

**GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:5720

ANSWERED ON:28.04.2015

FDI IN FOOD PROCESSING INDUSTRIES

Bohara Shri Ramcharan;Chaudhary Shri C.R.;Chudasama Shri Rajeshbhai Naranbhai;Giluwa Shri Laxman;Panda Shri Baijayant "Jay";Yadav Shri Laxmi Narayan

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

- (a) the details of proposals received from foreign companies for setting up food processing industries (FPI)/units in the country including Rajasthan, during each of the last three years, State-wise;
- (b) whether the Government has accorded clearance to these proposals;
- (c) if so, the details thereof and if not, the reasons therefor;
- (d) whether the Government has assessed the adverse impact of FDI on domestic food processing industries in the country, if so, the details thereof and the corrective steps taken by the Government in this regard; and
- (e) the details of investment made by the small, medium and large private players in the food processing sector in the country during the said period, State-wise?

Answer

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (SADHVI NIRANJAN JYOTI)

(a) to (c): Foreign Direct Investment (FDI) is permissible in food processing sector up to 100 per cent through automatic route except for items reserved for Micro and Small Enterprises (MSEs) subject to applicable laws/ regulations and other conditionalities. For manufacture of items reserved for MSEs, FDI is permissible under automatic route up to 24 per cent of the capital. Only when foreign investment is more than 24 per cent for production of items reserved for MSE segment, Industrial License under Industries (Development & Regulation), Act 1951 is required.

Foreign Direct Investment (FDI) inflows in Food Processing sector in the country during last 3 years and current year is as below:

| S.No. | Year (April- March) | FDI (Rs. crore) | FDI (US \$ Million) |
|------------------------------|---------------------|-----------------|---------------------|
| 1 | 2011-12 | 826.16 | 170.21 |
| 2 | 2012-13 | 2193.65 | 401.46 |
| 3 | 2013-14 | 25,106.78 | 3,982.88 |
| 4 | 2014-15 | 2,571.96 | 421.51 |
| (April 2014 to January 2015) | | | |

Source: Department of Industrial Policy and Promotion (DIPP)

(d): Foreign Direct Investment will bring new products, improved quality and new technology in the Food Processing Sector resulting in higher employment, reduction in wastage of agri products, safe and hygienic foods as well as promotion of export potential of processed food.

(e): As per the latest Annual Survey of Industries, the information on State/UT wise investment in fixed capital in registered food processing sector for last three years ending 2012-13 is Annexed.