

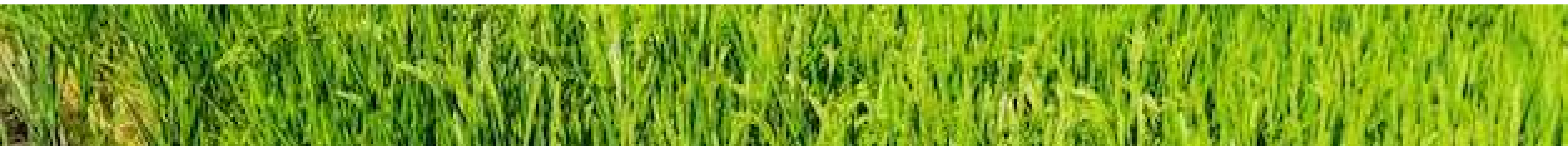


Mega Food Parks Supporting Transformation of Indian Agriculture

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The Need & the Vision:

Food processing sector is regarded as the growth engine that would provide much needed fillip for India's agricultural sector. It is thus correctly advocated that an efficient food processing sector, consistently growing at double digit rates, is a must for the agriculture sector to grow at more than 4% and serve the ever-increasing food requirements of the country's population. Food Processing is also essential to make the humungous efforts of India's farmers in face of many odds worthwhile.

The total food production in the country is likely to be doubled in the next decade or so. Yet at present, India accounts for less than 3 per cent of international food trade and lack of processing facilities has been leading to wastage/value loss of about 35 per cent of the agricultural produce, worth 10 billion USD.

It is in this backdrop that a necessity was felt for an entity that would provide the crucial connectivity to bring together farmers, trade, industries and consumers.

This need led to launch of The Mega Food Parks Scheme (MFPS), which is the flagship programme of the Union Ministry of Food Processing Industries. MFPS is also the most crucial element of the Pradhan Mantri Kisan Sampada Yojana that embodies Hon'ble Prime Minister Modi ji's vision of doubling farmers' incomes.

The Mega Food Parks Scheme:

The primary objective of Mega Food Parks, launched under the current Avatar of MFPS scheme in 2008-09 is to provide state of the art infrastructure facilities for food processing; along the value chain from the farm to the market. At its launch, the Scheme Guidelines struck all the right chords; namely,

- Mega food parks would adopt a cluster-based "hub and spoke model"; with due consideration given to backward (to be read as sourcing) and forward (to be read as marketing) linkages.
- Mega food parks would help create modern infrastructure near the farm, and provide facilities of transportation, logistics and centralized processing centres (CPC); as well as farm proximate Primary Processing Centres (PPCs).
- A grant of up to Rs. 50.00 crores per project to be provided by Ministry of Food Processing Industries was unheard of and everyone expected this Scheme to be a blockbuster.
- It was envisaged that each Mega Food Park would get completed in 30 Months – which, rightly so, proved to be an excessively idealistic target.



And, like all large infrastructure development projects, things were slow to take-off due to a variety of reasons such as time taken in land acquisition & CLU, financial closure, environmental approvals, unfavourable SPV structuring norms in the Scheme Guidelines, and in some cases unviable locations.

As a result, – by 2015-16, the Scheme was written off by many; but the time of Mega Food Parks was still to come. The Ministry too introduced two major initiatives to infuse fresh energy in the MFP Scheme –

- Setting up a food processing fund under NABARD for providing loans at concessional rates to Food Parks and units within the Food Parks,
- launch of the CEFPPC Scheme with a grant-in-aid upto Rs. 5 crore; with preference for food processing units established inside food parks.



Mega Food Parks Have Arrived:

It would not be an understatement to say that the time of MEGA FOOD PARKS IS NOW. The data over the last 3-4 years shows that things have gradually changed for the better, with more than 50% of allotted Mega Food Parks having become operational and starting to attain gestation. Some data points given below illustrate the present status –



41

Total Mega Food Parks:



24

Operational Mega Food Parks:



17

Mega Food Parks under various stages of implementation:

- Cumulative Project Cost: Rs. 4635.87 crore/
- Promoters' contribution: Rs. 2664.74 crores/
- MoFPI Grant: Sanctioned Rs.1971.13 crores/ Released (April 2023): Rs. 1465.26 crores

There is also an accelerated growth of units being established in Mega Food Parks; and out of the 320 units approved by the MoFPI under its CEFPPC (Units) Scheme; as on 08/06/2022, approximately 90 food processing units, are inside Mega Food Parks sanctioned by the Ministry.

Thus, the CEFPPC Scheme has provided the much needed boost for bringing food processing units to the Mega Food Parks.

Role of Mega Food Parks in Transforming Indian Agriculture:

The Mega Food Parks have started playing a significant role in giving a boost to the agribusiness sector and will continue to play an even more important role in the next 5-7 years. The examples are now evident and include:

- Gujarat Agro Infrastructure Mega Food Park has already secured investment of more than Rs. 400 Crores from processors against Ministry's own goal of 250 crores per Mega Food Park in a tribal dominated taluk. It is likely to attract a total investment of nearly Rs. 650 Crores; with the related preservation and procurement of agricultural produce benefitting huge number of farmers. Their fully operational storage facilities have supported scores of dairy farmers too, in addition to storage of other agricultural produce.
- Himalayan Mega Food Park is helping Apple growers in Uttarakhand with their Apple Juice Concentrate facility and are already being considered amongst the top global juice concentrate players and Cremica Food Park is changing fortunes of Tomato farmers in Himachal and surrounding areas with a world class pulping facility.
- All the 22 operational food parks, including the 4 examples above, are already sourcing a range of raw materials directly and indirectly from a minimum of about 5000-6000 farmers each.
- Operational Mega Food Parks are already contributing in a big way in reducing wastage of agri and horticulture produce, through more than 2.5 lakh MT capacity of modern cold and ambient warehousing that is created by these. These storage facilities also provided logistical support and relief during COVID lockdown too as Mega Food Parks continued to operate and offer services.
- With exports being the major market for processed foods; State of the Art processing infrastructure created at Mega Food Parks by promoters and unit owners' is helping in providing a boost to exports of processed foods.
- Some Mega Food Parks have encouraged and even assisted farmers in their project clusters to experiment and diversify. Many farmers have taken up to horticulture for two main reasons – surety of buy back and creation of farm gate infrastructure such as packhouses and logistics support provided by the Mega Food Parks. It has been seen in various locations that FPOs, being promoted heavily by governments, have found a market for their produce in these mega food parks.
- Various food parks have been established in hilly states, tribal areas and difficult areas. This has not only helped the farmers of that region become a part of mainstream agriculture but has also fostered entrepreneurship among locals and resulted in overall economic development of the region.
- Mega Food Parks are also becoming hubs for supply and for private labelling of products of many prominent Indian and global food brands and helping exports of food products to various parts of the world. Serving such markets and players requires quality and traceability across the entire supply chain. Some Mega Food parks are actively working with farmers and training them too to ensure both.
- When all 41 projects are complete and fully operational with their central facilities and food processing units, more than 10 lakh farmers in these project clusters would be benefitted.
- Also,, when all 41 projects are complete and fully operational, more than 5 lakh MT of capacity would have been created. A similar capacity is also being established by units inside these food parks.



It is evident that such support through Mega Food Parks will enthruse many more farmers and FPOs to focus on better and processable produce and food parks are already playing and shall continue to play an important role in moulding the future of India's agriculture sector.

In the post-covid world, global food supply chains are undergoing major realignments. Given India's inherent strengths and renewed focus from Government, India can emerge as a major global sourcing hub and also a major consumption market, thus creating a huge opportunity for Indian businesses and start-ups

Mega Food Parks will no doubt pave the way to transform the agriculture sector and unlock its real potential though processing and value addition.



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