to liquidate the left over pending liabilities, Rs. 112.16 crore have been allocated as BE during the current Financial Year (2016-17). Out of total approved amount of Rs. 740 crores for meeting committed liabilities of 11th Plan under TUS Scheme, an expenditure of Rs. 643.55 Crore has been incurred during the 12th Plan by 8th November, 2016. The balance Committed liabilities are likely to be liquidated in the current financial year itself. Under the Scheme of Human Resources Development, total committed liabilities were amounting to Rs. 35.61 Crores at the end of 11th plan. Whereas, under the Scheme of Human Resources Development, total committed liabilities were amounting to Rs. 35.61 Crores at the end of 11th plan. The Ministry has expended only Rs. 13.22 crores under this scheme. The pendency of liabilities of 11th Plan even at the verge of end of 12th Plan is a cause of concern for the Committee. The Committee, therefore, reiterate that the adequate steps should be taken by the Ministry to liquidate the Spill-over liabilities of 11th Plan during the current financial year on priority basis and ensure that these are not carried forward over to the subsequent years.

CHAPTER - II

OBSERVATIONS/RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

IMPLEMENTATION OF THE COMMITTEE'S RECOMMENDATIONS (RECOMMENDATION PARA NO. 1)

1. The Committee note that the Action Taken Replies regarding the action taken by the Government on the Observations / Recommendations contained in the Eighth Report of the Committee were furnished by the Government within the stipulated three months. The Committee further note that in pursuance of Direction 73-A of Directions by the Speaker, Lok Sabha, the Minister concerned is required to make a Statement on the status of implementation of Observations/ Recommendations contained in the Original Reports of the Committee within six months of their presentation to the Parliament. Accordingly, the Statement was made by the Minister in RajyaSabha and LokSabha on 07.08.2015 and 11.08.2015 respectively. The analysis of the Action taken by the Government reveals that 82.35% recommendation have been accepted, 5.88% have not been accepted. The Committee desire the Government to take conclusive action in respect of the nine recommendations commented upon in their 18th Action Taken Report and furnish further action taken notes to the Committee expeditiously.

REPLY OF THE GOVERNMENT:

The Ministry has sent further action taken note in respect of the observations/recommendations contained in the 18th Report of the Committee on Agriculture on Demands for Grants (2015-16) to LokSabha Secretariat vide its communication dated 17.11.2016.

Ministry of Food Processing Industries
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BUDGETARY ALLOCATION
(RECOMMENDATION PARA NO. 2)

2. The Committee note that a well developed food processing sector with higher level of processing helps in the reduction of wastage, improves value addition, promotes crop diversification, ensures better return to the farmers, promotes employment as well as increases export earnings. This sector is also capable of addressing critical issues of food security, food inflation and providing wholesome, nutritious food to the masses. Food Processing sector has also emerged an important segment of the Indian economy in terms of its contribution to GDP, employment and investment. However, the Committee are distressed to note that against the proposal of the Ministry for the 12th Five Year Plan outlay of Rs. 14604.00 crore, only Rs. 5990 crore was made to them by the Planning Commission. However, the actual budget allocation made to the Ministry in the first four years of the 12th Plan was only Rs. 2625 crore which was further reduced to Rs.2297 crore at RE stage. Out of this allocation, the Ministry has been able to utilize Rs. 2204.55 crore which is 95.96 % of the budget provided at RE Stage. The budgetary allocations for the year 2016-17 is just Rs. 636.02 crore. According to the Ministry, the resource constraint of the Central Government has been the main reason for not providing budget allocation as per the requirements of the Ministry. The allocations of the different sectors are finalized by the Ministry of Finance on the basis of resource availability and expenditure priorities of the Government as on date.

The Committee are deeply concerned to note that the budgetary allocation during the first four years of 12th Plan has been grossly inadequate. As a result of the reduced allocation, the implementation of various schemes of the Ministry has been adversely affected. The committed liabilities of the 11th Plan were spilled over to the 12th Plan due to resource constraints. The reduced allocation forced delay in discharging the committed liabilities under the Scheme of Technology Upgradation/Establishment/ Modernization of Food Processing Industries and the Scheme of Human Resource Development. Further, delinking of Central

Government Support for the implementation of Centrally Sponsored Scheme of National Mission on Food Processing w.e.f. 01.04.2015, has resulted in accumulating committed liabilities with the State Governments. NMFP was launched during 12th Five Year Plan for decentralized implementation through State / UT Governments wherein State/ UT Governments were empowered to receive applications, sanction projects and release grant as per the area specific needs of the states. A number of projects under Mega Food Park Scheme, Integrated Cold Chain Scheme and Modernization/Setting up of Abattoir Scheme are under implementation in various stages. According to the Ministry, due to non availability of adequate funds to release the grant due to these projects, the progress of their completion is likely to be affected adversely. The Committee, therefore, express their concern over the lesser allocation of funds by the Planning Commission/Ministry of Finance than demanded by the Ministry of Food Processing Industries for implementation of its various schemes.

The Committee are of the view that Food Processing Sector (FPI) is an important segment of Indian economy in terms of its contribution to GDP, employment and investment. A well developed food processing sector not only helps in reduction of wastage, improves value addition, promotes crop diversification, ensures better return to the farmers, promotes employment as well as increases export earnings but it is also capable of addressing critical issues of food security, food inflation and providing wholesome, nutritious food to the masses. The Contribution of FPI Sector to the GDP of the country was 1.67% in 2012-13, 1.63% in 2013-14 and also in 2014-15 whereas the plan allocation of Rs. 600 crore for the year 2016-17 is just 0.086% of the total Central Plan Outlay of Rs. 706248 crore. The Committee, therefore, strongly recommend that the Ministry should raise the matter with Ministry of Finance to allocate funds as per their requirement and urge them to take into account the contribution of the FPI sector to the GDP while allocating funds to the Ministry. However, as informed to the Committee, the Ministry is making efforts to get more allocation for the food processing sector in view of its importance in reduction of the wastage of agriculture produce and increasing the income of the farmers. The Committee hope that the Ministry of

Finance will allocate adequate funds to the Ministry of FPI at the stage of RE. The Committee would like to be apprised of the initiative undertaken by the Ministry of FPI in this regard.

REPLY OF THE GOVERNMENT:

The Ministry has been making efforts to get additional allocation at RE stage from the Ministry of Finance every year. The issue was taken up at all the levels but the Plan allocation of the Ministry was not enhanced due to financial constraints. However, during the current year 2016-17, the allocation of Rs. 636 crore at BE stage has been enhanced to Rs. 729 crore at RE stage, an increase of Rs. 93.00 crore. While considering the proposal of the Ministry for a new Central Sector Scheme for Agro-Marine Produce Processing and Development of Agro Clusters (SAMPADA), Expenditure Finance Committee (EFC) recommended re-structuring of the schemes of the Ministry under a Central Sector Scheme NMFP (SAMPDA) with following verticals:

- (i) Mega Food Park;
- (ix) Integrated Cold Chain and Value Addition Infrastructure;
- (x) Modernization / Setting up of Abattoirs;
- (xi) Food Safety and Quality Assurance Infrastructure;
- (xii) Infrastructure for Agro-processing Clusters;
- (xiii) Creation of Backward and Forward Linkages;
- (xiv) Creation / Expansion of Food Processing & Preservation Capacities;
- (xv) Human Resources and Institutions.

An allocation of Rs. 6,000 crore has been recommended by EFC for the National Mission on Food Processing (SAMPADA) including the liabilities of the ongoing schemes for the period coterminous with the Fourteenth Finance Commission i.e. upto 2019-20. All the ongoing Central Sector Schemes of the Ministry have been brought under Central Sector Scheme named as National Mission on Food Processing (SAMPADA) as its verticals from the financial year 2016-17. The on-going projects under various schemes of the Ministry will continue

to be implemented as per the existing norms of the concerned scheme. Since these schemes form part of the umbrella Scheme of NMFP (SAMPADA), a consolidated proposal will be submitted for approval of the cabinet with an allocation of Rs. 6000.00 crore for the period co-terminus to the period of 14th Finance Commission as recommended by the Expenditure Finance Committee (EFC).

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COMMENTS OF THE COMMITTEE:

For comments of the Committee please refer to Para No. 1.7 of Chapter I of this Report.

HARVEST AND POST-HARVEST LOSSES (RECOMMENDATION PARA NO. 3)

3. The Committee note that food processing sector has been impacted as a result of abundant supply of raw materials, increase in demand for food products and incentives offered by the Government. The food processing sector has been on average growing at a faster rate than agriculture sector from 2011-12 to 2014-15. During the last 3 years ending 2014-15, Food Processing Industries sector has been growing at an Average Annual Growth Rate (AAGR) of around 2.26 % as compared to around 1.69% in Agriculture and 6.23 % in Manufacturing at 2011-12 prices. However, the Committee are deeply distressed to note that despite the large production of food products in India, food inflation and food security issues are major concerns for policy makers in the country as they affect the basic need of citizens to have sufficient, healthy and affordable food. A study conducted by the Central Institute of Post Harvest Engineering and Technology (CIPHET), Ludhiana reveals that a large quantity of the produce suffers losses during different stages of harvesting, collection, thrashing, grading/sorting, winnowing/cleaning, drying, packing, transportation and storage depending upon the commodity. According to the report of the study released in 2010, the annual value of harvest and postharvest

losses of major agricultural produces at national level was of the order of Rs44,143 crore at 2009 wholesale prices. The report of the repeat study submitted in 2015 estimated that the annual value of harvest and post-harvest losses of major agricultural produces at national level was of the order of Rs. 92,651 crore calculated using production data of 2012-13 at 2014 wholesale prices. The Committee also note that the percentage of losses estimated for cereals was 4.65-5.99 as per the report of 2015, for pulses the estimated loss was 6.36-8.41 %. While for Oil seeds, the % loss was 3.08 – 9.96, the same for Fruits and Vegetables was 4.58– 15.88% and for Fisheries (Marine), the losses + reported was 10.52% in 2015. The horticulture and cereal crops have been reported to suffer high losses. In case of cereals, majority of losses occur at farm level during harvesting, collection and threshing. In case of fruits and vegetables also, there are high losses in farm level operations. Much of these wastages can be reduced with adequate processing facilities, thus providing remunerative price to the producer as well as ensuring greater supply to the consumer. The significant percentage of losses during harvest and post-harvest clearly shows that the various schemes being implemented by the Government have not been able to address the issues and challenges being faced by the food processing sector over the years. The Committee are of the view that it is but imperative that sustainable supply chains are developed to link the farmers to the processing and marketing centers seamlessly. However, this cannot be done unless adequate rural infrastructure and components of supply chain by way of grading and packing centers, storage facilities, reefer vans, testing laboratories etc. are developed which would require considerable investment for the purpose. The Committee, therefore, recommend that public investment may be significantly increased to fund the various components of rural infrastructure and supply chain to contain the losses during harvest and post-harvest, for which the Ministry of Finance may be urged to allocate the requisite funds for the purpose. Simultaneously, it is also essential for the Ministry to accelerate the execution of their various programmes/schemes as per the budgetary allocation demanded by them. The Committee would like to apprised of the initiatives undertaken by the Ministry in this regard.

REPLY OF THE GOVERNMENT:

To encourage private investment in the supply chain and expansion of food processing and preservation capacity in the country, the Ministry had submitted following two proposals to the Expenditure Finance Committee (EFC):

- (i) Upscaling the Central Sector Scheme for Infrastructure Development for Food processing: Sub-Scheme / Component of Cold Chain, Value Addition & Preservation Infrastructure (11.01.2016).
- (ii) Introduction of a new Scheme for Agro-Marine Produce Processing and Development of Agro Clusters for promotion and development of food processing sector (20.01.2016).

It was proposed to up-scale cold chain scheme with revised pattern of assistance @35% of the total cost of the project in general areas and @50% of the project cost in NE Region, Hilly States and ITDP Areas and making the scheme open ended with an allocation of Rs. 4,000 crore for taking up of 500 new projects in the next five years. The cost norms of Mission for Integrated Development of Horticulture (MIDH) was proposed to be followed, wherever available.

Further, it was also proposed to introduce a new Scheme for Agro-Marine Produce Processing and Development of Agro Clusters (SAMPADA) for promotion and development of food processing sector by providing enabling infrastructure, expanding processing and preservation capacities through induction of technologies, controlled temperature logistics and backward & forward linkages. The maximum admissible grant for each project was proposed to be 35% of eligible project cost in general areas and 50% of eligible project cost in NE and difficult areas / ITDP areas subject to a maximum of Rs. 5.00 crore. However, the maximum level of grant for creation of infrastructure for development of agro processing cluster will be Rs. 10 crore per project. An allocation of Rs. 9500 crore was sought for implementation of the proposed new scheme in the next five years.

Expenditure Finance Committee (EFC) in its meeting held on 09.02.2016 has recommended for the allocation of Rs. 6,000 crore to the proposed Central Sector Scheme- National Mission on Food Processing (SAMPDA) with the following verticals, for period of coterminous to 14th Finance Commission:

Sl. No.	Name of the scheme
1.	Mega Food Park
2.	Integrated Cold Chain & Value Addition Infrastructure
3.	Modernization / Setting up of Abattoirs
4.	Infrastructure for Agro Processing Clusters
5.	Food Safety & Quality Assurance Infrastructure
6.	Creation of Backward & Forward Linkages
7.	Creation / Expansion of Food Processing & Preservation Capacities
8.	Human Resource & Institutes

While the schemes at serial no. 1, 2, 3, 5 and 8 above are ongoing schemes of the Ministry, schemes at serial no. 4, 6 and 7 have been proposed as new schemes by the Ministry. The Ministry is in the process of obtaining Cabinet approval on the restructured Central Sector Scheme of National Mission on Food Processing (SAMPDA)

with an allocation of Rs. 6000 crores. Implementation of these schemes will help in creating Modern Infrastructure for food processing and enhancing food processing and preservation capacities significantly which will help in reducing wastage of agri-produce.

To accelerate the execution of Mega Food Park Scheme and utilization of the budget allocated for the scheme, Ministry has taken the following initiatives:

- (i) The Ministry constantly monitors the progress of implementation of Mega Food Park (MFP) projects with Implementing Agencies/SPVs and also concerned State Governments through review meetings, video conferences, inspections/visits etc. Hon'ble Minister & Secretary, FPI are reviewing the progress of implementation and operationalization of Mega Food Parks regularly and periodically with concerned State Governments and Promoters of the Mega Food Parks.

- (ii) Based on the experience of implementation, the Scheme Guidelines have been modified from time to time to ensure speedy implementation of the projects. These modifications are also based on stakeholders feedbacks received through various consultations/interactions. The structure of the SPV has been further simplified and states entities have also been allowed to implement Mega Food Park projects. The provisions for levy of penalty on the SPV in case of delay in the implementation of project beyond stipulated timelines have been incorporated. Recently, the guidelines have been amended on 21.07.2016 to make it more streamlined and meaningful. Provisions regarding sanction of only one Mega Food Park in a district, non-consideration of the proposal of the promoter of an existing Mega Food park within two years of completion of the existing Park have been incorporated and Time line for completion of MFP has been modified reducing from 30 months from the date of release of 1st Installment to 30 months from the issue of final approval. The criteria for evaluation of Expression of Interest (EoI) has also been modified.
- (iii) State Governments have been involved in selection and monitoring of the projects. Issues are taken up with various concerned Departments/ Agencies of the State Governments to expedite statutory clearances and to remove the bottlenecks in implementation of projects.
- (iv) State Governments and Ministry of Finance have been requested to provide fiscal incentives to the Mega Food Park projects.
- (v) Issues were taken up with the Banks/ FIs to expedite sanction of term loan to the projects.
- (vi) Government of India has created a fund of Rs. 2000 crore with NABARD to provide affordable credit to Mega Food Parks and entrepreneurs setting up units in these Parks.
- (vii) Implementing Agencies/ SPVs have been directed to submit monthly progress reports on the progress of implementation of MFP projects.
- (viii) Constitution of District Level Coordination Committees by the State Governments under the chairmanship of the concerned DM to sort out the project related issues at local level.

- (ix) Infrastructure status accorded to Mega Food Parks.
- (x) Priority Sector Lending (PSL) status has been got accorded to Food processing projects up to Rs.100 crore per borrower.

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'MAKE IN INDIA' CAMPAIGN
(RECOMMENDATION PARA NO. 4)

4. The Committee note that the food processing sector has been identified as one of the priority sector under “Make in India” campaign. With a view to attract investment to this sector, the Ministry of Food Processing Industry has been investing in infrastructure for promoting food processing industries. Mega Food Parks with common utility like road, electricity, water supply, sewage facility and common processing facility like pulping, packaging, cold storage, dry storage and logistics are being promoted in areas with strong agricultural resource base. These parks provide fully developed plots and factory sheds to entrepreneurs on long term lease basis where they can set up food processing units in “plug & play model”. Under “MAKE IN INDIA” campaign, the Ministry has been disseminating information to potential investors to attract investment to the sector through a dedicated “Investors Portal” in which a range of information like resource base, availability of land, state specific policies, fiscal incentives are shared with the potential investors. The Ministry is also collaborating with Invest India to help the investors in terms of locating joint venture partners, extending hand holding services, expedite regulatory approvals and provide investors after care services. The investor can also put their query in the Investors portal which is promptly attended to by the Ministry for guiding the investors. The Committee feel that ‘Make in India’ campaign is a promotional campaign that encourages domestic and foreign investors alike to manufacture in India. For foreign investors, this implies bringing in funds into the country for financing their manufacturing activities. Funds are essentially required for investment in infrastructure particularly the cold storage /cold chain infrastructure and various components of supply chain which is highly deficient in the country to

facilitate the farmers to market their produce seamlessly, which will in turn boost the growth and development of the food processing sector. By identifying food processing sector as a priority sector under “Make in India” initiative, potential entrepreneurs would be encouraged to invest more in the sector. The Committee would like the Ministry to make vigorous campaign under “Make in India” initiative to attract potential investor in the sector and to promote and popularize processed food products and to showcase the various schemes being implemented by the Ministry. The Committee would like to be apprised of the progress made in this regard.

REPLY OF THE GOVERNMENT:

During the year 2016-17 Ministry will be organizing 46 Events/Seminars/ Meets/Conferences in the Country for showcasing the policies and programmes /achievements of the Ministry for investment in view of 100% FDI being permitted in trading including e-commerce, in respect of food products manufactured and / or produced in India under “MAKE IN INDIA” Campaign.

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**NATIONAL POLICY ON FOOD PROCESSING SECTOR
(RECOMMENDATION PARA NO. 5)**

5. The Committee note that Expenditure Finance Committee (EFC) has recommended re-structuring of the schemes of the Ministry under a Central Sector Scheme NMFP (SAMPDA) with the following verticals:

- (i) Mega Food Park;
- (ii) Integrated Cold Chain and Value Addition Infrastructure;
- (iii) Modernization / Setting up of Abattoirs;
- (iv) Food Safety and Quality Assurance Infrastructure;
- (v) Infrastructure for Agro-processing Clusters;
- (vi) Creation of Backward and Forward Linkages;
- (vii) Creation / Expansion of Food Processing & Preservation Capacities;

(viii) Human Resources and Institutions.

An allocation of Rs. 6,000 crore has been recommended by EFC for the National Mission on Food Processing (SAMPDA) including the liabilities of the ongoing schemes for the period coterminous with the Fourteenth Finance Commission i.e. upto 2019-20. If the States decide to continue NMFP with their own resources and design, the scheme may be implemented as State scheme. However, no funds will be provided to States by Central Government for implementation of their scheme. Therefore, the NMFP scheme for development of food processing may continue both at State level in State sector as well as at the Central level in Central Sector. According to the Ministry, the creation of umbrella Scheme of NMFP (SAMPDA) will provide flexibility to the Ministry in better utilization of the outlays to achieve intended outcomes of the various programmes. The Committee also note that all the ongoing as well as the proposed new schemes of the Ministry will be subsumed in the umbrella scheme for better convergence and flexibility in implementation. However, the Committee are not convinced with the explanation of the Ministry on the issue and feel that before restructuring of the Central Sector schemes, a comprehensive policy should have been formulated after consulting all States and other stakeholders taking into consideration their genuine concerns and the modalities worked out for their effective implementation.

In its earlier report, the Committee had recommended for a consolidated policy on food processing sector. In this context, the Ministry has informed the Committee that the process of preparing the policy document is being initiated. Since it will be an important guiding document for the food processing sector, it will require consultation with all stakeholders at various levels and policy planners and concerted efforts will be made in this direction to bring out a pragmatic, consolidated national policy on food processing with clearly defined objectives, goals and methodology for implementation. The Committee would like the Ministry to expedite the process of consultation with all concerned including stakeholders so that a national policy on food processing sector is drafted and implemented without further loss of time. The Committee would like to be apprised of the progress made in the matter.

REPLY OF THE GOVERNMENT:

The Ministry welcomes the suggestion of the Hon'ble Committee for a comprehensive National Policy on Food Processing. The Ministry has initiated the process for formulation of this important document with Vision: 2025.

Being an important guiding document for the Food Processing sector, it requires consultation with all stakeholders at various levels and policy planners to bring out a pragmatic, consolidated National policy on Food Processing with clearly defined objectives, goals and methodology for implementation.

An Expert Group is proposed to be constituted to prepare a Draft National Policy on Food Processing with clearly defining objectives, goals, methodology and modalities for implementation of the Policy. The national policy document will be finalized after intensive interaction with all the stakeholders.

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COMMENTS OF THE COMMITTEE:

For comments of the Committee please refer to Para No. 1.10 of Chapter I of this Report.

MEGA FOOD PARK SCHEME **(RECOMMENDATION PARA NO.6)**

6. The Committee note that the Mega Food Park scheme provides state of the art infrastructure facility to enable setting up of food processing units. During 11th and 12th Plan, the Government has approved to set up 42 Mega Food Park (MFP) projects in the country in 5 phases against which Final Approval has been accorded to 35 projects and In-principle approval has been granted to another 2 MFPs. Out of 35 projects accorded final approval, only 7 projects are operational. The Committee were also informed that one more project at Murshidabad district, West Bengal is becoming operational in March 2016. On being fully functional, each Mega Food Park is expected to generate 5 thousand direct employment and 25 to 30 thousand

indirect employments. The Committee were informed that all possible support is being provided by the Ministry to these projects including interaction with various concerned Departments/Agencies of the State Governments at all levels to remove the bottlenecks in implementation of projects, making suitable amendments in the scheme and its guidelines and pursuing with concerned State Governments and other Central Government Ministries to extend special fiscal and other benefits to these projects to attract investment. According to the Ministry, the implementation of each MFP project is being closely monitored individually and prompt and proper assessment at every stage of implementation is also being made. However, the Committee are not convinced with the explanation of the Ministry as the fact remains that 11 projects of 1st and 2nd phases are running behind the time schedule of their completion and the pace of progress in the implementation of the scheme is significantly slow. This only goes to show that the efforts being made by the Ministry are not adequate enough so as to ensure that these projects are able to adhere to the prescribed timelines. The Committee are of the view that every factor should be taken in to consideration before giving even inprinciple approval for MFP projects so as to avoid time taken to grant final approval and their implementation within the time line. The Ministry should also assess the viability of the project and capacity of the promoter/entrepreneurs in order to avoid cancellation at later stage. An institutional mechanism also needs to be established in coordination with all concerned to ensure effective implementation and strict monitoring of the progress of the projects to avoid time and cost overrun. The Committee, therefore, would like the Ministry to act accordingly.

The Committee regret to note that out of the allocation of Rs.1714 Crore to the Scheme of Mega Food Parks for the 12th Plan, funds of Rs.442 Crore only have been allocated to the Scheme in BE which was further reduced to Rs.386.89 Crore at RE stage during the first four years of the plan period. It was claimed by the Ministry that they were in a position to utilize more funds under the scheme, if additional allocation would have been made. The Committee strongly feel that in the absence of funds demanded by the Ministry for MFP projects, the implementation of the projects are being badly affected and as a result thereof, the avowed objectives

of the scheme could not be achieved. The Committee, therefore, recommend that the Ministry should strongly urge the Ministry of Finance to allocate the funds as demanded by them for effective implementation of MFP scheme. According to the Ministry, State Governments are being impressed upon to implement the single window clearance system for MFP projects, to expedite the implementation of the projects. The Committee would like the Ministry to make concerted and coordinated efforts to set up the proposed single window clearance system for MFP projects at the earliest. In this regard, the Committee would like to know the progress made so far on the issue.

The Committee also note that the Ministry has also created a Special Fund of Rs. 2,000 Crore with NABARD to provide loan at a concessional rate to Mega Food Parks and Food Processing Industries which will come up in these Parks as well as other designated Food Parks notified by the Ministry. The sanction of the loan to Mega Food Parks Projects by NABARD from this fund is being closely monitored by the Ministry to expedite the process. The Committee hope that the said Fund would address adequately the credit requirement of the Mega Food Parks and the food processing units being set up. However, the Committee would like to know the details of the individual entrepreneurs, cooperative farmer producers' organization, corporations, joint venture SPVs and other entities which have availed the credit facility for setting up food processing units including the progress made therein.

The Committee also note that the Ministry awarded evaluation of the Impact of the Scheme for Mega Food Park to M/s Indian Council for Research on International Economic Relations (ICRIER). The report submitted by ICRIER has been accepted by the Ministry. The Ministry has claimed that the recommendations of the ICRIER will help both investors and farmers. Based on the recommendations, the Ministry is in the process of amending the guidelines of Mega Food Park Scheme to make it more effective and investor friendly. The Committee would like that the proposed amendment in the guidelines for MFP scheme may be expedited at the earliest.

The Committee further note that the Ministry has proposed a new Scheme for Agro-Marine Produce Processing and Development of Agro-Clusters (SAMPDA) as a Sub-Scheme of the Central Sector Scheme of National Mission on Food Processing (NMFP). One of the components of the Scheme is creation of enabling infrastructure for development of agro processing clusters in the areas of surplus agricultural production. The scheme does not prescribe minimum size of the land. The cluster of minimum five units with minimum investment of Rs. 25 crore has been envisaged under the component. This will take care of the special need of Hilly and NE States and will help in creation of mini-Mega Food Parks in the surplus agriculture production areas. This scheme has been recommended by EFC in its meeting held on 09.02.2016 for incorporating in the umbrella scheme of NMFP (SAMPADA) in the Central Sector to be introduced during the period coterminous to 14th Finance Commission. The scheme will be implemented after obtaining approval of the Competent Authority. The Committee hope that the proposed scheme would help to set up Mini Food Parks for the benefits of small investors and cater the needs of small States and disadvantageous regions of other States. The Committee would like that the proposed scheme may be implemented at the earliest. The Committee would like to know the progress made in this regard.

REPLY OF THE GOVERNMENT:

Presently 34 Mega Food Park Projects, out of total 42 sanctioned by the Government, are under implementation in various states. Present Status of Implementation is as under:

- | | |
|--|----|
| • No. of MFP projects approved: | 34 |
| • No. of Parks operationalized: | 8 |
| • No. of MFP projects accorded Final Approval: | 26 |

Eight Mega Food Parks at Chittoor (Andhra Pradesh), Haridwar (Uttarakhand), Tumkur (Karnataka), Fazilka (Punjab), Nalbari (Assam), Khargone (Madhya Pradesh), Ranchi (Jharkhand) and Murshidabad (West Bengal) are operational. Four more Mega Food Parks are nearing completion and likely to

become operational by the end of March, 2017. The remaining Mega Food Parks are at various stages of implementation.

Ministry has been requesting Ministry of Finance, time to time, for allocation of sufficient funds for effective implementation of MFP scheme. However, out of 12th Plan allocation of Rs. 1714 crore, only Rs. 376.34 crore i.e. just around 21.96% have been allocated during the first four years of the 12th Plan period. Year wise expenditure is as under:

(Rs. in crore)

Year	BE	RE	Expenditure
2012-13	86.00	93.20	93.12
2013-14	116.00	110.25	94.08
2014-15	120.00	63.94	63.94
2015-16	120.00	120.00	125.20
Total			376.34

In the current year, funds of Rs. 222.30crore have been earmarked for the Scheme of Mega Food Parks. The Ministry will continue to request the Ministry of Finance for allocation of sufficient funds for effective implementation of MFP scheme.

The Ministry takes every factor in to consideration, including viability of the project and capacity of the promoter/entrepreneurs, before giving in-principle approval to MFP projects so as to ensure the selection of the most suitable proposal to avoid delay in implementation. For selection of suitable proposals, the Ministry has instituted a mechanism of three-tier scrutiny of proposals, based on merit, by Programme Management Agency (PMA), Technical Committee (TC) and Inter-Ministerial Approval Committee (IMAC). The projects are selected from the proposals received in response to a widely circulated Expression of Interest invited by the Ministry and evaluated through a rigorous procedure based on fixed criteria prescribed in the Scheme Guidelines.

Recently, the Mega Food Parks scheme guidelines have been amended on 21.07.2016 to further streamline the implementation process. Modifications in the criteria for evaluation of Expression of Interest (EoI) is one of the important amendments besides incorporation of the provisions regarding sanction of only one Mega Food Park in a district, not sanctioning another project to the existing

promoters without assessing the performance of existing projects after two years of completion. The IMAC has been broad based by including representation from other relevant Ministries, State Governments and commercial Banks. The penal provision for delay in implementation has also been incorporated.

Against the vacant slots, the Ministry has invited Expression of Interest (EOI) for setting up Mega Food Park Projects in the country, on 31.07.2016 with the last date of 15.09.2016 which was further extended up-to 07.10.2016. In response to this, total 54 proposals were received and found eligible to be appraised by the Program Management Agency (PMA). Appraisal of these proposals on the basis of the modified guidelines is in process.

Ministry has also been impressing upon the State Governments to institute an effective single window clearance system for Mega Food Parks. State Governments are being pursued in this regard through various modes like, progress review meetings through Video Conferencing, meetings during visit of the States by senior officials of the Ministry, IMAC and TC meeting etc apart from writing letters. Some of the State Governments like, Punjab, Andhra Pradesh, Odisha, Jharkhand Madhya Pradesh, Chattisgarh, Rajasthan Bihar and Uttarakhandetc have taken initiative in this regard but Single Window Systems lack effectiveness in single point delivery in real sense. Ministry has again taken up the matter recently with the State Governments for establishing an effective Single Window System and will continue to pursue this matter with the State Governments. Representative of the concerned State Government has been included as a member in the Inter-Ministerial as well as Technical Committee for facilitation of the necessary clearances. Ministry has also requested the State Governments to constitute a Co-ordination Committee under the chairmanship of District Collector at the District level, where Mega Food Parks are situated, for speedy settlement of the issues which may arise during the project implementation. A similar Coordination Committee has also been requested to be set up at the State level.

Status of Sanction and Disbursement of term loan by NABARD out of Food Processing Fund (FPF) as on 25.10.2016 is as under:

(Rs.Crore)

Sr. No.	Name of the Project	Location	Term Loan sanctioned	Disbursement
A	Mega Food Park Projects			
1	M/s Gujarat Agro Infrastructure Mega Food Park Pvt. Ltd.	Dist. Surat, Gujarat	37.91	18.90
2	M/s Pristine Mega Food Park Pvt. Ltd.	Dist. Khagaria, Bihar	46.54	16.29
3	M/s Cremica Food Park Pvt. Ltd	Dist. Una, Himachal Pradesh	32.94	8.24
4	Punjab Mega Food Park by PAIC	Dist. Ludhiana, Punjab	27.12	12.00
5	Mega Food Park by KINFRA	Dist. Palakkad, Kerala	28.34	5.67
6	Haryana Mega Food Park by HSIIDC	Dist.Sonepat, Haryana	81.65	0.00
7	M/s Avantee Mega Food Park Pvt. Ltd.	Dist.Dewas, MP	56.52	2.00
8	M/s Raagamayuri Agro Vet Pvt. Ltd.	Dist. Mahabubnagar, Telangana	46.89	10.00
9	MFP by TSIIC	Dist. Khammam, Telangana	29.44	0.00
10	M/s Indus Best Mega Food Park Pvt. Ltd.	Dist. Raipur, Chhattisgarh	40.34	0.00
11	M/s Smart Agro Food Park Pvt. Ltd.	Dist. Nizamabad, Telanagana	27.00	0.00
Sub-Total			454.69	73.10
B	Individual processing units in DFPs			
1	M/s PatanjaliAyurved Limited – Honey Plant	Dist. Haridwar, Uttarakhand	19.21	0.00
2	M/s PatanjaliAyurved Limited – Chyawanprash Unit	Dist. Haridwar, Uttarakhand	17.59	0.00
Sub-Total			36.80	0.00
Total			491.49	73.10

However, for the benefit of small investors and to cater to the needs for small States and disadvantageous regions of other states, EFC in its meeting held on 09.02.2016 has recommended the proposal of the Ministry for a new scheme for creation of modern infrastructure for development of agro clusters under the Central Sector Scheme of Nation Mission on Food Processing (SAMPDA). The cluster of minimum five units with minimum investment of Rs. 25 crore has been envisaged in a cluster under the scheme. This will take care of the special need of Hilly and NE States. The proposed scheme will be implemented during the period co-terminus with the 14th Finance Commission cycle. The draft Cabinet note on re-structuring of the schemes of the Ministry under one umbrella scheme namely National Mission on Food Processing (SAMPDA) is being prepared for seeking approval of Cabinet Committee on Economic Affairs (CCEA). After the approval of CCEA, the scheme will be implemented at the earliest.

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**COLD CHAIN, VALUE-ADDITION AND PRESERVATION INFRASTRUCTURE
(RECOMMENDATION PARA NO. 7)**

7. The Committee note that there exist a substantial gap in the cold chain infrastructure capacity in the country. As per Dr. Saumitra Chaudhuri Committee report, the cold storage requirement of the country is 61 million tonnes against which the existing capacity of cold storage is estimated at around 32 million tones. Thus, the present gap in the cold storage infrastructure is estimated around 29 million tonnes. As per the All India Cold Chain Infrastructure Capacity conducted by the NCCD, there is requirement of approximately 69750 numbers of Integrated Pack Houses, 52,000 Reefer Trucks, 8000 numbers of Ripening Chambers and 3 million tonnes of Cold Storage capacity. This Cold Chain Infrastructure requirement excludes the requirement for milk, meat, marine and easily perishable processed products. Presently, the Ministry is implementing 135 cold chain projects which were sanctioned in V phases, out of which 75 projects have achieved completion and started commercial operations as on 23.03.2015. The Committee note that in

many cases the projects under the Scheme could not achieve completion within prescribed timelines. According to the Ministry, some of the reasons attributed for delay in implementation of projects are due to change in location by the promoter to ensure viability of the project, delay in obtaining various statutory approvals integral to the commissioning of the project for example permission for change of land use, exemption from land ceiling laws, permission to establish and operate units from State Pollution Control Board, NoC from Town & Country Planning Department etc., delay in construction work due to natural calamities, remote locations especially in the hilly and North East Region and inability and lack of interest on the part of the promoters to implement the project. The Committee also note that delay in disbursement of grant due to non-availability of funds is also one of the reasons for time overruns in implementation of cold chain projects. During 2014-15, 100% funds earmarked for general areas were utilized by October 2014 and approximately 15 proposals with committed liabilities of Rs. 47 crores could not be released grant due to resource crunch. These projects were released grant during April-May 2015 after approximately 7 months of delay. During 2015-16, the Budget allocation for General area was utilized by December, 2015 and approximately 12 proposals with committed liabilities of Rs.30 crores could not be released grant due to non availability of funds. The Committee note that lack of funds is a major reason for delay in implementation of Cold Chain Scheme. The Ministry are not able to provide financial assistance to the promoters in time. The Committee are of the view that the Integrated Cold Chain Scheme is ambitious project and in the absence of old chain infrastructure, the farmers are compelled to sell their produce without waiting for a better price. The Committee, therefore, strongly recommend that the cold chain infrastructure should be expended expeditiously to enable the farmers to store their produce as far as possible close to farm, which would in turn help the farmers to market their produce at better price and in the process to augment their income. The Committee also recommend that the Ministry of Finance may be impressed upon to allocate funds as per their requirement so that the projects being assisted by them by way of grant of financial assistance are not held up for want of adequate funds. The Committee would like to be apprised of the initiatives undertaken by them in this regard.

The Committee also note that the Ministry had conducted an evaluation study for assessing inter-alia the socio- economic impact of the scheme of Cold Chain, Value Addition and Preservation Infrastructure. This study has been undertaken by M/s NABCONS on behalf of the Ministry. The study has inter-alia observed that operationalisation of all cold chain projects will generate direct employment for 14082 persons and indirect employment of 78752. There has been increase in farm gate price between 5 to 10% in fruits and vegetables sector and 2.4 to 10% in dairy sector in the catchment area. Farmers' interviews have reported benefit of assured procurement, timely payment and convenience. Based on analysis of data and field observations, the impact evaluation study has made certain suggestions for improvement in the scheme. The suggestions are under consideration of the Ministry. The Committee would like that the suggestions made by the impact study may be examined/analysed and if felt necessary the scheme should be modified and implemented to enable the farmers to get maximum benefits under the scheme.

REPLY OF THE GOVERNMENT:

The Ministry of Food Processing Industries is implementing the component of Cold Chain, Value Addition and Preservation Infrastructure of Infrastructure Development Scheme under the Central Sector National Mission on Food Processing. The objective of the scheme is to arrest post-harvest losses of horticulture & non-horticulture produce by providing financial assistance to individuals, groups of entrepreneurs, cooperative societies, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs), NGOs, Central/State PSUs, etc. in setting up integrated cold chain and preservation infrastructure facilities without any break from the farm gate to the consumer.

In order to achieve seamless backward and forward integration, the scheme envisages setting up of (i) Minimal Processing Centre at farm level, (ii) Distribution Hub at consumption centres and (iii) Reefer vans. In order to setup integrated cold chain the entrepreneur has to setup any two components out of the three components. Irradiation facility as standalone component is also supported under the scheme.

To accelerate the availability of cold storage and to improve the efficiency of cold chain management, a Task Force set up by the PMO under the Chairmanship of Secretary, FPI in October 2014, has inter alia, recommended that government should aim at creating additional capacity of 7.5 million tonnes over the next five years. Out of this, Department of Agriculture & Cooperation can take up to 5 million tonnes under the Mission for Integrated Development for Horticulture (MIDH) (2.5 million tonnes each by NHM and NHB) and MoFPI can take up 2.5 million tonnes.

In order to achieve aforementioned objectives, the Ministry has proposed for upscaling the cold chain scheme for taking up additional cold chain projects to create capacity of 2.5 million tonnes in next five years with an additional allocation of Rs. 4000 crore.

The original guidelines of the scheme were notified on 18.03.2010. Based on feedback and consultations with stakeholders, the scheme guidelines were modified on 20.11.2013 and subsequently on 08.08.2014 for the purpose of smooth implementation and to achieve the objective of the scheme. Based on the experience gained during the implementation of the scheme and taking into consideration the observations of the evaluation study by NABCONS, the guidelines have been further revised on 29.08.2016. The revised guidelines are available on the website of the Ministry i.e. mofpi.nic.in. These revised guidelines will be applicable to Expression of Interest (EOI) issued by the Ministry for taking up new Integrated Cold Chain Projects prospectively.

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COMMENTS OF THE COMMITTEE:

For comments of the Committee please refer to Para No. 1.13 of Chapter I of this Report.

SETTING UP/MODERNISATION OF ABATTOIRS
(RECOMMENDATION PARA NO.8)

8. The Committee note that it is imperative that Municipal Abattoirs are modernized to ensure supply of safe and hygienic meat and meat products to the Consumers. The Hon'ble Supreme Court has also expressed concern about the poor sanitation and hygiene condition of abattoirs and in Writ Petition (Civil) No. 309 of 2003 filed by LaxmiNarainModi Versus Union of India and others. The Scheme for modernization of abattoirs was implemented in the Central Sector for the first two years of the 12th Plan and thereafter, the Scheme was to be implemented by State Governments through NMFP for the rest of the 12th Plan w.e.f. 01.04.2014 since most of the proposals are from the Municipal Bodies which are closely connected to the State Governments. The proposal received up to 31st March 2014 are being considered by the Ministry based on up-scaling of the scheme approved for the first two years of 12th Plan. In the 12th Plan proposal for up-scaling of the scheme has been approved for setting up of 25 new abattoirs and modernization of 25 existing abattoirs at total cost of Rs.330.84 crore inclusive of committed liabilities in respect of on-going projects of 11th Plan. The Committee also note that the implementation schedule as per the scheme guidelines for 11th Plan was about 18 months and as per the 12th Plan guidelines the period is about 24 months. However, all the projects are not progressing as per schedule in spite of intervention of the Ministry in the form of advice, suggestions etc. However, the liability of the Ministry is limited to the financial assistance in the form of grant-in-aid approved for each project subject to a maximum of Rs 15 crore per project. In case there is any increase in the cost of the project because of delay or any other reason, the balance has to be met by the Municipal Corporation/State Government concerned. The scheme has been proposed to be brought under Central sector as sub-scheme of NMFP (SAMPDA) and will be implemented for taking up new projects after obtaining approval of the competent authority. Since municipal abattoirs generally lack modern equipment, proper sanitation/hygiene, facilities for scientific slaughtering, waste management and pollution control, the Committee, therefore, feel that abattoirs need to be

modernized for production of clean and hygiene meat for consumption and to check cruelty to animals, pollution of adjoining areas, water bodies and rivers. Since the Ministry is providing financial assistance in the form of grant-in-aid, they cannot ignore their responsibility as a nodal agency. The Committee, therefore, recommend that concerted and vigorous efforts may be made by the Ministry in coordination with State Governments/Municipal Bodies concerned to expedite the pace of progress of modernisation of all abattoirs in the country and the proposed scheme brought under Central sector as sub-scheme of NMFP (SAMPDA) be implemented without further delay.

In this regard, the Committee would like to point out that the population of livestock has been declining in the country over the years which is generally in proportion to the number of livestock being slaughtered every day. The Committee are, therefore, deeply concerned to the rapid decline in the population of livestock in the country and appropriate corrective measures need to undertaken to address the issue in coordination with all concerned. The Committee would like to be apprised of the initiatives undertaken by the Ministry to address the issue.

REPLY OF THE GOVERNMENT:

The Ministry has utmost regard for the Hon'ble Committee and its observations. It is submitted that Ministry has been conducting regular review meetings with representatives of State Governments/ Municipal Bodies etc. urging them to implement the abattoir projects within the period as prescribed in the scheme guidelines. Video Conferencing is also resorted to from time to time to impress upon the State Governments/ Municipal Bodies the need to implement the abattoir projects expeditiously. In addition the matter is also taken up with the Chief Secretaries of the States/ Principal Secretary of the concerned Department in the States as also the Municipal Bodies at the level of Secretary, FPI by writing DO letters and talking to them over phone etc. All the Chief Secretaries have been requested for their intervention in these projects so that these projects can be completed at the earliest. Further they have also been requested to direct the concerned Municipal Commissioners to take action on a war footing and conduct weekly review of implementation of the project and send the minutes of meetings to

this ministry. It was also suggested that they may setup a process of regular monitoring of these projects at their level so that the livestock farmers and the consumers will get benefit of the project by utilization of their animals for meat purpose and availability of hygienic, wholesome & safe meat products respectively.

The Ministry is in the process of obtaining Cabinet approval on the restructured Central Sector Scheme of National Mission on Food Processing (SAMPDA) with an allocation of Rs. 6000 crores. The Scheme for modernization/setting up of Abattoirs is one of the SAMPDA Schemes.

The issue of livestock and its population across the country is dealt by Department of Animal Husbandry, Dairying and Fisheries (DAHD&F), Ministry of Agriculture and Farmers Welfare, Government of India.

It is submitted that as per 19th livestock Census-2012, All India Report, the total livestock population in the country has declined by above 3.3% over the previous Census (2007). Further the Census-2012 indicated that number of milch animals (in-milk and dry) in Cow and Buffaloes has increased to 6.75%. The number of animals in milk in Cow and Buffaloes has also increased to 4.5%.

As regards the corrective measures needed to address the issue, Department of Animal Husbandry, Dairying and Fisheries (DAHD&F), Ministry of Agriculture and Farmers Welfare, Government of India has communicated the following details:

A. The Government has formulated National Livestock Policy, 2013 so as to increase livestock productivity in a sustainable manner. The salient features of the policy are improvement in animal productivity, infusion of appropriate technologies for quality assurance to meet international standards, extension services, and restructuring of institutions and support in terms of enhanced investment and installation of an effective mechanism to sustain the same.

B. The Government is implementing the following schemes for the development and protection of the livestock, the details of which are mentioned below each:-

- **National Programme for Bovine Breeding and Dairy Development:** The National Programme for Bovine Breeding and Dairy Development (NPBBDD) is implemented with an integrated, holistic and scientific approach: to improve and upgrade the genetic makeup of bovines with the aim of enhancing their production and productivity; and development of dairy infrastructure for improved procurement, processing and marketing. The Scheme has two components (a) National Programme for Bovine Breeding (NPBB) and (b) National Programme for Dairy Development (NPDD).

- **RashtriyaGokul Mission:** A project under the National Program for Bovine Breeding and Dairy Development, the RashtriyaGokul Mission was launched with the objective of conserving and developing indigenous Breeds in a focused and scientific manner by setting aside Rs. 500 crores out of Rs 1800 crores allocated for NPBBDD.

- **National Dairy Plan-I:** The National Dairy Plan Phase- I (NDP-I) is being implemented with an outlay of Rs. 2,242 Crore as a Central Sector Scheme in 18 major milk producing states. The Scheme is implemented through National Dairy Development Board and aims at enhancing milk production and productivity in order to meet the rapidly growing demand of milk. The scheme has focused on development and conservation of indigenous breeds.

- **National Livestock Mission (NLM):** National Livestock Mission (NLM) is implemented throughout the country with the objective of sustainable development of livestock sector. With respect to Small Ruminants, Piggery and Poultry, there are programs for strengthening the State farms in terms of modernization, automation and bio-security to enable production of improved breeds of Goats, Sheep, Pigs and stocks of low-input technology chicken and conservation of livestock breeds. Further, the Productivity Enhancement component provides for supporting BPL families to encourage rearing of backyard poultry and community led breed improvement programmes. Similarly, under the Entrepreneurship Development & Employment Generation component there is provision for a number of small ruminants, piggery and poultry farming and allied activities wherein back-ended

capital subsidy is provided to the farmers.

• **Livestock Health & Disease Control schemes (LH&DC):** The Government is supplementing the efforts of State/UT Governments for prevention, control and containment of animal diseases by way of providing financial assistance under the schemes of Livestock Health & Disease Control, which is having the following nine components:

- a) Assistance to States for Control of Animal Diseases (ASCAD)
- b) National Project on Rinderpest Surveillance and Monitoring (NPRSM)
- c) Professional Efficiency Development (PED)
- d) Foot and Mouth Disease Control Programme (FMD-CP)
- e) National Animal Disease Reporting System (NADRS)
- f) Peste des Petits Ruminants Control Programme (PPR-CP)
- g) Establishment and strengthening of existing Veterinary Hospitals and Dispensaries (ESVHD)
- h) Brucellosis Control Programme (Brucellosis-CP)
- i) Classical Swine Fever Control Programme (CSF-CP).

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SPILL-OVER LIABILITIES
(RECOMMENDATION PARA NO.10)

10. The Committee note that the Ministry was implementing the scheme of Technology Up-gradation/ Establishment/ Modernization of Food Processing Industries (TUS) and Human Resources Development (HRD) scheme during the 11th Plan. Both the schemes were subsumed in CSS-NMFP scheme w.e.f 01.04.2012 and were being implemented through State /UT Governments. During the 12th plan, the TUS and HRD were subsumed in Centrally sponsored scheme – National Mission on Food Processing. Although the scheme in the central sector was discontinued w.e.f. 01.04.2012, it was decided to clear all the pending liabilities as on 01.04.2012 during 12th Plan by the Ministry. On 01.04.2012 as many as 3168 applications were pending with the fund requirement of Rs. 740.00 Cr. as spill-over

liabilities. Approval of cabinet was obtained to clear the proposals of 11th Plan during 12th Plan period. As on date, the actual expenditure incurred during 12th Plan period as committed liabilities is Rs. 588.88 Cr. The left over committed liabilities for the last year of 12th Plan period (i.e. 2016-17) are about Rs. 151.12 Cr. At the beginning of 12th Plan the spill-over liabilities of HRD scheme was Rs. 35.61 Crore. However, the pending proposals of Entrepreneurship Development Programmes (EDP), Food Processing & Training Centre (FPTC) wherein no installments were released were transferred to the states subsequently. The remaining spill over liabilities will be liquidated out of BE 2016-17 of Rs. 2.50 Crore.

The Committee are constrained to note that the spill-over liabilities of 11th Plan are still continuing and the Ministry has not been able to clear the liabilities even during the last four years of the 12th Plan period. Although the Committee understand that the actual allocation during this plan period was lower than that proposed by the Ministry, the Ministry should have given priority to liquidate the spill-over liabilities and should have spread the allocated funds accordingly. The Committee recommend that the liabilities should be cleared on priority basis during this fiscal year.

REPLY OF THE GOVERNMENT:

A. Scheme For Technology Upgradation, Establishment And Modernization Of FPI.

Under the committed liabilities of 11th plan of the TUS scheme, the details of cases assisted along with BE, RE and AE during 12th plan (2012-13, 2013-14, 2014-15, 2015-16 and 2016-17) are given below:

(Rs. In Crores)

Sl.No	Year	BE	RE	AE	Cases assisted(1 st and 2 nd Installment))
1	2012-13	100.00	186.46	186.19	1224
2	2013-14	160.00	163.98	162.08	998
3	2014-15	160.00	157.03	144.72	889
4	2015-16	100	102.11	99.12	562
5	2016-17	112.16		51.44	294

To liquidate the left over pending liabilities, Rs. 112.16 crore have been allocated as BE during the current Financial Year (2016-17). Out of total approved amount of Rs. 740 crores for meeting committed liabilities of 11th Plan under TUS Scheme, an expenditure of Rs. 643.55 Crore has been incurred during the 12th Plan by 8th November, 2016. The balance committed liabilities are likely to be liquidated in the current financial year itself.

B. Scheme of Human Resources Development

Under the Scheme of Human Resources Development, total committed liabilities were amounting to Rs. 35.61 Crores at the end of 11th plan. Year wise expenditure for HRD scheme is during 12th plan is as below-

(Rs. in Crores)

S. No	Year	Creation of Infra for Degree/ Dip	*FPTC	**EDP	Total
1.	2012-13	1.07	0.55	2.36	3.98
2.	2013-14	1.35	0.32	2.11	3.78
3.	2014-15	2.72	0.15	0.78	3.65
4.	2015-16	1.30	0.14	0.30	1.74
	2016-17	0.0	0.0	0.07	0.07

* Food Processing Training Centre

** Entrepreneurship Development Programme

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COMMENTS OF THE COMMITTEE:

For comments of the Committee please refer to Para No. 1.16 of Chapter I of this Report.

DEVELOPMENT OF NORTH - EASTERN STATES (RECOMMENDATION PARA NO.11)

11. The Committee note that as per Government policy, a minimum of 10% of the Plan outlay is to be utilized for the projects in the North-Eastern States including Sikkim. Accordingly, the Ministry has been utilizing its plan funds for the projects in North Eastern States. During 2015-16, out of total plan allocation of Rs. 487.00 crore, an amount of Rs. 48.00 crore was allocated for North East. However, the

actual utilisation against allocation has been only Rs. 30.91crore. During the financial year 2016-17, a provision of Rs. 60.00 crore being 10% of Central Plan Outlay of Rs. 600.00 crore is earmarked for utilization on projects in the North-Eastern States including Sikkim. As informed by the Ministry, the main reason for low utilization of the allocation for North-East is non-availability of quality proposals under various schemes of the Ministry. The Ministry is making concerted efforts to increase utilization of the allocation for North-East. A number of awareness events like seminars/ workshops have been organized in the current year in every state of the North East region. The efforts made by the Ministry are expected to result in receiving more fresh proposals from North East region under various Schemes of the Ministry. The Committee are of the view that North Eastern States (including Sikkim) have immense potential for development of Food Processing sector which may give impetus for overall economic growth and development of the region. The Committee, therefore, desire that concerted and coordinated efforts need to be undertaken by the Ministry including creation of awareness amongst the people in the region about the various schemes of the Ministry and the benefits likely to accrue to the them and the region as a result thereof. The Committee would like to be apprised of the initiatives undertaken by the Ministry in this regard.

REPLY OF THE GOVERNMENT :

During 2015-16 Ministry organized 18 awareness events like workshops and seminars in North East Region (including Sikkim) for development of food processing sector. During this Fiscal Year Ministry is organizing/ supporting different events like exhibitions /seminars/workshops in North East Region and clearing the liabilities of the last year. Ministry has earmarked 13 events for promotion of food processing sector in NE region during the year 2016-17.

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CHAPTER III

**OBSERVATION/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S ACTION TAKEN
REPLY**

-- NIL--

CHAPTER IV

**OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH ACTION
TAKEN REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY
THE COMMITTEE**

--NIL--

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

VILLAGE ADOPTION PROGRAMME (VAP) BY NIFTEM (RECOMMENDATION PARA NO. 9)

9. The Committee note that Village adoption is a unique program conceptualized and being implemented by NIFTEM for its students since 2012, with a view to sensitize and educate them of the problems and practices of the farmers at the grass root level. The aim is to help the Indian Food Processing sector accomplish its objective of all-inclusive growth and facilitate the process of integrating the underprivileged sections of our population with the main stream economy. Under this programme, B. Tech (Food Technology & Management) and M. Tech students are divided into groups of 10 to 12 students at the time of joining NIFTEM. Each group is lead by a Faculty member (Mentor) and adopts a village anywhere in India and nurses it during the entire programme of study. The groups go and stay in the village twice a year: 10 to 12 days each time in every semester. It is a symbiotic process leading to exchange of Knowledge. While villagers gain scientific and technical knowledge through students who promote future possibilities of food processing among them, students obtain firsthand experience of Indian rural scenario and understand traditional processing technologies adopted by the villagers. Students gain general awareness of the village life and facilitate the process of integrating the underprivileged sections of our population with the main stream. Students learn to contribute towards "Nation Building". As informed by the Ministry, NIFTEM is in the process of organizing a VAP conclave to invite the lead farmers/ entrepreneurs of adopted villages to visit NIFTEM for interactive stay and exposure visits. During the village adoption programmes, each VAP team prepares a booklet of the traditional dishes of that adopted village and the area around it. As a result, 494 traditional dishes of the 39 adopted villages have been documented. While appreciating the efforts being made by NIFTEM in popularizing the Programme, the Committee recommend that more and more villages across the country should be adopted under this programme so that villagers and the students

are mutually benefitted and in the process more traditional dishes of the adopted villages are documented for scientific intervention under Make in India initiative by NIFTEM. Since VAP teams are lead by a faculty member, the Committee, therefore, urge that new recruitment of faculty may be expedited so that more and more villages across the country are involved in the programme.

The Committee feel that that in the absence of adequate support from the Government in terms of adequate budget allocation, it would be difficult for NIFTEM to run the noble programmes like the one Village Adoption Programme. The Committee, therefore, agree with the Ministry that NIFTEM should be given continuous Government support to fill the gap between the expenditure requirements and the revenue generation till they achieve self-sufficiency.

REPLY OF THE GOVERNMENT:

Village Adoption Programme (VAP) is a part of the academic curriculum, and is a mandatory credit course in Under Graduate and Post Graduate programmes. VAP activities are carried out by faculty of the institute. VAP conclave is likely to be organized shortly by NIFTEM in which lead farmers / Entrepreneurs of the adopted villages will be invited to visit the institution for exposure. NIFTEM has proposed sanction of additional faculty posts which are under process. Further there are some vacant posts under reserved category, for which sincere efforts are being made to fill up these posts by giving specific advertisements. Ministry has been providing funds to NIFTEM in the form of grant-in-aid to fill the gap between the expenditure requirement and the revenue generation. NIFTEM has submitted financial proposal for the next four years also, which is under active consideration of the Ministry. Simultaneously, NIFTEM has been asked to prepare a plan and take necessary actions to achieve self-sufficiency.

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(F. No. 6-03/2016-Parl. Dated 21/11/2016)

**NEW DELHI;
05 December, 2016
14 Agrahayana, 1938 (Saka)**

**HUKM DEO NARAYAN YADAV
Chairperson,
Standing Committee on Agriculture**

STANDING COMMITTEE ON AGRICULTURE
(2016-17)

MINUTES OF THE SEVENTH SITTING OF THE COMMITTEE

The Committee sat on Friday, the 09th December, 2016 from 1000 hrs. to 1050 hrs. in the Chamber of the Chairperson, Standing Committee on Agriculture, Room No. 138 (Third Floor), Parliament House, New Delhi.

PRESENT

Shri Hukm Deo Narayan Yadav – Chairperson

MEMBERS

LOK SABHA

2. Prof. Ravindra Vishwanath Gaikward
3. Shri Sanganna Karadi
4. Shri Nalin Kumar Kateel
5. Md. Badaruddoza Khan
6. Shri Janardan Mishra
7. Shri Devji Patel
8. Shri C.L. Ruala
9. Shri Satyapal Singh (Sambhal)

RAJYA SABHA

10. Shri Sambhaji Shahu Chhatrapati
11. Shri Meghraj Jain
12. Shri Mohd. Ali Khan
13. Shri Ram Nath Thakur

SECRETARIAT

- | | | | |
|----|----------------------|---|---------------------|
| 1. | Shri U.B.S. Negi | – | Joint Secretary |
| 2. | Shri Arun K. Kaushik | – | Director |
| 3. | Smt. Juby Amar | – | Additional Director |
| 4. | Shri C. Vanlalruata | – | Deputy Secretary |
| 5. | Shri Sumesh Kumar | – | Under Secretary |

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

(i) Draft Report on the Action Taken by the Government on the Observations/Recommendations contained in the 23th Report (16th Lok Sabha) of the Standing Committee on Agriculture (2015-16) on 'Demands for Grants (2016-17)' of the Ministry of Food Processing Industries.

*(ii)	XXXX	XXXX	XXXX	XXXX
*(iii)	XXXX	XXXX	XXXX	XXXX
*(iv)	XXXX	XXXX	XXXX	XXXX

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 after getting them factually verified from the concerned Departments/Ministries.

The Committee then adjourned.

*Matter not related to this Report.

Appendix

(Vide Para 4 of Introduction of the Report)

***ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE TWENTY THIRD
REPORT OF COMMITTEE ON AGRICULTURE (16TH LOK SABHA)***

(i)	Total number of Recommendations	11
(ii)	Recommendations/Observations which have been Accepted by the Government	
	Recommendation Nos. 1, 2, 3, 4 5, 6, 7, 8, 10 and 11	
	Total	10
	Percentage	91.00%
(iii)	Recommendations/Observations which the Committee Do not desire to pursue in view of the Government's replies	
	Recommendation Nos. Nil	
	Total	0
	Percentage	00.00%
(iv)	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee	
	Recommendation No. Nil	
	Total	0
	Percentage	00.00%
(v)	Recommendations/Observations in respect of which Final replies of the Government are still awaited	
	Recommendation No. 9	
	Total	1
	Percentage	09.00%