

MINISTRY OF FOOD PROCESSING
INDUSTRIES

GOVERNMENT OF INDIA

BACKGROUND MATERIAL FOR
ECONOMIC EDITORS' CONFERENCE

ON

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SALIENT ACHIEVEMENTS OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES

1. Scheme for Infrastructure Development

To fulfil the need for creation of integrated and holistic infrastructure for food processing sector, Ministry of Food Processing Industries (MOFPI) had launched new Schemes in 11th FYP with strong focus on creation of modern enabling infrastructure to facilitate growth of food processing and creation of an integrated cold chain mechanism for handling perishable produce. Under the initiatives of MOFPI for strengthening infrastructure in agro and food processing sector, it had launched the Mega Food Parks Scheme, Scheme for Cold Chain, Value Addition and Preservation Infrastructure and Scheme for Modernization of Abattoirs in the 11th Five Year Plan.

(i) Mega Food Parks Scheme

The Mega Food Parks Scheme (MFPS) is the flagship program of the Ministry of Food Processing Industries (MFPI) during the 11th five year plan. The scheme aims to accelerate the growth of food processing industry in the country through facilitating establishment of strong food processing infrastructure backed by an efficient supply chain.

The Mega Food Parks Scheme provides for a capital grant of 50 percent of the project cost in difficult and ITDP notified areas (with a ceiling of Rs 50 crores). The grant shall be utilized towards creation of common infrastructure in CPC and PPCs in the park. Such facilities are

expected to complement the processing activities of the units proposed to be set up at the CPC in the Park. Each Mega Food Park may take about 30-36 months to be completed.

Out of 30 Mega Food Parks proposed during the 11th five year plan, the Ministry has taken up 15 projects under the Scheme so far. Of this, Final approval has been accorded to 8 Mega Food Parks in the States of Andhra Pradesh, Punjab, Jharkhand, Assam, West Bengal, Uttarakhand, Tamil Nadu and Karnataka. The cumulative project cost of these 8 Parks is Rs. 930 crore which includes total grant assistance of Rs.500 crore under the Scheme. In-principle approval has been accorded to remaining 7 projects. In addition to these, 15 new Mega Food Parks are in the process of Government approval.

(ii) Scheme for Cold Chain, Value Addition and Preservation Infrastructure

The Task Force on Cold Chain set up by the Ministry of Agriculture has identified a huge gap of 9 to 10 million tonnes of cold storage capacity in the country.

Ministry of Food Processing Industries through its Scheme for Cold Chain, Value Addition and Preservation Infrastructure has been successfully addressing the above issue. The Scheme was approved in 2008 with an objective to provide integrated and complete cold chain, value addition and preservation infrastructure facilities without any break, for perishables from the farm gate to the consumer. The assistance under the Scheme includes financial assistance (grant-in-aid) of 50% the total cost of plant and machinery and technical civil works in General areas and 75% for NE region and difficult areas subject to a maximum of Rs 10 crore.

In the first phase, the Ministry has approved 10 integrated cold chain projects in 2008-09, which are already being implemented in different parts of the country. Out of the 10 projects, 8 have started commercial operation. Substantive value addition, reduction in wastage and enhancement in farmers' income is evident from concurrent evaluation of the projects.

In the 2nd phase, 39 projects have been approved. The approved projects envisage a total investment of about Rs. 850 crore which would be creating cold chain capacity of about 1.60 lakh MT.

Taking note of the high demand and the gap in the requirement of cold storage, processing, preservation and cold logistics facilities in India, the Ministry is planning to upscale the Scheme and Planning Commission has already accorded 'In-principle' approval for the same.

(iii) Modernization of abattoirs

Ministry has approved 10 projects in 1st phase which are at various stages of progress. Two projects have been completed. A proposal for up-scaling the scheme is under consideration.

2. Scheme for Technology Upgradation/Establishment/Modernization of Food Processing Industries.

Under the Scheme for Technology Upgradation/ Establishment/ Modernization of Food Processing Industries, financial assistance is provided in the form of grants-in-aid for setting up of new food processing units as well as Technological Upgradation and Expansion of existing units in the country. Ministry extends financial assistance in the form of grant-in-aid to entrepreneurs @ 25% of the cost of Plant & Machinery and Technical Civil Works subject to a maximum of Rs.

50 lakhs in general areas or 33.33% subject to a maximum of Rs. 75 lakhs in difficult areas.

The implementation process of the Scheme has been made more transparent and decentralized from 2007 onwards.

Earlier all the applications for such grants were received by the Ministry through the State Nodal Agencies. These applications were then centrally processed and grants disbursed directly by the Ministry. From 2007-08, the receipt of applications, their appraisal, calculation of grant eligibility as well as disbursement of funds has been completely decentralized. Under the new procedure, an entrepreneur/applicant can file application with the neighborhood Bank branch/Financial Institution (FI). The Bank/FIs would then appraise the application and calculate the eligible grant amount as per the detailed guideline given to them by the Ministry. The Banks/FIs appraise project and its recommendation for the release of grant is transmitted to the Ministry through e-portal established for this purpose. After the recommendation and requisite documents are received from the Bank/FIs, the Ministry sanctions the grant and transfer the funds through the e-portal itself. This has resulted in faster sanction procedure and enlarged outreach of the Scheme.

In the 11th Five Year Plan a total allocation of Rs. 600 crores was provided. Out of total allocation, an amount of Rs 488.51 crore has been received so far including Rs.98 crore BE of 2011-12. Ministry has utilized almost the entire budget allocated under this scheme (except NER) and has assisted 2532 Food Processing Units so far.

Ministry has taken initiatives to create awareness in the industry/entrepreneurs by advertisements, organizing investors meet and special meetings in NER. In so far as general areas are concerned, the Ministry has been continuously reviewing the status and organizing meetings with the focal point banks on a quarterly basis. Ministry has also engaged an agency (CMI) to maintain the data and to monitor the scheme closely. Under this arrangement, the details of all the pending applications along with their present status has been put in the public domain on the website of the Ministry. Any applicant can find out current status of his application by clicking on to “<http://www.mofpi@nic.in>” e-portal-status of applications OR “<http://cmi/mofpi/status>”.

This scheme has added huge processing capacity to the food processing industry which in turn has resulted in significant reduction of wastages.

3. Quality Assurance, Codex Standards and Research & Development and Promotional Activities

In today’s global market quality and food safety gives a competitive edge for the enterprises producing processed foods and providing services. Apart from domestic standards for food products, processes and management practices, Codex prescribes international standards for safety and quality of food as well as codes of good manufacturing practices, which are accepted worldwide. Further, equal emphasis is required to be accorded to R&D activities for development of innovative products, cost effective processes and efficient technologies for food processing sectors. The scheme for food

safety, codex and R&D has been successful in making a dent in this area in the country. The scheme comprises of following components.

- (i) Setting up/Upgradation of Food Testing Laboratories (maximum grant Rs. 2.50 crore per project). (22 projects assisted in XI Plan so far)
- (ii) Implementation of HACCP / ISO / GMP / GHP / Safety Management System in food processing units (maximum grant Rs. 15.00 lakh / Rs. 20.00 lakh per project in general area / difficult area). (18 Projects assisted in XI Plan so far).
- (iii) Research & Development in food processing sector. (40 projects assisted in XI Plan so far)
- (iv) Promotional activities including advertisement & publicity. (Rs. 46.78 crore spent in XI Plan so far)

4. Human Resource Development:

The Food Processing Industry is critical to India's development as it establishes a vital linkage and synergy between the two pillars of the economy –Industry and Agriculture. Demand for trained manpower including entrepreneurs, managers, technologists, skilled workers to cater to the growing needs of the food processing industry is increasing day-by-day. Besides latest technology & diversification and new ways of managing and marketing is required by the existing food processing industry to face global competition.

- (i) Creation of infrastructural facilities for running degree/ diploma courses in food processing (maximum grant Rs. 75.00 lakh per project). (33 projects approved in XI Plan so far)

- (ii) Entrepreneurship Development Programmes (EDP) (maximum grant Rs. 2.00 lakh per programme). 846 EDPs assisted during 11th Plan so far.
- (iii) Setting up of Food Processing Training Centres (FPTC) (maximum grant Rs. 6.00 lakh / Rs. 15.00 lakh per project for single line/multi line products). (140 Centres assisted in XI Plan so far)
- (iv) Training at recognized national / state level institutes etc. sponsored by MFPI or other training programme.

During 11th Five Year Plan, the Ministry is expected to provide assistance for setting up of about 270 FPTCs, organize 750 EDPs and facilitating need based professional development training programmes. In addition about 55 Universities/Colleges/Institutions would be assisted for creating infrastructure facilities for degree/diploma courses in food processing.

V. Strengthening of Institutions

(i) Indian Institute of Crop Processing Technology - A National Institute with International Repute

Indian Institute of Crop Processing Technology is a world class R&D and Educational Institute under the Ministry of Food Processing Industries, Government of India. The mandatory activities of IICPT are teaching, research and outreach activities in post harvest processing, preservation and value addition of agricultural and horticultural produces. IICPT and its scientists are experts in their own fields of research. IICPT has created in its main campus at Thanjavur world class

research laboratories for conducting research in different areas of food processing technologies.

IICPT focuses research in major theme areas to address problems like: development of indigenous technology knowledge based food, composite grains foods, energy saving in parboiling, improving milling techniques of cereal grains, pulses, oil seeds and millets, food processing effluent treatment, creating ready to use dry mix fermented batter for idly and other Indian foods, new food product development based on grains, fruits and vegetables, fortification of processed foods for making health foods at affordable prices, development of new equipments for puffing, multipurpose yard drying, parboiling, for producing hand pound rice, reducing storage losses, economic utilization of biomass, food industries by-product and waste utilization.

To encourage new entrepreneurs to participate in the business of food processing and value addition, they have to be technically trained by providing hands-on experiences. They need to see and work for themselves on processing and value addition of foods. To fulfill all the basic needs, IICPT has created a Hi-tech, state of the art food processing incubation cum training center in its campus with the different product lines. It has also been offering consultancy services for the industry.

Considering the necessity for the growth of food processing sector and food processing industries and the future demands for trained manpower in the areas of food processing, the Institute began offering formal degree courses at bachelors, masters and doctoral levels in food process engineering from 2009 – 10 academic year.

Some of the major achievements of IICPT in the last four years have been as under:-

- (i) Filed 11 patents and got 4 patents approved.
- (ii) Developed Mobile Processing Unit for Tomatoes.
- (iii) Conducts approx 320 one day outreach programme for farmers all over the country.
- (iv) Developed 10 new products and done their commercial testing.
- (v) Established a Food Testing Lab of International Standards at Thanjavur.

(ii) National Meat and Poultry Processing Board

The Government of India established the National Meat and Poultry Processing Board on 19th Feb 2009.

The Board is an autonomous body and would initially be funded by the Government of India for 3 years and would be managed by the industry itself. The Board has 19 Members including CEO of the Board. The Chairman is from the industry.

This industry driven institution has been launched to work as a National hub for addressing all key issues related to Meat and Poultry processing sector for the systematic and proper development of this sector. The Board serves as a single window service provider for producers/manufacturers and exporters of meat and meat products, for promoting the meat industry as a whole and it would result in large number of employment opportunities.

Some of the major achievements of the Board in last two and half years are:

- (i) Establishing a world class Meat Products testing lab.

- (ii) Conducting nearly 40 one day training programmes every year for meat workers (Butchers) all over the country.
- (iii) Developing a model for a modern meat shop.
- (iv) Arranging two National Conferences and five experts meet.

(iii) Indian Grape Processing Board

The Union Government in 2009 gave its approval for the establishment of the Indian Grape Processing Board (IGPB) at Pune, Maharashtra which is close to the principal grape growing/processing areas in the country. The 15 member Board that is led by an eminent professional from the Industry has been registered under the Societies Registration Act, 1860 at Pune.

The important functions and objectives of the Board are as under:

- To focus on Research & Development, Extension, and Quality up gradation, market research and information, domestic and international promotion of Indian wine.
- To foster sustainable development of Indian Wine Industry
- To formulate a vision and action plan for the growth of Indian Wine Sector including research and development for quality upgradation in new technologies/processes.

During the two years of its existence, the Board has focused on the promotion of “Wines of India” in the domestic as well as international market by participating in important and relevant exhibitions/fairs, consumer awareness & training programmes, undertaking advocacy work with the various State Governments/ Central Ministries on various issues related to taxes/levies and promotion aspects.

(iv) National Institute of Food Technology, Entrepreneurship & Management (NIFTEM)

The Government in 2006 approved setting up of NIFTEM at an estimated cost of Rs. 244.60 crore including foreign exchange component of US \$ 8.1 million. Further, Government in April, 2011 approved revision of the estimated cost for setting up of NIFTEM from Rs. 244.60 cr to Rs. 479.94 cr.

Since the legal status of NIFTEM as a Company was creating hurdles in obtaining statutory recognition as a Deemed University from UGC for running its Academic courses, the government has approved:

- Registering NIFTEM as a Society.
- Transfer all assets & liabilities from the Company to the Society
- Winding up of NIFTEM Company.

In pursuance of above decision NIFTEM Society has been incorporated on 19.05.2010. Its Assets & Liabilities have been transferred from the Company to the Society w.e.f 11.11.2010. The winding up process of the Company has been initiated.

NIFTEM's Mandate

NIFTEM would work as –Sector Promotion Organisation/ Business Promotion Organisation of the food processing sector. The other major objectives of NIFTEM are:

- Working as a –One Stop Solution Provider to all the problems of the sector.

- Working for –Skill Development and Entrepreneurship Development for the sector.
- Facilitating business incubation services with its ultra modern pilot plant for processing of fruits and vegetables, dairy, meat and grain processing.
- Conducting Frontier Area Research for development of the Sector.
- Developing world class managerial talent with advanced knowhow in food science and technology.
- Providing intellectual backing for regulations which will govern food safety and quality and at the same time foster innovation.
- Functioning as a knowledge repository on various aspects of food processing such as product information, production and processing technology, market trends, safety and quality standards, management practices among others.
- Working for upgradation of SME food processing clusters.
- Facilitating business incubation services with its ultra modern pilot plans for fruit and vegetables, dairy, meat and grain processing.
- Promoting cooperation and networking among existing institutions within India and as well as with international bodies.

Construction of the campus, recruitment of faculty and other steps to make the Institute fully functional from the next year are being taken.

NIFTEM Website

The NIFTEM website is registered under the domain name niftem.ac.in with the URL address www.niftem.ac.in for public access.

Skill Development: Short term Training Programmes

NIFTEM started its activities under Skill Development by conducting the short term training programmes from 20th -22nd July'2011 and 19th - 21st September, 2011.

Outreach programmes: NIFTEM has also been conducting nearly 20 outreach programmes every year all over the country with the help of its knowledge partners.
