

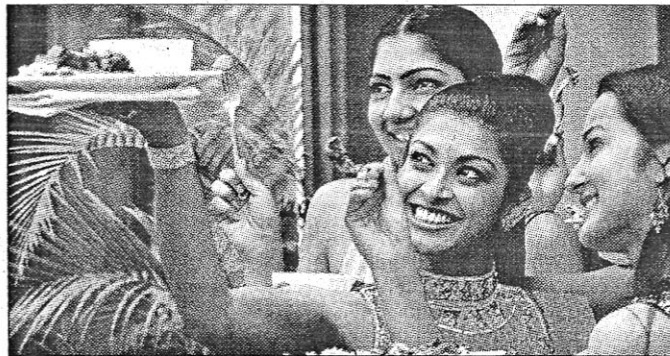
## Government may spend Rs 1,500 cr on food parks

Our Bureau  
NEW DELHI

THE National Manufacturing Competitiveness Council has drawn up a detailed plan for boosting investment and technology in the food-processing sector by way of setting up of food parks, organised and professionally managed abattoirs and bringing street food vendors under the aegis of the quality council of India. The government plans to spend Rs 1,500 crore towards these food parks. This apart, the commission in association with the ministry of food processing has recommended a uniform 4% value added tax (VAT) for processed foods in all states.

However, these proposals were met by objections from industry members at a discussion held at the Federation of Indian Chambers of Commerce and Industry (Ficci) on Wednesday. The industry members argued that it was not possible to have a uniform price for all their products as different states had a different taxation policy. In fact, the proposal seems too difficult to implement as many states have not even adopted the VAT system so far.

The industry also stated that with a large number of food parks in the country the competition for raw materials will go up and adversely affect the processing industry. The



proposed special purpose vehicle for co-ordinating farmers and retailers will add another rung to the supply chain making things more expensive due to presence of another middleman.

### FOOD COURT

**Commission, in association with the ministry of food processing has recommended a uniform 4% VAT for processed foods in all the states**

The government proposes to set up mega food parks in 30 districts of the country at a cost of Rs 50 crore each for accessing the farmer, the secretary food processing Mr Su-

vratn said. Under the scheme, the processor and the retailer would reach out to the farmer, especially the marginal framers.

They would provide them with inputs and ask them to produce goods in accordance with the demands of the market. The results of the pilot food parks will be evaluated for the next three years before being replicated in other districts.

Describing meat processing as the most neglected area, the secretary said, about 50 modern abattoirs would be established in the next two to three years with the provision of viability gap funding. While the regulation of the abattoirs would be done by the municipal authorities, the management will be left to a private party who would be appointed through a competitive selection process, he added.