

Outcome Budget 2014-15

Demand No. – 46

Ministry of Food Processing Industries

Executive Summary

The Outcome Budget is an attempt to reflect the physical dimensions of the financial budgets by fixing targets and quantifying deliverables for each Scheme.

The Outcome Budget 2014-15 of the Ministry of Food Processing Industries under various Chapters discusses the Ministry's mandate and key activities, the Statement of 'outlays' and projected 'outcomes' for the financial year 2014-15 in respect of the six Plan Schemes implemented by the Ministry of Food processing Industries, as also their past performance. The fiscal incentives and policy initiatives taken from time to time, to promote investment in the food processing sector such as relief provided under the Income Tax, Customs Duty, Excise Duty etc. are also described. Several steps taken for bringing about simplification, transparency and e-governance/use of technology for fast tracking implementation, and monitoring the projects/implementation of schemes under the Ministry are also detailed. The Document also contains a financial review over the last three years.

The total budgetary allocation for the Ministry of Food Processing Industries under BE 2014-15 is ₹785.86 crore, out of which ₹ 770.00 crore is for Plan expenditure and ₹ 15.86 crore for Non-Plan. Under the 12th Five Year Plan, the following major Plan Schemes are being implemented by the Ministry:

➤ Scheme for Infrastructure Development - comprising of three components i.e.

i) Mega Food Parks (MFP)

The scheme provides state of the art infrastructure facility to enable setting up of food processing units. It follows a cluster based approach and ensures back ward and forward linkages. Out of 18 projects accorded final approval, 2 are partially operational and 3 projects are likely to be completed by 2014-15. Each MFP is expected to benefit 6000 farmers/producers directly and 25,000-30,000 farmers indirectly. An amount of ₹ 405.23 crore has been released under the scheme up to 2013-14.

ii) Cold Chain, Value Addition and Preservation Infrastructure

The scheme provides assistance for developing integrated and complete cold chain and preservation infrastructure facilities from the farm gate to the consumer. Out of 121 projects approved, 40 have been completed and 81 are under implementation. These 121 projects are expected to create a capacity of 400264 MT of CA/MA//normal cold storage / frozen stores, 668 nos. of refrigerated carriers, 97.8 MT per hours of IQF capacity and 107.57 LLPD of milk

processing/storage. A cumulative amount of ₹ 341.93 crore has been released under the scheme till 30/6/2014. Out of this, ₹ 58.68 crore has been released in this financial year till 30.6.2014.

iii) Setting up/ Modernization of Abattoirs

The main objective of the Scheme is to assist in setting up of modern abattoirs so as to provide scientific and hygienic slaughtering of animals, waste management and pollution control, chilling facility etc. Out of 27 abattoir projects during 11th Plan and 12th Plan, 3 projects have been completed as on 30.06.2014. 24 projects are under implementation with 2 likely to be completed this year. An amount of ₹77.19 crore has been disbursed under this scheme up to 2013-14.

Total BE 2014-15 allocation for the Scheme for Infrastructure Development is ₹ 315.00 crore which includes a provision of ₹ 36.49 crore for North East Region including Sikkim.

- Scheme for Technology Up-gradation/Establishment/Modernization of Food Processing Industries (11th Plan committed liabilities) - The objective of the Scheme is the creation of new and up - gradation of existing processing capacity in various sectors eg. milk, fruit & vegetables, meat, poultry, fishery, wine, bakery products and grain milling including cereals, oil seeds, rice milling, flour & pulses. The Scheme has been subsumed in the Centrally Sponsored Scheme – National Mission on Food Processing (NMFP) w.e.f 01.04.2012. Cases received up-to 31.03.2012 are being considered by the Ministry. Under this Scheme, ₹186.19 crore has been released to 1232 units during 2012-13, ₹162.08 crore released to 996 units during 2013-14. BE 2014-15 has been kept at ₹ 160.00 crore for meeting the committed liabilities of the 11th Plan.
- Scheme for Quality Assurance, Standards, R&D and Promotional activities. Under this scheme assistance is provided for (i) Setting up/ up-gradation of Food Testing Laboratories, (ii) Adoption of Food Safety and Quality Assurance Systems such as ISO 9000/ISO 22000/Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP) and Good Hygienic Practices (GHP), and (iii) Grant-in-aid for Research & Development for product and process development, improved packaging, value addition etc to benefit food processing industries. During 2013-14, an amount of ₹35.33 crore was released under the Scheme. The allocation for the scheme in BE 2014-15 is ₹36.00 crore. During the year 2013-14, 4 number of Food Testing Laboratory (FTL), 3 number of R&D projects were completed and 5 units were reimbursed expenditure on HACCP/ISO certification. The implementation of the Food Testing Laboratory (FTL) and the R&D components of the Scheme have been entrusted to the Indian Council of Agricultural Research (ICAR) under the Department of Agricultural Research and Education (DARE), Ministry of Agriculture and Science and Engineering Research Board (SERB) under the Ministry of Science & Technology, respectively. Proposals received up-to 31.03.2012 are being dealt with by the Ministry.
- Scheme for Human Resource Development (11th Plan committed liabilities)- The Scheme provides financial assistance by way of grants for establishing Food Processing Training Centres (FPTC), creation of Infrastructure for running Degree/Diploma courses in Food Processing by educational institutions/Universities and to conduct Entrepreneurship Development Programmes

(EDPs). During the year 2013-14 an amount of ₹ 3.78 crore was released under the Scheme towards creation of Infrastructure facilities in three universities, setting up of three FPTCs and organizing 67 EDPs. BE 2014-15 has been kept at ₹ 4.00 crore.

- Strengthening of Institutions – Under this Scheme Grants are provided for the National Institute of Food Technology, Entrepreneurship & Management (NIFTEM) at Kundli, Haryana; the Indian Institute of Crop Processing Technology (IICPT) Thanjavur, Tamil Nadu; Indian Grape Processing Board, Pune, Maharashtra; and National Meat and Poultry Processing Board, New Delhi. The expenditure incurred under the Scheme during 2013-14 amounted to ₹.72.56 crore. BE 2014-15 has been kept at ₹ 75.00 crore. The activities and performance of these autonomous bodies is reviewed at Chapter VI of the Outcome Budget.
- National Mission on Food Processing (NMFP) - This Scheme is being implemented as a Centrally Sponsored Scheme during the 12th Plan (2012-13) with an allocation of ₹ 1250 crore. ₹ 186.19 crore and ₹ 29.72 crore were released to various states during 2012-13 and 2013-14 respectively. The BE 2014-15 is ₹ 180.00 crore.

Regular reviews are held to see that there is no major slippage in the physical and financial targets. Periodic meetings are held with the State Nodal Agencies to review the progress of projects. All information from the stage of receipt of applications to the stage of disbursement of grants-in-aid are computerised to enable regular monitoring of expenditure details as well as status of processing of various applications for grants-in-aid / assistance from the Ministry under various Plan Schemes. Status of processing of applications is also made available on the website of the Ministry.

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INTRODUCTION

Food processing involves any type of value addition to agricultural or horticultural produce and also includes processes such as grading, sorting, packaging etc. which enhances shelf life of the produce. The Ministry provides vital linkages and synergies between industry and agriculture. To give an impetus to development of food processing industries in the country, Ministry of Food Processing Industries (MFPI) was set up in July 1988. Subsequently vide Notification No. Doc. CD-442/99 dated 15.10.99 this Ministry was made a Department and brought under the Ministry of Agriculture. It was again notified as Ministry of Food Processing Industries in September, 2001.

The subjects allocated to the Ministry are as under:-

- (i) Industries relating to :-
 - (a) Processing and Refrigeration of certain agricultural products like milk powder, infant milk food, malted milk food, condensed milk, ghee and other dairy products, poultry and eggs, meat and meat products.
 - (b) Processing of fish (including canning and freezing)
 - (c) Establishment and servicing of development council for fish processing industries
 - (d) Technical assistance and advice to fish processing industry
 - (e) Fruit and vegetable processing industry (including freezing and dehydration) and
 - (f) Food grains milling industry
- (ii) 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)
- (iii) Specialized packaging for food processing industry
- (iv) Beer including non-alcoholic beer
- (v) Alcoholic drinks from non-molasses base
- (vi) Aerated water and soft drinks

The Ministry of Food Processing Industries is concerned with formulation and implementation of policies and plans for the food processing industries within the overall national priorities and objectives. A strong and dynamic food processing sector plays a vital role in diversification and commercialization of agriculture, enhancing shelf life, ensures value addition to agricultural produce, generates employment, enhances income of farmers and creates markets for export of agro foods. The Ministry acts as a catalyst for bringing in greater investment into this sector, guiding and helping the industry and creating a conducive environment for healthy growth of the food processing industry. The Ministry aims at:

- Better utilization and value addition of agricultural produce
- Minimizing wastage at all stages in the food processing chain by development of infrastructure for storage, transportation and processing of agro produce.
- Induction of modern technology into the food processing industries
- Encouraging R&D in food processing for products and process development.
- Providing policy support, promotional initiative and facilities to promote value added exports.
- Create critical infrastructure to fill the gaps in the supply chain from farm to consumer.

The functions of the Ministry can be broadly classified under policy support, development initiative and promotional activities. In order to meet its objectives the Ministry of Food Processing Industries (MoFPI) has been supporting the following range of initiatives/schemes for the growth of food processing industry:

Policy Support

- (a) Formulation and implementation of policies for the food processing sector
- (b) Facilitating creation of a conducive environment for healthy growth of the food processing sector.
- (c) Promoting rationalization of tariff and duties relating to food processing sector.

Developmental initiatives

- (a) Providing assistance for creation of modern infrastructure, widening the R&D base, development of human resources to meet the growing requirement of managers, entrepreneurs and skilled workers in the food processing sector etc.
- (b) A Centrally Sponsored Scheme (CSS) National Mission on Food Processing (NMFP) has been launched during 12th Plan (2012-13) for decentralization of implementation of Ministry’s schemes, through State/ UT Governments.
- (c) Assistance for setting up of analytical and testing laboratories, active participation in the laying down of food standards and their harmonization with international standards.
- (d) To facilitate investment in the food processing sector, an Investors’ portal’ has been created. Sevottam, charter mark in service delivery for excellence has been introduced in the Ministry.

Promotional Initiatives - In order to create awareness about the potential and prospects of food processing, assistance is provided for:

- (a) Organizing Workshops, Seminars, Exhibitions and Fairs;
- (b) Studies/Surveys etc.

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FINANCIAL OUTLAYS AND OUTCOME BUDGET 2014-15

A Statement of Outlays and Outcomes for the Plan Schemes, implemented by the Ministry for the financial year 2014-15 are detailed below:-

STATEMENT OF OUTLAYS AND OUTCOMES – 2014-15

S. No.	Name of Scheme/ Programme (Plan)	Objective/ Outcome	Outlay 2014-15 (₹ in crore)		Quantifiable Deliverables/ Physical outputs	Projected Outcomes	Processes/ Timelines	Remarks/ Risk factors
			(i) Non-Plan	(ii) Plan				
1	2	3	4		5	6	7	8
1.	Scheme for Infrastructure Development	Assist in creation of infrastructure for FPI Sector :	-	120.00 (15.375 for NER)	MFP-40	This will address the issues of small farm size and small and medium nature of processing industries through a cluster approach with stakeholders managing the supply chain.	Generally 30 months from date of release of first instalment. However, Implementation depends upon land availability, finance and other logistic support.	Expression of Interest (EoI) has been invited for the vacancies/ future vacancies due to withdrawal/ cancellation and up scaling.
(i)	Mega Food Park(MFP)							
(ii)	Cold Chain Infrastructure		-	160.00 (17.745 for NER)	Cold chain -121	This will enable linking groups of producers to the processors and market through well-equipped supply chain and cold chain infrastructure. Private investment of around ₹1834.91 crore shall be attracted as against the proposed grant of ₹942.06 crore.	About 24-30 months from the date of issue of the approval letter for financial support.	Scheme of integrated cold chain, value addition and preservation infrastructure for non horticulture products has been merged as one of the components of new centrally sponsored scheme – National Mission

								on Food Processing (NMFP).
(iii)	Setting up/ Modernization of Abattoirs		-	35.00 (3.37 for NER)	Of 7 on-going projects of 11 th Plan, 2 will be completed and progress expedited in others. Approval will be given for setting up/modernization of 14 abattoirs.	This will enable scientific and hygienic slaughtering of animals and application of modern technology for slaughter waste management and pollution control. Also better hygiene, safety and retail cold chain Management will be promoted.	Implementation depends upon land availability, finance and other logistic support. The implementation period as per scheme guidelines is about 24 months from the date of approval/final approval of project unless extended by the Approval Committee.	The scheme is being implemented as Central Sector Scheme for the first two years of the 12 th Five Year Plan i.e. 2012-13 and 2013-14. Thereafter with effect from 1-4-2014 the scheme is being implemented through National Mission on Food Processing (NMFP) by the State Governments for the rest of the 12 th Five Year Plan period.
		Total		315.00 (36.49 for NER)				
2	Scheme for Technology Up-gradation, Establishment/ Modernization of Food Processing Industries	Assist up-gradation/modernization/ establishment of FPI units.	-	160.00 (16.00 for NER)	More than 1000 food processing units will be assisted	This scheme helps in setting up & modernization of food processing industries.	Food Processing Units/entrepreneurs have been assisted for enhancing food processing capacity.	The scheme is being operated through banks who are expected to confirm the current status of project when recommending disbursement of instalment.
3.	Scheme for Quality Assurance, Codex Standards, Research & Development, & other Promotional Activities.	The Scheme aims at development of food testing laboratory infrastructure, facilitating research &	-	36.00 (6.00 for NER)	R&D projects -20 FTL -10 HACCP-5	Product and process development, improved packaging and value addition leading to innovative products and processes with commercial value. Creation and	R&D & FTL projects are approved following the due procedure of scrutiny by Technical Scrutiny Committee (TSC) and approved by competent authority /	The approval of R&D projects is contingent upon receipt of viable projects from Universities / R&D institutes/ State

		development in the sector and motivate the food processing industry for adoption of food safety and quality assurance mechanisms such as TQM including ISO 9000, ISO 22000, HACCP, GMP, GHP				upgradation of food testing infrastructure and awareness about food processing sector and adoption of food safety and quality assurance mechanisms to enhance product safety and thereby protect consumer health and acceptability of products.	Project Approval Committee (PAC). R&D projects are approved for a period of three years. The implementation schedule for FTL projects is about two years. The quality assurance programmes like ISO 9000, ISO 22000, HACCP, GMP, GHP are approved following due procedure of PAC approval and grant is released as reimbursement of expenditure after obtaining the necessary certificate.	Govts./ R&D labs in private sector etc. The scheme is being implemented through Science & Engineering Research Board (SERB) under Department of Science & Technology (DST) w.e.f. 01.04.2012. The scheme of Food Testing Laboratory is being implemented through Indian Council of Agricultural Research (ICAR) under the Department of Agricultural Research and Education (DARE) w.e.f. 01.04.2012.
4.	Scheme for Human Resource Development (Committed liabilities of 11 th Plan)	To augment the supply of trained manpower/personnel at all levels in the food processing sector.	-	4.00 (0.50 for NER)	3-Degree/Diploma, 30 – EDPs and 5 – FPTCs will be assisted for committed liabilities proposals.	Enabling entrepreneurs to set up businesses relating to food processing. Availability of food technology courses for creating trained as well as skilled manpower to Food Processing Industry.	6 months after Project Scrutiny Committee recommends the proposal.	This scheme has been subsumed as one of the components of the Centrally Sponsored Scheme – National Mission on Food Processing (NMFP) in 12 th Plan.
5.	Scheme for Strengthening of Institutions (i) IICPT (Indian Institute of Crop Processing Technology)	Assist the institutions engaged in promoting FPI Sector. To develop NIFTEM & IICPT as	3.00	75.00 (0.01 for NER)	Admission of B.Tech.-180, M.Tech.-90 & Ph.D. -20 students by NIFTEM in 2014-15. Passing out of	NIFTEM to be hub of knowledge in food science, food processing, supply chain management and interface with global knowledge.		NIFTEM is a deemed to be University offering professional courses in food technology. IICPT is an institution

	(ii) NMPPB (National Meat & Poultry Processing Board) (iii) IGPB (Indian Grape Processing Board) (iv) SNA's I/C IT & Salaries (V) NIFTEM (National Institute of Food Technology Entrepreneurship & Management) (vi) Sectt Economic Services	Knowledge Centres in Food Processing offering innovative academic programmes combined with emphasis on inter disciplinary research, development of new products and processes, facilitating entrepreneurs, short term training & skill development etc.			first batch of 88 students of M.Tech. programme of NIFTEM. Admission of B.Tech. -40, M.Tech.-20 & Ph.D.-5 students by IICPT in 2014-15. Passing out of 36 students of B.Tech. and 10 students of M.Tech. programme of IICPT Short term training by NIFTEM and IICPT to 1500 persons.	Note: Continuation of IGPB and NMPPB is under consideration of the Government.		affiliated to Tamil Nadu Agricultural University. The courses offered by both Universities are approved by AICTE.
6.	National Mission on Food Processing	The basic objective of NMFP is decentralization of implementation of Ministry's schemes, which will lead to substantial participation of state governments/UTs. The NMFP contemplates establishment of National Mission as well as corresponding Missions in the state and district	-	180.00 (18.00 for NER)	Funds of ₹ 29.72 crore have been transferred to 11 States / UTs during 2013-14 towards implementation of NMFP. However, release of further grant-in-aid to States / UTs during 2014-15 will depend on the utilization of funds by States / UTs released during 2012-13 and 2013-14	This is a new CSS scheme launched during 2012-13. NMFP would facilitate flexibility in location of the projects and selection of beneficiaries. Thus greater scope for development of food processing sector in the States / UTs. NMFP is likely to reach out to a much larger number of beneficiaries through State Missions for better coverage across the regions within the States/UTs.	To assist the States in addressing both institutional and infrastructural gaps along the value chain and thus create efficient Supply Chain. Promote initiatives for Skill Development, training and entrepreneurship to meet needs of both post-harvest management & food processing industry.	

		level. NMFP is likely to improve significantly the Ministry's outreach in terms of planning, supervision and monitoring of various schemes.						
	Grand Total		3.00	770.00 (77.00 for NER)				

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REFORM MEASURES AND POLICY INITIATIVES

A number of fiscal incentives¹ are provided by Government of India for promoting investment in food processing sector. The major incentives are as under:-

1. Income Tax

Deduction in expenditure: Under Section 35-AD of the Income Tax Act 1961, deduction for expenditure incurred on investment is allowed if this investment is wholly and exclusively for the purpose of any specified business (Details given below). However, this deduction is allowed only for the investment made in the previous year and prior to commencement of its operations.

Businesses allowed 150% deduction (provided the taxpayer has commenced its business on or after 01.04.2012)

- (a) Setting up and operating a cold chain facility
- (b) Setting up and operating warehousing facility for storage of agricultural produce;

Business allowed 100% deduction

- (c) Bee-keeping and production of honey and beeswax
- (d) Setting up and operating a warehousing facility for storage of sugar

Deduction of Tax from profit: Under Section 80 IB(11A) of the Income Tax Act, 1961, new units (ie not formed by splitting up or by way of reconstruction of an existing business) in the business of processing, preservations and packaging of fruits or vegetables, meat & meat product, poultry, marine or dairy products are permitted to claim deduction from Income tax.

¹ Fiscal Incentives indicated are illustrative. Details regarding the incentives and their duty implications can be ascertained from the relevant Act and Notifications issued by the Department of Revenue, Ministry of Finance.

This tax incentive is available as 100% tax exemption for the first 5 years' of operation, and after that, at the rate of 25% of the profits being exempted from tax; 30% in case of a company. This benefit is available only for ten years provided that such business had commenced on or after 1.04.2001.

If any business relating to meat, meat products, poultry, marine products or dairy products has started after 1.4.2009, the above benefits would be available, but not to the units operating in such business before 01.04.2009.

2. Service Tax

(i) Negative List: Under Finance Act, 1994, Service Tax is not leviable on items contained in the Negative List. These services are as follow:-

Services including processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market.

(Ref. Section 66 D(d) (iii) Chapter V of the Finance Act, 1994)

(ii) Exempted category:

Ministry of Finance vide notification dated 20-6-2012 has given exemption of Service Tax for following services:-

(a) Construction, Erection, Commissioning or installation of original works pertaining to post-harvest storage infrastructure for agricultural produce including Cold storages for such purposes.

(b) Mechanized Food grain handling system, machinery or equipment for units processing agricultural produce as food stuff excluding alcoholic beverages; and

(c) Services provided by a goods transport agency by way of transportation of fruits, vegetables, eggs, milk, food grains or pulses in a goods carriage.

(d) Services of Loading, unloading, packing, storage or warehousing of agricultural produce.

(Ref. Service Tax notification No. 25/2012-Service Tax dated 20th June 2012 issued under Section 93 Chapter V of the Finance Act, 1994- Power to grant exemption from service tax.)

3. Customs Duty

(i) Government has extended Project Imports' benefits to the following projects:

(a) Projects for the installation of mechanized food grain handling systems and pallet racking systems in 'Mandis' and Warehouses for food grains and sugar;

(b) Cold storage, cold room (including for farm level pre-cooling) or industrial projects for preservation, storage or processing of agricultural, apiary, horticultural, dairy, poultry, aquatic and marine produce and meat.

Consequently, all goods related to Food Processing, imported as part of the project, irrespective of their tariff classification, would be entitled to uniform assessment at concessional basic customs duty. *(Ref. Notification No 12/2012 dated 17.3.2012)*

(ii) Customs duty on Hazelnuts has been reduced from 30% to 10%. *(Ref. Notification No 12/2013-Customs dated 1.3.2013)*

(iii) Customs Duty on De-hulled Oat grains has been reduced from 30% to 15%. *(Ref. Notification No 12/2013-Customs dated 1.3.2013)*

4. Central Excise Duty

Food Products:

In order to promote food processing industry, the Government has given concessions in Central Excise Duty from time to time.

Duty structure of some of the processed food items are as under:-

- (i) Nil Duty in Milk, Milk Products (Chapter 4), Vegetables (Chapter 7), Nuts and Fruits, fresh & Dried (Chapter 8).
- (ii) As against standard excise rate of 12%, Processed Fruits & Vegetables (Chapter 20) carries a merit rate of 2% without CENVAT or 6% with CENVAT.
- (iii) Soya Milk Drinks, Flavoured Milk of Animal origin also carries a duty of 2% without CENVAT or 6% with CENVAT.
- (iv) Excise duty on “Tapioca Starch manufactured and captively consumed within the factory of their production, in the manufacture of Tapioca Sago (Sabudana)” and excise duty on Tapioca Sago (Sabudana) has been reduced to nil in the Budget 2013-14. (*Notification No 12/2013-Central Excise 1.3.2013*)
- (v) Excise duty on machinery for the preparation of meat, poultry, fruits, nuts or vegetables and on presses, crushers and similar machinery used in the manufacture of wine, cider, fruit juices or similar beverages and on packing machinery is being reduced from 10% to 6%. (*Notification No. 12/2014- Excise dated 11.07.2014*).

Food Processing Machineries:

- (i) All refrigeration machineries and parts used for installation of cold storage, cold room or refrigerated vehicle, for the preservation, storage, transport or processing of agricultural, apiary, horticultural, dairy, poultry, aquatic and marine produce and meat are exempted from Excise Duty.
- (ii) Pasteurising, drying, evaporating, etc machinery used in Dairy sector is exempted from Excise Duty.

[Notification No 12/2012-Central Excise dated 17.3.2012]

Institutional reforms:

- (a) National Mission on Food Processing (NMFP) A most significant initiative taken during 12th Plan by Ministry of Food Processing Industries (MFPI) is launching of a new Centrally Sponsored Scheme (CSS) – National Mission on Food Processing (NMFP) for implementation through States / UTs. The basic objective of NMFP is decentralization of implementation of Ministry’s schemes, which will lead to substantial participation of State Governments / UTs. The NMFP contemplates establishment of a National Mission as well as corresponding Missions in the State and District level. NMFP is likely to improve significantly the Ministry’s outreach in terms of planning, supervision and monitoring of various schemes.
- (b) Simplification/Transparency & E-Governance:-
 - Check points/check lists have been prescribed for expediting approval of FPI projects.
 - Time frame for clearing of projects prescribed.

- Standard format for examining projects.
- Frequency of approval committee meetings increased.
- Guidelines prescribed, publicized and circulated to States.
- Regular meetings organized with stakeholders.
- Database on proposals in Ministry operationalized.
- Management Information System for NMFP sanctioned projects by States across the country has been operationalized.
- Intra FPI developed for fast effective management of content and a common information platform. Video conferencing with States/firms introduced.
- Investors' portal' was launched and a book on "Opportunities in Agri Business: State Profile has been released to facilitate investment in the food processing sector. Sector specific queries from the investors are handled by Invest India through the "Investors' Portal."
- Sevottam, charter mark in service delivery for excellence has been introduced in the Ministry.

REVIEW OF PERFORMANCE

SCHEME WISE PHYSICAL PERFORMANCE - 2013-14

Sl. No.	Name of Schemes / Programmes	Physical Performance		
		Physical Targets	Achievements	Reasons for Variations
1	Scheme for Infrastructure Development	MFP-40 C.Chain-75 Abattoirs- 10	MFP-40 C. Chain-66 Abattoirs- 17	The Schemes operated by the Ministry of Food Processing Industries are project oriented and not state or community or area specific. The grant of financial assistance extended by the Ministry is based on viable proposals from the entrepreneurs / organizations. Hence shortfall in the achievement is due to non-receipt of viable proposals. CCEA in its meeting held on 08.08.2013 has approved fourth phase of upscaling of the Cold Chain scheme for taking up 75 cold chain projects. Out of this 66 projects have already been sanctioned from the eligible proposals received against the EOI dated 07.05.2012. To fill up the tentatively 15 vacant slots, an EOI was floated on 02.12.2013. In response 153 were received which are under various stages of scrutiny. 17 abattoir projects were approved during 2013-14. Of the 10 abattoir projects approved during 11 th Plan, 2 projects were completed upto 2013-14.
2	Scheme for Technology Upgradation, Establishment and Modernization of FPIs (11 th Plan committed liabilities)	600	996	
3	Scheme for Quality Assurance, Codex, Standards, Research & Development & Other Promotional Activities	R&D-15 Lab-9 HACCP-7	R&D- 38 Lab- 14 HACCP-5	
4	Scheme for Human Resource Development (11 th Plan committed liabilities)	Infra.-5 EDP-100 FPTC-10	Infra.-3 EDP-67 FPTC-3	The proposals of HRD are being processed out of the committed liabilities of the 11 th plan period and no new proposals are received in Ministry during the 12 th plan, as the scheme has been subsumed in the Centrally sponsored scheme of National Mission on Food Processing (NMFP).
5	Scheme for Strengthening of Institutions	Institutional support to NIFTEM, IICPT, IGPB, NMPPB and SNAs.		Admission of B.Tech.-174, M.Tech.-89 & Ph.D. -09 students by NIFTEM in 2013-14. Reasons for not filling up 6 B.Tech. and 1 M.Tech. seats is due to non-availability of SC/ST/OBC students. 1 Ph.D seat could not be filled up as the selected student did not join. Admission of B.Tech. -39, M.Tech.-20 & Ph.D.-4 students by IICPT in 2013-14. & passing out of first batch of B.Tech. students. Reasons for not filling up of 1 B.Tech. seat is due to non-availability of ST student. 1 Ph.D.seat could not be filled due to non-availability of suitable candidate.
6	National Mission on Food Processing (NMFP)	Release of GOI share to 32 States / UTs	GOI share was released to 11 States / UTs	This is a Centrally Sponsored Scheme launched by Ministry during 2012-13. The achievements of physical targets depend on the utilization of GOI share and also corresponding State share by State / UT Governments. Since it is a new scheme, State / UT Governments are establishing new structure for implementation of NMFP. Therefore, achievements are less than physical targets

SCHEME WISE PHYSICAL PERFORMANCE
2012-13

Sl. No.	Name of Schemes / Programmes	Physical Performance		
		Physical Targets	Achievements	Reasons for Variations
1	Scheme for Infrastructure Development	MFP-30 C.Chain-79 Abattoirs- 10	MFP-30 C. Chain-66 Abattoirs- 2	The Schemes operated by the Ministry of Food Processing Industries are project oriented and not state or community or area specific. The grant of financial assistance extended by the Ministry is based on viable proposals from the entrepreneurs / organizations as well as availability of funds. Hence shortfall in the achievement is due to non-receipt of viable proposals
2	Scheme for Technology Upgradation, Establishment and Modernization of FPIs (11 th Plan committed liabilities)	450	1232	
3	Scheme for Quality Assurance, Codex, Standards, Research & Development & Other Promotional Activities	R&D-20 Lab-10 HACCP-8	R&D- 43 Lab- 8 HACCP-5	
4	Scheme for Human Resource Development (11 th Plan committed liabilities)	Infra.-10 EDP-100 FPTC-15	Infra.- 3 EDP- 62 FPTC- 8	
5	Scheme for Strengthening of Institutions	Institutional support to NIFTEM, IICPT, IGPB, NMPPB and SNAs.		

Scheme –wise details of performance

Scheme for Infrastructure Development - In order to address the problems of infrastructural constraints in the food-processing sector, the Ministry of Food Processing Industries is implementing a Scheme for Infrastructure Development since 11th Plan. Total Plan outlay for the Scheme for Infrastructure Development during 2014-15 is ₹ 315.00 crore. The Scheme for Infrastructure Development includes the following 3 components:

Mega Food Park Scheme - The Scheme of Mega Food Park envisages a well-defined agri/ horticultural-processing zone containing state-of-the art processing facilities with support infrastructure and well-established supply chain. The Govt. has approved setting up of 42 Mega food parks during the 11th and 12th Plan in 3 phases i.e. 10 in 1st phase, 5 in 2nd phase and 27 in 3rd phase. Out of the total 42 Mega Food Park projects sanctioned by the Govt., 40 projects for setting up of Mega Food parks have been approved by the Ministry. Out of these, 18 projects have been accorded final approval and 22 projects have been accorded in-principle approval. Out of 18 finally approved projects, 2 are partially operational, 3 projects are in advance stages of implementation and likely to be completed this year.

BE 2012-13 for the scheme was ₹86.00 crore which was increased to ₹93.20 crore at RE stage. An amount of ₹93.12 crore was released during 2012-13. BE 2013-14 was ₹116.00 crore and at RE stage it was reduced to ₹110.25 crore. Against it, Ministry has released grant-in-aid of ₹94.08crore. The BE 2014-15 has been kept at ₹ 120.00 crore.

Scheme for Cold Chain, Value Addition and Preservation Infrastructure - Ministry of Food Processing Industries (MFPI) launched a Plan Scheme during the 11th Plan to provide financial assistance to project proposals received from public /private organisations for integrated cold chain infrastructure development. The initiatives are aimed at filling the gaps in the supply chain, strengthening of cold chain infrastructure, establishing value addition with infrastructural facilities like sorting, grading, packaging and processing for horticulture including organic produce, marine, dairy, poultry etc.

Ministry has accorded sanction to 121 cold chain projects so far. Out of these, 40 projects have become commercially operational, 19 projects have achieved 25% progress, 27 projects have achieved 75% progress and remaining projects are under implementation. Besides, upscaling of the scheme has been approved during the 12th plan by taking up 75 new cold chain projects as per financial assistance pattern of 11th plan.

BE 2012-13 for the scheme was ₹86.00 crore which was reduced to ₹81.37 crore at RE stage and an amount of ₹81.19 crore was released during 2012-13. BE 2013-14 was ₹100.00 crore and at RE stage it was raised to ₹103.75 crore. Against it, Ministry has released grant-in-aid of ₹103.73 crore. BE 2014-15 has been kept at ₹ 160.00 crore. **Rs. 58.68 crore has been released in this financial year till 30.6.2014.**

Setting up/Modernization of Abattoirs - A Plan Scheme for establishing new abattoirs and modernizing of existing abattoirs was started in the 11th Five Year Plan. The scheme is being implemented with the involvement of local bodies (Municipal Corporations and Panchayats)/ Public Sector Undertaking/ Co-Operatives/ Boards under Government and has flexibility for involvement of private investors on PPP basis. The Objectives of the scheme are:-

- Scientific and hygienic slaughtering of the animals.
- Application of modern technology for slaughter waste management and pollution control.
- More humane treatment of animals/minimizing transportation of animals.
- Better by-product utilization/value addition.
- Providing chilling facility to prevent microbial activity in slaughtered animals.
- Better hygiene, safety and retail cold chain management.
- Better forward linkage facility for finished meat and meat products.

Upscaling of the scheme has been approved to cover setting up of 25 new abattoirs and modernization of 25 existing abattoirs at a total project cost of Rs 330.84 crore, inclusive of committed liabilities in respect of 8 on-going projects of 11th plan. The upscaling scheme has been implemented in the Central sector for the first two years of the 12th Five Year Plan i.e. 2012-13 and 2013-14. Thereafter, the scheme for setting up / modernization of abattoirs is going to be implemented through National Mission on Food Processing by the State Governments for the rest of the 12th Five Year Plan since most of the proposals are from the Municipal Bodies which are closely connected to the State Governments.

17 abattoir projects have been accorded approval during 12th Plan and pending proposals received up to 31.03.2014 are under consideration of the Ministry.

BE 2012-13 for the scheme was ₹19.00 crore which was reduced to ₹9.62 crore at RE stage and against it an amount of ₹9.58 crore was released during 2012-13. BE 2013-14 was ₹31.00 crore and at RE stage it was reduced to ₹27.72 crore. Against it, Ministry has released grant-in-aid of ₹26.68crore. BE 2014-15 has been kept at ₹35.00 crore.

Scheme for Technology Upgradation/ Establishment/Modernization of Food Processing Industries (11th Plan committed liabilities) - Ministry of Food Processing Industries (MFPI) has been implementing the Scheme of Technology Upgradation/ Establishment/Modernization of Food Processing Industries since 9th Plan onwards, which is aimed at creation of new processing capacity and up-gradation of existing processing capabilities for various sectors like Consumer, Bakery, Dairy, Fish, Wine & Beer, Fruits & Vegetables, Meat, Oil, Pulse, Rice and Flour Milling. The objectives of the scheme are to increase the level of processing, reduction of wastage, value addition, enhancing the income of farmers as well as increasing exports thereby resulting in overall

economic development. Assistance in the form of grants-in-aid is extended under this Scheme for all segments of the food processing sector including fruits and vegetables, milk, fish, grain, meat, poultry etc.

During the 12th Five Year Plan (2012-17) the Scheme of Technology Upgradation/ Establishment/ Modernization of Food Processing Industries has been subsumed in the National Mission on Food Processing (NMFP), which is being implemented through State/UT Governments. Cases received up to 31.03.2012 are being considered in the Ministry. The expenditure incurred and cases assisted sub sector-wise in 2012-13 and 2013-14 are given below:-

(₹. In Crore)

Sector	2012-13		2013-14	
	No. of cases	Amount	No. of cases	Amount
Consumer Foods	93	15.95	191	31.86
Dairy	26	4.48	84	15.29
Fish	17	3.70	25	5.78
Flour	37	7.37	12	2.10
Fruits And Vegetables Processing	56	10.61	231	36.33
Meat	2	0.33	22	4.89
Oil	134	21.82	69	10.64
Pulse	60	6.88	25	3.20
Rice	801	110.54	322	47.56
Wine And Beer	1	0.25	9	1.69
MM-IV	5	4.26	6	2.74
Total	1232	186.19	996	162.08

BE 2012-13 for the scheme was ₹100.00 crore but it was raised to ₹186.46 crore at RE 2012-13. Against which an amount of ₹186.19 crore was released as grant-in-aid during 2012-13. BE 2013-14 was ₹160.00 crore and at RE stage it was raised to ₹163.92 crore. Against it, Ministry has released grant-in-aid of ₹162.08 crore. The BE 2014-15 has been kept at ₹160.00 crore

Scheme for Quality Assurance, Codex Standards and Research and Development and other Promotional Activities - The Scheme covers the following activities:

- (a) Quality / Safety Management System – HACCP/ISO 22000, 9000 / GHP /GMP - Ministry of Food Processing Industries is operating a Plan Scheme for adoption / implementation of food safety and quality assurance systems such as ISO-22000, ISO 9000, Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP), Good Hygienic Practices (GHP) etc by the food processing industries with the following objectives:
- To prepare the industry to face global competition in international trade in post WTO.
 - To enable adherence to stringent quality in hygiene norms and thereby protecting consumer safety.
 - To enhance product acceptance by overseas buyers.
 - To keep Indian industry technologically abreast of international best practices.

During 2013-14, five food-processing units have been assisted towards achieving HACCP/ ISO 22000 certification.

- (b) Setting up/Up-gradation of Food Testing Laboratories - For introduction of quality and safety systems in food processing industries, it is important that quality of the product is maintained at every level of production chain. One of the steps towards achieving this goal is strengthening / setting up/ networking of laboratories. To provide the common facilities to food processing industries, consumers and other stakeholders for testing articles of food, Ministry of Food Processing Industries is operating a Plan Scheme for setting up/up-gradation of quality control laboratories with following objectives:
- To analyse the samples received from processing industries and other stakeholders.
 - To reduce the time for analysis of samples by reducing transportation time of samples.
 - To ensure compliance with international and domestic standards on food.
 - To establish a surveillance system for monitoring the quality and composition of food

During the financial year 2013-14, the Ministry has approved assistance to 14 organizations (including 9 through ICAR) for setting up/ up-gradation of food testing laboratories.

- (c) R&D Programmes for FPI - Assistance is provided to various Institutions/Universities/Organizations and recognised R&D laboratories both in public and private sectors, to promote and undertake demand driven R&D work in the field of food processing sector. The objective of the scheme is that end product/ outcome / findings of the R&D work should benefit food processing industries in terms of product and process development, improved packaging and value addition leading to innovative products and processes with commercial value.

During the financial year 2013-14, the Ministry has approved assistance to 38 R&D projects {including 32 through Science Engineering Research Board (SERB) under DST}.

- (d) **Other Promotional Activities** - The promotional activities of the Ministry are aimed at development of the processed food sector by creating awareness through dissemination of information, familiarizing the existing and prospective entrepreneurs with modern technologies of production and packaging, development of markets and popularization of products as also attracting investments through seminars/workshops and fairs/exhibitions as also by undertaking studies/surveys etc. for assessment of potential for food processing industries.

During the year 2013-14, Ministry participated in 8 exhibitions (National) and 19 events (seminar/workshops) were assisted by the Ministry. Besides, the Ministry participated in 9 international events during 2013-14.

BE 2012-13 for the Scheme for Quality Assurance, Codex Standards and Research and Development and other Promotional Activities was ₹35.00 crore which was reduced to ₹31.91 crore at RE stage. An amount of ₹31.34 crore was released during 2012-13. BE 2013-14 was ₹35.00 crore and at RE stage it was raised to ₹35.66 crore. Against it, Ministry has released grant-in-aid of ₹35.33 crore. BE 2014-15 has been kept at ₹ 36.00 crore.

Scheme for Human Resource Development (committed liabilities of 11th Plan) - The scheme of Human Resource Development aims at augmenting the supply of trained manpower/ personnel at all levels for food processing sector namely entrepreneurs, managers, sales persons, floor workers etc. The Scheme has been subsumed in the Centrally Sponsored Scheme of National Mission on Food Processing (NMFP) implemented by the States/ UTs during the 12th Plan. However, the projects received during the 11th Plan period (upto 31.03.2012) are being considered in the Ministry.

The scheme comprises of the following three components:

Food Processing & Training Centers (FPTC) - Development of rural entrepreneurship and transfer of technology for processing of food products by utilizing locally grown raw material and providing “Hands-on” experience at such production cum training centers, while according priority to SC/ST/OBC and women. In order to develop skill and entrepreneurship particularly in fruit and vegetable processing in rural areas, the Ministry has provided assistance for setting up of 622 Food Processing Training Centre (FPTCs) since inception of the scheme and till 31.03.2014. An amount of ₹ 12.00 lakhs has been released as grants-in-aid to 3 centers as fixed capital and ₹ 19.83 lakhs as seed capital to 10 FPTCs during 2013-14.

Entrepreneurship Development Programme (EDP) - The Ministry is providing financial assistance to conduct EDPs in food processing through Central/ State Government Organizations, R&D Institutions, Universities, SNAs & NGOs. The objective of EDP is to enable trainees to establish commercially viable enterprises in food & agri processing sector by providing basic knowledge of project formulation and management including technology and marketing, motivating the trainees and instilling confidence in them, educating on the opportunities & financial assistance available and providing escort services to enable them to avail credit facilities from banks/ financial institutions and other support services from the developmental organizations. The duration of EDP is 6 weeks with a follow up phase of 12 months and with a minimum number of trainees being 25. Maximum financial assistance of ₹ 2.00 lakh per EDP is

provided. An amount of ₹236.40 lakh has been released during 2012-13 as grants-in-aid to 62 new EDPs and 2nd & 3rd installment to continuing EDPs and ₹211.15 lakh during 2013-14 as grants-in-aid to 67 new EDPs and 2nd & 3rd installment to continuing EDPs.

Assistance for creation of infrastructure facilities for Degree/Diploma Courses in food processing sector - The Ministry is implementing a scheme for assistance to educational institutions like Central/ State Governments organizations, reputed Universities/ Colleges, Technical institutes for creation of infrastructure facilities. The objective of the Programme is to develop technologists, managers and entrepreneurs in food processing sector, to upgrade skills of existing personnel through training programmes and to develop manpower in quality management. The quantum of financial assistance given to educational institutions under this scheme is upto ₹75 lakhs in two equal installments for creation of infrastructure facilities like, equipments, laboratory pilot plants, library and books and journals etc. for running degree/ diploma courses and training programmes in the food processing sector. An amount of ₹ 106.70 lakh has been released during 2012-13 as grants-in-aid to 3 new institutions and 2nd instalment to previously approved institutions and ₹134.88 during 2013-14 as grants-in-aid to 3 new institutions and 2nd instalment to previously approved institutions.

BE /RE 2012-13 for the Scheme for Human Resource Development was ₹4.00 crore. Against it, an amount of ₹3.98 crore was utilized as grant-in-aid during 2012-13. BE 2013-14 was ₹4.00 crore and at RE stage it was raised to ₹4.20crore. Against it, ₹3.78 crore was utilized as grant-in-aid during the year 2013-14. BE 2014-15 has been kept at ₹4.00 crore

STRENGTHENING OF INSTITUTIONS - This scheme focuses on putting in place new and strengthening of existing institutional mechanisms for human resource development in the food processing sector as well as towards undertaking developmental activities in areas such as grape processing, meat and poultry processing and covers the following components:-

- Establishment of National Institute of Food Technology Entrepreneurship and Management (NIFTEM).
- Strengthening of Indian Institute of Crop Processing Technology (IICPT).
- Indian Grape Processing Board.
- National Meat and Poultry Processing Board (NMPPB).

Details of the above Institutions are at Chapter VI.

Centrally Sponsored Scheme (CSS) – National Mission on Food Processing - Ministry of Food Processing Industries (MFPI) had launched a Centrally Sponsored Scheme (CSS) - National Mission on Food Processing (NMFP) during 12th Plan (2012-17) for implementation through States / UTs. The basic objective of NMFP is decentralization of implementation of Ministry's schemes, with the substantial participation of State/ UT Governments. The NMFP contemplates establishment of a National Mission as well as corresponding Missions at the State and District level. NMFP is likely to improve significantly the Ministry's outreach in terms of planning, supervision and monitoring of various schemes.

The schemes implemented under NMFP during 12th Plan (2013-17) are as under:

- (i) Scheme for Technology Up-gradation / Establishment / Modernisation of Food Processing Industries.
- (ii) Scheme for Cold Chain, Value Addition and Preservation Infrastructure for Non Horticultural Products.
- (iii) Scheme for setting up / modernisation / expansion of Abattoirs (to be implemented w.e.f 2014-15).
- (iv) Scheme for Human Resource Development (HRD):
 - (a) Creation of Infrastructure facilities for running Degree / Diploma / Certificate Courses in Food Processing Technology.
 - (b) Entrepreneurship Development Program (EDP).
 - (c) Food Processing Training Centre (FPTC).
 - (d) Training at recognized Institutes and sensitization cum awareness programme.
- (v) Scheme for Promotional Activities:
 - (a) Organizing Seminar/Workshops.
 - (b) Conducting Studies/Surveys.
 - (c) Support to Exhibitions/Fairs.
 - (d) Advertisement & Publicity.
- (vi) Scheme for Creating Primary Processing Centers / Collection Centers in Rural Areas.
- (vii) Modernisation of Meat Shops.
- (viii) Reefer Vehicles.
- (ix) Old Food Parks

Status of NMFP as on 31.03.2014:

- (i) Total allocation for implementation of NMFP during 12th Plan is ₹ 1250.00 crore.
- (ii) BE of NMFP for 2012-13 was ₹ 250.00 crore which was reduced to ₹185.32 crore at RE stage. ₹182.90 crore was released during 2012-13.
- (iii) BE of NMFP for 2013-14 was ₹187.00 crore which was reduced to ₹ 30.50 crore. ₹29.72 crore have been released to State Governments for implementation of NMFP.
- (iv) An allocation of ₹180.00 crore has been kept under BE 2014-15.

Assistance for Projects in North-East

As per Government policy, a minimum of 10% of the Annual Plan outlay is to be earmarked for utilization on projects in the North-Eastern States including Sikkim. Accordingly, the Ministry has been allocating Plan funds for projects in North- Eastern States. During the financial year 2014-15, a provision of ₹77.00 crore being 10% of Annual Plan Outlay of ₹770.00 crore is earmarked for utilization on projects in the North-Eastern States including Sikkim.

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FINANCIAL REVIEW DURING 2011-12, 2012-13, 2013-14 & BE 2014-15

Scheme-wise trend of expenditure vis-à-vis Budget Estimate/Revised Estimate/ Actual Expenditure

(₹ in crore)

S. No.	Name of Scheme	2011-12			2012-13			2013-14			2014-15
		BE	RE	AE	BE	RE	AE	BE	RE	AE	BE
A.	PLAN										
1.	Scheme for Infrastructure Development										
(a)	Mega Food Park	110.00	94.39	83.53	86.00	93.20	93.12	116.00	110.25	94.08	120.00
(b)	Cold Chain	110.00	89.99	82.64	86.00	81.37	81.19	100.00	103.75	103.73	160.00
(c)	Abattoir	80.00	4.62	4.00	19.00	9.62	9.58	31.00	27.72	26.68	35.00
	Total	300.00	189.00	170.17	191.00	184.19	183.89	247.00	241.72	224.49	315.00
2.	Scheme for Technology Upgradation /Establishment/Modernization of Food Processing Industries	98.00	185.47	179.13	100.00	186.46	186.19	160.00	163.92	162.08	160.00
3.	Scheme for Quality Assurance, Codex Standards, R&D and other Promotional Activities	45.00	43.52	40.30	35.00	31.91	31.34	35.00	35.66	35.33	36.00
4.	Scheme for Human Resource Development	15.00	14.50	13.69	4.00	4.00	3.98	4.00	4.20	3.78	4.00
5.	Scheme for Strengthening of Institutions	41.49	117.50	115.55	80.00	68.12	67.58	75.00	74.00	72.56	75.00
6.	Scheme for Street Food	5.00	0.00	0.00	--	--	--	--	--	--	--
7.	National Mission on Food Processing	0.00	0.00	0.00	250.00	185.32	182.90	187.00	30.50	29.72	180.00
8.	Capital section	95.51	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total - Plan	600.00	550.00	518.84	660.00	660.00	655.88	708.00	550.00	527.96	770.00
	Deduct Recoveries	--	--	3.77	--	--	4.17	--	--	0.71	--
	Net Total(Plan) - A	600.00	550.00	515.07	660.00	660.00	651.71	708.00	550.00	527.25	770.00
	Total-Non Plan	10.09	10.09	8.80	10.54	10.16	9.57	11.11	14.32	13.98	15.86
	Deduct Recoveries	--	--	0.05	--	--	--	--	--	0.02	--
	Net Total(Non-Plan) - B	10.09	10.09	8.75	10.54	10.16	9.57	11.11	14.32	13.96	15.86
	Grand Net Total {(A)Plan+(B)Non-Plan}	610.09	560.09	523.82	670.54	670.16	661.28	719.11	564.32	541.21	785.86
	Lump sum provision for NER	60.00	55.00	31.08	66.00	66.00	64.98	70.80	55.00	37.58	77.00
	- Expenditure incurred in respect of NE sector has been booked under corresponding functional head after budget re-appropriation.										

Object Head wise Trend of Expenditure 2011-12, 2012-13, 2013-14 & BE 2014-15

(₹ in crore)

Object head	A-Object Head (Plan)	2011-12			2012-13			2013-14			2014-15
		BE	RE	AE	BE	RE	AE	BE	RE	AE	BE
1	Salaries	2.00	2.05	1.74	2.85	2.85	2.65	3.00	3.00	2.93	3.30
6	Medical Treatment	0.10	0.10	0.09	0.10	0.10	0.04	0.15	0.15	0.07	0.15
11	Domestic Travel Expenses (DTE)	0.40	0.44	0.40	0.40	0.40	0.40	0.60	0.75	0.75	0.80
12	Foreign Travel Expenses (FTE)	0.75	0.75	0.54	0.75	0.75	0.51	0.90	0.75	0.48	0.80
13	Office Expenses (OE)	1.10	1.10	0.49	1.10	1.10	1.10	1.35	1.35	1.35	1.35
20	Other Administrative Expenses	1.40	0.95	0.41	1.25	1.26	1.18	1.85	1.83	0.80	0.75
21	Supply & Material	0.10	-	-	-	-	-	-	-	-	-
26	Advertising & Publicity	6.80	7.60	7.86	5.63	2.81	2.61	3.13	1.45	1.64	1.50
28	Professional Services	12.29	7.50	7.63	7.70	4.14	4.01	9.20	6.82	5.79	6.51
31	Grants-in-aid General	413.831	393.371	418.840	477.16	386.43	429.88	402.84	403.50	434.65	469.37
35	Grant for creation of Capital Assets	0.00	80.00	80.00	41.00	41.00	41.00	45.98	39.98	39.98	36.20
36	Grant -in -Aid -Salaries	-	-	-	-	-	-	8.00	9.00	9.00	9.25
50	Other Charges	0.95	0.86	0.73	0.60	0.60	0.60	0.80	0.80	0.80	0.90
53	Major Works	95.50	-	-	-	-	-	-	-	-	-
31	Grants-in-aid to State Government	4.76	0.26	0.11	40.40	145.06	166.24	150.40	25.06	29.72	157.06
31	Grant-in-aid to Union Territory	0.02	0.02	-	15.06	7.50	5.66	9.00	0.56	-	5.06
58	Provision for N.E. Sector Including Sikkim	60.00	55.00	*	66.00	66.00	*	70.80	55.00	*	77.00
	Total- (A) Plan	600.00	550.00	518.84	660.00	660.00	655.88	708.00	550.00	527.96	770.00
	Deduct Recoveries	-	-	3.77	-	-	4.17	-	-	0.71	-
	Net Total (Plan)	600.00	550.00	515.07	660.00	660.00	651.71	708.00	550.00	527.25	770.00
	B-Object Head (Non-Plan)										
1	Salaries	5.622	5.622	5.51	6.08	6.70	6.61	7.68	8.02	7.97	9.01
3	Overtime Allowance (OTA)	0.065	0.065	0.04	0.07	0.03	0.03	0.03	0.04	0.04	0.06
6	Medical Treatment	0.134	0.134	0.02	0.14	0.03	0.04	0.05	0.02	0.01	0.07
11	Domestic Travel Expenses (DTE)	0.224	0.224	0.23	0.22	0.35	0.25	0.30	0.41	0.38	0.60
12	Foreign Travel Expenses (FTE)	0.45	0.45	0.23	0.45	0.20	0.16	0.20	0.05	0.04	0.10
13	Office Expenses (OE)	3.09	3.09	2.32	3.06	2.41	2.11	2.43	2.40	2.20	2.54
16	Publications	0.10	0.1	0.07	0.10	0.13	0.07	0.05	0.04	0.04	0.06
20	Other Administrative Expenses	0.20	0.20	0.19	0.20	0.10	0.10	0.15	0.15	0.13	0.22
28	Professional Services	0.005	0.005	-	0.01	-	-	0.01	0.01	-	0.05
32	Contribution	-	-	-	-	-	-	0.15	0.12	0.11	0.15
36	Grant -in -Aid -Salaries	-	-	-	-	-	-	-	3.00	3.00	3.00
42	Lump sum Provision	0.20	0.20	0.19	0.21	0.21	0.20	0.06	0.06	0.06	-
	Total- (B) Non- Plan	10.09	10.09	8.80	10.54	10.16	9.57	11.11	14.32	13.98	15.86
	Deduct Recoveries	-	-	0.05	-	-	-	-	-	0.02	-
	Net Total (Non-Plan (B))	10.09	10.09	8.75	10.54	10.16	9.57	11.11	14.32	13.96	15.86
	Grand Net Total {(A)Plan+(B)Non-Plan}	610.09	560.09	523.82	670.54	670.16	661.28	719.11	564.32	541.21	785.86
	- Expenditure incurred in respect of NE sector has been booked under corresponding functional head after budget re-appropriation.										

Outstanding Utilization Certificates

Position of outstanding Utilization Certificates in respect of Grants-in-aid released up to 31.03.2013 and due as on 1.4.2014 is given below:

No. of UCs pending	Amount (₹ in crore)
2842	556.36

Unspent balances with State Governments/UTs

Unspent balances with State Governments/UTs as on 31.03.2014 are given below:
(₹ in crore)

Sl. No.	State	Unspent balance as on 31.03.2014
1.	Andhra Pradesh	0.00
2.	Bihar	2.7650
3.	Chhattisgarh	2.7800
4.	Goa	1.7550
5.	Gujarat	1.7025
6.	Haryana	0.00
7.	Himachal Pradesh	2.2475
8.	Jammu and	3.1300
9.	Jharkhand	2.4075
10.	Karnataka	0.0575
11.	Kerala	4.2325
12.	Madhya Pradesh	0.00
13.	Maharashtra	0.6625
14.	Orissa	3.1500
15.	Punjab	1.9400
16.	Rajasthan	2.3175
17.	Tamil Nadu	4.6500
18.	Uttar Pradesh	13.4825
19.	Uttarakhand	2.2325
20.	West Bengal	0.00
Total		49.5125

North Eastern States

Sl. No.	State	Unspent balance as on 31.03.2014
1.	Arunachal Pradesh	3.3100
2.	Assam	2.8225
3.	Manipur	2.8425
4.	Meghalaya	2.9500
5.	Mizoram	2.9675
6.	Nagaland	1.8625
7.	Sikkim	1.5900
8.	Tripura	2.6850
Total		21.0300

Sl.No.	UTs	Unspent balance as on 31.03.2014
1.	Andaman and Nicobar Islands	1.9800
2.	Chandigarh	0.00
3.	Dadra and Nagar Haveli	0.00
4.	Daman and Diu	0.00
5.	Delhi	2.0475
6.	Lakshadweep	1.6875
7.	Pondicherry	0.9750
Total		6.6900

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REVIEW OF PERFORMANCE OF STATUTORY AND AUTONOMOUS BODIES

I. Indian Institute of Crop Processing Technology (IICPT), Tamil Nadu

The Indian Institute of Crop Processing Technology, formerly known as Paddy Processing Research Centre is located in Thanjavur, Tamil Nadu. It was subsequently upgraded to a National level institute and re-designated as IICPT.

The Board of Governors is the apex body governing the activities of the Institute. The Secretary, Ministry of Food Processing Industries is the Chairman of the Board of Governors. The institute has six departments namely;

1. Academics & HRD Food Engineering & Design
2. Food Packaging Equipment & System Development
3. Food Product Development
4. Food Safety and Quality Testing
5. Primary Processing, Storage & Handling
6. Technology Dissemination

Vision of the Institute

- To serve as a National Institution for research, education and training in the area of post harvest processing of crops of wetlands and storm prone regions
- To undertake basic, applied and adoptive research in post-production sector of cyclone / storm prone areas and wetlands, also including plantation, spices and other important crops
- To act as a National Organization for information of post-production systems of mandated crops
- To undertake transfer of technology, consultancy and analytical services for raw and processed agricultural commodities
- To establish linkages with related processing industries and other academic as well as R&D institutions for achieving its goals effectively

Education - IICPT is running B.Tech., M.Tech. and Doctoral level courses in Food Processing Engineering from 2009-10 academic year and M. Tech (Food Science and Technology) from 2013-14 academic year. The Institute is affiliated to the Tamil Nadu Agricultural University. The annual intake of students is

- B.Tech	:	40 students
- M.Tech.	:	20 students
- Ph.D	:	05 students

The institute has maintained 100% placements so far.

IICPT has obtained approval of All India Council for Technical Education (AICTE) for its B.Tech. (Food Process Engineering) course. The AICTE approval will help build public confidence in the academic program of IICPT and attract better quality students and faculty

Research - Currently, there are 16 on-going research projects funded internally and 9 research projects funded by external agencies undertaken by the faculty. In 2013-14 a total of 30 papers were published in refereed journals. IICPT, Thanjavur has signed an MoU with Food Corporation of India (FCI) for conducting Trial Milling study of paddy in 11 states of India.

Technologies Developed - IICPT has developed a wide range of technologies for the benefit of the food industry stakeholders. Some of the innovations are:

High Moisture Paddy Preservation, Integrated Management of storage pests, Multipurpose Yard Drying Implement, Low Friction Huller, Idly Dry Mix, Continuous Rice Puffing Machine, Bio-fertilizer from Rice husk Ash, Effluent Treatment Plant, Vegetable Washer, Pneumatic Grain Pump, Fruit and Vegetable Grader, Hand Operated Amla Deseeding Unit, Banana De-hander, Banana Hand Cutter, Banana Washing cum Waxing Unit, Makhana Processing Unit, Coconut Dewatering Unit, Protein Isolate from Rice Bran, Pulse based Pro-biotic Foods, RTE Extruded products from milling byproducts, and Mobile Processing Unit.

Training Programmes - IICPT has organized training programs for various stakeholders in the food processing sector. The Food Processing business incubation centre offered periodical trainings for farmers, SHGs and aspiring youth on food processing basics and entrepreneurship development. The Food Safety and Quality Testing Department offers high-tech instrumentation training for students and researchers.

IICPT also conducted a two week hands-on training program on food technologies for 25 African Participants (from 12 countries in Africa). This event was funded under Indo African Summit-II (IAFS-II).

A National Student Conference on Food Technology was conducted by IICPT. More than 1200 students from about 45 institutions in the country participated in the two days conference. In 2013-14, IICPT has participated in 10 expos and fairs organized by various organizations across the country. One of these expos was organized at IICPT itself as part of the First Student Conference on Food Technology (SCOFTECH 2014). During these events, display and demonstration of technologies and gadgets developed by IICPT were made.

Collaborations - IICPT has collaboration with reputed organizations across the country and overseas. It has signed Memorandum of Understanding with 14 International and 12 National institutions/universities. These MoUs were signed for the purpose of developing mutually beneficial academic programs, exchange of academic staff for purposes of teaching and research, joint research, lectures and training and exchange of students for study and research. A total of 9 students went for research training to

overseas partner institutes like University of Nebraska in USA, University of Saskatchewan and University of Manitoba in Canada and ONIRIS, France on student exchange program.

Budget - Outlay for IICPT for the year 2013-14 was ₹13.00 crore under Plan & ₹ 3.00 crore under Non-Plan. The BE for 2014-15 is ₹7.26 crore under Plan & ₹ 3.00 crore under Non-Plan.

II. National Institute of Food Technology Entrepreneurship & Management (NIFTEM)

National Institute of Food Technology Entrepreneurship & Management (NIFTEM) was set up at Kundli, Sonapat, Haryana at an estimated cost of ₹479.94 Crore. NIFTEM was registered as a Society under the Societies Registration Act, 1860 on 19.05.2010 and was granted the status of a deemed University under *de novo* category by Ministry of HRD on 08.05.2012. The Institute started its first academic session from 16.08.2012 with B.Tech. (Food Technology & Management) with 115 students in B.Tech and 88 students in 5 streams of M.Tech. The second academic session commenced from 06.08.2013 with an intake of 174 students in B.Tech and 89 students in five streams of M.Tech. Ph.D. programme commenced in all the 5 Post Graduate Streams from the academic year 2013-14 with an intake of 9 students. The University has been granted approval of AICTE to conduct B.Tech. (Food Technology and Management) and five courses of M.Tech. .

The mandate of NIFTEM is to work as Sector Promotion Organization of the food processing sector. Major objectives of NIFTEM drawn from its mandate are:

- Working as a “One Stop Solution provider” to all the problem of the sector.
- Working for “Skill Development & Entrepreneurship Development” for the sector.
- Facilitating business incubation services with its ultra-modern pilot plant for processing of vegetables, dairy, meat and grain processing.
- Conducting frontier area research for development of the sector.
- Developing world class managerial talent with advances knowhow in food science and technology.
- Providing intellectual backing for regulation which 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 up gradation of SME food processing clusters.
- Promoting Cooperation and networking among existing institutions within India and as well as with international bodies.

Research - NIFTEM has set up a Research Cell to initiate and monitor research activities in the relevant areas of Food Technology Entrepreneurship and Management. It was decided to provide internal funding to research projects so that in house faculty members could start research projects immediately. Eleven research projects have been selected for research by in house faculty members

and seventeen research projects are in pipeline. The institute has also been awarded a research project by an external agency, namely, Indian Council of Medical research (ICMR) in collaboration with NDRI, Karnal. The Institute has set up NIFTEM Research Development Council consisting of representatives of industry, academia & research institutions to chalk out the future research agenda of NIFTEM.

Capacity Building for Industry - In order to accomplish its mandate as Sector Promotion Organization of the Food Processing sector NIFTEM has set up three divisions, namely, Consultancy Division, SME Up- gradation Division and Skill Development Division. The Institute as part of its skill development initiatives has conducted 30 Short Term Training Programmes at its Campus from July, 2011 to March, 2014, in association with knowledge partners to enhance the overall skill level and employability of the work force. So far 624 participants from the industries have been trained. In addition to above, 11 skill development training programmes of 1 week and 2 weeks have been conducted on pan India basis and trained 550 participants comprising farmers and budding entrepreneurs. Further, NIFTEM is planning to conduct 12 one week programmes, 10 two weeks' programmes and 2 five weeks' programmes during 2014-15.

Outreach Programmes - Two outreach programmes have been conducted till March, 2014 to sensitize the budding entrepreneurs at Fatwa (Patna) and Loni, Ahmednagar (Maharashtra) and 500 and 450 participants respectively have attended these programmes. NIFTEM is proposing to conduct 17 outreach programmes of one day, one week and two weeks during 2014-15.

Village Adoption Programme - NIFTEM has conceptualized a unique programme of village adoption by its students with a view to sensitize them of the problems and practices of the farmers at grass root level. Six rounds of Village Adoption Programme have been completed by NIFTEM students covering 34 villages in 19 States.

Collaborations - NIFTEM has entered into Memorandum of Understanding with Wageningen University, the Netherlands, Kansas State University, Manhattan, USA, University of Nebraska-Lincoln, USA and Institute for Food Safety and Health, Illinois Institute of Technology, Chicago for mutual co-operation in the field of faculty/ students exchange programme, research and other subjects of common interest.

Student Innovation Fund - NIFTEM has created Student Innovation Fund for its students to encourage research and promote innovation driven learning. Financial assistance is extended for projects undertaken by students.

NIFTEM Industry Forum - consisting of representatives of Micro, Small, Medium & Large industries of Food Processing Sector. This will be one of the main advisory bodies for NIFTEM's agenda for the future for technology, research, entrepreneurship development, skill development, consultancy to the industry etc.

International Grain Research Centre - The institute has set up an International Grain Research Centre to enhance market promotion, consumption and utilization of Indian cereal grains and their value added products. The centre has organized two training programmes during 2013-14.

International Bakery Research & Training Centre - The institute has set up an International Bakery Research & Training Centre to facilitate in house and externally supported continuous experiential learning. The centre has organized three training programmes during 2013-14.

International Centre of Excellence of Food Safety & Quality - The Institute is in the process of setting up an International Centre of Excellence in food safety & quality to address the present issues of food safety & quality in holistic manner. A state of art accredited Food Testing Lab is being set up for conducting chemical and microbiological analysis of all kinds of food products as part of the Centre.

Budget - Outlay for NIFTEM for the year 2013-14 was ₹52.98 crore and the BE for 2014-15 is ₹ 49.92 crore. During the year 2014-15, NIFTEM will provide admission to 180 students of B.Tech, 90 students of M.Tech, and 20 students of Ph.D. courses in food technology. NIFTEM will complete infrastructure including Auditorium, Seminar Hall, Departments and Second Floor utility plant and hostels. NIFTEM will commission NMPPB lab and partial commissioning of Pilot plants. NIFTEM will take up 24 skill development programmes, 26 village adoption programmes during the same period. NIFTEM is also expected to take up 10 extra mural projects and publish 10 papers in the peer reviewed journals during the year. Out of a total approved outlay of ₹479.94 crore for NIFTEM an amount of ₹425.17 crore has been released to the Institute as on 31.03.2014.

III - National Meat & Poultry Processing Board (NMPPB) -

The National Meat & Poultry Processing Board was constituted on 27th February, 2009, and registered on 26th March, 2009 under Societies Registration Act, 1860. The Board is functioning from the leased accommodation at 7/6, Association of Municipalities & Development Authority, Siri Fort Institutional Area, August Kranti Marg, New Delhi.

The main objectives of the Board are as follows:

- To foster the sustainable development of the Meat and Poultry Processing Sector.
- Helping the industry in setting up/modernization of abattoirs by providing technical consultancy for production of hygienic meat and meat products and for utilization of slaughterhouse wastes to prepare animal by-products with value addition.
- Training of meat producers and entrepreneurs to adopt Good Manufacturing Practices (GMP), Hazard Analysis & Critical Control Points (HACCP) and ISO-22000 in meat production.
- To undertake market surveys and studies and help the industry to create market intelligence, data base and its dissemination on regular basis for improvement of the meat sector.

Outreach Training Programme / Seminars - NMPPB has organized a series of outreach training programmes for meat/poultry sector workers and butchers around the country, sensitizing them about cleanliness and hygiene in slaughter practices. The Board has conducted two such training programmes for meat workers and butchers during 2013-14.

1.	27.08.2013	Clean and Safe Meat Production	Bareilly, Uttar Pradesh
2.	03.12.2013	Clean and Safe Meat Production	Moradabad, Uttar Pradesh

One day seminar on “Modernization of Meat Shops” was organized by Director of Industries, Government of Arunachal Pradesh in collaboration with National Meat and Poultry Processing Board on 15th November 2013 at Itanagar, Arunachal Pradesh.

NMPPB in association with Indian Institute of Packaging (IIP) has conducted an exclusive session on “Innovative Consumer Packaging for Meat Products” in the National Conference on Consumer Packaging: Challenges and Opportunities held on 18th January, 2014 at New Delhi.

Consultancy Wing - The Board provides consultancy services for projects on setting up new abattoirs and modernization of existing abattoirs, besides providing technical assistance in preparation of Detailed Project Reports (DPRs), Tender Documents, etc. The Board has empanelled consultants for undertaking the consultancy proposals.

Detailed Project Reports (DPRs) for setting up of Modern Abattoir projects of Dholpur Municipal Council, Dholpur (Raj), Mokokchung Municipal Council, Mokokchung (Nagaland), M/s AOV Agro Food Pvt Ltd, Mewat (Haryana) and Deonar Abattoir of Municipal Corporation of Greater Mumbai, Mumbai (Maharashtra) have been prepared by NMPPB.

Mayors’ Conference - With a view to creating awareness about hygiene and quality issues in the sector, NMPPB has been organizing series of “Mayors Conferences”. Each Conference is one or two days programme in which the participants are sensitized about the issues in the meat and poultry processing sector, as well as the benefits of establishing modern abattoirs/ slaughter houses. Presentations and films are shown by experts regarding modern slaughter houses and retail shops. Seven Mayors conferences have been held during 2011-2014 at New Delhi, Ahmednagar, Kolkata and Hyderabad.

Studies - The Board has undertaken studies to understand the key issues of meat and poultry processing sector in the country so as to facilitate improvement of the sector. The Board has released the following study reports:

- a) Quality Issues in Meat Sector
- b) Benchmarking of Abattoirs
- c) Socio- economic upliftment of Meat Industry Workers
- d) Poultry Meat Sector: Status and Improvement

Reports have been uploaded on the website of NMPPB i.e. nmppb.gov.in for wide spread dissemination. A report on Greening of Meat and Poultry Processing Sector in India was released during the 7th Mayors' Conference on 28.02.2014.

Continuation of the Board during the 12th Plan is under consideration.

IV Indian Grape Processing Board (IGPB)

The Indian Grape Processing Board has been set up under the Ministry of Food Processing Industries. The Board's headquarter is located in Pune, Maharashtra. The website of IGPB is www.igpb.in. The main objectives of the Indian Grape Processing Board includes focus on research & development, extension, quality up-gradation, market research and information, domestic and international promotion of Indian Wine: to set up facilities for wine analysis, testing for 'quality' defining and label standards, certification of wine and promoting Good manufacturing Practices (GMP), Hazard Analysis and Critical Control Point (HACCP)/ISO 22000; to promote cooperative efforts, backward and forward linkages between growers and wine industry in general, to formulate a vision, action plan for the growth of Indian wine sector including research and development for quality up-gradation in new technologies/processes and to foster sustainable development of Indian wine industry.

Expected Outcomes - The expected outcomes of Indian Grape Processing Board would be as follows:-

- Increased awareness and capacity building among farmers, processors and other stakeholders resulting in increased productivity, reduced wastage and improved quality of grapes and wine conforming to global standards.
- Satisfy growing demand of domestic markets and exports.
- Increase in farmers' income and employment generation with a particular focus on rural areas.
- Encouragement to cluster farming, contract farming and farm diversification.
- Benefits of value addition brought to farming community and farmers fetching remunerative prices for their produce.

The Board has 16 members including the Chairman who is an eminent professional from the wine industry.

Continuation of the Board during the 12th Plan is under consideration.

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