

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 1546
ANSWERED ON 12TH FEBRUARY, 2019

CONTRIBUTION OF FPS IN GDP

1546. SHRI SANKAR PRASAD DATTA:

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

- (a) whether the contribution of the Food Processing Sector (FPS) to the Gross Domestic Product (GDP) is rising over the years;
- (b) if so, the details thereof during the last three years and the current year;
- (c) whether any target has been set up to create employment opportunities in the Food Processing Sector and increase its share in GDP;
- (d) if so, the details thereof and the steps taken to achieve the said targets; and
- (e) if not, the reasons therefor?

ANSWER

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

(a) & (b): As per the estimates of the National Accounts Statistics (NAS), Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation, the share of food processing sector in gross domestic product at current prices during 2014-15 to 2017-18 were as follows:

Year	Share of GDP in FPS (%)
2014-15	1.3
2015-16	1.3
2016-17	1.5
2017-18	1.5

(c) to (e): The Government has taken a number of measures to promote overall growth of food processing sector and generate employment opportunities. It has permitted 100% Foreign Direct Investment (FDI) through automatic route in manufacturing of food products and 100% FDI under Government approval route for retail trading, including through e-commerce, in respect of food products produced and/or manufactured in India, a special fund of Rs.2000 crore has been created in National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit to food processing projects/units, food & agro-based processing units and cold chain infrastructure has been classified as agriculture activity for Priority Sector Lending (PSL), lower Goods & Service Tax (GST) rates for majority of food products have been fixed, 100 percent income tax exemption from profit derived from activities such as post-harvest value addition to agriculture by FPOs' having annual turnover up to Rs.100 crores have been provided to attract investment in the sector.

Further, the Ministry of Food Processing Industries (MoFPI) is implementing an innovative Central Sector Umbrella Scheme-Pradhan Mantri Kisan SAMPADA Yojana (PMKSY). The period of implementation of the PMKSY is 2016-20 with a total outlay of Rs.6000 crore. The PMKSY has seven component schemes viz; (i) Mega Food Parks, (ii) Integrated Cold Chain and Value Addition Infrastructure, (iii) Infrastructure for Agro-Processing Clusters, (iv) Creation of Backward and Forward Linkages, (v) Creation/Expansion of Food Processing & Preservation Capacities, (vi) Food Safety and Quality Assurance Infrastructure and (vii) Human Resources and Institutions. Under PMKSY, capital subsidy in the form of grants-in-aid ranging from 35% to 75% of the eligible cost of the project subject to maximum specified limit is provided to investors under the various schemes for undertaking infrastructure, logistic projects and setting up of food processing units in the country. The MoFPI has recently launched a new Central Sector Scheme “Operation Greens” for integrated development of Tomato, Onion and Potato (TOP) crops value chain, with an outlay of Rs.500 crore to, inter alia, promote Farmers Producers Organizations (FPO), agri-logistics, processing facilities and professional management of FPOs.

The PMKSY envisage creation of direct and indirect employment for 5,30,500 persons by 2020.
