



**STANDING COMMITTEE ON AGRICULTURE, ANIMAL
HUSBANDRY AND FOOD PROCESSING**
(2021-22)

SEVENTEENTH LOK SABHA

MINISTRY OF FOOD PROCESSING INDUSTRIES

DEMANDS FOR GRANTS (2022-23)

FORTY FIRST REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2022/Chaitra, 1944 (Saka)

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FOOD PROCESSING
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MINISTRY OF FOOD PROCESSING INDUSTRIES

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Presented to Lok Sabha on 24.03.2022

Laid on the Table of Rajya Sabha on 24.03.2022



LOK SABHA SECRETARIAT
NEW DELHI

March, 2022/ Chaitra, 1944 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE, ANIMAL
HUSBANDRY AND FOOD PROCESSING* (2021-22)**

Shri P.C. Gaddigoudar- Chairperson

MEMBERS

LOK SABHA

2. Shri Afzal Ansari
3. Shri Horen Sing Bey
4. Shri Devendra Singh 'Bhole'
5. Shri A. Ganeshamurthi
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28. Shri Vaiko
29. Shri Harnath Singh Yadav
30. VACANT
31. VACANT

* Standing Committee on Agriculture renamed as Standing Committee on Agriculture, Animal Husbandry and Food Processing vide Para No. 3293, Bulletin Part-II, dated 23.11.2021.

SECRETARIAT

1. Shri Shiv Kumar - Joint Secretary
2. Shri Sundar Prasad Das - Director
3. Shri S.Vijayaraghavan - Executive Officer

INTRODUCTION

I, the Chairperson, Standing Committee on Agriculture, Animal Husbandry and Food Processing, having been authorized by the Committee to submit the Report on their behalf, present this Forty First Report on the Demands for Grants (2022-2023) of the Ministry of Food Processing Industries,

2. The Committee under Rule 331E(1)(a) of the Rules of Procedure and Conduct of Business in Lok Sabha considered the Demands for Grants (2022-23) of the Ministry of Food Processing Industries, which were laid on the table of the House on 15 March, 2022. The Committee took evidence of the representatives of the Ministry of Food Processing Industries at their Sitting held on 23 February, 2022. The Report was considered and adopted by the Committee at their Sitting held on 22nd March, 2022.

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

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

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

NEW DELHI;
22 March, 2022
01 Chaitra, 1944 (Saka)

P.C. GADDIGOUDAR
Chairperson,
Standing Committee on Agriculture,
Animal Husbandry and Food Processing

List of Abbreviations		
S.No.	Abbreviation	Full Form
1.	ASI	Annual Survey of Industries
2.	APCs	Agro Processing Clusters
3.	CCEA	Cabinet Committee on Economic Affairs
4.	CEFPPC	Creation/Expansion of Food Processing and Preservation Capacity
5.	EFC	Expenditure Finance Committee
6.	EOI	Expression of Interest
7.	EC	Expert Committee
8.	EGoS	Empowered Group of Secretaries
9.	EDP	Entrepreneurship Development Programme
10.	FPOs	Farmer Producer Organizations
11.	FTL	Food Testing Laboratories
12.	FSMS	Food Safety Management System
13.	FICSI	Food Industry Capacity and Skill Initiative
14.	HACCP	Hazard Analysis and Critical Control Points
15.	IMAC	Inter-Ministerial Approval Committee
16.	ITDP	Integrated Tribal Development Project
17.	ICAR	Indian Council Agricultural Research
18.	JRF	Junior Research Fellow
19.	MIDH	Mission of Integrated Development of Horticulture
20.	NSSO	National Sample Survey Office
21.	NER	North Eastern Region
22.	NCCD	National Centre for Cold Chain Development
23.	NSDA	National Skill Development Agency
24.	NSDC	National Skill Development Corporation
25.	NAFED	National Agricultural Cooperative Marketing Federation of India
26.	NFSM	National Food Security Mission
27.	NRLM	National Rural Livelihood Mission
28.	NCDC	National Cooperative Development Corporation
29.	NSFDC	National Scheduled Castes Finance and Development Corporation
30.	NIRDPR	National Institute of Rural Development and Panchayati Raj
31.	NSTFDC	National Scheduled Tribes Finance and Development Corporation
32.	ODOP	One District One Product
33.	ODOFP	One District One Focus Product
34.	PLISFPI	Production Linked Incentive Scheme for Food Processing Industry
35.	PKVY	Paramparagat Krishi Vikas Yojana
36.	RKVY	Rashtriya Krishi Vikas Yojana
37.	SCSP	Schedule Cast Sub Plan
38.	SHG	Self Help Group
39.	SAMPADA	Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters
40.	SFC	Standing Finance Committee
41.	SRLM	State Rural Livelihood Mission
42.	SNA	State Nodal Agency
43.	TSP	Tribal Sub Plan
44.	TOP	Tomato, Onion and Potato
45.	TRIFED	Tribal Cooperative Marketing Development Federation of India

Draft Report - Demand No. 45

Chapter 1

Introductory

Background

1.1 The Ministry of Food Processing Industries was set up in July, 1988 to give an impetus for development of food processing sector in the country. Subsequently, vide notification No.DOC.CD-442/1999 dated 15.10.1999, this Ministry was made a Department and brought under the Ministry of Agriculture. It was again notified as the Ministry of Food Processing Industries vide Cabinet Secretariat's Note No.1/22/1/2001-Cab (1) dated 06.09.2001.

Allocation of Business Rules

1.2 The Subjects allocated to the Ministry under Government of India (Allocation of Business) Rules, 1961 are as under:-

1. Industries relating to:
 - i. Processing and Refrigeration of certain Agricultural Products (milk powder, infant milk food, malted milk food, condensed milk, ghee and other dairy products), poultry and eggs, meat and meat products.
 - ii. Processing of Fish (including canning and freezing).
 - iii. Establishment and servicing of Development Council for Fish Processing Industry. Technical assistance and advice to Fish Processing Industry.
 - iv. Fruit and Vegetable Processing Industry (including freezing and dehydration).
 - v. Food Grains Milling Industry.
2. Planning, development and control of, and assistance to, industries relating to bread, oil seeds, meals (edible), breakfast foods, biscuits, confectionery (including Cocoa processing and chocolate making), malt extract, protein isolate, high protein food, weaning food and extruded food products (including other ready to eat foods).
3. Specialized packaging for food processing industry.
4. Beer including non-alcoholic beer.
5. Alcoholic drinks from non-molasses base.
6. Aerated water and soft drinks

Role of the Ministry

1.3 The Ministry of Food Processing Industries is concerned with formulation and implementation of the policies for the food processing industries within the overall national priorities & objectives. A major issue in the country is to ensure remunerative prices to the farmers for their produce. If the surplus production of cereals, fruits, vegetables, milk, fish, meat and poultry, etc., is processed and marketed both inside and outside the country, there will be greater opportunities for adding to the income of farmers and employment.

Functions of the Ministry

1.4 The functions of the Ministry can be broadly classified under policy support, policy initiatives, developmental initiatives and promotional initiatives.

Contribution of Food Processing Sector to GDP:

1.5. During the last five years ending 2019-20, Food Processing Industries (FPI) Sector has been growing at an average Annual Growth Rate of around 11.18 per cent. The Sector constituted as much as 9.87 per cent of GVA in manufacturing in 2019-20 at 2011-12 prices. Food Processing Industry is one of the major employment intensive segments having a share of 12.38 per cent (at 3-digit of NIC classification) in the employment generated in all Registered Factory sector in 2017-18. According to the latest Annual Survey of Industries (ASI) for 2017-18, the total number of persons engaged in registered food processing sector was 19.33 lakh. Unregistered food processing sector supports employment to 51.11 lakh worker as per the NSSO 73rd Round, 2015-16 and thus 14.18 per cent of employment in the unregistered manufacturing sector.

Funds Allocated to the Ministry and Surrendered by them

1.6 Details of Funds Surrendered by the Ministry of Food Processing Industries

(Amount in ₹ Crore)

Description	Financial Year		Savings Surrendered		
			Capital	Revenue	Total
Total Net Allocation	BE 2020-21+Cash Supplementary for PMFME	1232.94+150.00=1382.94	-		
	RE 2020-21	1247.42	-		
	Total Expenditure	1152.68	-	*226.43	*226.43
Pradhan Mantri Kisan Sampada Yojana (CS)	BE 2020-21	1081.41			
	RE 2020-21	750.00			

PM FME (CSS)	RE 2020-21	400.00	-	-	-
*This includes Rs. 7.72 Cr for Establishment Charges and does not include Rs. 3.87Crore LOA issued.					
Total Net Allocation	BE 2021-22	1308.66			
	RE 2021-22	1304.12			
	Total Expenditure	874.13(as on 14/02/2022)			
Pradhan Mantri Kisan Sampada Yojana(PMKSJY) (Central Sector(CS))	BE 2021-22	700.00			
PMKSJY+PLIS (CS)	RE 2021-22	801.00			
PM FME (Centrally Sponsored Scheme)	BE 2021-22	500.00			
	RE 2021-22	399.00			

Scheme-Wise Allocation under PMKSJY/PMFME during 2020-21

1.7 "

(₹ in Crore)

S. No.	Name of the Scheme	2020-21				Reasons for under utilization
		BE	RE	Actual Expenditure	% Expenditure	
1	Scheme for Mega Food Park	100.00	61.85	61.87	100	--
2	Scheme for Infrastructure for Agro-processing Clusters	65.00	56.69	48.47	85.50	Inadequate eligible proposals under SCSP and TSP
3	Scheme for Integrated Cold Chain and Value Addition Infrastructure	349.71	252.58	207.41	82.12	Inadequate eligible proposals under NER, SCSP and TSP
4	Scheme for Creation/Expansion of Food Processing and Preservation Capacities	190.00	219.30	202.84	92.49	Inadequate eligible proposals under SCSP and TSP
5	Scheme for Creation of Backward and Forward Linkages	100.00	56.60	54.42	96.15	Inadequate eligible proposals under NER and TSP
6	Scheme for Food Safety and Quality Assurance Infrastructure	44.00	36.83	29.00	78.74	Inadequate eligible proposals under SCSP and TSP
7	Scheme for Human Resource and Institutions	84.00	23.05	20.36	88.39	Inadequate eligible proposals under NER, SCSP and TSP
8	Committed Liabilities	21.00	4.80	4.38	91.25	---

	for infrastructure related Schemes					
9	Operation Greens	127.50	38.20	38.21	100	---
10	Swachhta Action Plan (SAP)	0.20	0.10	0.09	90.00	--
	Total (PMKSY)	1081.41	750.00	667.05	88.94	--
11	PM FME	-	400.00	394.59	98.65	--
	Grand Total	1081.41	1150.00	1061.64	92.32	

"

Scheme-Wise Allocation under PMKSY/PLIS/PMFME during 2021-22

1.8 "

(₹ in Crore)

S. No.	Name of the Scheme	2021-22				Reasons for under utilisation
		BE	RE	AE as on 14.02.2022	% Expenditure	
1	Scheme for Mega Food Park	57.60	54.37	31.34	57.64	3 rd SDG awaited.
2	Scheme for Infrastructure for Agro-processing Clusters	37.50	53.90	34.25	63.54	3 rd SDG awaited.
3	Scheme for Integrated Cold Chain and Value Addition Infrastructure	227.60	263.00	175.26	66.64	Inadequate eligible proposals under NER, SCSP and TSP
4	Scheme for Creation/Expansion of Food Processing and Preservation Capacities	162.00	242.50	147.49	60.82	3 rd SDG awaited.
5	Scheme for Creation of Backward and Forward Linkages	51.70	40.79	21.91	53.71	Inadequate eligible proposals under the scheme
6	Scheme for Food Safety and Quality Assurance Infrastructure	45.20	46.70	32.10	68.74	Inadequate eligible proposals under NER, SCSP and TSP
7	Scheme for Human Resource and Institutions	44.80	15.14	7.13	47.09	Under utilization due to low expenditure in Promotional Activities due to covid situation
8	Operation Greens	73.40	74.50	60.20	80.79	Proposals under process
9	Swachhta Action Plan (SAP)	0.20	0.10	0.01	10.00	--
	Total (PMKSY)	700.00	791.00	509.69	64.44	--
10.	PLIS	0.00	10.00	8.32	83.20	--
11.	PM FME	500.00	399.00	280.21	70.23	--
	Grand Total	1200.00	1200.00	874.13	72.84	--

"

Re- Appropriation of Funds

1.9 On being asked by the Committee to furnish details, whether the Ministry of Food Processing Industries have made any re-appropriation of funds between Schemes/Programmes during 2020-21 and 2021-22, the Ministry in its reply stated:-

" Re-Appropriation of Funds for the year 2020-21

	Name of Programme		Re-appropriation Order No. with date	Amount (In Crore)
Sr. No.	From	To		
1.	Operation Greens (GiA)	CEFPPC	W-12/2/2020-IFD (35) Dt: 26.03.2021	46.90
	Creation of Backward & FL	APC	-do-	6.30
	Committed Liabilities for Infrastructure related schemes	PM FME	-do-	44.98+8.58+4.44=58.00
2.	Mega Food Parks (GiA)	PM - FME	W-12/2/2020-IFD (35) Dt: 26.03.2021	30.00
		Mega Food Parks	-do-	6.00
3.	Cold Chain	PM-FME	W-12/2/2020-IFD (35) Dt: 26.03.2021	166.19
	Human Resource and Institutions		-do-	
	Assistance to IIFPT		-do-	
4.	Mega Food Parks	PM - FME	W-12/2/2020-IFD (35) Dt: 26.03.2021	0.81
			Total	314.39

The Proposals for 1st and 3rd & final Batch of Supplementary DFGs for the year 2021-22 is given below:-

Sr. No.	Name of Programme		Supplementary Demand Order No. with date	Amount (In Crore)	
	From	To			
1	(A)Operation Greens (GiA General) (B)Mega Food Parks (Professional Services)	(A)Operation Greens (Subsidies) (B)PLIS	Ministry of Finance Notification F.No. 4(25)-B(SD)/2021 dt.19/08/2021	Rs. 62.00	In 1st SDG 2021-22, transferred to subsidies head of the same scheme to make urgent payment to Indian Railways toward transportation subsidies to beneficiaries for transportation through Kisan rail and transferred to PLIS to start the new scheme.
2.	3 rd and final batch of SDG	Sent to Ministry of Finance for approval as per details given below.			

(Rs. in Crore)

From (Revenue/Voted)				To (Revenue/Voted)			
MH	Scheme	Item	Amt.	MH	Scheme	Item	Amount
2408	PM FME	GIA(Genl.) 103.22.10.31	97.06	2408	1. CEFPPC	GIA(Gen) 103.19.04.31	58.00
	HRI	GIA(Genl) 103.19.07.31	7.92		2.APC	GIA(Genl) 103.19.02.31	12.03

	BFL	GIA (Genl) 103.19.05.31	15.07		3. Cold Chain	GIA(Gen) 103.19.03.31	49.54
	OG	GIA (Genl) 103.19.09.31	6.91		4.BFL	GIA(SCSP) 789.01.04.31	3.19
						GIA(TSP) 796.01.04.31	4.20
		Total	126.96			Total	126.96
2408	Cold Chain	GIA(SCSP) 789.01.02.31	1.92		OG	Subsidies 103.19.09.33	5.20
	PM FME	GIA(SCSP) 789.03.10.31	3.36			GIA(SCSP)789.01.07.31	3.81
		GIA(TSP) 796.03.10.31	1.84		MFP	GIA (Genl) 103.19.01.31	0.59
	HRI	GIA(TSP) 796.01.06.31	2.50		OIV	Cont. Int'l. 798.04.00.32	0.02
		Total	9.62			Total	9.62
2408	NIFTEM	GIA(Gen) 103.18.01.31	1.50		NIFTEM	GIA (Capital Assessts) 103.18.01.35	2.50
		GIA(Salaries)103.18.01.36	1.00				
		Total	2.50			Total	2.50
2408	IIFPT	GIA(Gen) 103.20.01.31	1.60		CEFPPC	GIA(SCSP) 789.01.03.31	3.00
		GIA(Capital) 103.20.01.35	2.00		FTL	GIA(Gen) 103.19.06.31	2.60
	OG	GIA(TSP) 796.01.07.31	2.00				
		Total	5.60			Total	5.60
3601	PMFME	GIA(SCSP) 789.65.10.31	4.17		APC	GIA(TSP) 789.01.01.31	4.17
		Total	4.17			Total	4.17
2408	PMFME	Domestic Travel Expenses 103.22.10.11	2.95	3601	PMFME	GIA (Genl) 101.76.10.31	10.23
		Foreign Travel Expenses 103.22.10.12	3.00	3602	PMFME	GIA (Genl) 101.62.10.31	3.43
		Office Expenses 103.22.10.13	2.85				
		Office Expenses (IT) 103.22.99.13	2.50				
		Other Administrative Expenses 103.22.10.20	1.80				
		GIA(TSP) 796.03.10.31	0.56				
		Total	13.66			Total	13.66
2552	Cold chain	GIA(NER) 313.11.03.31	12.20		MFP	GIA(NER) 313.11.01.31	6.00
	BFL	GIA(NER) 313.11.05.31	2.93	2552	CEFPPC	GIA (NER) 313.11.04.31	20.00
	HRI	GIA(NER) 313.11.07.31	1.17				
	PM FME	GIA(NER) 313.13.10.31	7.80				
2408	PM FME	GIA(TSP) 796.03.10.31	1.90				
		Total	26.00			Total	26.00
Total (2408+3601+2552)			188.51	Total (2408+2552+3601+3602)			188.51

As per reply furnished to the Committee, RE-APPROPRIATION ORDERS will be issued on receipt of approval from the Ministry of Finance to the proposals sent for 3rd and final batch of Supplementary Demands for grants 2021-22 as mentioned above."

CHAPTER - 2

Demands for Grants (2022-23) of Demand No. 45

2.1 Brief Summary of Demands for Grants of the Ministry during the last three years is as follows:-

(₹ in Crore)

S. No	Major Head	2018-19*	2019-20	Variation %	2019-20	2020-21**	Variation %	2020-21	2021-22***	Variation %
		BE			BE			BE		
A	PLAN/SCHEME									
1	2408*	1181.78	990.90	(-) 16.15	990.90	973.27	(-) 1.78	973.27	630.00	(-) 35.27
2	2552	131.30	110.10	(-) 16.15	110.10	108.14	(-) 1.78	108.14	70.00	(-) 35.27
	Total (P)	1313.08	1101.00	(-) 16.15	1101.00	1081.41	(-) 1.78	1081.41	700.00	(-) 35.27
B	PMFME*									
	2408	-	-	-	-	-	-	110.00	255.00	131.82
	2552	-	-	-	-	-	-	40.00	50.00	25.00
	3601	-	-	-	-	-	-	-	192.50	192.50
	3602	-	-	-	-	-	-	-	2.50	2.50
	Total (C)							150.00	500.00	233.33
C	NON-SCHEME									
1	2408	61.36	68.60	(+) 11.80	68.60	119.37@	74.00	119.37@	72.56	(-)39.21
2	3451	25.56	27.00	5.63	27.00	32.16	19.11	32.16	36.10	12.25
	Total	86.92	95.60	9.99	95.60	151.53	58.50	151.53	108.66	(-)28.29
GRAND TOTAL (A)+ (B) + (C)		1400.00	1196.60	(-) 14.53	1196.60	1232.94	3.04	1382.94	1308.66	(-) 5.37

*For the year 2018-19 there was higher allocation for New Schemes conceived like Operation Greens & Specialized Agro Processing Financial Institutions for Food Processing Sector. The proposal for Specialized Financial Institutions has since been decided to be dropped by the Ministry.

During 2019-20 the variation was -16.15%. During 2020-21 the variation was -1.78%. During 2021-22 the variation was -35.27%."

2.2 On being asked to furnish reasons for three consecutive negative variations, the Ministry submitted:-

"The reasons for negative variation was mainly due to receipt of inadequate proposals under mandatory allocations like NER, SCSP and TSP."

2.3 When asked about corrective steps taken by Ministry of Food Processing Industries during 2021-22 so far to have full utilization of funds in the Plan Scheme 2408 & 2552, the Ministry stated:-

"Non- utilization of funds in the past has been mainly due to inability to utilize complete allocation under SCSP, TSP & NER heads. Corrective measures undertaken in this regard including publicity measures are as follow:

1. Ministry is regularly conducting virtual meetings with promoters/investors of its schemes to assess the implementation of sanctioned projects and to find out issues/problems being faced by them. Ministry also takes up the problems of promoters with State governments to help promoters/Implementing Agencies in getting statutory approvals in a timely manner and to avoid unnecessary delay in implementation.
2. A two-day Northeast Summit on Food Processing Industries was organized at IIM Shillong on 24th September 2021 with the aim of building partnership for inclusive growth in the food processing sector in the region and to ensure greater participation in MoFPI schemes.
3. Ministry organized food processing summits in Guwahati and Gwalior during February and March 2021 respectively for creating awareness of various schemes, investment opportunities etc. These summits witnessed participation of over 100 stakeholders, including Farmer Producer Organization's (FPOs), entrepreneurs, corporates, bankers, state departments etc.
4. Ministry has run a dedicated advertisement campaign for telecasting TV Commercials and Radio Broadcasts in December, 2021 in NER and states having significant SC/ST population like- MP, Chattisgarh, Jharkhand, Andhra Pradesh, Maharashtra, Odisha, Gujarat & Rajasthan for creating increased awareness of benefits available under component scheme- Creation of Backward & Forward Linkages.
5. Monthly Social Media Campaigns are conducted to spread awareness regarding various Schemes of the Ministry. The "Food Processing Week" was celebrated as a part of Azadi Ka Amrit Mahotsav from 6th Sept 2021 to 12th Sept 2021 which was widely promoted on MoFPI's social media handles to propagate MoFPI schemes.
6. Various concessions available to projects in NER like –(i) *Higher* rate of Grants @ 50% on eligible project Cost for NER region in place of @ 35%

in general areas; (ii) Longer duration allowed for project completion time in NER; (iii) Lower requirement of promoter's capital in NER projects - required to contribute only 10% in place of 20% required for other regions etc were continued during the year to facilitate more utilization of funds in 2021-22. Similar concessions are also being extended to SC/ST enterprises.

7. The COVID Grievance Cell of MoFPI continued to support the industry as well as projects being implemented under MoFPI schemes. The cell resolved 64 issues which were caused by the restrictions imposed to curb spreading of the virus. An interaction, through video conference, was held with promoters of MoFPI assisted projects to understand issues faced due to COVID related restrictions."

2.4 When asked to give reasons for decrease in allocation under Plan Scheme BE (2021-22) as compared to BE (2020-21), the Ministry in its reply stated:-

"Central Sector Umbrella Scheme – Pradhan Mantri Kisan SAMPADA Yojana was approved for 14th FC Cycle i.e. 2016-17 to 2019-20, which was subsequently extended to 2020-21. As recommended by Expenditure Finance Committee (EFC) on 07.03.2021, Ministry has submitted the CCEA Note for continuation of restructured PMKSY during 15th FC Cycle (2021-22 to 2025-26) with an outlay of Rs 4600 Crore, which has been approved on 01.02.2022. In the absence of CCEA approval, Ministry could not approve any new proposals under the component schemes and was giving grants only to ongoing projects, leading to lesser BE outlay."

2.5 When asked whether the Ministry had utilized the increased allocation for 2021-22 for the Scheme Prime Minister Formalization of Micro Food Processing Enterprises (PMFME) and what is the Actual Expenditure till date for this Scheme, the Ministry in its reply stated:-

"BE for 2021-22 for PMFME Scheme is Rs. 500 crore and proposed RE (2021-22) is Rs. 399 Crores. Out of which, an expenditure of Rs. 284.89 crore has already been incurred as on 14.02.2022. The proposals are being examined for further release of funds on various components of the scheme."

2.6 On being asked how the Ministry has utilized the increased allocation for the year 2021-22 in respect of Scheduled Castes Sub Plan (SCSP) and Tribal Sub Plan (TSP), the Ministry has stated:

"With concerted efforts, Ministry has been able to increase expenditure in SCSP and TSP heads progressively –

(₹ in Crore)

	Expenditure 2018-19	Expenditure 2019-20	Expenditure 2020-21	Expenditure 2021-22 (As on 31.01.2022)
SCSP	6.45	21.28	60.93	38.31
TSP	5.75	0.35	27.70	24.10

"

2.7 With regard to Actual Expenditure till date for Scheduled Castes Sub Plan (SCSP) and Tribal Sub Plan (TSP) Schemes, the Ministry stated:-

"The expenditure in **SCSP component** in scheme is as follows:

(₹ in Crore)

Name of Scheme	2019-20			2020-21			2021-22		
	BE	RE	AE	BE	RE	AE	BE	RE	AE as on 14.02.22
PMKSY	91.38	73.82	21.28	89.76	62.25	27.73	58.10	65.57	18.33
PMFME	--	--	--	--	33.20	33.20	41.50	33.12	19.98
PLIS	--	--	--	--	--	--	--	--	--
TOTAL	91.38	73.82	21.28	89.76	95.45	60.93	99.60	98.69	38.31

The expenditure in **TSP component** in scheme is as follows:

(₹ in Crore)

Name of Scheme	2019-20			2020-21			2021-22		
	BE	RE	AE	BE	RE	AE	BE	RE	AE as on 14.02.22
PMKSY	47.34	38.25	0.35	46.50	32.25	10.50	30.10	33.97	13.07
PMFME	--	--	--	--	17.20	17.20	21.50	17.16	11.03
PLIS	--	--	--	--	--	--	--	--	--
TOTAL	47.34	38.25	0.35	46.50	49.45	27.70	51.60	51.13	24.10

"

2.8

"

Scheme-wise Outlay and Expenditure during Budget Estimates for 2021-22 of the Ministry of Food Processing Industries is as follows:

(₹ In Crore)																		
SI No.	Name of the Scheme	2019-20				Shortfall Excess, if any, with reasons	2020-21				Shortfall Excess, if any, with reasons	2021-22				Shortfall Excess, if any, with reasons	2022-23	
		PROPOSED ALL OCA TION	BE	RE	Actual Exp.		PROPOSED ALLO CATION	BE	RE	Actual Exp.		PROPOSED ALLO CATION	BE	RE	Actual Exp as on 21.01.22		PROPOSED ALLO CATION	BE
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
A	CENTRAL SECTOR SCHEME																	
I	PradhanMantriKisan Sampa daYoja na																	
1	Scheme for Mega Food Parks	300.00	200.00	140.00	106.73	The status of Implementation of various schemes has been detailed in reply to in point F	100.00	100.00	61.85	61.87	The status of Implementation of various schemes has been detailed in reply to in point F	80.00	47.60	54.37	31.34	F.Y 2021-22 Under process	66.80	55.80
2	Scheme for Infrastructure for Agro-processing Clusters	118.60	48.75	50.14	43.83		65.00	65.00	56.69	48.47		70.00	37.50	53.90	31.50		54.50	48.45
3	Committed Liabilities for Infrastructure related Schemes	35.00	28.11	17.81	6.83		21.00	21.00	4.68	4.38		13.00	0.00	0.00	0.00		0.00	0.00
4	Scheme for Integrated Cold	440.00	290.00	326.16	271.12		349.71	349.71	252.70	207.41		347.82	227.60	263.00	175.25		282.50	230.50

	Chain and Value Addition Infrastructure																
5	Scheme for Creation/Expansion of Food Processing and Preservation Capacities	200.00	160.00	202.52	171.78	190.00	190.00	219.30	202.84	284.00	162.00	242.50	147.44		301.79	282.80	
6	Scheme for Creation of Backward and Forward Linkages	98.00	40.00	50.46	42.92	100.00	100.00	56.60	54.42	55.00	51.70	40.79	21.32		27.50	22.20	
7	Scheme for Food Safety and Quality Assurance Infrastructure	29.00	40.00	40.00	26.99	44.00	44.00	36.83	29.00	45.15	45.20	46.70	32.10		56.00	51.80	
8	Scheme for Human Resource and Institutions	117.00	94.00	32.07	21.76	34.00	84.00	23.03	20.36	38.68	44.80	15.14	6.90		28.14	23.69	
9	Scheme for Operation Greens	300.00	200.00	30.03	2.85	127.50	127.50	38.22	38.21	112.00	73.40	74.50	58.47		188.58	184.56	
10	Swaccha Action Plan(SAP)	0.08	0.14	0.24	0.13	0.20	0.20	0.10	0.09	0.20	0.20	0.10	0.01		0.20	0.20	

II	Product ion Linked Incenti ves Scheme	--	--	--	--	--	--	--	--	10.0 0	10.0 0	7.38	1022.0 0	1022.0 0	
B	Central ly Sponso red Scheme														
III	Prime Ministe r Formali zation of Micro Food Process ing Enterpr ises (PMFM E) Scheme	--	--	--	--	0.00	150.00	400.0 0	394.5 9	2300.0 0	500. 00	399. 00	277.74	1372.6 1	900.00
	TOTA L SCHE ME	2037. 68	110 1.0 0	889. 43	694.9 4	1031.4 1	1231.4 1	1150. 00	1061. 64	3345.8 5	1200. 00	1200. 00	789.45	3400.6 2	2822.0 0
	Non Scheme	162.3 2	95. 60	153. 36	150.6 0	151.53	151.53	97.42	91.04	144.22	108. 66	104. 12	73.15	164.30	119.99
	Grand Total (Schem e +NonSc heme)	2200. 00	119 6.6 0	1042 .79	845.5 4	1232.9 4	1232.9 4	1247. 42	1152. 68	3490.0 7	1308 .66	1304 .12	862.60	3564.9 2	2941.9 9

2.9 On being asked to give details of Scheme-wise implementation with less allocation during 2022-23, the Ministry stated:-

"With the allocation at hand, the scheme wise details of targets during the financial year are as follows:

1. Mega Food Park: 4 MFPs to be operationalized with creation of 4.49 LMT preservation capacity & 1.15 LMT processing capacity;
2. Agro Processing Clusters: 8 APCs are to be operationalized with 2.24 LMT processing/preservation capacity and 28 Food Processing Units

completed in these APCs

3. Integrated Cold Chain and Value Addition Infrastructure: 47 projects to be set up with milk processing capacity of 13.10 Lakh Litre per day, cold storage capacity of 0.93 LMT & 171 refer trucks.
4. Creation/Expansion of Food Processing and Preservation Capacities: 80 Food Processing Units to be operationized with 14.4 LMT processing & preservation capacity.
5. Creation of Backward and Forward Linkages: 11 projects to be completed with processing capacity of 1.125 LMT.
6. Food Safety and Quality Assurance Infrastructure: 10 Food Testing Laboratories to be operationalized and NABL accreditation to 5 FTLs
7. Human Resource & Institutions: 10 Research & Development projects to be completed with at least 5 new technologies in food products/machinery developed.
8. Operation Greens: 5 nos of Cold storage facility & 3 no of primary/secondary processing facilities to be created with 0.15 LMT processing/preservation capacity created. 3LMT F&V to be evacuated to prevent distress sales and benefitting 3Lakh farmers as part of price stabilization measures.
9. PM Formalization of Micro Food Processing Enterprises (PMFME): 25000 individual micro enterprise projects to be sanctioned, seed capital assistance to 60,000 SHG members, 7 Marketing/ Branding projects to be sanctioned, financial assistance to 37 National State level Institutions and conducting 1000 training programs.
10. Production Linked Incentives Scheme: 12 nos of proposals to be supported under Ready to Cook/Ready to Eat (RTC/RTE) segment, 33 proposals under Processed Fruits & Vegetables segment; 11 proposals under Marine Products segment; 4 proposals under Mozzarella Cheese segment; 2 proposals for manufacturing innovative products; 10 proposals for manufacturing organic products and 71 proposals for promoting Indian brands."

2.10 On being asked about the reasons for not utilizing the full allocated amount of Rs. 1,304 Crore allocated at RE (2021-22), the Ministry stated:-

"Difficulty in getting sufficient number of eligible proposals under SCSP, TSP and NER heads and non-utilization of outlays in corresponding heads is the main reason for inability to fully utilize the funds. Ministry has fully exhausted funds available under General Head of the schemes like- Agro Processing Clusters; Integrated Cold Chain and Value Addition Infrastructure; Creation/Expansion of Food Processing and Preservation Capacities; Food Safety and Quality Assurance Infrastructure and Operation Greens."

2.11 When asked how lesser utilization during 2021-22 has so far hampered the progress of achieving the objectives of the Scheme by the Ministry of Food Processing Industries, the Ministry stated:-

"Ministry has fully exhausted funds available under General Head of the schemes like- Agro Processing Clusters; Integrated Cold Chain and Value Addition Infrastructure; Creation/Expansion of Food Processing and Preservation Capacities; Food Safety and Quality Assurance Infrastructure and Operation Greens schemes and has proposed re-appropriation of funds from schemes where it has not been able to fully utilize allocations. Sufficient numbers of proposals are ripe for release of additional funds in these schemes. Thus the objectives of the schemes have not been adversely affected in substantial way."

2.12 On being asked by the Committee as to how the Ministry is going to utilize the increased allocation during 2022-23 in respect of Food Storage and Warehousing, the Ministry in its reply stated:-

"The increased allocation is mainly due to introduction of new scheme – Production linked Incentive Scheme (PLIS), which was approved on 31.03.2021. Ministry has already finalized scheme guidelines and has approved proposals for assistance under the scheme through EoI. The disbursement of incentive would commence in FY 2022-23 upon examination of the claims received from the selected firms for their performance during FY 2021-22. Accordingly, an allocation of Rs. 1,022 Crore for BE (2022-23) has been sought for disbursement of sales incentives to selected firms

Further, in view of the firming up of the preparatory steps, setting up of institutional mechanism etc, it is expected that the no. of applications under the individual and Group category, common infrastructure, branding & marketing would increase in 2022-23 leading to increased utilization under PMFME scheme.

The continuation of PMKSY during 15th FC Cycle has also been approved and Ministry is in the process of seeking proposals for assistance under its respective component schemes. The increased allocation will be utilized through sanction of these new proposals."

2.13 On being asked to give reason for increase in the allocation for North-Eastern Areas from Rs. 121.12 Crore RE(2021-22) to Rs. 180 Crore BE (2022-23), the Ministry stated:-

"The increased allocation is on account of higher budget allocation to NER under PMKSY (Rs 90 Crore) and PMFME (Rs 90 Crore) schemes. The continuation of PMKSY during 15th FC Cycle has also been approved recently and Ministry is in the process of seeking proposals for assistance under its respective component schemes for NER as well. Further, increased allocation under PMFME scheme will be utilized through release of Grants to individual micro enterprises in the region, as substantial number of applications have been/ are likely to be received and will be due for release of Grants in next FY. Enhanced allocation will be utilized through focused publicity campaigns for generating sufficient number of eligible proposals and handholding projects approved in the region."

2.14 When asked to give details of quarter-wise spending of the Ministry in percentage terms of total funds during 2020-21 and 2021-22, the Ministry has submitted following information:-

"Ministry of Food Processing Industries:

(Rs. in Crore)

F.Y 2020-21										
BE	RE	AE	Ist Qtr	%	IIInd Qtr	%	IIIrd Qtr	%	IV Qtr.	%
1232.94 (Rs.150Cr. received in Ist SDG for PMFME) = 1382.94	1247.42	1152.68	184.97	15	284.41	23.07	193.82	14	489.48	39.24

F.Y 2021-22									
BE	RE	AE as on 14.02.22	Ist Qtr	%	IInd Qtr	%	IIIrd Qtr	%	IV Qtr.
1308.66	1304.12	874.13	304.54	23.27	244.80	18.71	274.49	20.97	480.29(Target till March, 2022. Awaited for the approval of 3 rd SDG

"

2.15 When asked to furnish Financial Performance of SCSP under various Schemes being implemented by the Ministry, the Ministry stated:-

"

(Rs. in crore)

Year	BE	RE	Actual Expenditure	Shortfall/Excess, If any	Reasons for Shortfall, If any
2019-20	91.38	73.82	21.28	52.54	Receipt of inadequate eligible proposals
2020-21	89.76	95.45	60.93	34.52	-do-
2021-22	99.60	98.69	38.31(as on 14.02.22)	--	

"

Chapter - 3

Scheme-Wise Analysis

(I) Pradhan Mantri Kisan Samapada Yojana

3.1 The Pradhan Mantri Kisan Sampada Yojana (PMKSY) which was launched on 3rd May, 2017 to give necessary thrust for accelerated growth of the Food Processing Industry sector. With a view to augment private investment to Food Processing Sector, Ministry of Food Processing Industries, therefore, has been implementing a number of schemes for creation of infrastructure, expansion of processing capacity, and other supporting measures for healthy growth of food processing industry.

3.2 The Pradhan Mantri Kisan Sampada Yojana (PMKSY), a central sector Scheme with the following components:-

- (i) Mega Food Park*
- (ii) Integrated Cold Chain and Value Addition Infrastructure
- (iii) Creation /Expansion of Food Processing & Preservation Capacities (Since 2017)
- (iv) Infrastructure for Agro-Processing Clusters (Since 2017)
- (v) Creation of Backward & Forward linkages*
- (vi) Food Safety and Quality Assurance Infrastructure (Food Testing Labs, HACCP*)
- (vii) Human Resource and Institutions (R&D, Promotional*, Skill Development*)
- (viii) Operation Greens (Since 2018)

***Scheme discontinued/merged in 15th FC cycle.**

3.3 The PMKSY, as per reply furnished to the Committee, is a comprehensive package resulting in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet. Not only it provides a big boost to the growth of Food Processing Sector in the country but also helps in providing better returns to farmers and is a big step towards doubling of farmers' income, creating huge employment opportunities especially in rural areas, reducing wastage of agricultural produce, increasing the level of processing and enhancing the export of the processed foods. Ministry has proposed continuation of PMKSY during 15th Finance Commission Cycle with some restructuring component Schemes with an outlay of Rs. 4,600 Crore.

3.4 When specifically asked as to whether CCEA has given approval for continuation of restructured Pradhan Mantri Kisan Sampada Yojana (PMKSY), the Ministry stated as under:-

"Department of Expenditure, Ministry of Finance, vide F No 01(01)/PFC-I/2022 dated 01.02.2022 has conveyed that Union Cabinet vide its decision dated 19.01.2022 and conveyed vide No 2/CM/2022 (i) dated 28.01.2022 has approved Central Sector Umbrella Scheme Pradhan Mantri Kisan Sampada Yojana (PMKSY) with an allocation of Rs 4600 Crore till 31.03.2026 and thus disposing CCEA proposal."

3.5 On being asked how the Ministry is going to utilize the increased amount of Rs.109 Crore in Pradhan Mantri Kisan Sampada Yojana (PMKSY) Scheme, the Ministry stated as under:-

"Enhanced allocation has been sought under the schemes like Operation Greens from Rs.74.50cr. to Rs. 184.56cr. in 2022-23 and CEFPPC from Rs.242.50cr. to Rs.282.80cr. in F.Y 2022-23, since both the scheme are in high demand."

Mega Food Park Scheme

3.6 The Mega Food Park Scheme (MFPS), being implemented since 2008, aims to create a modern food processing infrastructure for the processing units based on a cluster approach and on a hub and spoke model in a demand driven manner. The broader idea behind the scheme is to bring together farmers, processors and retailers and link agricultural production to the market so as to ensure maximization of value addition, minimization of wastages and improving farmers' income.

Pattern of Assistance

3.7 The scheme provides for a capital grant at the rate of 50% of the eligible project cost in general areas and 75% of the eligible project cost in difficult and hilly areas i.e. North East Region including Sikkim, J&K, Ladakh, Himachal Pradesh, Uttarakhand and ITDP notified areas of the States subject to a maximum of Rs. 50 Crores per project.

Implementing Agency

3.8 The responsibility of execution, ownership and management of the Mega Food Park vests with a Special Purpose Vehicle (SPV) registered under the Companies Act. However,

State Government/State Government entities/Cooperatives applying for the project under the scheme will not be required to form a separate SPV.

3.9 Out of the total 41 Mega Food Parks (MFPs) sanctioned by the Government, 39 MFP projects have been accorded final approval and 22 Mega Food Parks have become Operational. In-principle approval accorded to 2 MFP projects. Since APC is going to supplant the intent behind MFP scheme, it has been proposed to be discontinued in 15thFC cycle with provision for committed liability for ongoing projects.

3.10 On being asked about the time in which remaining approved Mega Food Parks will be made operational, the Ministry stated as under:-

"Mega Food Park projects, which have been accorded Final Approval & under implementation but not operational are expected to become operational by 2022-23. However, Mega Food Park projects which were accorded final approval recently in year 2021 and 2 MFP projects, which are yet to be accorded final approval, are expected to become operational by 2024-25 since as per the scheme guidelines, the time schedule for completion and operationalization of project is 30 months from the date of issue of final approval letter."

Integrated Cold Chain and Value Addition Infrastructure Scheme

3.11 In order to minimize the Post-Harvest losses and enhance value addition in the agricultural produce, Ministry of Food Processing Industries has been implementing the Scheme for Integrated Cold Chain and Value Addition Infrastructure since 2008. Scheme provides for promotion of cold chain facilities without any break from the farm gate to the consumer, end to end, to reduce losses by improving efficiency in collection of farmers produce, storage, transportation and minimal processing. Both horticultural and non-horticultural produce are eligible for support under this Scheme.

3.12 Against allocation of Rs. 704.17 Crore during 12th Plan period (2012-17) for the Cold Chain Scheme, Rs. 683.44 Crore were released for implementation of the scheme. Further, during 2018-19, Rs. 244.74 Crore were released against the revised estimate of Rs. 271.59 Crore, during 2019-20, Rs. 271.12 Crore were released against the revised estimate of Rs. 326.16 Crore and during 2020-21, Rs. 207.41 Crore were released against revised estimate of Rs. 253.18 Crore.

Modifications in the Scheme

3.13 Based on extensive feedback and consultations with stakeholders, the guidelines of the scheme have been revised w.e.f. 29.08.2016. The Scheme guidelines have been subsequently revised on 08.03.2018, 18.01.2019 and latest on 17.12.2019.

Requirement of Cold Chain/ Cold Storage

3.14

1. One of the main reasons for the high losses in the supply chain of perishables is the absence of adequate and efficient cold chain infrastructure right from the farm gate to the consumers.
2. Dr. Saumitra Chaudhuri Committee constituted by the erstwhile Planning Commission in 2012 had estimated cold storage requirement in the Country of 61 million tonnes. The present capacity of cold storage was estimated at around 32 million tonnes in the country. Thus the gap in cold storage was estimated to be around 29 million tonnes.
3. National Centre for Cold Chain Development (NCCD), an autonomous body under the Department of Agriculture, Cooperation and Farmers Welfare, had undertaken a study on All India Cold Chain Infrastructure Capacity (Assessment of Status and Gap) in August, 2015. As per the study the cold chain requirement in the country was as under:-

Requirement of Cold Chain

S.No.	Component	Existing Capacity	Approximate Requirement
1.	Integrated Pack Houses	250 numbers	70,000 numbers
2.	Reefer Trucks	<10,000 numbers	62,000 numbers
3.	Cold store (Bulk & distribution hubs)	32 million tonnes	35 million tonnes
4.	Ripening Chambers	800 numbers	9000 numbers

Impact of Evaluation Study

3.15 As per the reply furnished, a study on “Evaluation of the impact of the Scheme for Cold Chain, Value Addition and Preservation Infrastructure of Ministry of Food Processing Industries” was awarded to M/s NABARD Consultancy Services Pvt. Ltd. (NABCONS). The report has, inter alia, observed that cold chain projects have contributed positively to turnover, employment creation and exports. There is an apparent economic impact in the catchment area where such projects have been set up in terms of saving wastage,

increase in farm gate prices and establishment of backward linkages. With the establishment of cold chain projects, under the trading model, the farmers have been benefited, in terms of assured price, risk avoidance, assured market and reduction in wastages.

3.16 On being asked by the Committee to furnish details of facilities/ support being provided to the Entrepreneurs and Farmers under the Scheme, the Ministry in its reply states:-

"Under the scheme, Ministry provides financial assistance in the form of grant-in-aid @ 35% for general areas and @ 50% for North East States, Himalayan States/UTs, ITDP areas and Islands for storage and transport infrastructure and @ 50% and 75% respectively for value addition and processing infrastructure subject to a maximum grant-in-aid of ₹10 crore per project for setting up integrated cold chain projects including irradiation facility without any break from the farm gate to the consumer. Standalone cold storages are not covered under the Scheme.

The integrated cold chain and preservation infrastructure can be set up by individuals, groups of entrepreneurs, cooperative societies, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs), NGOs, Central/State PSUs, etc. The scheme is primarily private sector driven and proposals under this scheme are invited through Expression of Interest (EOI)."

3.17 On being questioned to furnish the reasons for delay in completion of projects, the Ministry has submitted:-

"Cabinet Committee on Economic Affairs (CCEA) / Expenditure Finance Committee (EFC) had accorded approval of 341 slots with indication that the total number of new projects to be sanctioned may vary depending upon the budget allocation and grant approved per project. Accordingly, Ministry approved a total of 497 projects out of which 147 were cancelled or withdrawn. The net approved projects as on 1st Feb 2022 is 350, out which 257 projects are completed and operationalized and 93 projects are under various stages of implementation.

As per the scheme guidelines, the implementation schedule for completion of a project is 20 months in General Areas and 24 months in North-East States, Himalayan States/UTs, ITDP Areas and Islands. A provision has been made in

the guidelines for imposition of penalty in case of failure to complete the project as per the stipulated timeline. A penalty of 1% of the quantum of grant installment due has been laid down for each month's delay beyond the stipulated time line subject to a maximum of 5% of the installment amount.

Projects are largely delayed due to time consumed in obtaining statutory approvals like Change in Land Use (CLU), Consent to Establish (CTE), Building Plan Approval, Term Loan Sanction from banks, Power connection, Water Connection, CGWA clearance, Consent to Operate (CTO), FSSAI licence etc. Besides this, cold Chain projects are dependent on import of plant & machinery from Europe & South-East Asia and their transportation was severely impacted due to travel restrictions imposed by the respective countries in the wake of Covid pandemic. Also, some of the States having large share of such projects, like Maharashtra, Andhra Pradesh, Gujarat, etc. which were badly affected due to Corona Virus. There have been travel restrictions and non-availability of required manpower."

3.18 When asked how the Ministry will achieve its set target during the year 2022-23, the Ministry in its reply states:-

"Ministry would facilitate in settling issues arising during implementation through regular monitoring/reviews of the projects at the level of Joint Secretary, Secretary and by the Hon'ble Minister, FPI."

Creation / Expansion of Food Processing & Preservation Capacities (Since 2017)

3.19 The scope and scale of assistance under the scheme for creation/expansion of food preservation capacities (Unit scheme) under PMKSY has been substantially increased in comparison to the erstwhile Technology up Gradation Scheme. The main objective of the scheme is promotion of processing/preservation of agro food products and modernization/capacity enhancement of food processing units with a view to increasing the level of processing, thereby, reduction of wastage and value addition.

3.20 The Scheme envisages financial assistance to food processing units in the form of grant-in-aid @ 35% of the cost of Plant & machinery and technical civil works, subject to a maximum of Rs. 5.00 Crore per project in general areas; and @ 50 % of the cost of Plant & machinery and technical civil works, subject to a maximum of Rs. 5.00 Crore in North

East States and difficult areas namely Himalayan States/UTs (i.e., Himachal Pradesh, Jammu & Kashmir, Ladakh and Uttarakhand), State notified ITDP areas & Islands.

Organizations eligible to apply under the scheme are Central & State PSUs / Joint Ventures / Farmer Producers Organization (FPOs)/ NGOs / Cooperatives / SHG's / Public and Pvt. Companies / limited liability Partnerships, corporate entity/ proprietorship firms/ Partnership firms engaged or propose to engage in creation/ expansion/ modernization of food processing and preservation capacities. The Scheme is being implemented since 2017.

3.21 On being asked about the details of the current level of Food processing of various crops, fruits and vegetables in the Country, the Ministry, in its written reply stated as under:-

"In order to assess and analyze the level of Food Processing in India, a study was conducted by Ministry of Food Processing Industries through M/s Deloitte and the report was submitted in July 2021. As per report, the levels of processing of different crops/ commodities are as under:

Category/ Commodity	Year		
	2010-11	2015-16	2018-19
Paddy	69.7%	82.5%	92.3%
Wheat	55.3%	70.1%	78.0%
Coarse Cereals	20.0%	28.6%	29.4%
Cereals (Overall)	51.1%	63.7%	68.8%
Gram	29.3%	59.6%	80.4%
Arhar	31.6%	51.3%	51.7%
Other Pulses	40.5%	58.1%	53.8%
Pulses (Overall)	34.0%	57.4%	61.8%
Foodgrains	49.3%	63.2%	68.2%
Groundnut	8.1%	17.5%	43.7%
Mustard	56.5%	36.0%	32.5%
Other Oilseeds	87.9%	79.9%	61.5%
Oilseeds (Overall)	60.1%	49.5%	49.8%
Fruits	1.6%	2.9%	4.5%
Potatoes & Onion	1.1%	2.0%	3.2%
Other Vegetables	2.7%	2.3%	2.4%
Fruits and Vegetables (Overall)	1.9%	2.5%	3.3%
Milk	17.2%	20.1%	21.1%
Eggs & Poultry	3.5%	7.4%	11.6%
Meat	18.6%	22.7%	34.2%
Animal Husbandry	8.7%	12.7%	18.7%
Fish	2.8%	8.3%	15.4%

Source: Study to determine the level of Food Processing in India 2021

The study also provides cross-country comparison of the food processing levels in India as compared to some other countries (as per Terms of Reference of the study) such as United States of America, Brazil, Thailand and Italy. The summary findings are as under:

Commodity	India	United States of America	Brazil	Thailand	Italy
Paddy	92%	-	95%	93%	85%
Wheat	78%	33%	88%	69%	-
Oilseeds	49%	46%	-	54%	84%
Fruits	4%	20%	38%	46%	42%
Vegetables	3%	11%	-	32%	38%
Meat	34%	87%	56%	14%	55%
Milk	21%	65%	28%	29%	89%

Source: FAO STAT for USA, Brazil, Thailand, Italy; ASI and NSS data for India "

3.22 On being asked about the time by which the remaining 176 Projects will be completed, the Ministry in its reply stated:-

"As on 31.12.2021, out of 288 approved Projects, 112 Projects have been completed. Out of the remaining 176 Projects, 80 Projects are targeted to be completed in 2022-23 and remaining 96 projects are targeted to be completed in 2023-24."

3.23 When asked how the Ministry will achieve its set target during the year 2022-23, the Ministry stated:-

"The Projects will be monitored through review meetings/ physical verifications etc. and will facilitate the promoters for timely implementation of the Project."

3.24 The total Project cost of 288 Units sanctioned so far is Rs. 3,744.06 Crore with private investment of Rs. 2,654.95 Crore and grants-in-aid of Rs. 1,045.22 Crore.

3.25 When asked to furnish details about types of Projects which are approved under the Scheme, the Ministry in its written reply stated:-

"The sector wise details of the projects approved under the scheme are tabulated below:-

Sr. No.	Sector	Number of Units		
		Completed	Ongoing	Total
1	Consumer Industry	48	64	112

2	Fruits & Vegetables Processing	33	66	99
3	Dairy/ Milk Processing	2	13	15
4	Fish & Marine Processing	3	1	4
5	Grain Milling	20	24	44
6	Meat & Poultry Processing	4	3	7
7	Oil Milling	2	5	7
	Total	112	176	288

3.26 On being asked about the details of EOI-wise proposals received, approved, rejected, cancelled, ongoing and completed, the Ministry in its written reply submitted:-

S.No.	Phase	Date of Issue of EOI	Last date of EOI	No. of proposals received	No. of projects sanctioned	No. of projects cancelled/ withdrawn	No. of projects completed	Ongoing projects
1.	Phase I	31/07/2017	15/10/2017	453	74	28	34	12
2.	Phase II	29/12/2017	20/06/2019	338	154	24	67	63
3.	Phase III	16/07/2019	31/05/2020	360	88	11	11	66
4.	Phase IV	30/11/2020	30/11/2020	200	38	3	0	35
			Total	1351	354	66	112	176

“(RLOP Page 49)”

3.27 When asked in which State/Union territories, preservation capacity has not been created by the Ministry for the year 2020-21, the Ministry stated as under:-

“Under CEFPPC scheme, in 18 States/UTs namely Andhra Pradesh, Arunachal Pradesh, Bihar, Goa, Jharkhand, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Andaman & Nicobar, Chandigarh, Delhi, Ladakh, Dadra & Nagar Haveli and Daman & Diu, Lakshadweep and Pondicherry, no processing/preservation capacity has been created in Year 2020-21.”

Creation of Infrastructure for Agro-Processing Clusters Scheme (Since 2017)

3.28 The Scheme is being implemented since 2017. The Scheme has two basic components i.e. Basic Enabling Infrastructure (roads, water supply, power supply, drainage, ETP etc.) and Core Infrastructure/Common facilities (ware houses, cold storages, IQF, tetra pack, sorting, grading etc). Creation of common facilities in a cluster may vary depending upon requirements of food processing units existing outside the cluster or to be set up in a cluster. Minimum 5 food processing units with minimum investment of Rs. 25 crores are to be set up in the cluster.

3.29 The maximum admissible grant for each project is 35% of eligible project cost in general areas and 50% of eligible project cost in North East States and difficult areas namely Himalayan States/UTs (i.e. Himachal Pradesh, Jammu & Kashmir, Ladakh and Uttarakhand), State notified ITDP areas & Islands, SC/ ST entrepreneurs subject to max. of Rs. 10.00 Crore per project.

3.30 Under the scheme, a total of 68 projects have been approved up to 19.01.2022. A consolidated statement showing physical and financial targets and achievements during the last 3 financial years in respect of Agro Processing Clusters is in Statement no. 1 and 2.

3.31 Year-wise expenditure from 2019-20 to 2021-22 is as under:

" (₹ in Crore)

Year	BE	RE	AE
2019-20	48.75	50.14	43.83
2020-21	65	56.69	48.47
2021-22	37.50	56.90(proposed)	31.51*

*As on 21.01.2022.

"

3.32 When asked whether it is a Demand Driven Scheme or any State-level target has been set under the Scheme, the Ministry stated as under:-

"It is a Demand Driven Scheme and no separate financial allocation is done for the States as such. The applications / proposals are invited online against Expression of Interest (Eoi) issued by the Ministry from time to time keeping in view the availability of budget."

3.33 When asked whether any timeline has been set for completion of Projects under this Scheme, the Ministry stated as under:-

"The time schedule for completion and operationalization of project will be 24 months from the date of approval for general areas and 30 months for North East States including Sikkim and difficult areas namely Himalayan States (i.e. Himachal Pradesh, Jammu & Kashmir and Uttarakhand), State notified ITDP areas & Islands, unless extended by IMAC for the reasons to be recorded.

3.34 When asked to furnish State-wise details of Physical Performance (projects sanctioned & completed) under this Scheme since inception, the Ministry in its reply submitted the following information:-

"State-wise details of Physical Performance (projects sanctioned & completed*) under the Scheme since 2017-18:

Sl. No.	State	No. of Projects approved	No. of projects wherein Core & basic enabling infrastructure completed
1	Andhra Pradesh	2	-
2	Assam	6	-
3	Bihar	1	-
4	Chhattisgarh	2	-
5	Gujarat	5	2
6	Haryana	2	1
7	Himachal Pradesh	1	1
8	Jammu & Kashmir	1	1
9	Karnataka	4	-
10	Kerala	2	-
11	Madhya Pradesh	4	2
12	Maharashtra	12	3
13	Punjab	3	-
14	Rajasthan	3	-
15	Tamil Nadu	11	-
16	Telangana	1	-
17	Uttar Pradesh	4	2
18	Uttarakhand	1	-
19	Arunachal Pradesh	1	-
20	Meghalaya	1	-
21	D & N Haveli & Daman & Diu	1	-
	Total	68	12

"

3.35 When asked how the Ministry will achieve its set target during the year 2022-23, the Ministry stated as under:-

"The Projects will be monitored through more frequent review meetings, virtual/ physical site inspections/ verifications etc. and will facilitate the promoters for timely implementation of Projects."

3.36 On being asked by the Committee the reasons for not achieving the set Targets year-wise during the last three years, the Ministry stated:-

"

Year	Reasons for Shortfall
2019-20	The stipulated timelines for completion of APC projects are 20/24 months (Gen. and others). Further, in this time period promoters are also required to complete at least 5 units in the proposed APC, which mainly depend on the approval of the units under CEFPPC

	scheme. The dependency of APC project on the completion of units and other factors like delay in obtaining final term loan sanction from lending bank, statutory compliance etc. delayed the project operationalization/ completion
2020-21	The stipulated timelines for completion of APC projects are 20/24 months for general areas. Further, in this time period of 20/24 months, promoters are also required to complete atleast 5 units in the proposed APC, which mainly depend on the approval of the units under CEFPPC scheme. Units could not be approved after Nov'20 for want of funds and pending continuance of scheme. The dependency of APC project on the completion of units, Covid-19 related lockdown/ restrictions and other factors like delay in obtaining final term loan sanction from lending bank statutory compliance etc. delayed the project operationalization/ completion.
2021-22	The stipulated timelines for completion of APC projects are 20/24 months for general areas. Further, in this time period of 20/24 months promoters are also required to complete atleast 5 units in the proposed APC, which mainly depends on the approval of the units under CEFPPC scheme. Moreover, approval on continuation of CEFPPC scheme is also awaited beyond Mar'21. The dependency of APC project on the completion of units, Covid-19 related lockdown/ restrictions and other factors like delay in obtaining final term loan sanction from lending bank, statutory compliance etc. delayed the project operationalization/ completion

Creation of Backward and Forward Linkages Scheme

3.37 The Scheme is under implementation since 2018. The objective of the Scheme is to provide effective and seamless backward and forward integration for processed food industry by plugging the gaps in supply chain in terms of availability of raw material and linkages with the market. The Scheme will enable linking of farmers to processors and the market thereby ensuring remunerative prices for their produce.

Under this scheme, a total of 50 BFL projects were targeted to be sanctioned up to 2019-20 with an allocation of Rs.150 crores as per CCEA approval. However, allocation for the scheme has been subsequently revised to Rs. 187.50 crore for about 61 number of units, keeping in view average size of the project.

3.38 When asked about the kind of assistance made available to the Entrepreneurs under the Scheme, the Ministry, in its reply, stated:

"The Pattern of Assistance under CBFL Scheme: The maximum grant extended per project is Rs 5.00 crore @ 35% of the eligible project cost for general areas and @ 50% for difficult areas such as North East States, Himalayan States, ITDP Areas and Islands respectively. The SC/ST proposals are treated at par with difficult area. The grant is provided only in respect of technical civil work and eligible plant & machinery."

Implementing Agencies

3.39 All implementing agencies/organizations such as Govt. / PSUs / Joint Ventures / NGOs/Cooperatives / SHGs / FPOs / Private Sector/individuals etc. are eligible to receive financial assistance under the scheme

3.40 When asked about the Physical and Financial targets proposed to be achieved by the Ministry during 2022-2023 in respect of Scheme for Creation of Backward and Forward Linkages, the Ministry in its reply has stated:

"All projects are proposed to be completed in 2022-23."

3.41 When asked how the Ministry will achieve its set target during 2022-23, the Ministry in its reply has stated:

"Out of 61 projects, 40 project has been completed under the Scheme. During coming months of this financial year 2021-22, out of remaining 21 projects, 10 Projects are at the 3rd&final stage and would be completed under this scheme. However, Ministry will set the target Quarter-wise during the year 2022-23 and would achieve 100% completion of project under CBFL Scheme."

Food Safety and Quality Assurance Infrastructure Scheme

(A) Scheme for Setting up/Up-gradation of Food Testing Laboratories

3.42 The Scheme of Setting Up/Up gradation of Food Testing Lab is being implemented since 2005 with the rationale to support the Food Safety regulatory activities of the Food Processing Sector and to help the Food Processing Industry in regard to quality control measures.

Proposals approved under the scheme during the 12th Plan period (up to 31 March, 2016) were being dealt with by the Indian Council of Agricultural Research (ICAR) as per the

earlier agreement for implementation of the scheme. The scheme is being implemented directly by the Ministry as per the revised guidelines (w.e.f. 01st January, 2017).

3.43 When asked what kind of assistance is made available to the entrepreneurs under this Scheme, the Ministry in its reply stated:-

"Under the scheme, Government organizations are eligible for Grant-in-Aid of entire cost of laboratory equipment and 25% of the cost of technical civil work to house the equipment for general areas and 33% for difficult areas and Integrated Tribal Development Project (ITDP) areas. Private organizations are eligible for Grant-in-Aid of 50% of cost of laboratory equipment and 25% of the cost of technical civil work for general areas and 70% of cost of lab equipment and 33% of technical civil work for difficult areas. SC or ST promoters as the case are treated at par with difficult areas and Integrated Tribal Development Project (ITDP) areas.

In addition, Government labs are also eligible for 80% of the monthly emoluments of two technical staff for two years from the date of completion of the laboratory i.e. on procurement and installation of all the equipment and completion of civil work of Food Testing Laboratory, provided this does not exceed the emoluments prescribed for Junior Research Fellow (JRF) under ICAR.

In case of the setting up cases of food testing lab the cost towards getting of NABL Accreditation will also be eligible for grants-in-aid.

SC / ST proposals are treated at par with the difficult areas for the purpose of extending benefits under the scheme including the project period."

3.44 When asked about the reasons for less expenditure consistently from 2019-20 to 2021-22 as compared to RE, the Ministry stated as under:-

"Regarding the reasons for less expenditure, it is submitted that the number of projects approved is attributed to the proposals received from various eligible organizations in response to the EOI, which are processed accordingly in the Ministry as per the scheme guidelines. As such the Ministry does not initiate these projects.

The breakup of Expenditure on the FTL projects under respective Heads is as under:

Rs. in Cr.							
Head of Account	2019-20		2020-21		2021-22		Remark
	A	E	A	E	A	E	
GIA General	25.8	25.80	23.90	22.71	32.10	32.10	1. No proposals from SC/ST category.

GIA NER	2.00	1.05	3.00	3.87	5.00	0.00	2. RE for 2021-22 is yet to be finalized.
SCSP	8.00	0.00	4.00	0.00	5.00	0.00	
TSP	4.00	0.00	1.40	0.00	2.00	0.00	
A : Allocation, E: Expenditure							

Further, it is also submitted that no proposals were received against SCSP and TSP category and the allocation against these heads of account remained completely un-utilized."

3.45 When asked as to how the Ministry will achieve its set target during the year 2022-23, the Ministry in its written reply stated as under:-

"Ministry will create awareness through wide publicity about the scheme."

3.46 On being asked about the districts in State/Union territories that do not have Food Testing Laboratory at the end of 2020-21, the Ministry in its written reply stated as under:-

"Ministry provides Financial Assistance for Setting up/upgradation of Food Testing Laboratories across the country based on their commercial viability and requirement of Food Processing Industries in the catchment area. The catchment area of a Food Testing Laboratory may cover multiple administrative districts. So far Ministry has provided Financial Assistance to 175 Laboratory Projects in various district of the country."

(B) Scheme for Implementation of HACCP/ISO 22000, ISO 9000/GHP/GMP (Scheme discontinued /merged in 15th FC cycle):

3.47 The Scheme for Implementation of HACCP/ISO 22000, ISO 9000/GHP/GMP is implemented by the Ministry to assist food processing units for helping them for improving the overall quality of food safety and hygiene in the sector and facilitate in increasing our share in global food trade. The Scheme for Implementation of HACCP/ISO 22000, ISO 9000/GHP/GMP is proposed to be discontinued from 2021-22.

3.48 When asked about the reason for discontinuing this Scheme, the Ministry stated:

"HACCP Scheme was got evaluated by ministry. During the study many beneficiary were untraceable/unresponsive, suggesting that serious players have not utilized the scheme. The beneficiaries who had responded, have also limited their replies to qualitative impact without giving further quantitative details.

Though the grant amount under the scheme is small, the resources utilized to implement the scheme are similar to those deployed for schemes with larger benefits and grant amounts. Thus, to actualize HACCP on ground, the report suggests that MoFPI may consider FSMS as an optional eligible component under various other schemes of SAMPADA and may be discontinued as a separate individual scheme."

Human Resources and Institutions Scheme

The Component-wise details of the Scheme being implemented since 2005 are as follows: -

(A) Research & Development

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

3.50 For Government Organizations/Institutions/Universities, grant in aid is given for 100% of cost of equipment, consumables, manpower, TA/DA(up to Rs.1 lakh) and institutional charges (10% of the project cost subject to max. of Rs.3 lakh or Rs.5 lakh for non-academic and academic organizations respectively) specific to the project of specified duration for maximum of three years. No assistance will be provided for already existing equipment.

3.51 For private organizations/institutions/universities, grant is given to the tune of 50% of equipment cost in general areas and 70% in the difficult areas like the States/UTs of J&K, Ladakh, Himachal Pradesh, Uttarakhand, Sikkim, North-Eastern States, Andaman & Nicobar Islands, Lakshadweep, and integrated Tribal Development Projects (ITDP) areas.

3.52 The Scheme for Research and Development was started by the Ministry during 9th Plan (1997-2002). Since, inception of the scheme during 9th Plan and upto 11th Plan the scheme was directly implemented by Ministry. During 12th Plan Period, the scheme was implemented through Science and Engineering Research Board (SERB) of Department of Science and Technology. From 1st April, 2017 onwards, the scheme is again being implemented directly by the Ministry of Food Processing Industries.

3.53 When asked as to whether the Research Projects approved under the Scheme are being completed within the set deadline, the Ministry stated as under:

"Timelines for the completion of project are decided in accordance with the recommendations of the Expert Committee (EC) keeping in view the quantum of project work. Normally this varies from two to three years. Accordingly, the projects are monitored and reported upon to the EC for their review. Since inception of scheme, the Ministry has sanctioned 272 R&D projects, out of which 199 projects have been completed.

Usually, the projects are completed within the timeline. However, some projects get delayed on account of unavoidable circumstances such as transfer or superannuation of Principal Investigators (PIs), delay in procurement of equipment, recruitment of project fellows (JRF/SRF/RA), pandemic situations like COVID 19, etc."

(B) Skill Development (Scheme discontinued /merged in 15th FC cycle)

3.54 The aim of the Scheme is to provide sector specific skilled workforce from floor level workers, operators, packaging and assembly line workers to quality control supervisor etc. and to meet the skilled Human Resources requirement in Food Processing Sector.

3.55 Under the scheme, Grant-in-Aid is provided to the eligible Institutions/ organizations up to a maximum of ₹5.00 lakhs per QP for development of training module both in print Multi-media for each job role. Up to a maximum of ₹0.50 lakh per QP is available for the translation of already developed training modules in recognized regional languages as per 8th schedule both in print and Multi-media for each job role. Grant-in-Aid is provided at the rate of 50% of cost of plant & machineries required for NSDA/NSDC validated training module subject to a maximum of ₹15 lakhs per training module limited to a maximum of 5 training modules per Training Centre. The Grant-in-Aid is released by the Ministry to eligible institutions/organizations in two equal instalments i.e. 50% advance and remaining 50% after the plant machinery has been purchased and installed by the Institute/organization.

3.56 Under the scheme, a total of 27 projects have been approved by the Ministry. 26 Projects are for creation of infrastructure in Food Processing Skill Training Centres, out of which 17 projects have been completed, whereas 1 project approved for development/translation of course curriculum for 13 Food Processing Job Roles has also been technically completed and submitted to the Ministry. This scheme is proposed to be

covered under Centrally Sponsored scheme of PMFME in 15thFC cycle with provision for committed liability for ongoing projects.

3.57 When asked about the reasons for curtailment of funds at RE Stage and low utilization of RE during these years, the Ministry in its written reply stated as under:-

"Non-availability of eligible proposals and very less response from the beneficiaries (including training partners) are the major reasons for curtailment of funds at RE stage. The other reasons that can be attributed to the situation are –

- (i) Cost of equipment and machinery used in skill training is generally low.
- (ii) Time limit of 6 months' allowed for the promoters under the Scheme for completion/operationalization of their skill project and submit claim for 2nd& final installment claim is also one of the reasons for curtailment of funds at RE stage and its low utilization.
- (iii) Impact of Covid-19 pandemic lockdown had further rendered delay in delivering the equipments & machinery to the promoters against their purchase orders placed, which further rendered the promoter to submit a delayed claim for releasing 2nd& final installment of Grant under the Scheme."

3.58 When asked about the number of Projects fully functioning out of 17 Projects completed and the time for the remaining Projects to be completed, the Ministry in its reply submitted as under:

"All 17 completed projects for 22 skill training centers have been completed/operationalized and are functioning except during the periods of enforced lockdown on account of Covid-19 pandemic.

The remaining 10 projects (i.e. 9 projects for establishing 15 TCs for skill training in 39 Job Roles and 1 project for development of course content for 13 Job Roles) are expected to be completed before 30th June 2022."

3.59 When asked as to whether the Ministry has made any assessment of the Skilled Work Force required in Food Processing Sector, the Ministry in its reply submitted as under:

"Ministry has commissioned a study titled "Study to assess Human Resource and Skill requirement in Food Processing Sector from 2021-2030" to M/s Feedback Business Consulting Services Pvt. Ltd. (i.e. Consultant) on

20.10.2020, with the objective to ascertain the present and future availability of human resources, the present gaps in skill sets, the skills required in the future by the food processing industry and the policy initiatives required in this regard.

The Consultant initially submitted the draft final report in June 2021 and the Ministry held several rounds of discussions thereon. Feedback of Industry Associations on the draft final report has been received in January 2022. A presentation on the draft report after incorporating received feedback was made on 14.02.2022 and the Ministry advised the Consultant to submit the final version of draft report on priority to obtain the approval of the Competent Authority.

Major findings/recommendations, as per draft report of the above study, are highlighted below:-

- Human resource requirement in 11 sub-sectors during 2021-30 would be around 13.4 lakh.
- Identified 78 job roles available for skilling in FP industry.
- Creation of 120+ 'MOFPI Authorized Centres from Training (MACT)' in FP Hubs/clusters. After completion of training program, the individual can be called as "MoFPI certified Skilled Worker".
- MoFPI through FICSI needs to create relevant vocational training programmes for these identified additional Job Roles.
- Need for developing a Trained Workers' Portal (e.g., FPNaukri. com) as a 'One-stop-shop' for FP labour/ employees' recruitment for the industry and all trained worker's database needs to be maintained at a district /cluster level.

(C) Promotional Activities (Scheme discontinued /merged in 15th FC cycle)

3.60 The Scheme, that was initiated during 2017 and discontinued during 2022 aimed at creating awareness among various stakeholders on plan, policy & programmes of the Ministry and the various schemes of Pradhan Mantri Kisan SAMPADA Yojana and its components being implemented by the Ministry through advertisement and publicity material, print, audio-visual media, social media platforms, electronic media like website, development of software, etc, to encourage investment for the development of food processing sector by extending financial support for organizing / co-sponsoring / sponsoring / participating in an event such as national / international fair, exhibition, road show and / or logo support on non-financial terms, to encourage investment for the development of Food Processing Sector by extending financial support for organizing /co-sponsoring /sponsoring / participating in an event such as seminar, workshop, conference, campaign, symposium for the development of Food Processing Sector in India and / or logo support on non-financial terms, etc and the focus areas of the scheme are processing, storage, packaging, marketing & retailing of food products and food ingredients.

3.61 When asked to furnish details of Financial Allocations made and Actual Expenditure since its inception, the Ministry stated as under:-

"

(₹. in Crores)

Year	BE	RE	Expenditure
2017-18	30.00	71.53	59.66
2018-19	20.22	18.35	14.59
2019-20	71.02	20.65	18.07
2020-21	64.24	13.25	11.82
2021-22	26.10	7.95	5.34
			(as on 11.02.2022)

The expenditure is less during the last 3 Financial Years. This is because of the following reasons:

- (1) Ongoing pandemic of COVID, which has led to a reduction in the planning/holding of physical events due to the restrictions levied by the respective Central/State Governments to contain the spread of COVID.
- (2) Non receipt of eligible proposals, which could be provided support as per Scheme Guidelines."

Operation Greens Scheme (Since 2018)

3.62 In pursuance to budget announcement for the year 2018-2019, MoFPI has launched a new central sector scheme "Operation Greens - A scheme for integrated development of Tomato, Onion and Potato (TOP) value chain with a budgetary allocation of Rs. 500 crore. The scheme envisages to promote Farmer Producers Organizations (FPOs), agri-logistics, processing facilities and professional management.

As per scheme guidelines, the scheme has two-pronged strategy as under: -

i). Short term: Price stabilization measures (Transportation & Storage – 50% subsidy);

3.63 During the glut situation at the time of harvest, evacuation of surplus production from the producing area to the consumption centres will be undertaken. NAFED has been appointed as Nodal Agency for short term price stabilization measures.

3.64 Also transportation subsidy for all fruits and vegetables under the scheme was extended to Kisan Rail Scheme with effect from 12.10.2020 and the scope of short-term measures under Operation Greens scheme was extended from TOP to TOTAL (41 notified fruits and vegetables) w.e.f. 11.06.2020 as a part of Aatmanirbhar Bharat Package announcement by Hon'ble Finance Minister due to supply chain disruption amid Covid pandemic, based on SFC recommendation, by Minister on 10.06.2020.

ii). Long term: value chain development projects (grant @ 35%-50% {70%for FPOs & SC/ST} of eligible project cost subject to max. Rs. 50 Cr);

3.65 Projects will be implemented in selected clusters for each TOP crops in major producing States for development of integrated value chain. Farmers in the production clusters will be organized into FPOs to manage production, post-harvest activities, value addition and marketing of the TOP produce. In pursuance of Budget announcement 2021-22, the scope of long term strategy is going to be expanded from TOP to 22 perishables.

3.66 When asked whether the Ministry is satisfied with the progress of the Scheme during 2018-19, the Ministry stated:-

"The Operation Greens scheme is a central sector scheme launched in Nov. 2018. The scheme has two-pronged strategy of Price Stabilization measures (for short term) and Integrated Value Chain Development Projects (for long term).

Progress under the scheme/Steps taken so far:

- I. Short term Price Stabilization measures: Under short term price stabilization measures, there is provision to provide transportation and

storage subsidy @50% only in case of glut situation in r/o 41 notified crops as a part of Aatmanirbhar Bharat Abhiyan package.

A total expenditure of Rs.84.37 crore has been incurred towards transportation/ storage subsidy through direct claims settled by MoFPI, Kisan Rail and NAFED.

Indian Railways has disbursed total subsidy of Rs.115.01 crore since beginning till 15.12.2021 for transportation of approx. 5.67 Lakh MT of fruits & vegetables which helped in evacuation of surplus production from consumption centers. Out of this, MoFPI has reimbursed Rs.73.33 crore. Progress under short term measures of the scheme seems satisfactory.

II. **Long Term Measures-Integrated Value Chain Development Projects:**

Only 42 proposals were received during last 3 years since launch of the scheme and out of this 28 were found to be deficient and ineligible under the scheme.

11 proposals were approved, and 03 are under evaluation process.

Out of 11 approved, 03 were withdrawn by the promoters and 2 were cancelled. A net of 6 approved projects are under implementation at various stages.

It has been observed that there is not much progress under this component of the scheme due to the various reasons mentioned below.

Specific reasons for insignificant progress

- Being the Integrated Value Chain Development Project, the scheme guidelines provide for several essential components such as Capacity Building of FPOs, Quality Production, Post-harvest Processing facilities at Farm Gate, Agri-logistics and Marketing/ Consumption Points, which not only requires huge investment but also long time for completion of project.
- Further being infrastructure project, it has long gestation period. Huge investment and reluctance of banks to provide term loan at competitive & affordable terms and conditions are major reasons for lack of interest from the promoters for submission of proposals.
- It is to be noted that Covid-19 pandemic had impacted badly on the receipt of applications for establishment of new projects during the period F.Y.

2020-2021.

- The gestation period for completion of integrated value chain development projects is 14 months from the date of approval which is less for infrastructure projects. The projects involve setting up of infrastructure which takes time due to involvement of various approvals from states and environment clearances.
- The delay in physical progress/implementation of approved projects is mainly due to lockdown imposed through-out India on account of COVID-19 pandemic.
- Cabinet Committee on Economic Affairs (CCEA) has approved the expanded scheme from TOP to 22 perishables as a part of restructured Pradhan Mantri Kisan Sampada Yojana for 15th Finance Commission Cycle i.e. F.Y. 2021-22 to 2025-26 in the month of February, 2022, therefore, EOI could not be floated during the year 2021-22 till date in the absence of Cabinet Approval.

Plan of Action/Way Forward:

- In pursuance of budget announcement of 2021-2022 the scope of long term strategy i.e. Value Chain Development Projects under the Scheme is expanded from TOP to twenty-two (22) perishables which include 10 fruits, 11 vegetables (including TOP crops) and 1 marine- Shrimp.
- Ministry is also considering to include standalone projects in addition to integrated value chain development projects for financial assistance on the basis of infrastructure gaps in the value chain of twenty-two perishables.
- Standalone projects would involve comparatively lesser investment at the part of promoters/FPOs and would help in completing the value chain of perishables for the benefit of farmers for enhancing their income.
- Assessment studies for identifying infrastructure gaps in the value chain of fruits and shrimp segment have already been conducted. The intervention by Ministry will be limited to fill those gaps in value chain to have maximum impact.

3.67 On being asked by the Committee about the specific Budgetary Allocation for this Scheme during 2022-23, the Ministry in its reply submitted:-

"The Budgetary Allocation for the scheme during F.Y. 2022-23 is Rs.184.56 Crore for long term as well as short term. The Head-wise break-up of the same is given in the table below:-

Budget Head	Account Head	BE 2022-23
Operation Greens		
Professional Services	2408.01.103.19.09.28	4.56
Grant-in-aid-General	2408.01.103.19.09.31	116.78
Subsidies	2408.01.103.19.09.33	53.00
Grant-in-aid-SCSP	2408.01.789.01.07.31	10.22
Grant-in-aid-TSP	2408.01.796.01.07.31	0.00
Grant-in-aid-NER	2552.00.313.11.09.31	0.00
Total		184.56

"

3.68 When asked about the Action Plan of the Ministry for this Scheme, the Ministry stated as under:-

"Ministry has awarded assessment studies for identifying infrastructure gaps in the value chain of fruits and shrimp segment under the extended scheme for 22 perishables which have already been successfully completed. The intervention by Ministry will be limited to fill those gaps in value chain to have maximum impact."

3.69 On being asked as to how the Ministry will achieve its set physical target during the year 2022-23, the Ministry stated as under:-

"The Ministry is considering to sanction the projects of standalone nature also in addition to integrated value chain projects. This would involve comparatively lesser investment on the part of promoters/FPOs and would attract comparatively higher number of project proposals which would help in completing the value chain of perishables for the benefit of farmers for enhancing their income. Out of already sanctioned 6 projects, there has been considerable progress seen in 2 projects namely M/s Nedspice Dehydration India LLP and M/s Vangi Foods which are likely to be completed by March, 2023. Ministry is continuously monitoring the ongoing projects to ensure that there is no further delay in completion of projects."

(II) Production Linked Incentive Scheme for Food Processing Industry (PLIS)

3.70 Union Cabinet in its meeting on 31.03.2021 approved the Central Sector Scheme- “Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)” to support creation of global food manufacturing champions commensurate with India’s natural resource endowment and support Indian brands of food products in the international markets with an outlay of Rs. 10,900 crores. The PLISFPI has been formulated based on the Production Linked incentive scheme of NITI Aayog under “Aatma Nirbhar Bharat Abhiyaan for Enhancing India's Manufacturing Capabilities and Enhancing Exports”. The Scheme will be implemented over a six-year period from 2021-22 to 2026-27. An amount of Rs. 10 Crore has been kept for the Financial Year (2021-22) and Rs. 1,022 Crore in BE (2022-23).

3.71 The Scheme Objectives are to support food manufacturing entities with stipulated minimum Sales and willing to make minimum stipulated investment for expansion of processing capacity and Branding abroad to incentivize emergence of strong Indian brands. It aspires to not only support creation of global food manufacturing champions, but also to strengthen select Indian brand of food products for global visibility and wider acceptance in the international markets, increase employment opportunities of off-farm jobs and ensue remunerative prices of farm produce and higher income to farmers.

3.72 The first component of the Scheme relates to incentivizing manufacturing of four major food product segments viz. Ready to Cook/ Ready to Eat (RTC/ RTE) foods including Millets based products, Processed Fruits & Vegetables, Marine Products and Mozzarella Cheese. The second component relates to production of Innovative/ Organic products of SMEs including Free Range - Eggs, Poultry Meat, Egg Products in these four segments. The third component relates to support for branding and marketing abroad to incentivize emergence of strong Indian brands for in-store Branding, shelf space renting and marketing.

3.73 When asked to give details of the strategies to be adopted by the Ministry for proper utilization of the enhanced allocations for the year 2022-23, the Ministry stated as under:-

"It is submitted that for consideration of disbursal of the incentives, the selected firms are required to submit claims based on the performance as stipulated in the scheme guidelines.

An on-line portal has been developed for uploading of the Quarterly Review Reports (QRRs) and supporting documents. The companies are required to submit QRRs of the performance on-line to the nominated Project

Management Agency (PMA) viz. M/s IFCI Limited. The reports would be examined by PMA and the Ministry for correctness and eligibility. Any additional documents may also be called for from these companies.

It is further submitted that to ensure smooth rollout of the scheme and more so to ensure that the scheme meets its stated objectives, interactions have been held with the selected firms to apprise them of not only their responsibilities, but also the requirements of correctness of information related to performance and claims. The PMA have also been instructed to devise Standard Operating Procedures (SOPs) for adequate clarity of scheme guidelines provisions and various requirements to the selected firms. PMA have also been instructed to ensure the correctness of performance and claims by accessing the information from the other Government agencies and not to only rely on the documents furnished by the applicants.

Above measures, and any other depending on the situation at hand, will ensure that the funds allocated for the year 2022-23 are properly and correctly utilized."

3.74 When asked to furnish details regarding Category I, II and III regarding disposal of 274 applications received, the Ministry in its written reply stated:-

"It is submitted that the scheme guidelines among other modalities, also prescribe the Eligibility and Evaluation Criteria. The Scheme has three components, for which separate Eligibility and Evaluation Criteria are stipulated. Within the outlay of the scheme, allocation of funds for disbursement of incentives in each category has been made.

A total 274 applications were received from the food processing industries under the scheme of which 91 were received under Category I (Sales-based incentive), 89 under Category-II (Organic/ Innovative Products) and 94 under Category-III (Branding & Marketing expenditure abroad).

The applications received were initially examined by the PMA w.r.t. to the eligibility criteria stipulated in the scheme guidelines. The applications not conforming to the eligibility criteria were not considered beyond the initial scrutiny stage.

Thereafter, the PMA's assessment and recommendations on the eligible applications were considered by the respective Technical Committee formed

for each category. The Technical Committees were formed as per provisions of the Scheme Guidelines.

As provided in the scheme guidelines, the process of seeking approval of the Empowered Group of Secretaries (EGoS) on some issues was also undertaken. The final decision on the applications was taken by the Approval Committee under the chairmanship of Hon'ble Minister, FPI. Upon due consideration, a total of 60 applications under Category-I, 12 applications under Category-II and 71 applications under Category-III were selected."

3.75 During the course of evidence while explaining about the Production Linked Incentive Scheme, the Secretary, Ministry of Food Processing Industries submitted that:-

"Sir, our next scheme is PLIS. Under Niti Aayog umbrella scheme, our sector is one of the sectors and an amount of Rs.10,900 Crore has been sanctioned for this scheme. The approval of this scheme was made on 31.3.2021 and an approval of Rs.10,900 Crore has been given which has to be utilized till 2026-27. As per the Scheme policy, we will select the company which will bring laurels to the country and that has to be Indian company. Support will be given to only those companies which are working in international arena. In this off Farm Employment Generation chances are there. If we increase production of the global level production companies this will automatically lead to employment growth. The effect will be that farmers will get good remunerative prices and their income will increase.

Sir, we have classified this scheme into three broad categories. First category is Ready to Cook and Ready to Eat. We have received 91 applications out of which 60 have been finalized. In the second innovative organic products category, we have received large number of applications, but only 12 companies have been successful. Last category, branding and marketing, is for encouraging export market, wherein Indian companies will be funded for branding their products in the International market. We have received 94 requests and out of which we have approved 71."

(III) Aatmanirbhar Bharat Abhiyan

Prime Minister Formalisation of Micro Food Processing Enterprises (PMFME)

3.76 As part of Aatmanirbhar Bharat Abhiyan, Ministry of Food Processing Industries (MoFPI) has launched an all India centrally sponsored 'PM Formalisation of Micro food processing Enterprises (PMFME) Scheme' for providing financial, technical and business support for upgradation of existing Micro Food Processing Enterprises. The scheme was approved by the Union Cabinet on 20th May, 2020 and Guidelines for the scheme was issued on 19th June, 2020. It is to be implemented for a period of five years from 2020-21 to 2024-25 with an outlay of Rs. 10,000 cr. for providing credit linked subsidy to 2, 00, 000(two lakh) micro food processing units across the country.

3.77 The Scheme aims to:

- (i) Enhance the competitiveness of existing individual micro-enterprises in the unorganized segment of the food processing industry and promote formalization of the sector; and
- (ii) Support Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives along their entire value chain.

3.78 On being asked by the Committee how the Ministry is going to utilize the increased allocation during 2022-23 for Prime Minister Formalization of Micro Food Processing Enterprises Scheme (PMFME) Scheme, the Ministry submitted:-

"Under PMFME scheme, in view of the firming up of the preparatory steps, setting up of institutional mechanism, clarifications issued to States/ UTs on various issues etc. it is expected that the no. of applications under the individual and Group category, common infrastructure, branding & marketing would increase in 2022-23. Due to Covid situation, workshops were not held and field visits could not be made. In view of improved position, it is expected that workshops would be arranged in States/ UTs and regular field visits would be made for effective monitoring of the scheme implementation.

Guidelines for setting up of Mini Incubation Centers and revised guidelines on capacity building & engaging private training partners will also lead to increase in expenditure under the scheme.

The following steps will be taken to utilize the increased allocation during 2022-23:

- Quarterly and Monthly review meeting by the Ministry with SNAs, SLBC, Banks, DFS(or as per DFS Directions)

- Regular Review meetings by NPMU Team with all the Stakeholders
- Organizing Promotional activities such as Newspaper Advertisements, Hoardings, Banners, Radio Jingle, Block Level Workshops, Camps etc for awareness of the beneficiaries.
- Monthly Meetings & Follow-up with DRPs/DNOs with Large pendency for timely disposal of applications for onward sending to the Banks.
- Provision to be made in the MIS System to notify the Branches when an application is submitted to the banks through mail for not logged in Branches
- Follow up with the State/UTs for appointment and training of DRP
- State-wise consultation meeting for ODOPs with respect to the enterprise set-up, credit linked application, infrastructure available, storage, warehouse, existing logistic arrangement and market viability of manufactured products."

One District One Product

3.79 The PMFME Scheme adopts One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. ODOP for the Scheme will provide the framework for value chain development and alignment of support infrastructure. The ODOP product selected are either a perishable agri-produce, cereal-based product or a food product widely produced, Minor Forest Produce or traditional food products in a district and their allied sectors. The ODOPs are recommended by the States/UTs on the basis of agriculture production, number of micro food enterprises and SHGs/Cooperatives/Producer group engaged in processing of food product. The list of ODOP has been reconciled with the ODOFP list of MoA&FW. PMFME Scheme provides support to existing individual micro units for capital investment. New units, for both individual and groups would be supported for ODOP products. The scheme also envisages strengthening backward and forward linkages, provision of common facilities, incubation centres, training, R&D, marketing & branding, provision of which would primarily be for ODOP products.

3.80 When asked how many Backward and Forward Linkages have been strengthened by One District One Product (ODOP) Scheme, the Ministry stated as under:-

"Under the One District One Product (ODOP) approach of PMFME Scheme, MoFPI has constituted Joint Committee with Ministry of Agriculture and Farmers Welfare (MoA&FW) to align the products selected under ODOP. MoA

& FW has finalized its list of One District One Focus Product (ODOFP) aligned with ODOP of PMFME Scheme. MoA & FW will support ODOFP aligned with 710 approved ODOP from its ongoing centrally sponsored schemes such as Mission of Integrated Development of Horticulture (MIDH), National Food Security Mission (NFSM), Rashtriya Krishi Vikas Yojana (RKVY), Paramparagat Krishi Vikas Yojana (PKVY). Under these schemes, facility of availability of seeds, subsidy for seeds and availability of farm mechanization, fertilization, irrigation facility etc. will be provided for benefitting farmers on enhancing production and availability of same as raw materials for industries.

Further under PMFME scheme intervention, 75 Incubation Centers have been approved with an outlay of 200.06 Cr. across 25 States/UTs in 40 ODOP. A grant of Rs.2.75 Cr. is provisioned for establishment of processing lines in ODOP and allied product lines. 100% grant is available for government agency and 50% grant for private agencies. The facility involves one or more product lines for utilisation by smaller units on a hire basis for processing of their produce. The Incubation Centre would be operated commercially and may partly be used for training purpose. Ministry has recently approved guidelines for setting up of Mini Incubation Centers for ODOP and Perishables products @ Rs. 60 lakhs grant. There is a provision of 100% grant for SHGs/FPOs/Cooperatives/Government Agencies and 75% grant for NGOs/Section 8 Societies/Trusts.

MoFPI has signed MoU with NAFED and TRIFED for providing marketing and branding support for the products identified under the scheme. 7 ODOP brands have already been launched by NAFED.

Two branding & marketing proposals from Punjab and Maharashtra have also been approved. Support would be provided for product standardization, packaging, brand development, certification and logistics."

3.81 When asked how many persons/NGOs/Self Help Group, etc. have been trained by Training Groups since the inception of this Scheme, the Ministry in its reply submitted as under:-

"As per the provisions under the scheme, for EDP & product specific training, Master Trainers are being trained by the National institutes i.e. 2 NIFTEm (Kundli & Thanjavur). They are further giving training to the District Level

Trainers, who are imparting training to the beneficiaries. Master Training are also training the District Resource Persons.

So far, 486 Master Trainers, 603 District Level Trainer, 749 District Resource Person and 1203 Beneficiary have been trained since the inception of this Scheme."

3.82 On being asked about the number of Seed Capital Applications processed till date, the Ministry stated:-

"The support for Seed capital @ Rs. 40,000 per SHG member of SHG is provisioned for working capital and purchase of small tools. This would be given as grant to the SHG federation by State Nodal Agency (SNA) / State Rural Livelihood Mission (SRLM). SHG federation would provide this amount as a loan to the members of SHGs to be repaid to the SHG. Seed capital would be provided to SHG members that are presently engaged in food processing activity.

National Rural Livelihood Mission (NRLM) MIS has been designed for accepting Seed Capital applications under PMFME Scheme. SRLM identifies and updates the Seed Capital applications online on the NRLM MIS portal. As identification and updation of SHGs on NRLM portal is ongoing, SRLM periodically recommends and raises the claims against the applications for approval after their internal scrutiny process to State Nodal Agency (SNA) with the signature of Mission Director, SRLM. The Secretary/ Principal Secretary of the State Nodal Department sanctions the claimed amount by SRLM on the recommended list for Seed Capital Disbursement.

As on date, data of 88,654 Seed Capital Applications is projected for the amount of Rs.265.84 Crore in NRLM MIS. Out of this, 55,878 applications have been recommended for the amount of Rs. 163.10 Crore to SNA for release of Seed Capital. Till date, SNAs have released an amount of Rs. 129.40 Crore to SRLM for 45,644 SHG members."

3.83 When asked to elaborate the benefit likely to occur with the signing of MoU with ICAR, NCDC, TRIFED, NSFDC, NAFED, NIRDPR, RSBTU, MPRD and NSTFDC, the Ministry in its reply submitted as under:-

The benefits likely to occur with the signing of MoU with ICAR, NCDC, TRIFED, NSFDC, NAFED, NIRDPR, RSBTU, MPRD and NSTFDC areas

under:

- (i) ICAR to facilitate preparation of training material, identification of institutions for establishment of Incubation Center and identification of potential beneficiaries for various components under the scheme.
- (ii) NIRDPR and RSETI to facilitate training delivery and preparation of training materials.
- (iii) TRIFED and NAFED to support marketing and branding under the scheme for identified products.
- (iv) MoRD, NCDRC, NSFDC and NSTFDC to identify potential beneficiaries, provide training and handhold support under various components of the scheme.

So far, 760 training modules including Presentations, Videos, DPRs, Course Content/hand book have been developed.

486 Master Trainers, 603 District Level Trainer, 749 District Resource Person and 1203 Beneficiary have been trained since the inception of this Scheme.

75 proposals for setting up of incubation centers have been approved so far.

70 DOP brands have already been launched by NAFED. So far, Seed Capital of Rs.129.40 Crore has been released to SRLM for 45,644 SHG members.

3.84 During the course of evidence while explaining, the Secretary, Ministry of Food Processing Industries submitted:-

"We are discussing the first scheme PMFME. This scheme basically comes from small Micro Units. The definition of Micro Units is that the total investment is less than Rs.1 Crore and their business should not exceed more than Rs. 5 Crore. This is being run from the household or two to three persons joining together for the project. The Units needs to formalize. Basically they don't have GST registration, nor do they have ESIC. Slowly we have to bring them to the mainstream in the formal sector and it will lead to their growth slowly. With this intent, credit linked grant is to be provided to 2 Lakh micro food processing units during 5 years. This Scheme was started in May 2020 and total outlay till year 2024-2025 is Rs.10,000 Crore."

3.85 During evidence while explaining about the PMFME Scheme, the Secretary, Ministry of Food Processing Industries submitted that:-

"Sir, the Ministry has chosen One District One Product approach. Though we can fund Micro units independently, Ministry has chosen ODOP. In each district, one unique product is identified and it can be considered that Micro Units situated there will be doing the work on that particular product. On this basis, we can encourage those units and gradually the smaller units will be brought in the ambit and converted into cluster afterwards.

Sir, in this Scheme there is a proposal to provide funds to individual units in three/four ways. 35 percent funds can be given for Eligible Individual Units for which there is a ceiling of Rs.10 lakh. We will connect them with banks and facilitate them credit facilities for this scheme. Besides this, FPOs, SHGs and Cooperatives are also given these facilities. In the second category, SHGs Rs.40 thousand per member is provided, to the SHGs federation and the accumulated fund will be rotated among SHG members with repayment from members. This is one of the most efficient systems where the same amount of money rotates three or four times and brings in better flow in economy.

Sir besides this, funding pattern for common infrastructure is 35 percent and for marketing and branding, it is 50 percent. We also provide training, technology and handholding under this scheme. In the second half of 2020 the scheme was approved and major work has been done. Here the help of State level nodal agencies is taken. As we don't have any field formation we work with State. The state level nodal officer is from any department of the State Government and is notified by the State Government. State level approval committee had been constituted under Chief Secretary."

3.86 During the course of evidence while explaining, the Secretary, Ministry of Food Processing Industries submitted as under:-

"Sir, one more question was asked that whether SHGs are covered under Micro Units? Yes sir, they are 100 percent covered. They will be funded in two forms. One is through the Federation of SHGs, to working capital funding is done through federations. Second, if they are creating Individual Macro Enterprises, then we will give credit linked support to them. In both these ways, there is a facility to support women also.

RECOMMENDATIONS/OBSERVATIONS

Analysis of Demands for Grants (2022-23) of the Ministry

Recommendation No. 1 (Full utilization of funds during 2022-23)

The Committee note that during the last five years ending 2019-20, Food Processing Industry Sector has reportedly been growing at an average Annual Growth Rate of 11.18%. The Food Processing Industry is perhaps one of the major Employment Intensive Sector having a share of 12.38% in all Registered Factory in the country. The Committee observe that several appreciable developmental initiatives have been taken by the Ministry last year, to promote growth of Food Processing Industry Sector in the Country.

The Committee while appreciating the initiatives, also note that for the last three years, i.e., 2019-20, 2020-21 and 2021-22, the Ministry had proposed an amount of Rs. 2,200 Crore (against the spending of Rs. 845.54 Crore), Rs. 1,232.94 Crore (against the spending of Rs. 1,152.68 Crore) and Rs. 3,490.07 Crore (against the spending of Rs. 862.60 Crore), respectively but only an amount of Rs. 1,042.79 Crore, Rs. 1,247.42 Crore and Rs. 1,304.12 Crore were allocated for the years 2019-20, 2020-21 and 2021-22, respectively. The Committee also note that for the year 2022-23 Rs. 3,564.92 Crore has been proposed whereas only Rs. 2,941.99 Crore has been allocated by the Ministry of Finance for BE 2022-23.

The Committee desire that the Ministry of Food Processing Industries should impress upon the Ministry of Finance to allocate Rs. 3,564.92 Crore in RE (2022-23) as demanded by the Ministry.

The Committee are of the considered view that since 2019-20, the Ministry has been unable to utilize cent percent of the allocated funds. The Committee, therefore, recommend that the Ministry should chalk out its Plan of Action in advance for cent percent utilization of scarce resources allocated and look into the issues/challenges

being faced by them for overcoming the problems tenaciously. The Committee hope that the Ministry will further improve its performance during 2022-23.

Finding solutions to inadequate receipt of proposal problems as cited by the Ministry

Recommendation No. 2

The Committee note that with regard to all the plan Schemes, especially the Food storage and Warehousing and North-Eastern Areas, there has been consistently negative variation for the years 2019-20, 2020-21 and 2021-22, respectively, as compared to the previous years. The Committee also note the reply of the Ministry, that the reasons for negative variation was mainly perhaps, due to receipt of inadequate proposals under mandatory allocations like North-Eastern Region (NER), Schedule Cast Sub Plan (SCSP) and Tribal Sub Plan (TSP). They find the plea of the Ministry for receipt of inadequate proposals is unacceptable because the Ministry should have taken corrective steps to overcome the problem at the planning stage. The receipt of inadequate proposals is a recurring problem appearing year after year and the Ministry of Food Processing Industries is remaining only as a mute spectator. They, therefore, recommend that the Ministry to take tangible steps to solve this problem during 2022-23 and apprise them accordingly.

State and Union territories allocation for Budget Estimates (2022-23)

Recommendation No. 3

The Committee observe that an amount of Rs. 2,941.99 Crore has been allocated to the Ministry of Food Processing Industries in BE 2022-23 for implementation of its Schemes. The Centrally sponsored Schemes/Projects are Pradhan Mantri Kisan Sampada Yojana (PMKSY); under this Scheme (i) Mega Food Parks (ii) Integrated Cold Chain and Value Addition Infrastructure (iii)

Creation/Expansion of Food Processing & Preservation Capacities (iv) Creation of Infrastructure for Agro Processing Clusters (v) Creation of Backward & Forward Linkages (vi) Food Safety and Quality Infrastructure (vii) Human Resources and Institution, besides this Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) and Prime Minister Formalization of Micro Food Processing Enterprises Scheme (PMFME).

The Committee note that even though the Schemes are functioning, all States and Union territories are not covered under the Schemes of Ministry of Food Processing Industries. This may be due to the fact that the Schemes of the Ministry are Demand Driven and the Schemes are implemented from wherever the demand is received. Some States and Union territories get deprived of the implementation of the Scheme. The Committee also note that under Economic service, an amount of Rs. 180 Crore has been sanctioned for North-Eastern Areas, an amount of Rs. 300 Crore has been given as Grants-in-aid to State Governments and Rs. 10 Crore has been given as Grants-in-aid to Union territory Governments.

The Committee feel that since the Schemes of the Ministry are addressing the critical issue of Food Security, Food Inflation and providing wholesome nutritious food to the masses, the Ministry should make changes in the policy by allocating grants to all the State and Union territories in the country, should chalk out the Plan of Action and be ever ready to implement its Schemes in all States and Union territories as per the Monthly Expenditure Plan for 2022-23. The Committee feel that if all the regions are developed, it will ultimately lead doubling of farmer's income their income. The Committee would like to be informed of the action taken by the Ministry in this regard.

Food Processing of Perishable Commodities

Recommendation No. 4

The Committee observe that despite the production of large scale agricultural produce in India, Food Inflation and Food Securities issue are major concern for policy makers in the country as they affect the basic need for the citizen to have sufficient, healthy and affordable food.

The Committee feel that the Harvest and Post-Harvest losses of major agricultural produce is estimated to be Rs. 92,651 Crore at national level in the country as per the study conducted by CIPHET, Ludhiana. Most of the population in the country are under-nourished leading to several health issues as they are not able to get the food at affordable prices and this reveals loopholes in Post Production Process and Cold Chain Management.

The Committee feels that perishable foods like green leafy vegetables has a short shelf life and require to be stored at a specific temperature but due to insufficient Cold Storage Facilities throughout the Country, large percentage of fruits and vegetables are wasted. The Committee feel that the Cold Chain Storage are not set up in remote corner of the country and in some areas they are not accessible as there is no proper infrastructure.

The Committee, therefore, recommend that the Ministry should try to sort out this issue by identifying the problem and establish Cold Chains for the perishable products as they have to be stored at a specific temperature. The Committee would like to be informed of the action taken in this regard.

Lack of Processing Facilities

Recommendation No. 5

The Committee observe that during the farm season, the Tomatoes are being sold at Rs. 3 per Kg and ginger gets sold at Rs. 5 per Kg and which leads the

farmers not to pluck their produce as the plucking cost will be much more than the selling price. The same case happens with onion also. As these foods are the daily requirement of the citizens of the country, the Committee feel that the Ministry should immediately establish Cold Chain by identifying the villages where there is large production but the benefit of income does not reach the farmers as they are forced to sell at a cost which is very pathetic.

The Committee desire that the Ministry should identify the requirement of Cold Storage in areas where there is farm cultivation taking place in bountiful manner but farmers could not establish their own Cold Storage due to paucity of Funds. The Ministry in those instances should sponsor Cold Chain in those areas where there is no remote possibility of opening Cold Storage by entrepreneurs. If this is done, then the Committee feel that the critical issue of Food Security, Food Inflation and providing wholesome nutritious food to the masses throughout the year and the Harvest and Post-Harvest Losses can be curtailed and that may ultimately lead to export of Agricultural Produce and the country can earn good foreign exchange. Therefore, the action taken by the Ministry may be intimated to them.

Impact of COVID-19
Recommendation No. 6

The Committee note that COVID-19 Pandemic has created worldwide havoc by infecting large number of populations all over the world. Many industrial sectors were shut down by complete lockdown. India also faced this COVID impact and the Food Sector remained as one of the prime areas to be operational even in this pandemic period. It is reported that the panic and fear of the disease generated various myths and rumors about the effect of the Corona Virus on raw as well as processed food materials.

The Committee appreciate the initiative taken by the Ministry for maintaining steady growth of Food Processing Sectors amidst COVID-19. The critical issues such as reduction in processing capacity due to shutting down of the plant, disruption in logistics and movements of workers, labour availability at manufacturing sites as well as steep drop in demand, liquidity crunch, shutting down of warehouses impacted the Sector at large.

As per the Annual Report of the Ministry, at the very moment of announcement of lockdown, Ministry adopted a proactive approach and established a Grievance Cell and Task Force for food related Industries for ensuring hassle free operations and uninterrupted supply of essential goods. The dedicated Task Force ensured business continuity by facilitating hundreds of units in resuming their operations and maintaining uninterrupted supply chain and availability of food to the entire country.

The Committee, therefore, appreciate the efforts taken by the Ministry during the pandemic period and standing as a solid rock to withstand the impact of the COVID-19.

Mega Food Parks Scheme Performance during 2021-22
Recommendation No. 7

The Committee note that Mega Food Parks Scheme is being implemented by the Ministry of Food Processing Industries since 2008. The Mega Food Park Scheme (MFPS) aims at providing modern infrastructure facilities for food processing along the value chain from farm to market. The Scheme functions on a Hub and spoke model. It includes creation of infrastructure for primary processing and storage near the farm gate at Primary Processing Centres (PPCs), Collection Centres (CCs) and common facilities and enabling infrastructure at Central Processing Centre. The food processing units, under the scheme, would be located at Central Processing

Centre (CPC) with need based common infrastructure required for processing, packaging, environmental protection systems, quality control labs, trade facilitation centres, etc.

The scheme envisages a capital grant @50% of the eligible project cost in general areas and @75% in difficult and hilly areas i.e. North East Region including Sikkim, J&K, Ladakh, Himachal Pradesh, Uttarakhand and ITDP notified areas of the States subject to a maximum of Rs. 50 crore per project. At least 50 acres of land is required to be arranged by the SPV / IA either by purchase or on lease of at least 75 years for the Central Processing Centre of the Mega Food Park. The responsibility of execution, ownership and management of the Mega Food Park is vested with a Special Purpose Vehicle (SPV) in which financial Institutions/banks, organized retailers, processors, service providers, producers, farmer organizations and other related stakeholders would be the shareholders. To ensure the private sector driven character of the SPV, equity holding of the Government agencies was restricted up to 26 percent.

It is expected that, on an average, each project may have around 25-30 food processing units with a collective investment of around Rs. 250 Crore that would eventually lead to an annual turnover of about Rs. 450-500 crore and creation of direct / indirect employment of about 5,000 persons. Each MFP on being fully operational will also benefit about 25,000 farmers. However, the actual configuration of the project may vary depending upon the business plan for each Mega Food Park. The aggregate investment in CPC, PPCs and CCs should be proportionate and commensurate to the size of the total project keeping in view the economies of scale. Out of the total 41 Mega Food Parks (MFPs) sanctioned by the Government, 39 MFP projects have been accorded final approval and 22 Mega Food Parks have become Operational. In-principle approval accorded to 2 MFP projects. Since Agri

Processing Clusters (APC) is going to supplant the intent behind MFP scheme, it has been proposed to be discontinued in 15th Finance Commission cycle with provision for committed liability for ongoing projects.

An amount of Rs. 54.37 Crore was allocated in RE (2021-22) and the Actual Expenditure is Rs. 31.34 Crore as on 14.02.2022 and the percentage is 57.64. The proposed allocation for 2022-23 is Rs. 66.80 Crore and the allocation amount for BE is Rs. 55.70 Crore. The Committee feel that from 2008 to till date, only 41 Mega Food Parks have been sanctioned by the Government and only 22 Projects have become operational. This shows that the response for this Scheme is not very much forthcoming inspite of 14 years of launching this Scheme and the decision of the Government to supplant the Scheme with Agro Processing Clusters (APC). The Committee feel that this step should have been taken earlier and the Project has become a white elephant for the Government.

The Committee, therefore, recommend that in order to implement the Agro Processing Clusters (APC) Scheme in the 750 districts of the Country, especially the most backward regions, districts and remote corner villages where people don't have access to technologies. The Committee feels that this will bring the needed succour to the poor farmers and ultimately may lead to the doubling of farmer's income.

Integrated Cold Chain and Value Addition Infrastructure Scheme
Recommendation No. 8

The Committee note that the Ministry has been implementing the Scheme for Integrated Cold Chain and Value Addition Infrastructure since 2008. The Scheme provides or promoting Integrated and Complete Cold Chain facilities in all the States and Union territories without any break from farm gate to the consumers and to

reduce losses by improving efficiency in collection of farmer's produce, storage, transportation and minimal processing.

The Committee also note that Dr. Saumitra Chaudhari Committee, appointed during 2012, had estimated Cold Storage requirement in the country of 61 million tonnes. The gap in the Cold Storage was estimated to be around 29 million tonnes. Further as per the Study carried out by National Centre for Cold Chain Development (NCCD) in August, 2015 the requirement of Cold Chain for Integrated Pack Houses is 70,000, Refer Trucks 62,000, Cold Store (Bulk & Distribution hub) 35 million tonnes and Ripening Chambers 9,000.

The Committee note that during 2020-21, out of an allocation of Rs. 252.58 Crore, an amount of Rs. 207.41 Crore has been utilized which is 82.12% that means the Ministry could not spend Rs. 48 Crore during the year 2020-21. Similarly, during 2021-22 against the allocation of Rs. 227.69 Crore the actual expenditure is Rs. 175.26 Crore so far and the RE has been increased to Rs. 263 Crore.

Therefore, the Committee desire that , Rs. 263 Crore should be spend by the Ministry during the 2021-22, positively and they be apprised accordingly.

Creation /Expansion of Food Processing & Preservation Capacities Scheme (Unit Scheme)

Recommendation No. 9

The Committee note that the main objective of the Scheme is for promotion of processing/preservation of Agro Food Products and modernization/ capacity enhancement of food processing units with a view to increasing the level of processing, thereby, reduction of wastage and value additions.

The Scheme envisages financial assistance to Food Processing Units in the form of Grant-in-aid @ 35% of the cost of plant and machinery and technical civil work subject to a maximum of Rs. 5 Crore. As on 31.12.2021, 288 Food Processing Units have been taken up for implementation. Out of these 288 Units, 112 Food Processing Units have been completed and 176 are at various stages of implementation. Out of 112 completed Food Processing Units, 68 Food Processing Units have been completed in this calendar year. The total Project cost of 288 Units sanctioned so far is Rs. 3,744.06 Crore with private investment of Rs. 2,684.95 Crore and Grants-in-aid of Rs. 1,045.22 Crore. The Committee further note that out of the remaining 176 Projects, 80 Projects are targeted to be completed in 2022-23 and remaining 96 Projects are targeted to be completed in 2023-24.

The Committee observe that out of an allocation of Rs. 219.30 Crore in RE (2020-21), an amount of Rs. 202.84 Crore is the Actual Expenditure, which comes to 92.49% and the reason for under-utilization is inadequate eligible proposals under North-Eastern Region (NER), Schedule Cast Sub Plan (SCSP) and Tribal Sub Plan (TSP). Also, for the year 2021-22, an amount of Rs. 242.50 Crore has been allocated in RE (2021-22) out of which an amount of Rs. 147.49 Crore is the Actual Expenditure till 14.02.2022 which comes to 60.82%. The reason for under-utilization is 3rd SDG awaited. The Committee also note that 13 proposals were received in phases and out of which 354 Projects were sanctioned and 66 Projects were cancelled/ withdrawn and 112 Projects have been completed.

The Sector-wise details of the Projects approved are consumer industry, fruits and vegetables processing, dairy/milk processing, fish and marine processing, grain milling, meat and poultry processing and oil milling. The Committee also observe that to achieve the targets of 2022-23, the Projects will be

monitored through review/meeting/physical verifications etc. and will facilitate the promoters for timely implementation of the Project.

The Committee feel that Food Processing Industries maybe one of the fastest growing industries and several innovative processing technologies are being developed day-by-day which can also be considered, if deemed fit. The Committee, therefore, recommend that the Ministry should try to implement their Scheme in a time bound manner. The Committee also recommend that the Ministry should stick to the time schedule of monthly plan of funds utilization as proposed in the Demands for grants (2022-23). The Committee also feel that the Ministry should plan well in advance with precision and should try to find solutions for the challenges being approached. They feel the under-utilization of funds should be avoided at any cost.

Infrastructure for Agro Processing Clusters Scheme
Recommendation No. 10

The Committee note that the objective of the Scheme initiated during 2017 was to create modern infrastructure for food processing closer to production areas, to provide integrated and complete preservation infrastructure facilities from farm gate to consumers and to create effective Backward and Forward Linkages by linking Groups of Producers/Farmers to the processor and markets through well-equipped chain.

The applications/proposals are invited by the Ministry Online against the Expression of Interest (EOI) issued by the Ministry, from time to time, keeping in view the availability of budget. The Committee also note the reply of the Ministry, that they have approved 68 Projects in 2017-18 and only 12 Projects have been completed since the inception of the Scheme. This shows non-satisfactory planning by the Ministry as also the non-satisfactory implementation.

The Committee also observe that for 2020-21, Rs. 56.69 Crore was allocated and the Actual Expenditure was Rs. 48.47 Crore which is 85.50% and the reason for under-utilization during 2020-21 was perhaps inadequate eligible proposals under SCSP and TSP. For 2021-22, Rs. 53.90 Crore was allocated and as on 14.02.2022 spending was merely Rs. 34.25 Crore and the reason for under-utilization is 3rd SDG awaited. The reason furnished by the Ministry is not correct because supplementary DFG will give additional funds only.

The Committee feel that in the restructure components of PMKSY during the 15th Finance Commission Cycle, the Agro Processing Cluster (APC) Scheme should be given impetus and boost by finding solutions to the challenges/hurdles and the Scheme should be implemented in all villages of the country.

The Committee, therefore, recommend that the Ministry should try to implement this Scheme in a war footing-scale by scrupulously adhering to the time limit for setting up of the Projects in this Scheme.

The Committee would like to be informed of the action taken in this regard.

Food Safety and Quality Assurance in Infrastructure Scheme
Recommendation No. 11

The Scheme for setting up/up gradation of Food Testing Lab is since 2005 with the rationale to support the Food Safety Regulatory activities of the Food Processing Sector and to keep the Food Processing Industry in regard to quality control measures. A Grant @ 50% / 70% of equipment in general/difficult areas for Private Projects and 100% for Public Sector. So far, 175 Labs have approved, 119 are completed and 56 are under implementation.

The Committee also note that Ministry provides Financial Assistance for setting up/upgradation of Food Testing Laboratories across the country based on their commercial viability and requirement of Food Processing Industries in the

catchment area. The catchment area of a Food Testing Laboratory may cover multiple administrative districts. So far, Ministry has provided Financial Assistance to 175 Laboratory Projects in various districts of the country.

The Committee further note that during the PowerPoint Presentation made during evidence session on 23.02.2022 with regard to implementation of this Scheme, it is stated that the Scheme discontinued/merged in 15th Financial Commission Cycle. The Committee note that in order to ensure that food is wholesome, hygienic and healthy, there is a need to have infrastructure for testing of food products in each intermediate Panchayat/Block/Taluka levels in the Country.

Research & Development
Recommendation No. 12

The objective of the scheme is that end product/outcome/findings of R&D work should benefit food processing industry in terms of product and process development, efficient technologies, improved packaging, value addition etc. with commercial value along with standardization of various factors viz. additives, colouring agents, preservatives, pesticide residues, chemical contaminants, microbiological contaminants and naturally occurring toxic substances within permissible limits. For Government Organizations/Institutions/Universities, grant in aid is given for 100% of cost of equipment, consumables, manpower, TA/DA(up to Rs.1 lakh) and institutional charges (10% of the project cost subject to max. of Rs.3 lakh or Rs.5 lakh for non-academic and academic organizations respectively) specific to the project of specified duration for maximum of three years. No assistance will be provided for already existing equipment. For private organizations/institutions/universities, grant is given to the tune of 50% of equipment cost in general areas and 70% in the difficult areas like the States/UTs of J&K, Ladakh, Himachal Pradesh, Uttarakhand, Sikkim, North-Eastern States,

Andaman & Nicobar Islands, Lakshadweep, and integrated Tribal Development Projects (ITDP) areas.

The Scheme for Research and Development started by the Ministry during 9th Plan (1997-2002). Since, inception of the scheme during 9th Plan to 11th Plan the scheme was directly implemented by Ministry. During 12th Plan Period, the scheme was implemented through Science and Engineering Research Board (SERB) of Department of Science and Technology. From 1st April, 2017 onwards, the scheme is again being implemented directly by the Ministry of Food Processing Industries. The Committee further note that during the PowerPoint Presentation made during evidence session on 23.02.2022 with regard to implementation of this Scheme, it is stated that the Scheme discontinued/merged in 15th Financial Commission Cycle. The Committee feel that R&D Scheme is intended to create a shelf of technologies and innovative products and processes for commercialization by the Food Processing Industry. New products entering the market may raise the safety and nutritional status of food items.

The Committee, therefore, recommend that the Ministry should try to implement this Scheme in each 750 Districts of the Country in a time bound manner.

Promotional Activities
Recommendation No. 13

The scheme is aimed at creating awareness among various stakeholders on plan, policy & programmes of the Ministry and the various schemes of Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) and its components being implemented by the Ministry through advertisement and publicity material, print, audio-visual media, social media platforms, electronic media like website, development of software, etc., to encourage investment for the development of food processing sector by extending financial support for organizing / co-sponsoring / sponsoring /

participating in an event such as national / international fair, exhibition, roadshow and / or logo support on non-financial terms etc. and the focus areas of the scheme are processing, storage, packaging, marketing & retailing of food products and food ingredients. The Committee further note that during the PowerPoint Presentation made during evidence session on 23.02.2022 with regard to implementation of this Scheme, it is stated that the Scheme discontinued/merged in 15th Financial Commission Cycle.

The Committee feel that in order to create awareness about the potential and prospect of Food Processing Industry in the country, the Ministry is doing Promotional Initiatives which will ultimately lead to Development of Food Processing Industries. The Committee, therefore, recommend that the Ministry should make awareness and implement this Scheme in each local language of the respective States and Union territories.

Skill Development
Recommendation No. 14

The aim of the scheme is to provide sector specific skilled workforce from floor level workers, operators, packaging and assembly line workers to quality control supervisor etc. and to meet the skilled Human Resources requirement in food processing sector. Under the scheme, Grant-in-Aid is provided to the eligible Institutions/ organizations up to a maximum of ₹5.00 lakhs per QP for development of training module both in print Multi-media for each job role. Up to a maximum of ₹0.50 lakh per QP is available for the translation of already developed training modules in recognized regional languages as per 8th schedule both in print and Multi-media for each job role. Grant-in-Aid is provided at the rate of 50% of cost of plant & machineries required for NSDA/NSDC validated training module subject to a maximum of ₹15 lakhs per training module limited to a maximum of 5 training

modules per Training Centre. The Grant-in-Aid is released by the Ministry to eligible institutions/organizations in two equal instalments i.e. 50% advance and remaining 50% after the plant machinery has been purchased and installed by the Institute/organization. The 1st operational guidelines of the Scheme was issued on 29.11.2017.

Under the scheme, a total of 27 projects have been approved by the Ministry under the Scheme. 26 Projects are for creation of infrastructure in Food Processing Skill Training Centres, out of which 17 projects have been completed, whereas 1 project approved for development/translation of course curriculum for 13 Food Processing Job Roles has also been technically completed and submitted to the Ministry. The Committee further note that during the Power Point Presentation made during evidence on 23.02.2022 with regard to implementation of this Scheme, it is reportedly has been discontinued/merged in 15th Financial Commission Cycle. The Committee feel that in order to develop socially and economically disadvantaged people in India, there is an urgent need to develop their capacity through skills. Therefore, the Committee recommend that the Ministry should try to revamp and implement this Scheme vigorously.

Operation Greens
Recommendation No. 15

In pursuance to budget announcement for the year 2018-2019, MoFPI has launched a new central sector scheme “Operation Greens - A scheme for integrated development of Tomato, Onion and Potato (TOP) value chain “with a budgetary allocation of Rs. 500 crore. The scheme envisages to promote Farmer Producers Organizations (FPOs), agri-logistics, processing facilities and professional management.

As per scheme guidelines, the scheme has two-pronged strategy as under: -

(a) Short term: Price stabilization measures (Transportation & Storage – 50% subsidy):- During the glut situation at the time of harvest, evacuation of surplus production from the producing area to the consumption centres will be undertaken. NAFED has been appointed as Nodal Agency for short term price stabilization measures. Also transportation subsidy for all fruits and vegetables under the scheme was extended to Kisan Rail Scheme with effect from 12.10.2020 and the scope of short-term measures under Operation Greens scheme was extended from TOP to TOTAL (41 notified fruits and vegetables) w.e.f. 11.06.2020 as a part of Aatmanirbhar Bharat Package announcement by Hon'ble Finance Minister due to supply chain disruption amid Covid pandemic, based on SFC recommendation, by Minister on 10.06.2020. A total expenditure of Rs. 84.37 Crore has been incurred towards transportation/ storage subsidy through direct claims settled by Ministry of Food Processing Industries, Kisan Rail and NAFED.

(b) Long term: value chain development projects (grant @ 35%-50% {70%for FPOs & SC/ST} of eligible project cost subject to max. Rs. 50 Cr):-

Projects will be implemented in selected clusters for each TOP crops in major producing States for development of integrated value chain. Farmers in the production clusters will be organized into FPOs to manage production, post-harvest activities, value addition and marketing of the TOP produce. In pursuance of Budget announcement 2021-22, the scope of long term strategy is going to be expanded from TOP to 22 perishables. The Committee note that out of 42 proposals received since the launch of this Scheme, 28 were found to be deficient and ineligible under the Scheme, 11 proposals were approved and 3 are under evaluation process. Out of 11 approved proposals, 3 were withdrawn by the promoters, 2 were cancelled and 6 Projects are under implementation at various stages and out of these, 2 Projects are likely to be completed by March, 2023.

The Committee are dismayed to note that even after 3 years of introduction of this Scheme, there is not much progress and only 2 Projects are likely to be completed by March, 2023. The Committee feel that with such a slow progress the very objective of the Scheme gets diluted as till date grower of fruits and vegetables are forced to make distress sale when there is surplus production or not able to store their perishable produce due to lack of cold storage.

The Committee, therefore, recommend that the Ministry should find a strategy without any loss of time to organize marketing of Tomatoes, Onion and Potatoes and all the fruits and vegetables notified in the TOP to TOTAL Scheme by connecting farmers with consumers by involving the respective State Agriculture and other Marketing Federations, FPO, Cooperatives Companies and Self-Help Groups. The Committee feel this will not only help to prevent the loss of perishable produce but also increase the income of the farmers and the objective of doubling of farmers income can be achieved.

Production Linked Incentive Scheme (PLIS)
Recommendation No. 16

The Committee note that the Union Cabinet in its Meeting held on 31.03.2021 approved another Central Sector Scheme, Production Linked Incentive Scheme (PLIS) for Food Processing Industry to support creation for Global Food Manufacturing Champions commensurate with India's natural resource endowment and support Indian brands of food products in the international market with an outlay of Rs. 10,900 Crore. The Production Linked Incentive Scheme (PLIS) has been formulated based on the Production Linked Incentive Scheme of NITI Aayog under 'Aatma Nirbhar Bharat Abhiyan' for enhancing India's manufacturing capabilities and increasing exports. The Scheme has been planned to be implemented over a period of six years, from 2021-22 to 2026-27, in all States and

Union territories of the country. The Committee also note that an amount of Rs. 10 Crore has only been kept for 2021-22 and Rs. 1022 Crore have been kept in BE (2022-23).

The Committee further note that the First Component of this Scheme related to incentivizing manufacturing of four major food product segments viz. Ready to Cook, Ready to Eat (RTC/RTE) foods. The Second Component relates to production of innovative organic products of Small and Medium-size Enterprises (SMEs). The third component relates to support for Branding and Marketing abroad to incentivize emergence of strong Indian brands for in-store branding, shelf space renting and marketing. Further, the Committee note that the Ministry had invited Expression of Interest (EOI) proposal for availing incentives under the Scheme. The Committee also note that a total of 274 applications were received from the Food Processing Industries under the Scheme of which 91 were received under Category I (Sales based incentives), 89 under Category II (Organic/Innovative products) 94 under Category III (Branding & Marketing Expenditure abroad). A total of 60 applications under Category I, 12 applications under Category II and 71 applications under Category III were selected. The Committee also note that with the implementation of this Scheme may facilitate expansion of processing capacity to generate processed food output of over Rs. 33,000 Crore and create employment for nearly 2-5 Lakh person by the year 2026-27.

The Committee find that the Ministry has fixed very ambitious targets under the Scheme, therefore recommend that the Ministry should implement the Scheme with all seriousness and achieve the objectives for achieving full potential of this Sector by improving the competitive strength of Indian Companies as compared to their Global Counterparts in terms of scale of output productivity, value addition

and their linkages with the global value chain. The Committee would like to be informed of the action taken on this regard.

Prime Minister - Formalization of Micro Food Processing Enterprises (PMFME)
Recommendation No. 17

The Committee note that as a part of Aatmanirbhar Bharat Abhiyan launched during 2020-21, the Ministry of Food Processing Industries has launched an all India Central sponsored 'Prime Minister Formalization of Micro Food Processing Enterprises' Scheme for providing financial, technical and business support for upgradation of existing Micro Food Processing Enterprises. The Union Cabinet on 20th May, 2020 approved the Scheme with an outlay of Rs. 10,000 Crore for providing Credit Linked Subsidy to 2 Lakh Micro Food Processing Units across the country. There is an One District One Product (ODOP) approach to reap the benefits of scale in terms of procurement of inputs, availing common services and marketing of products. The Scheme aims to provide the framework for Value Chain Development and alignment of support infrastructure. The Products Selected are either a perishable agro-produce, cereal based product in a district and their allied sectors. This Scheme aims to provide support to existing Individual Micro Units for capital investments. New units for both individual and groups would be supporter of ODOP Products. The Scheme envisages strengthening Backward and Forward Linkages, provision of common facilities, incubation centers training, R&D, marketing and branding provision which would primarily be for ODOP products. Further, the Committee note that the Ministry has constituted Joint Committee with Ministry of Agriculture & Farmers Welfare to align the products selected under ODOP. Ministry of Agriculture & Farmers Welfare has finalized its list of One District One Focus Product (ODOFP) aligned with ODOP of PMFME. Ministry of Agriculture & Farmers Welfare will support ODOFP aligned with 710 approved ODOP from its

ongoing Centrally Sponsored Scheme. Further under PMFME Scheme, intervention of 75 incubation centers have been approved with an outlay of Rs. 200.06 Crore across 25 States/Union territories in 40 ODOP. A grant of Rs. 2.75 Crore is provisioned for establishment of processing lines in ODOP and allied product lines. The Ministry has recently approved guideline for setting up of Mini Incubation Centers for ODOP and perishable product @ Rs. 60 Lakhs grant. The Ministry has signed MoU with the National Agricultural Cooperative Marketing Federation of India (NAFED) and the Tribal Cooperative Marketing Development Federation of India (TRIFED) for providing marketing and branding support for the products identified under the Scheme. 7 ODOP brands have only been launched by the NAFED. So far, 486 Master Trainers, 603 District Level Trainers, 749 District Resource persons and 1203 Beneficiaries have only been trained since the inception. The support for Seed Capital @ Rs. 40,000 Crore per SHG Member of SHG is provisioned for working capital and purchase of small tools. As on date, data of 88,564 Seed Capital Applications is projected for the amount of Rs. 265.84 Crore in National Rural Livelihood Mission (NRLM). Out of this, 55,878 applications have been recommended for the amount of Rs. 163.10 Crore to State Nodal Agency (SNA) for release of Seed Capital and till date SNA's have released an amount of Rs. 129.40 Crore to State Rural Livelihood Mission (SRLM) for 46,644 SHG members.

The Committee also note that some of these food categories are currently within the ambit of Agricultural Processed Food Products Export Development Authority (APEDA) & Marine Product Exports Development Authority (MPEDA). Performance of PMFME during 2021-22, so far in BE (2021-22) Rs. 500 Crore has been allocated and in RE (2021-22) Rs. 399 Crore has been allocated and Rs. 280.21 Crore is the Actual Expenditure till 14.02.2022. Rs. 110 Crore need to spent by the Ministry in the last 45 days of the Financial Year (2021-22).

The Committee also note that only 7 products have been identified in one year. At this pace the Committee feel it may take the Ministry 107 years to cover all the 750 Districts of the Country. The Committee, therefore, recommend the Ministry to speed up the implementation of the Scheme in all the 750 Districts within the next five years.

NEW DELHI;
22 March, 2022
01 Chaitra, 1944(Saka)

P.C. GADDIGOUDAR
Chairperson,
Standing Committee on Agriculture,
Animal Husbandry and Food Processing

**Standing Committee on Agriculture, Animal Husbandry and Food Processing
(2021-22)**

Minutes of the Thirteenth Sitting of the Committee

The Committee sat on Wednesday, the 23rd February, 2022 from 1600 hours to 1715 hours in Committee Room 'C', Ground Floor, Parliament House Annexe, New Delhi.

Present

Shri P.C. Gaddigoudar, Chairperson

Members

Lok Sabha

2. Shri Devendra Singh 'Bhole'
3. Shri A. Ganeshmurthi
4. Shri Kanakmal Katara
5. Shri Devji Mansingram Patel
6. Smt. Shardaben Anilbhai Patel
7. Shri Bheemrao Baswanthrao Patil
8. Shri Pocha Brahmananda Reddy
9. Shri Rajiv Pratap Rudy

Rajya Sabha

10. Smt. Ramilaben Becharbhai Bara
11. Shri Kailash Soni
12. Shri Ram Nath Thakur

Secretariat

1. Shri Shiv Kumar – Joint Secretary
2. Shri Sundar Prasad Das – Director
3. Shri Prem Ranjan – Deputy Secretary

Witnesses

Ministry Of Food Processing Industries

S. No.	Name of the Representatives	Designation
1.	Ms Anita Praveen	Secretary
2.	Shri Shashi Ranjan Kumar	Additional Secretary & FA
3.	Shri Minhaj Alam	Joint Secretary
4.	Shri Atul Saxena	Joint Secretary
5.	Shri Binod Kumar	CCA
6.	Shri Kuntal Sensarma	Economic Advisor
7.	Shri Ashok Kumar	Sr. Consultant
8.	Dr. Chindi Vasudevappa	Director, NIFTEM (Kundli), Haryana

2. At the outset, the Chairperson welcomed the Members of the Committee to the Sitting convened for taking evidence of the representatives of Ministry of Food Processing Industries - in connection with the examination of the Demands for Grants (2022-23). Thereafter, the representatives of Ministry of Food Processing Industries were called in. After welcoming the representatives of the Department to the Sitting, the Chairperson apprised them of the provisions of the Direction 58 of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

3. After the witnesses introduced themselves, a Power-point Presentation was made and the Committee was briefed about the Schemes and Programmes of the Ministry as also about its Budget Proposals and utilisation. The Chairperson and the Members of the Committee raised several issues/points as briefly mentioned below:-

- I. Need for early implementation of Pradhan Mantri Kisan Sampada Yojana all over the country;
- II. Need for early implementation of One District One Product (ODOP) Scheme in respect of the proposals received from all the State Governments;

- III. Need for setting-up of Cold Storage in remote corners of rural areas;
- IV. Farmers should at least get Minimum Support Price (MSP) for their produce;
- V. Need to make more processed products of Potato, Tomato and Onions to prevent the wastage on account of surplus production be prevented;
- VI. Need to adopt the method of crop planning to minimize Post-Harvest Loss;
- VII. Need for attracting investment from SC/ST people in Honey Cultivation;
- VIII. Need for market assurance to farmers for his agricultural produce;
- IX. Need for expediting Credit Support for individual application received in Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme;
- X. Need for exploring the possibility of having Single Window System for implementation of Schemes especially for Women Entrepreneurs;
- XI. Need to make Micro Food Parks at the district level which are more accessible to the farmers;
- XII. Need to allocate funds for Welfare of SC/ST and other disadvantaged class.

4. The Representatives of the Ministry responded to the queries raised by the Members. The Chairperson, then, thanked the witnesses for sharing valuable information with the Committee on the Subject and directed them to furnish the requisite information on the points/items, which were not readily available with them to the Secretariat by **28th February, 2022**, positively.

The Committee then adjourned.

**Standing Committee on Agriculture, Animal Husbandry and Food Processing
(2021-22)**

Minutes of the Fourteenth Sitting of the Committee

The Committee sat on Tuesday, the 22nd March, 2022 from 1500 hrs. to 1530 hrs. in the Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.

Present

Shri P.C. Gaddigoudar – Chairperson

Members

Lok Sabha

2. Shri Horen Sing Bey
3. Shri Kanakmal Katara
4. Shri Abu Taher Khan
5. Shri Mohan Mandavi
6. Shri Devji Mansingram Patel
7. Smt. Shardaben Anilbhai Patel
8. Shri Shrinivas Dadasaheb Patil
9. Shri Pocha Brahmananda Reddy
10. Shri Mohammad Sadique
11. Shri Virendra Singh

Rajya Sabha

12. Smt. Ramilaben Becharbhai Bara
13. Shri Kailash Soni
14. Shri Ram Nath Thakur

Secretariat

- | | | | |
|----|------------------------|---|------------------|
| 1. | Shri Shiv Kumar | – | Joint Secretary |
| 2. | Shri Sundar Prasad Das | – | Director |
| 3. | Shri Prem Ranjan | – | Deputy Secretary |

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

*(i) XXXX XXXX XXXX XXXX XXXX

*(ii) XXXX XXXX XXXX XXXX XXXX

*(iii) XXXX XXXX XXXX XXXX XXXX

*(iv) XXXX XXXX XXXX XXXX XXXX

(v) Draft Report on 'Demands for Grants (2022-23)' of the Ministry of Food Processing Industries; and

*(vi) XXXX XXXX XXXX XXXX XXXX

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

The Committee then adjourned.

*Matter not related to this Report