

Food processing dept ups subsidy budget

Will Increase From ₹40Cr To ₹400 Crore

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Lucknow: Having received 1,157 proposals worth Rs 52,702 crore under the food processing sector, the department is now working to revise its budget for subsidy from the existing Rs 40 crore to Rs 400 crore. A meeting has been called on Thursday to discuss the proposal.

Officials say that there is tremendous potential in UP's food processing sector. Agriculture Produce Commission

Manoj Kumar Singh told TOI that Thursday's meeting would see discussion on the implementation of the new Food Processing Policy with concerned departments. "There are two reasons because of which we are having to revise the subsidy budget. For one, there is a huge scope for setting up food processing units in UP and through the GOS, we are expecting many units to come up. Secondly, under the new policy, the per unit subsidy has gone up from Rs 50 lakh to Rs 5 crore. For infrastructure like cold chains, the subsidy has gone up from Rs 50 lakh to Rs 10 crore," he said.

Another major component of the policy is the waiver of the mandi fees if farmers sell their produce direct-

ly to a food processing unit.

Giving an example of wheat production in the state, he said while UP produces 35% of the total wheat production in the country, it processes barely 50% of it. The government is hopeful that even if some of the 1,000 plus MoUs get grounded, the state would see a large number of units coming up.

"UP has about 200 flour mills. Currently, due to a shortage of processing units, wheat produced in UP goes to several states, including Andhra Pradesh, Tamil Nadu and Assam, for processing. UP then has to purchase by-products like husk used in fodder, from these states. If UP gets to process all its wheat, or at least a large part of it, the state will gain immensely," Singh further said.