

Ministry of Food Processing Industries
Results-Framework Document (RFD)

SECTION 1 : MINISTRY'S VISION, MISSION, OBJECTIVES AND FUNCTIONS

Vision :

To make India, by 2015, a global leader in production, consumption and export of safe, hygienic, nutritious and quality processed food items through sustainable agricultural practices leading to growth of rural incomes and national GDP.

Mission

To achieve the following targets by 2015 -

- Increasing the level of processing of perishables from 6 % to 20%
- Value addition from 20% to 35%
- Increase in share of global food trade from 1.5% to 3%

Objectives :

1. Enhancing processing levels
2. Value addition & reduction in wastage.
3. Institutional strengthening
4. Food safety and quality assurance.
5. Capacity building.

Functions:

- 1) Policy Support through formulation and implementation of policies for the sector within the overall national priorities and objectives
- 2) Developmental initiatives through creation of a conducive environment for healthy growth of the sector
- 3) Promotional support by promoting rationalization of tariffs and duties relating to the sector.

3. Institutional Strengthening	22%	Establishment of National institute for Food Technology and Entrepreneurship Management (NIFTEM)	Taking Revised Cost Estimate proposal to EFC	1	3%	31 st Dec 2009	15 th Jan 2010	31 st Jan 2010	15 th Feb 2010	28 th Feb 2010
			Taking RCE proposal to CCEA	1	2%	28 th Feb 2010	15 th March 2010	31 st March 2010		
		Strengthening of Indian Institute of Crop Processing Technology (IICPT)	Completion of 1 st Phase	1	4%	31 st Jan 2010	15 th Feb 2010	28 th Feb 2010	15 th March 2010	31 st March 2010
			Completion of 1 st semester of B.Tech Course	1	4%	1 st March 2010	10 th March 2010	20 th March 2010	31 st March 2010	Beyond March 2010
		Strengthening of State Nodal Agency	Release of grant to SNAs by March 31 st March 2010.	10	5%	10	9	8	7	6
		Strengthening of Indian Grape Processing Board (IGPB)	Release of grant	-	2%	31 st Dec 2009	15 th Jan 2010	31 st Jan 2010	15 th Feb 2010	28 th Feb 2010
		Strengthening of national meat & Poultry Processing Board (NMPPB)	Release of grant	-	2%	31 st Dec 2009	15 th Jan 2010	31 st Jan 2010	15 th Feb 2010	March 2010
4. Food safety & Quality assurance	8%	Establishment /Upgradation of food testing labs (FTL)	1. Number of food testing labs approved by March 31 st 2010	5	2%	5	4	3	2	1
			2. No. of FTL visited by March 31 st 2010	5	2%	5	4	3	2	1
		Organising workshops on food safety and quality	Number of workshops organized by 31 st March 2010	5	2%	5	4	3	2	1
		HACCP/ISO certification	1. Sanctioning of projects	4	1%	4	3	2	1	0
			2. No. of projects inspected	4	1%	4	3	2	1	0

5. Capacity building	15%	Entrepreneurship development programme	1. Number of training programmes by 31 st March, 2010	20	3%	20	18	16	14	12
			2. % of trained people, (trained prior to 2008-09) engaged in employment	25%	2%	25	23	21	20	18
		Creation of infrastructural facilities	1. Number of projects sanctioned	5	3%	3	2	1	-	-
			2. No. of projects inspected	5	2%	3	2	1	-	-
		Strengthening of Food Processing Training Centre	1. Assistance to FPTC	8	2%	8	7	6	5	4
			2. No. of FPTC's visited	8	1%	8	7	6	5	4
		Survey to asses the increase in processing level	Finalisation of TOR and hiring of agency by 31.3.2010	-	2%	28.2.2010	10.3.2010	20.3.2010	25.3.2010	31.3.2010
		TOTAL	100%				100%			

Section –3 Trend values of success indicators

Table 2: Trend value for success indicators

Objective	Weight	Actions	Success Indicator	Unit	Actual Value for FY 07/08	Actual Value for FY 08/09	Target Value for FY 09/10	Projected Value for FY 10/11	Projected Value for FY 11/12
1.Enhancing processing level	30%	To assist in setting up/ technology Upgradation/ modernization of Food Processing Industries, by providing financial assistance in the form of grant-in-aid	1. Utilisation of allocated funds	10 crores	119.36	96.87	66	300	350
			2. Number of units to be assisted	50	569	579	330	1200	1400
			3. No. of cases of sanction of grant with in 30 days of completion of documentation to the extent of available fund	50	100%	90%	80%	70%	60%
			4. No. of units visited	50	20	50	100	120	140

2. Value addition and reduction in wastage	25%	Mega Food Parks	1.Final Approval of DPR	2	0	10	2	18	-
			2. Invitation of EOI	4	0	10	4	16	-
		Cold chain value additio*n and preservation infrastructure	1.Operationalisation of cold chain units	2	0	0	2	8	20
			2.Taking proposal for upscaling to EFC	--	0	1	1	0	0
			3.Taking proposal to CCEA	--	0	1	1	0	0
		Modernization of 1. Abattoirs	1. Release of next instalments	3	0	10	5	20	2
			2.Taking proposal for upscaling to EFC	--	0	1	1	0	0
			3.Taking proposal to CCEA	--	0	1	1	0	0

3.Institutional Strengthening	22%	Establishment of National Institute for Food Technology, Entrepreneurship & Management (NIFTEM)	Taking Revised Cost Estimate proposal to EFC		0	0	1	0	0
			Taking RCE proposal to CCEA		0	0	1	0	0
		Strengthening of Indian Institute of Crop Processing Technology (IICPT)	Completion of 1 st phase	1	0	0	1	-	-
			Completion of 1 st semester of B.Tech course	1	0	0	1	-	-
		Strengthening of State Nodal Agencies	Release of grant to SNAs by March 31 st 2010	10	10	10	10	20	20
		Strengthening of Indian Grape Processing Board (IGPB)	Release of grant		0	0	1	1	0
		Strengthening of national meat & Poultry Processing Board (NMPPB)	Release of grant		0	0	1	0	0

4. Food safety & Quality assurance	8%	Establishment /Upgradation of food testing labs (FTL)	1. Number of food testing labs approved by March 31 st 2010	5	-	1	6	10	15
			2. No. of FTL visited by March 31 st 2010	5	1	2	5	7	10
		Organising workshops on food safety and quality	1. Number of meetings attended by 31 st March 2010	5	--	5	5	10	10
		HACCP/ISO certification	1. Sanctioning of projects	4	2	3	4	10	15
			2. No. of projects inspected	4	1	2	4	7	10

5.Capacity building	15%	Entrepreneurship Development programme	Number of training programmes by 31 st March 2010	20	118	183	140	150	160	
			2. % of trained people, (trained prior to 2008-09) engaged in employment	25%	3%	25%	23%	21%	20%	
		Creation of infrastructural facilities	Number of projects sanctioned	5	2	2	8	10	12	
			No. of projects inspected							
			Strengthening of Food Processing Training Centre	Assistance to FPTC	8	23	21	25	30	35
				No. of FPTC's visited						
			Survey to asses the increase in processing level	-	1	0	0	1	0	0
TOTAL	100%									

Section – 4: Description and definition of success indicators and proposed measurement methodology

Objective	Actions	Description and definition of success indicators and measurement methodology proposed		
		Success Indicator	Unit	

1. Enhancing processing level	To assist in technology Upgradation/modernization of Food Processing Industries, by providing financial assistance in the form of grant-in-aid	1. Utilisation of allocated funds	10 crores	The success indicator measures the level of disbursement and is useful while assessing the fund requirements of the scheme
		2. Number of units to be assisted	50	The success indicator is useful in monitoring the no. of cases and a measure of no. of units assisted for increasing processing level.
		3. No. of cases of sanction of grant with in 30 days of completion of documentation of the extent of available fund	50	This indicator has been adopted to measure the processing efficiency of office. This will indicate the promptness of disposal.
		4. No. of units visited	50	This indicator sets out a target for effective monitoring of the units. This would be useful for generating relevant feedback and improving the scheme.

3.
4.

2. Value addition and reduction in wastages	Mega Food Parks	1. Final approval of DPR		After having gone through different stages, final approval is accorded. It is an important step in implementation.
		2. Invitation of EOI	4	In 4 new projects, Expression of Interest is to be issued to call for proposal.
	Cold chain value addition and preservation infrastructure	1. Operationalisation of cold chain units	2	Out of ongoing projects to be operationalised, 2 are to be completed in this year.
		2. Taking proposal for upscaling to EFC		This is an activity essential for expansion of scheme.
		3. Taking proposal to CCEA		This is an activity essential for expansion of scheme.
	Modernisation of abattoirs	1. Release of next instalment	3	This indicator has been indicated to measure the procedural efficiency.
2. Taking proposal for upscaling to EFC			This is an activity essential for expansion of scheme.	
3. Taking proposal to CCEA			This is an activity essential for expansion of scheme.	
3. Institutional Strengthening	Strengthening of State Nodal Agency	Release of grant to SNAs by 31 st March 2010.	10	This indicator has been adopted to measure the procedural efficiency in processing proposal.

4. Food safety & Quality assurance	Establishment /Upgradation of food testing labs (FTL)	1. Number of food testing labs approved by March 31 st 2010	5	This indicator has been indicated to measure the procedural efficiency in processing proposal.
		2. No. of FTL visited by March 31 st 2010	5	This indicator sets out a target for effective monitoring of the labs that have been assisted. This would be useful for generating relevant feedback and improving the scheme.
	Organising workshops on food safety and quality	Number of workshops organized by 31 st March 2010	5	The success indicator is useful in monitoring the no. of workshops organized.
	HACCP/ISO certification	1. Sanctioning of projects	4	This indicator has been indicated to measure the procedural efficiency in processing proposal.
		2. No. of projects inspected	4	This indicator sets out a target for effective monitoring of the labs that have been assisted. This would be useful for generating relevant feedback and improving the scheme.

5. Capacity building	Entrepreneurship development programme	1. Number of training programmes by 31 st March, 2010	20	This indicator has been indicated to measure the no. of training courses against target.
		2. % of trained people, (trained prior to 2008-09) engaged in employment	25%	The success indicator is useful in monitoring the efficacies of training. Its linkage to self-employment.
	Creation of infrastructural facilities	1. Number of projects sanctioned	5	This indicates efficiency in sanction by office.
		2. No. of projects inspected	5	This indicator sets out a target for effective monitoring of the projects that have been assisted. This would be useful for generating relevant feedback and improving the scheme.
	Strengthening of Food Processing Training Centre	1. Assistance to FPTC	8	This indicates efficiency in sanction by office.
		2. No. of FPTC's visited	8	This indicator sets out a target for effective monitoring of the projects that have been assisted. This would be useful for generating relevant feedback and improving the scheme.
	Survey to asses the increase in processing level	Hiring of agency by 31.3.2010	-	This indication would indicate the speed at which the agency is hired by the Ministry for MIS.

Section 5: Specific performance requirement from other departments that are critical for delivering agreed results:

The achievement of the above key Ministry objectives depends upon a number of actions that are required to be performed by various other Departments/agencies. Food processing is a very general term and this sector comprises of a number of sub-sectors like dairying, fruits & vegetables, edible oils, meat & poultry, grain milling and other consumer items. A number of schemes are presently being implemented by various departments of the central and state governments for extending assistance to food processing units. As such, there are a number of factors that can affect the performance of the schemes of the Ministry.

A major factor is that approvals of the schemes need to be expedited so that fund releases to applicants can be done at an early date. *Late approval of the schemes has adversely affected the disbursement levels of the Ministry, leading to lesser allocations in subsequent years.* Prompt response from Planning Commission & Ministry of Finance are critical for success of programmes of this Ministry.

Apart from the above, the state governments also have a very important role to play. Though the impact is indirect, yet there are a number of factors that are affecting the growth of the sector. Some of these factors are –

a) Lack of robust policy mechanism

The absence of well spelt out policy both at the national and state level addressing the sectoral needs is one of the major factor impeding the growth of the sector. While the Central Government has developed a vision document assessing the needs for the growth of the food processing industry, it has not really translated into a policy addressing all the needs identified therein. Similarly at the state level, while food processing policy exists in a few states, these are not followed with definite action plan.

b) APMC Act:

Some of the key areas of concern regarding the APMC act are:

- The APMC Act of most states prohibits transactions outside the regulated mandis
- The APMC Act of most states does not encourage direct marketing and contract farming
- The prohibitions under the APMC Act do not allow investment by the private sector for improving the infrastructure

The above aspects have to be handled by the state governments.

c) **Essential Commodities Act, Stock Order etc.**

The Essential Commodities Act (ECA) 1955 was put in place after independence to control production, supply and distribution of essential agricultural commodities and was put in place to ensure availability of food products. In the current context of liberalizations, controlling the movement of products by licensing of dealers, limits on stocks and control on movements only hamper the growth of the agricultural sector and promotion of food processing industries. There is a need to on the parts of the state governments to rationalize these constraining factors.

d) **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 variety of taxes, such as Central Sales Tax of 3 %, VAT at 4% or 12.5%. 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% in many states.

e) **Other Restrictions imposed by State Governments/Union Territories on storage of food and agricultural produce**