

## Sectoral

---

### Food Processing

**1. A registered person is sending semi-cooked food from his manufacturing unit at Gurugram to his branch in Delhi. Is he required to pay any tax?**

In accordance with the provisions of Section 25(4) of the CGST Act, 2017, branches in different States are considered as distinct persons. Further, as per Schedule I, this constitutes supply made in the course or furtherance of business between distinct persons even if made without consideration. As it is an inter-State supply, the registered person is required to pay IGST.

**2. What is FSSAI, 2006 and why this Act is needed?**

FSSAI 2006 is an Act enacted to keep with changing needs/requirements of time and to consolidate the laws relating to food and establish the Food Safety and Standards Authority of India. The Act was needed to bring out a single statutory body for food laws, standards setting and enforcement so that there is one agency to deal and no confusion in the minds of consumers, traders, manufacturers and investors which was due to multiplicity of food laws.

**3. What is National Livestock Mission?**

National Livestock Mission is an initiative of the Ministry of Agriculture and Farmers Welfare. The mission, which commenced from 2014-15, has been designed with the objective of sustainable development of the livestock sector. NABARD is the subsidy channelizing agency under Entrepreneurship Development & Employment Generation (EDEG) component of National Livestock Mission. This includes: 1) Poultry Venture Capital Fund (PVCF). 2) Integrated Development of Small Ruminants and Rabbit (IDSRR). 3) Pig Development (PD). 4) Salvaging and Rearing of Male Buffalo Calves (SRMBC).

**4. What is interest subvention to Small and Marginal Farmers against Negotiable Warehouse Receipts?**

In order to discourage distress sale of produce by farmers and to encourage them to store their produce in warehouses against warehouse receipts, Government of India (GoI) had introduced a scheme in 2011-12 for extending concessional loans to the farmers against negotiable warehouse receipts. Post-harvest loans against Negotiable Warehouse Receipts (NWR) provided by banks to Small and marginal farmers (SF/MF) having Kisan Credit Cards, would be eligible for interest subvention, for a period of up to six months on the same rate as available to crop loan. SF/MF, who have not availed crop loans through banking system, would not be eligible. No additional subvention towards prompt repayment, as is available for crop loans, is envisaged under the scheme.

**5. Can foreign investors, private equity arms of foreign firms become members in SPV and invest in creation of common infrastructure in form of equity?**

Yes, such firms can join hands with Indian promoters to form the Special Purpose Vehicle and invest in the project by way of contributing equity. It may also be noted here that foreign direct investments in food processing sector is allowed under automatic route in India. However, adequate documents with regard to net worth and other relevant financial details in respect of such firms must be provided with the EOI proposal.

**6. What types of industries/units are permitted in Mega Food Park?**

Only food processing industries/units that make food products fit for human and animal consumption are permitted to be set up in the Mega Food Parks. Packaging facilities of food products as ancillary to the food processing industries will also be eligible for setting up in the Mega Food Parks. However, setting up of alcoholic beverage unit as an anchor unit will not be allowed.

**7. What is 'eligible project cost' in Mega food park?**

The 'eligible project cost' is the total project cost but excludes cost of land, preoperative expenses and margin money for working capital. However, interest during construction (IDC) as part of preoperative expenses and fee to PMC up to 2% of the approved grant would be considered under eligible project cost (refer para. 4.1 of guidelines, at the link).

**8. For Mega food park, does the land needs to be changed from Agricultural to Industrial?**

Yes, it is mandatory to have Change of Land Use (CLU). CLU is not required in case the land is already in a designated industrial area.

### **9. What is minimum land requirement for setting-up Mega Food Park?**

The minimum land required for setting-up a Mega Food Park is 50 acres of contiguous land and free from any kind of encumbrance. The selection of land needs to be justified in terms of connectivity and availability of basic infrastructure such as approach road, power, water etc. as also in terms of availability of raw materials/market.

### **10. What are the commodities under the Warehousing development and regulatory authority?**

The authority had approved 115 commodities including cereals, pulses, oil seeds, spices, rubber, tobacco, coffee, etc. for issuing negotiable warehouse receipts and also 26 perishable commodities for cold storage.

### **11. What are the major activities of Central Warehousing Corporation (CWC)?**

CWC provides storage and warehousing facilities for more than 400 commodities to wide range of clients comprising of public and private institutions, cooperative societies, traders, farmers, importers/exporters, etc. besides providing the services for storage and warehousing, CWC also undertakes the following activities: i) Providing Pest Control Services at the door step of customers which include general pest control, disinfestation of aircrafts, rail coaches, fumigation of containers/ships, pre and post construction anti termite treatment, etc. ii) Providing infrastructure such as CFSs/ICDs/Air Cargo Complexes/Cargo/Terminal of ICP etc. for supporting the EXIM trade. iii) Providing handling and transport facilities at the request of the depositors. iv) Consultancy of warehouse construction and warehousing related activities. v) Training of farmers for safe storage of foodgrains at farm level and assisting them in securing cheap institutional credit.

### **12. How much grant-in-aid is provided for storage infrastructure under Scheme for Cold Chain, Value Addition and Preservation Infrastructure under PMKSY?**

For storage infrastructure including pack house and pre cooling unit, ripening chamber and transport infrastructure, grant-in-aid @ 35% for General Areas and @ 50% for North East States,

Himalayan States, ITDP Areas & Islands, of the total cost of plant & machinery and technical civil works will be provided. Please visit the following link for more information.

**13. How much grant-in-aid is provided for value addition and processing infrastructure under Scheme for Cold Chain, Value Addition and Preservation Infrastructure under PMKSY?**

For value addition and processing infrastructure including frozen storage/ deep freezers associated and integral to the processing, grant-in-aid @ 50% for General Areas and @ 75% for North East States, Himalayan States, ITDP Areas & Islands, will be provided For more information, please click here

**14. How much grant-in-aid is provided for irradiation facilities under Scheme for Cold Chain, Value Addition and Preservation Infrastructure under PMKSY?**

For irradiation facilities grant-in-aid will be provided @ 50% for General Areas and @ 75% for North East States, Himalayan States, ITDP Areas & Islands For more information, click here

**15. What is Operation Greens Scheme?**

A Central Sector Scheme with total budgetary allocation of INR 500 crore for the integrated development of Tomato, Onion and Potato (TOP) value chain, being implemented by MoFPI. As per scheme guidelines, the scheme has two-pronged strategy as under I) Short term: price stabilization measures (Transportation & Storage – 50% subsidy): During the glut situation at the time of harvest, evacuation of surplus production from the producing area to the consumption centres will be undertaken. II) Long term: integrated value chain development projects (grant @ 50% {70% for FPOs & SC/ST} of eligible project cost subject to maximum INR 50 crore): Pilot projects will be implemented in selected 3 to 4 clusters for each TOP crops in major producing States for development of integrated value chain. Farmers in the production clusters will be organized into FPOs to manage production, post-harvest activities, value addition and marketing of the TOP produce. Components of Integrated value chain development projects Formation & Capacity Building of FPOs Quality production Post-harvest processing facilities – At Farm Gate Post-harvest processing facilities – At Main Processing Site Agri-Logistics Marketing / Consumption Points The last date for submission of proposal for setting up of integrated value chain development project has been extended to 30.09.2020.

## 16. Why was the Operations Green Scheme extended from TOP to Total?

As part of Atamnirbhar Bharat Package Announcements that the Operation Greens has been extended from Tomato, Onion and Potato (TOP) to ALL fruits and vegetables (TOTAL) to provide 50% subsidy on transportation and storage.

## 17. How will farmers benefit under the Operations Green Scheme?

Individual farmer or group of farmers meeting the essential criteria of the Scheme, can directly register under the Scheme and submit the online claim after carrying out the transportation and/or storage of eligible fruits and vegetables as per the provisions of the Guidelines. Small farmers, who do not meet the essential criteria can apply for subsidy under the Scheme through Group of farmers, FPO, Co-operatives and State Marketing Federation/Board. With the subsidy of storage, the farmers can have stored their produce for few months to avoid the distress sale. Similarly, if they are not able to sale at APMC/Mandies, buyers such as processors, retailers, exporters etc. will directly come to them to procure their crops to avail subsidy under the scheme.

## 18. How will food processors benefit under the Operations Green Scheme?

Food Processors are named as one of eligible entity to undertake intervention under the scheme. Their eligible quantity for procurement of crops for subsidy purpose will be capped with reference to installed capacity of their processing plant. The subsidy on transportation and/or storage of raw materials will reduce the cost of production for the food processor, which will make their products competitive and attractive in the market.

## 19. Which are eligible entities under the Operations Green scheme?

Food Processors, FPO/FPC, Co-operative Societies, Individual farmers, Group of Farmers, Licensed Commission Agent, Exporters, State Marketing/ Co-operative Federation, Retailers etc. engaged in processing/ marketing of fruits and vegetables.

## 20. Whether Traders are allowed as an eligible applicant for claiming subsidy under the Operations Green Scheme?

No, Scheme Guidelines clearly provides the name of eligible entities, which does not include traders.

However, Licensed Commission Agent, Exporters and Retailers are eligible entities for claiming subsidy under the Scheme.

### **21. How can people apply under the Operations Green Scheme?**

People can register under the scheme by visiting the Ministry ' s website. After successful registration, they will be directed to the page where the important documents like scheme guidelines, list of eligible crop, production clusters and trigger price and Online application template. After satisfying themselves about meeting the essential criteria of the Scheme, they can directly undertake the transportation and/or storage activity without prior approval of the Ministry and submit the online claim for release of subsidy to the Ministry.

### **22. What is minimum quantity of crop to be procured and transported/ stored under Operations Green Scheme?**

Minimum quantity to be procured and transported/stored per applicant (may consist of one or more than notified crops) will be as under: 50 MT for Individual farmers; 100 MT for FPO/FPC, Co-operative, Group of farmers; 500 MT for Food Processor, Exporter, Licensed Commission Agent; 1,000 MT for Retailers, State Marketing/Co-operative Federation;

### **23. What is the minimum distance for transportation from production to consumption centers under Operations Green Scheme?**

The minimum distance from notified production clusters to point of sale, processing plant, retail outlet, or ports/ airport/ICD/CFS in India, as the case may be (by road, railway or air): 100 Km for Food Processor, FPO/FPC, Co-operative, Individual/Group of farmer, Licensed Commission Agent, Exporter; 250 Km for Retailers, State Marketing/Co-operative Federation;

### **24. What is the Trigger Price for intervention under the Operations Green Scheme?**

Price in the notified production clusters meets any one of the following conditions: Prices fall below preceding 3 years ' average market price at the time of harvest; Prices fall more than 15% compared to last year market price at the time of harvest; Prices fall less than the benchmark price for procurement, if any, fixed by the State/Central Government for a specified period Trigger price is higher of these three prices and it is the price at or below which the crops are being sold in that

production clusters. The actual purchase price should be equal to or less than the trigger price for being eligible for subsidy. The list of eligible crop, production cluster and trigger price is available [here](#).

**25. From whom should the crops be procured by the eligible entities under Operations Green Scheme?**

Procurement to be made directly from farmers, FPO/FPC, Co-operative Society or Licensed Commission Agent and payment should be made only through banking channel.

**26. Whether crop can be procured from aggregators/local traders under Operations Green Scheme?**

No, procurement has to be made directly from farmers, FPO/FPC, Cooperative Society or Licensed Commission Agent and payment should be made only through banking channel.

**27. Is payment in cash for procurement, transportation/storage admissible under Operations Green Scheme?**

No, payment for procurement, transportation and storage charges should be made only through banking channel.

**28. Where can the crops be stored (under Operations Green Scheme)?**

Crops can be stored at any suitable Storage such as licensed warehouse or Cold Storage, located at notified production clusters, consumption centers or any place en-route consumption center.

**29. Whether purchases done before 11 June 2020 will also be allowed (under Operations Green Scheme)?**

No, for claiming subsidy registration on the portal is mandatory, which has been started from 11 June 2020.

**30. Whether it will be extended after 6 months (under Operations Green Scheme)?**

Based on the evaluation of impact of the Scheme, the decision regarding its extension will be taken.

**31. What is the maximum amount of subsidy under Operations Green Scheme?**

Maximum admissible subsidy amount per applicant will be INR 1 crore during the entire period of 6 months.

**32. Is submission of Weighbridge Receipt at only the origin place is admissible for the subsidy claim (under Operations Green Scheme)?**

Weighbridge Receipt at both places i.e. origin & destination is mandatory. In case of non-availability of weighbridge, applicant can submit the Weighbridge Receipt generated at the close proximity of the origin and destination place.

**33. Is submission of geotag photograph at only the origin place is admissible for the subsidy claim under Operations Green Scheme?**

Geotag photograph at both places i.e. origin & destination is mandatory. In case of mobile network issue, applicant can submit the Geotag photograph generated at the close proximity of the origin and destination place.

**34. Whether sourcing from contract farming is allowed as mode of procurement of crops under Operation Greens scheme?**

Yes, Procurement of crops can be done through contract farming.

**35. Whether part payment of transporter and part payment to truck owner towards transportation charge is admissible under the Operation Greens Scheme?**

Yes, provided the transport invoice can establish the relationship between the two i.e., transporter and transport owner and both payments are made through banking channel.

**36. Whether storage in the ripening chamber of crops such as banana/mango etc., will**



be treated at storage in cold storage for subsidy purpose under Operation Greens scheme?

Subsidy admissible only on Transportation and storage, not any incidental or ancillary activities such as loading, unloading, pre-cooling, ripening activities etc.

**37. Whether taxes, such as GST and/or other taxes levied at State/Central Level admissible for subsidy under Operation Greens scheme?**

No, taxes, such as GST and/or other taxes levied at State/Central Level will not be considered for the purpose of subsidy.

**38. Whether new crop and/or new production cluster can be added in the list under the Operation Greens scheme?**

Yes, with the recommendation of respective State Government along with requisite details of production and average price data during peak harvesting period for last three years, the same will be considered by Ministry.

**39. Whether FASTag account statement can be submitted in place of toll tax receipts under Operation Greens Scheme?**

Yes, due to prevalence of FASTag facility at toll plazas, FASTag account statement can be submitted in place of toll tax receipts.

**40. Whether transport from farm gate to collection centre/pack house (within cluster/outside cluster), and then to consumption centre/ market is eligible transportation subsidy under the Operation Greens Scheme?**

Transportation from farm gate to collection centre/pack house may also be considered irrespective of their location inside/outside cluster, provided it also meets the minimum distance criteria separately

**41. Whether the transport of fresh onion from Container, which is loaded in Port, will be**

treated as transport by refer van under Operation Greens scheme?

No, the transportation rate of fresh onion will be limited to the transport charge for the normal truck.

**42.** Whether the applicant can undertake activities prior to registration but after the date of notification of the Operation Greens Scheme?

Scheme requires prior registration on the portal. However, this may be considered for some applicant category namely Individual farmers, Group of farmers, FPO, Cooperatives and State Marketing Board.

**43.** Whether exporter, the required supporting documents should be minimised, particularly requirement of Weighbridge receipt and Geotagged photo at destination place should be removed under Operation Greens Scheme?

Geotag photo and weighbridge receipts are mandatory documents. In case of non-availability of weighbridge, applicant can submit the Weighbridge Receipt generated at the close proximity of the origin and destination place. Similarly, in case of mobile network issue, applicant can submit the Geotag photograph generated at the close proximity of the origin and destination place.

**44.** Whether transportation by individual farmers from their farm gate to the Mandies in the production clusters, which meets the minimum distance of 100 KM requirement, is eligible for subsidy under Operation Greens Scheme?

Transport within the clusters is eligible subject to meeting of minimum distance criteria for all category of applicants.

**45.** Whether single railway receipt, which is being issued against transport of crops by few farmers together, can be accepted as supporting documents for subsidy claim under Operation Greens scheme?

Usually entire rack consisting of 40 wagons is booked by one party, which aggregate the crops from different transporting parties. Railway allows only one name for sender and therefore, only one name for consignee appears in Railway Receipt. In such case, we can accept the claim with the following

supporting documents: Agreement/MoA between the applicant and the consignee as per RR showing the crops details, proportionate payment towards railway freight, including bank details; Transaction voucher – Demand raised by consignee as per RR to the applicant for payment of proportionate freight amount; Bank Statement showing payment to consignee as per RR; Duly counter signed copy of RR (signed by Consignee & Applicant, both)

**46.** Whether names and Aadhar number of each and every farmer from whom crop has been procured is to be entered into the Online Application Form (under Operation Greens scheme)?

Applicant can enter the details of major 10 farmers and upload the list of farmer ' s detail on the Online Application Form as pdf file