

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

UNSTARRED QUESTION NO:1291
ANSWERED ON:28.07.2015
Contribution of FPI in GDP
Maurya Shri Keshav Prasad

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

- (a) the contribution of food processing industries in Gross Domestic Product (GDP) in terms of percentage and the percentage of the people employed in the food processing industries;
- (b) whether the Government proposes to set up facilitation centre and special food processing zone for the development of food processing industries in each State in the country; and
- (c) if so, the details thereof?

Answer

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

(a): Food Processing Sector forms an important segment of the Indian economy in terms of Gross Domestic Products (GDP) and employment. The sector constitutes around 9.0 and 11.0 per cent of GDP in manufacturing and agriculture sectors respectively. During the last 5 years ending 2012-13, food processing sector has been growing at an Average Annual Growth Rate (AAGR) of around 8.4 per cent as compared to around 3.3 per cent in agriculture and 6.6 per cent in manufacturing.

As per the latest Annual Survey of Industries (ASI)-2012-13, the total number of persons engaged in registered food processing sector is 16.89 lakh, constituting 13.04 per cent of employment generated in all Registered Factory sector in 2012-13. As per the National Sample Survey Office (NSSO) 67th Round (2010-11), unregistered food processing sector supports employment to 47.9 lakh workers.

(b) & (c): An Investors Facilitation Cell has been set up in Ministry to promote investment in food processing sector. Ministry has created a dedicated e-mail ID for responding to food processing investment related queries and a link for Investment Facilitation Cell is available on the website of the Ministry.

An "Investors' Portal" has also been developed by the Ministry with the intention to disseminate information on the State specific resource potential, policy support and fiscal incentives offered to investors in food processing sector. Investors can access the information on the Internet through Investors' Portal or through Ministry's website.

Government has been strengthening infrastructure by supporting creation of Cold chain, Mega Food Park and setting up/modernization of Abattoirs under the Central Sector Scheme of Infrastructure Development. Mega Food Parks aim at creating modern infrastructure for development of food processing sector which helps in reduction in wastage of perishables, value addition to the agricultural produce, providing better price to farmers and creation of employment opportunities especially in rural areas. The Government has approved 40 Mega Food Parks till date in various States in the country which are in various stages of implementation.

Government has also extended number of fiscal incentives to promote processing of agricultural produce. A special fund of Rs.2000 crore was created in National Bank for Agriculture and Rural Development (NABARD) during Financial year 2014-15 for extending concessional credit to designated Food Parks and the individual processing units in the Designated Food Parks. The fund is being continued in 2015-16.

As per latest guidelines for Priority Sector Lending (PSL) by Reserve Bank of India, loan to food & agro-based processing units and Cold Chain are now classified under Agriculture activities subject to aggregate sanctioned limit of ₹100 crore per borrower to ensure greater flow of credit to entrepreneurs for setting up of food processing units and attract investment in the sector.
