



**Speech of
Shri Subodh Kant Sahai,
Minister for Food Processing Industries,
Government of India,
at the Conference of
State Food Processing
Industries' Ministers**

(October 6, 2009, Vigyan Bhavan, New Delhi)

Address of the Hon'ble Minister (FPI) at the National Conference of State Ministers of Food Processing at Vigyan Bhavan, New Delhi, on 6th October, 2009, to be addressed by the Hon'ble Prime Minister

Hon'ble Prime Minister, colleagues from state governments and delegates. It is indeed an honour for me and my Ministry to organise the first-ever conference of State Ministers for Food Processing. It has been a step that was long overdue and it is a matter of satisfaction to me that it has now been organized as part of the Ministry's 100-Day Agenda under second UPA Ministry headed by Doctor Saab. Food processing has been a priority for the government in terms of its huge potential and I think the time is now ripe for us to discuss matters concerning its further development.

On behalf of all of us present here, I would like to thank Dr. Manmohan Singh, Hon'ble Prime Minister, for having very kindly consented to inaugurate this Conference. His presence today is a source of inspiration and strength for us and motivates us to push ourselves harder to achieve the goals that we have set out for ourselves.

The Hon'ble late Prime Minister, Shri Rajiv Gandhi, strongly believed that food processing industry leads to an increase in the farm gate prices which, in turn, leads to enhanced rural incomes, lesser wastages, high value addition. The Visionary Prime Minister formed this Ministry in 1988, as agriculture and food processing cannot exist without each other and hoped that food processing will make our agriculture economically viable.

The era of fiscal reform measures and policy initiatives in food processing sector was started by Dr. Manmohan Singh, when he was Finance Minister. He strongly believed that these incentives would contribute for supporting and encouraging creation of rural & urban infrastructure for total supply chain solutions with backward forward linkages to provide avenues for value addition and enhancement of the level of processing. Sir, I have no hesitation to bring to your kind notice, that these measures have yielded significant results.

Hon'ble Prime Minister stressed on the need for a Second Green Revolution to address the problem of food security. In this context exponential growth of processed food sector assumes significance. Sir, the sector is eagerly looking forward to benefit from your initiative of National Skill Development Mission and further tax incentives announced in the Budget. Sir, I assure that the food-processing sector will play a critical role in achieving the nation's targets set as part of the Millennium Development Goals.

Food processing is the key to the viability of agriculture sector. Reduction of wastages of agricultural produce and value addition are the pre-requisites for achieving this viability. This is the only sector that gives economic sustainability to the farmers by providing opportunities for demand driven clusterised farming which further results in ample employment opportunities from the landless labour up to highly skilled individuals including CEOs.

The Food Processing Industry promotes vital linkages and synergies between two main pillars of the economy i.e. industry and agriculture on one hand and its positive consequences on the social sector like strengthening food security as well as employment generation on

the other. Taking stock of the food processing industry and realizing its importance to the development at broader level, the Government of India considers it a priority sector. The initiatives of the Ministry are geared towards promoting a vibrant food-processing sector in the country.

Growth in Agriculture sector has a direct bearing on the GDP of the country & if agriculture sector has to grow at a faster pace food processing industry has to grow even faster to improve the viability of the agriculture sector. In spite of food processing industry maintaining a higher growth rate it is still inadequate to trigger an accelerated growth in Agriculture sector. We will therefore need greater efforts in the food-processing sector.

A focused, concerted and persistent efforts of Ministry of Food Processing Industries in the last five years has resulted in an impressive growth in this sector which would be amply clear from the following statistics:

	2004-05	2008-09
Level of Processing	6%	10%
Value Addition	20%	26%
Growth Rate	7%	14.06%
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Employment		
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Direct	3.9 million	4.4 million
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Indirect	6 million	9 million
Total	9.9 million	13.4 million
Exports	Rs 33,000 crore	Rs. 50,000 crore

There is a revolution waiting to happen in India's vast rural hinterland. We are calling it as India's Evergreen Revolution. Powered by the Ministry of Food Processing Industries, it is seeking to forge new and dynamic links between India's farms and its factories. The key to this transformation lies in unleashing the vast entrepreneurial talent of our rural population in particular, and private initiative in general. India's food processing or Evergreen Revolution can help realise our huge potential in food production and make us a leading food supplier to the world.

As the Indian economy grows and family incomes rise, so would the acceptability of ready-to-eat processed foods. Already our food industry is amongst the largest in the country, ranked fifth in terms of production, consumption and export. The Indian food market, even though dominated by the unorganised sector, is estimated at around \$190 billion today, and is likely to reach \$300 billion by 2015.

India is one of the biggest emerging markets, with over 1.2 billion population and a 300 million strong middle class. Rapid urbanisation, increased literacy, increased participation of women in workforce and rising per capita income, all have caused rapid growth and changes in demand patterns, leading to tremendous new opportunities for exploiting the large latent market.

Due to its diverse agro-climatic conditions, India has a wide-ranging and large raw material base suitable for food processing industries. Presently a very small percentage of these are processed into value added products. So, the scope, potential & opportunities are huge. Best processing technologies available abroad are required to be brought in. India is a treasure of raw materials. It can be used as a processing hub and tap the benefit of a growing market by the developed economies.

Further with a land area of 2.97 million sq. km., 180 million hectares of arable land (one tenth of the world), 56 million hectares irrigated land, a coastline of over 8000 km and diverse agro-climatic condition, all these favour India to become the global food factory of the world.

The country produces almost every variety of crop, Leading producer of fresh fruits in the world, Second largest producer of vegetables, Largest producer of Cereal and Milk, Largest share of cattle and buffaloes in the world and second largest in sheep and goats, Third largest in marine landings, Fifth in poultry production, Largest producer, consumer and exporter of spices.

Potential investment opportunities exist in many areas of food processing industries, the important ones being: fruit & vegetable processing, meat, fish & poultry processing, packaged, convenience food and drinks, milk products, fortified foods, nutraceuticals, food processing machines, technologies etc.

It is indeed a historic moment when all the policymakers in the country have gathered under one roof, for the first time, with a burning desire to succeed and to actually achieve an ambitious goal i.e. India as the world's top food processing hub. This sector has already reached the take-off stage and your deliberations here would go a long way in deciding the road map that this sector would take in future.

While the governments are creating an enabling environment that would facilitate the growth of the industry, the efficiency and effectiveness of the government initiatives in this regard have to improve. While 25 states/UTs have amended their APMC Acts, it still discourages direct marketing arrangements between the farmer and the processor. The processor is required to obtain license from the respective state government as well as liable to pay market fee without even using mandi infrastructure. However, in certain states, no market fee is levied on food products with some exceptions. Thus there is an urgent need to not only reform this Act, but also to ensure a degree of uniformity across the country.

Lack of infrastructure for post harvest handling and storage, absence of adequate cold chain facilities and fragmented supply chain of food products are another set of critical factors that are affecting the growth and where the public sector can step in if adequate investments from the private sector are not forthcoming.

The current Indian crop production system largely continues to be traditional and subsistence agriculture. As a result, crop varieties that are being grown are not in tune with market and processing requirements. The Indian food crops are seldom amenable for competitive processing. The technology used is of old vintage resulting in low productivity, susceptibility to pest and diseases. Similar is the case with crop management and orchard management. This brings us to the need to have a robust R&D system in place that adequately serves the need of the sector. While basic agricultural research has a very strong and large institutional network in the country, such a network is sadly lacking in the processed food sector. I would urge all the states to consider strengthening the R&D base in their respective states in a manner that is best suited to their requirements.

While the food-processing sector offers several opportunities, it faces constraints as well, such as:

Low Level of Government Outlay for Development of Food Processing Industries¹. Though the plan outlay for food and agro processing has been increased from Rs. 523 crore in Tenth (10th) Five Year Plan (2002-07) to Rs. 4032 crore in Eleventh (11th) Five Year Plan (2007-12) actual availability of funds is a major concern. Inefficient supply chain and distribution network: Lack of infrastructure for post harvest handling and storage, absence of cold chain facilities and fragmented supply chain of food products are some of the critical reasons holding back the growth of food processing industry in India.

Absence of Market Driven Farming: The current Indian crop production system largely continues to be traditional and subsistence agriculture. As a result crops varieties being grown are not in tune with market and processing requirements. E.g. Tomatoes grown largely in our country are tomatoes with low TSC and thus not amenable for competitive processing. Similarly, most of the fruits like apples and mangoes grown are not amenable to long duration storage. Even the cultivars in use in most of the cases are 50 -75 years old thereby resulting in low productivity, susceptibility to pest and diseases thereby resulting in higher cost of production and lower realizations. Similar is the case with crop management or orchard management practices in place.

High cost of transportation

The non-availability of climate controlled or reefer containers coupled with the high costs, temperature abuse in transit capacity issues in terms of handling and distribution of produce, high costs of packaging etc. negate the advantage of low production cost

Taxes on processed food items

Incidence of taxation in processed agricultural products not only acts as a disincentive for investment in the sector but also affects the competitiveness of the food products in the country. Though primary agricultural commodities including fruits and vegetables are mostly exempted from tax, processed food commodities are subject to a Central Sales Tax of 3 percent. In addition, most of the processed food items are subject to state levied VAT at 4 percent or 12.5 percent. In most of the states, low value added food products are exempted from VAT. However, certain high value added food products like biscuit, confectionary, snack items are levied VAT at the rate of 12.5 percent in many states.

Apart from VAT, other taxes such as purchase tax, entry tax, octroi etc are also levied on food products. In case of Punjab, entry tax on sugar is levied at the rate of 4 percent. Sugar is an important ingredient of confectionary and snacks industry and hence multiple taxes result in its price escalation.

Non-compliance with quality standards

The current legislative requirements have put tremendous emphasis on food hygiene, GMP, HACCP, ISO 22000 and nutritional labeling in the entire food chain. However, most of the unorganised players in food processing industry do not adhere to quality standards resulting in minimal share in world trade because of the tightening of restrictions and non-adherence to the standards.

Shortage of skilled manpower in the food-processing sector is a major concern.

Incidence of taxation in processed agricultural products not only acts as a dis-incentive for investment in the sector but also affects the competitiveness of the food products in the country. Though primary agricultural commodities including fruits and vegetables are mostly exempt from tax, processed food commodities are subject to multiple levies. There is a need

¹ NMCC — Report on Competitiveness of Indian Manufacturing Sector

to have a fresh look into the taxation structure and make it more rationalized and efficient.

The need for ensuring a better quality of food cannot be over-emphasised. Strict quality controls are the bedrock of this sector. The quality of food control laboratories needs to be strengthened. Our quality of processed food has to measure up to the exacting international standards if we are to be a global player in this area. Another area that is now a focus of emphasis by the central government is the quality of street food. I am sure you will agree with me that the street food is an in-separable part of an Indian's food habit. There would hardly be any Indian or a foreign tourist who has not consumed street food or enjoyed its aroma while commuting. The need for improving its quality cannot be over-emphasised. I would urge the states to come out with new proposals so that this one very visible aspect of Indian processed food industry is made better.

While the development of food processing sector is dependent on the participation of all stakeholders, there is one area in which we, as policy makers have to take an initiative. There are multiple laws and agencies, both at the central and the state level, governing the industry. These are often overlapping, leading to confusion. Various sub-sectors of this industry, like fruits and vegetables, dairies, fisheries, meat, etc are being handled by different departments not only in the states but also at the centre. While a separate Ministry of Food Processing Industries was set up at the Centre way back in 1989, the states have a long way to go. I would take this opportunity to strongly urge upon the states to set up independent food processing departments, or at least a directorate of food processing industries. I am sure that you would agree with me that there can be no other and better way for bringing about coherence and much needed integration in the governance of the sector. I would also strongly urge the state governments to come out with their own specific food processing policies that are not merely a part of their agricultural or industrial policies.

The ministry acts as a catalyst for bringing in greater investment into this sector, guiding and helping the industry in a proper direction, encouraging exports and creating conducive environment for the healthy growth of the food processing industry. We are primarily working towards:

- ◆ Value addition of agricultural produce
- ◆ Infrastructure development and focus on backward and forward linkages.
- ◆ Introduction of modern technology
- ◆ Emphasising on R&D so that the quality of food and packaging increases
- ◆ Giving policy and legislative support
- ◆ Issues related to food safety and quality

The efforts of the Ministry of Food Processing Industries towards creation of an enabling policy structure for food processing sector marked a significant milestone with preparation of the Vision Document in 2005. The Vision 2015 was a comprehensive document, which reflected a clear desire on the part of the Ministry to take a great leap forward for the fledgling food-processing sector in India. This Report thus set some very challenging targets for the sector over next 10 years and laid a road map too. Vision 2015 set the target of trebling the size of the processed food sector by 2015 and thereby increasing (a) level of processing of perishables from 6 percent to 20 percent, (b) value addition from 20 percent to 35 percent and (c) share in global food trade from 1.5 percent to 3 percent.

To meet the Vision 2015 targets, it has been estimated that a total investment of Rs 1 lakh crore would be required during the period 2005 to 2015. Food processing industry is employment intensive. For every Rs. 1 crore invested, it creates 18 jobs directly and 64 indirectly in the organised sector and 20 jobs in the unorganised sector across the supply chain. That means, it creates 102 jobs per Rs. 1 crore of investment. For most other industries, the jobs

created by the same level of investment are substantially lower. Much of the new jobs would benefit people who constitute the so-called bottom of the pyramid. Hence, an investment of Rs. 1 lakh crore would create as many as 1 crore jobs in the rural economy by 2015.

A lot more needs to be done. Towards this end, with effect from June 2009 onwards the Ministry has worked out the steps that need to be initiated for implementation over the next five years.

The Ministry has been largely successful in creating an enabling policy structure to promote food-processing sector in the country. The policy structure of the Ministry is driven by the belief that a robust food-processing sector would not only enrich farmers by providing them better prices but also lead to greater farm productivity by attracting more investments thus addressing the issue of food security. The key components of the policy initiatives are thus (a) safety and quality standards for the consumers (b) backward linkages and supply chain infrastructure for farmers and industry and (c) capacity building of personnel, industry and institutions.

The Ministry has been running an awareness campaign targeted at end consumers to assure them on the safety and quality standards of the processed food products. A concerted campaign towards promotion of processed food products has been found necessary to remove inhibitions of large number of consumers in the country regarding quality and safety issues. In addition to the campaign, which has received an encouraging response from people, the Ministry has been instrumental in ensuring passing of Food Safety & Standards Bill, 2006 and creation of a Food Safety and Standards Authority of India (FSSAI) in 2008. The need for an Integrated Food Law was felt to address inefficiencies of multiplicity of food laws, standard setting and enforcement agencies that posed problems for both consumers and industry. The creation of FSSAI, working under Ministry of Health & Family Welfare, Government of India is aimed at creating a regime which would ensure adherence to global standards of safety for the Industry, likely to further increase the confidence of the consumers and lead to greater market size for the Industry.

Another significant initiative in this direction has been formulation of Scheme of Upgradation of Quality of Street Food. This innovative idea to create Safe Food Towns and Food Streets is to address concerns of the consumers regarding safety of street food and thus ensure economic sustainability of millions of street food vendors in the country.

Finally, the Scheme for Setting Up/Upgradation of Food Testing Laboratories is to establish a surveillance system for monitoring the quality and composition of food to ensure prescribed standards. These multi-pronged efforts have been found necessary to enlarge the market for processed food products on a significant scale. This, in turn, is required to attract large-scale investments in the food-processing sector in an organized manner.

The Ministry has been, on the other hand, trying to promote backward linkages and supply chain infrastructure for food processing units. It has been accepted now that a key obstacle in the growth of the food-processing sector has been weak backward linkages and inefficient supply chain infrastructure. The Ministry has thus made major modifications in its 10th Five Year Plan schemes and come out with revised schemes for the 11th Five Year Plan which are more integrated and in particular address supply chain issues.

The Scheme for Mega Food Parks, the flagship programme of the Ministry, is now based on cluster approach and follows “Hub and Spoke” model for ensuring adequate supply of raw materials for food processing units to be located in the Mega Food Parks. The Mega Food Parks have now got a structure which ensures integration of Central Processing Facilities (Hub) with Primary Processing Centres (Spokes) through efficient logistic arrangements.

Introduction of a Scheme for Cold Chain, Value Addition and Preservation Infrastructure

is also aimed at creating such “farm to market” integration through linkages of producers to processors and market. This integration is to benefit all major stakeholders including farmers, processors and consumers. The farmers would get benefits of better prices, processors would get assured raw materials and consumers are likely to get better products at lower prices through elimination of wastages along the value chain.

Capacity building of manpower, industry and institutions has been another key tenet of the Ministry’s policy regime. Creation of a large pool of skilled manpower for the food processing industry has been found desirable to facilitate growth of the sector. Compared to the developed world, the sector in India is still evolving and therefore finding appropriate skills for the industry has been a major challenge for many of the food processing units in the country.

The Ministry’s decision to set up the National Institute of Food Technology Entrepreneurship & Management (NIFTEM) is the most significant step in this direction. NIFTEM is being set up as a Centre of Excellence on various aspects of the food processing industry like technology, entrepreneurship, research and management. It would be, in particular, aimed at creating a large pool of skilled manpower and capacity building of institutions engaged in food processing sector Indian Institute of crop Processing Technology.

In addition, Scheme for Human Resource Development (HRD), during the 11th Five Year Plan, is targeted to provide assistance for setting up of Food Processing Training Centres (FPTCs) and organise Entrepreneurship Development Programmes. Further, this Scheme is aimed at assisting creation of infrastructure facilities for degree/diploma courses in food processing to Universities/Colleges/Institutions.

Scheme for Research and Development is further targeted at assisting development of new products and cost effective technologies.

All these efforts are likely to ensure ready availability of appropriate skill sets and technology solutions for the food processing units.

The Ministry has decided, in a major departure from the earlier policy approach, to implement the Scheme for Technology upgrade/expansion/ modernization/ of food processing industries through a decentralised approach. This is aimed at decentralising the procedure for appraisal, grant of financial assistance and monitoring through banks/financial institutions. The new approach is expected to speed up disposal of cases, enhanced quality of appraisal and monitoring of implementation, subject to availability of funds.

The Ministry has also addressed the issue of insufficient assistance available under various schemes during the 10th Five Year Plan. The Ministry has decided to provide higher level of assistance under various schemes. There is a significant rise in capital grant assistance available under Scheme for Mega Food Parks, compared to Food Park Scheme of the 10th Plan, from Rs. 4 crore to Rs. 50 crore.

Similarly, the assistance available under Scheme of Modernisation of Abattoirs has also gone up significantly subject to a maximum of Rs. 15 crore. The assistance available under Scheme for Cold Chain, Value Addition and Preservation Infrastructure is also on the similar pattern with a maximum of Rs. 10 crore.

The significant level of assistance available under the above schemes suggests not only a greater sensitivity to the needs of the industry but also a much larger vision for the sector by the Ministry.

Friends, I would like to briefly mention some recent achievements/actions of the Ministry:

- ◆ Commissioning a study to ascertain/identify the requirements of the industry for trained manpower at various levels.
- ◆ New buildings of Indian Institute of Crop Processing Technology (IICPT), and a National

Institute of Food Technology & entrepreneurship and Management (NIFTEM) would be inaugurated shortly. A proposed Business Incubation Centre will be useful to entrepreneurs.

- ◆ An inter-ministerial framework consisting of Ministry of Agriculture, Department of Bio-Technology, Department of Science and Technology, ICAR, etc. has been established to assess various produce and the problems of the industry regarding availability of processable varieties in those produce.
- ◆ A national level workshop of industry, scientists, research institutions and academia was organised in July and a road map developed for research to benefit the sector. We will undertake state and regional level campaigns to focus attention of entrepreneurs on issues of food safety and quality and adoption of food safety programmes.
- ◆ We have recently launched a new website for the Ministry and a magazine on food processing Planning to launch a TV programme like Krishi Darshan for the benefit of farmers/entrepreneurs.
- ◆ Our Ministry is also planning to identify developing regional hubs based on local produce for integrated development. I urge states to identify clusters of various fruit, marine products processing and Create hubs for the processing of a variety of food products that will be beneficial to the food-processing sector.

Indian Institute of Crop Processing Technology, formerly known as Paddy Processing Research Centre (PPRC)'s mandate has been expanded to include commodities such as millets, pulses and oil seeds. The Institute has signed MOU with foreign universities to facilitate a collaborative programme of research, training, curriculum and institutions development. In addition, with a view to promote grapes, meat and poultry processing, Indian Grape Processing Board and National Meat and Poultry Processing Board has been established. The Boards have started functioning and are in the process of preparing short term and long-term action plans for development of the sector. Fish Processing Development council was also set up to focus on issues related to Fish Processing.

The Ministry realises the need for strengthening State Nodal Agencies and also increasing their engagement in implementation of schemes particularly in the now decentralized scheme of setting up/modernisation of Food Processing Units. Necessary instructions will be issued shortly.

Several policy initiatives have been taken from time to time to promote growth of processed food sector in the country. Some of these are:

- ◆ Status quo maintained in the rate of excise duty on processed food on the recommendation of MFPI.
- ◆ Fringe Benefit Tax on Food Processing is abolished.
- ◆ In order to incentivise the corporate sector to undertake R&D work, scope of the current provision of weighted deduction of 150 percent extended on expenditure incurred on in-house R&D to all manufacturing businesses except for a small negative list.
- ◆ Extension of investment-linked tax incentives to the businesses of setting up and operating 'cold chain', warehousing facilities for storing agricultural produce.
- ◆ Under Section 80-IA-IIA, deduction is allowed on the profit deriving from the business of processing, preservation and packaging of fruits & vegetables only. This will now be extended to all new food processing units based on perishables like milk, poultry, meat products and not just fruits and vegetables product only.
- ◆ Extension of investment-linked tax incentives to the businesses of setting up and operating 'Cold Chain; warehousing facilities for storing agricultural produce. There are several other measures benefiting the sector.

Other Tax Relief/Reforms for Speedy growth of Food Processing Sector:

- ◆ Excise duty on processed fruit and vegetables has been brought down from 16 percent to zero level.
- ◆ In the budget of 2004-05 income tax holiday and other concessions announced for certain FPI sectors.
- ◆ In the Budget of 2006-07, the following promotional and tax relief measures for the food processing industries were initiated:
 - i) Food processing identified as industry with employment potential;
 - ii) Food Processing to be a priority sector for bank credit;
 - iii) Customs duty on packaging machines reduced from 15 percent to 5 percent;
 - iv) Condensed milk, ice cream, preparations of meat, fish and poultry, pectins, pasta and yeast to be fully exempt from excise duty;
 - v) Excise duty on ready-to-eat packaged foods and instant food mixes, like dosa and idli mixes, has been reduced from 16 percent to 8 percent;
 - vi) Excise duty on packaging paper has been reduced from 16 per cent to 12 per cent.

Fiscal Incentives announced in the Budget of 2007-08

Fiscal Incentives like Exemption limit of excise duty for Small Scale Industry (SSI) raised from Rs. 1 crore to Rs. 15 crore, Excise duty on biscuits reduced from 8 percent to 0 percent whose retail price does not exceed Rs. 50 per kg, excise duty reduced from 8 percent to 0 percent on all kind of food mixes including instant mixes, Custom duty on food processing machinery reduced from 7.5 percent to 5 percent. Central Sales Tax reduced from 4 percent to 3 percent from April 1, 2007. All service provided by Technology Business Incubators exempted from service tax. Similarly the incubators whose annual business turnover does not exceed Rs.50 lakh exempted from service tax for the first three years. Licensing powers delegated to regional offices under Fruit Products Order, 1955 were announced.

Fiscal Incentives announced in the Budget 2008-09

- ◆ Customs duty on Bactrofuges reduced to NIL (this will increase shelf life of milk and benefit Dairy Industry).
- ◆ Reduction in general CENVAT rate on all goods from 16 percent to 14 percent.
- ◆ Excise duty exemption on Tea & Coffee Pre Mixes, Milk containing edible nuts with sugar or other ingredients and Puffed Rice (goods of mass consumption) from 16 percent.
- ◆ Excise duty reduced on specified packaging material from 16 percent to 8 percent (OTS Cans, Aseptic Bags and Aseptic Packaging Paper).
- ◆ Excise duty on certain varieties of packing paper reduced from 12 percent to 8 percent.
- ◆ Excise duty reduced on Breakfast Cereals from 16 percent to 8 percent.
- ◆ To further encourage Cold Chain facilities, refrigeration equipments (consisting of compressor, condensers, evaporator etc) above 2 tonne refrigeration utilising power of 50 KW and above, exempted on end-use basis.
- ◆ To promote out-sourcing of research, a weighted deduction of 125 percent on payments made to companies engaged in R&D.

State Governments and UT Administrations need to focus on integrated development of the Food Processing Sector by active involvement of key departments i.e. horticulture, industry, animal resource development, fish, dairy related departments. We need to enhance the allocations to facilitate setting up of food processing units with a particular focus on perishables. I urge all the State Governments to constitute exclusive administrative set up for

promotion of food processing sector at state and directorate level, deploying technical and administrative staff with proper delegation of powers, higher allocations in the budget, to create a positive impact on the development of the sector.

We always believe that agriculture, allied sectors and food processing have to work hand-in-hand with complete integration. Today we have called Secretaries and other senior officers of the Ministry of Agriculture, particularly Department of Agricultural Research, Department of Agriculture, National Housing Board, Department of Animal Husbandry & Fisheries, Ministry of Small and Medium Enterprises. All these Departments are making presentations, sharing information for developing effective road map.

When we have written to the State Governments, we have requested the Chief Secretaries to depute the officers related to Food Processing i.e. Horticulture, Agriculture, Industry, Dairy, Fisheries, Animal Husbandry and Industry representatives. This is a collective pool of rich experience and expertise I urge upon the members of the industry associations, entrepreneurs and other delegates to participate effectively in the schemes and programmes of the Ministry, so that the Vision, which was prepared by the Ministry, would be achieved.

I urge the State governments to map the food processing potentialities, clusters for development including assessing the need for technical and skilled manpower to cater to the needs of the growing sector.

Friends, today is an important day in the history of food processing sector as various stakeholders particularly policy planners and implementers, representatives from the industry and others are assembled under one roof to discuss various issues and to suggest a road map. We have constituted six groups with representatives of State Governments and Industry Associations and each group will deliberate on specific themes, which are critical for the development of the sector.

I urge all the participants and delegates to contribute innovatively and the suggestions would be considered by the Ministry. I want to draw the attention of the participants to the topics to be discussed in the groups i.e. Infrastructure development, product diversification & food processing technologies, institutional strengthening and capacity building, Financing for food processing sector, government policies & procedures, food safety, food regulation and R&D, and trade promotion in the food processing sector.

I hope that by the end of the day with the deliberations and recommendations of the groups, we will be able to get more clarity on the strategies for development of the sector.

