

Indian Constitutional Aid Association



ANALYSIS

THE NATIONAL INSTITUTES OF FOOD TECHNOLOGY, ENTREPRENEURSHIP AND MANAGEMENT BILL, 2019

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Background

- The objective of the Bill is to give the status of 'Institution of National Importance' to National Institute of Food Technology, Entrepreneurship and Management (NIFTEM) at Kundli, Haryana, and the Indian Institute of Food Processing Technology (IIFPT) at Thanjavur, Tamil Nadu.
- These institutions are presently being directed by the Ministry of food processing Industries and the societies are registered under the Societies Registration Act, 1860.
- The Bill came in February, 2019 by then Food Processing Minister Harsimrat Kaur Badal in the Rajya Sabha.

Features

1. **Additional Autonomy and Flexibility:** The aim of the bill is to provide for functional autonomy to the institution to design and develop courses, undertake various research activities and achieve the enhanced status in their academic activity and to appear as pioneers in the Food Processing Sector at the global level.
2. **Not-for-Profit-status:** The new institution will not for profit legal entities. They will have powers and perform functions extensively relating to pursuit of academic, research and administrative functions.
3. **Implementation of Reservation Policy:** The institutes would implement the reservation policy of the government as per the Central Educational Establishments (Reservation in Admission) Act, 2006.

4. **Bodies:** The bill sets up a board of governors (BoG) and Senate for each Institution and a Central Council to organize and supervise the presentation of both institutes. The Council is headed by the Minister-in-charge of Food Processing Industries.
5. **Source of Fund:** The Central government is authorized to make allow institutes every year. The amount will be considered by the Central government and must be approved by the Parliament.
6. **Auditing of Accounts:** The accounts of each institute will be examining by Comptroller and Auditor General of India (CAG) and the certified audited accounts along with the Audit Report have to be laid before each House of Parliament.

Areas of Concern

1. **Need to cap maximum fees charged:** The reports of the Standing Committee on Agriculture stated that exorbitant fees are being charged at NIFTEM at the unaffordable levels and in violation of Rules which are framed by the All-India Council of Technical Education (AICTE).
2. **Skill gaps in the industry:** A research of 2019 points out that the availability of the educational and trained workers is the most challenging task for players in the food processing sector. The Standing Committee stated that there was a supply of only about 10,000 skilled persons against a demand of 1 lakh persons yearly in the category of those who are trained through short-term courses and who have low educational qualifications. The agriculture and food sector in India employs a significant proportion of the workforce but the most of them lack any formal or informal skill training.

3. **Food Processing Sector and Food Wastage:** The food processing sector must be renovated to address the high levels of food wastage, which is valued \$14 billion as per one estimate. Given that report by the UN's Food and Agriculture Organisation states that every third malnourished child is Indian and India ranks 94 out of 107 countries on the Global Hunger Index food wastage should be direct with a sense of urgency.
4. **FDI in Food Processing:** In spite of being open to 100 percent Direct Investment, FDI inflows in the India food processing sector amounted to less than 2% of the total share in 2018-2019.
5. **Need for Academia-Industry-Farmer Collaboration:** As the urgent need to incline up food processing capabilities of producers and also of industry, the institutes should be encouraged to build bridges with industry and with farmers and Farmers Producer Organisation (FPOs) and cooperatives. Spreading of information about the value addition and income generation potential of food processing should also be a priority, so that primary producers can retain a larger share of value at the farm and village level.

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