

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 2605
ANSWERED ON 14TH DECEMBER, 2021

FOOD PROCESSING SECTOR

**2605. SHRI SANJAY SADASHIVRAO MANDLIK:
SHRI MANOJ TIWARI:
SHRI PRATAPRAO JADHAV:
SHRI RAVINDRA KUSHWAHA:
SHRI RAVI KISHAN:
SHRI SUDHEER GUPTA:
SHRI SHRIRANG APPA BARNE:
SHRI BIDYUT BARAN MAHATO:**

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

- (a) whether India's food processing sector is one of the largest in the world with output expected to reach 535 billion dollar by year 2025-26 and if so, the details thereof;
- (b) whether it is also true that food processing sector is a major contributor to the country's GDP and provides huge employment directly and indirectly and if so, the details thereof;
- (c) whether the Government is considering to capture the market opportunities and improve/increase the income of farmers by improving the processing levels and if so, the details thereof and the measures taken during the last three years;
- (d) the details of total foreign direct investment received by FPIs during each of the last three years and the current year;
- (e) the details of challenges faced/being faced by the FPI, particularly during the pandemic and the efforts made by the Government to sort out such challenges; and
- (f) the other steps taken to fully utilize the potential of FPI in the country?

ANSWER

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES
(SHRI PRAHLAD SINGH PATEL)

(a): The output data for registered manufacturing sector including food processing sector is brought out by the Ministry of Statistics and Programme Implementation through the Annual Survey of Industries. As per latest Annual Survey of Industries (ASI) 2018-19, the total output in food processing sector was Rs.12,76,995 crore, which contributed 12.83% of total output in the registered manufacturing sector in India. No projection of output growth is made in the ASI data.

(b): The Gross Value added (GVA) in the food processing sector was Rs.2.24 lakh crore in 2019-20 contributing 1.69% of the total GVA in the country. The GVA in food processing sector was 9.87% of GVA in Manufacturing and 11.38% of GVA in Agriculture, Forestry and Fishing sectors respectively.

As per the ASI data (2018-19), 20.05 lakh persons were engaged in food processing sector. The sector contributed the largest share of 11.22% of total persons engaged in the registered manufacturing sector in the country.

(c): The Government has undertaken various policy measures and is implementing schemes to support and boost the food processing sector including for increasing the processing level. Major policy measures undertaken include:

- (i) Inclusion of food & agro-based processing units and cold chain as agricultural activity under Priority Sector Lending (PSL) norms.
- (ii) A Special Food Processing Fund of Rs. 2000 crore was set up with NABARD to provide affordable credit for investment in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- (iii) As a measure towards improving ease of doing food business, the Food Safety and Standards Authority of India (FSSAI) has shifted from product-by-product approval to an ingredient and additive based approval process.
- (iv) 100 per cent FDI under automatic route was already permitted for the food processing sector. 100% FDI under the government approval route has been allowed for retail trading, including e-commerce, in respect of food products manufactured/ produced in India.

(d): The details of Foreign Direct Investment (FDI) in food processing sector for the last four years are as under:

S. No.	Year	FDI (in Rs. Crore)
1	2017-18	5835.62
2	2018-19	4430.44
3	2019-20	6414.67
4	2020-21	2934.12

Source: Department for Promotion of Industry and Internal Trade

(e) & (f): In order to ensure overall development of food processing industries (FPI) in the country including for dealing with challenges arising out of COVID-19, the Ministry Food Processing Industries (MoFPI) has undertaken a number of initiatives, which include –

- (i) Launching of a Centrally Sponsored Scheme, namely, PM-Formalisation of Micro Food Processing Enterprises Scheme (PMFME) for providing financial, technical and business support for setting up/upgradation of 2 lakh micro food processing enterprises across the country during five years from 2020-21 to 2024-25 based on One District One Product (ODOP) approach with an outlay of Rs.10,000 crore.

- (ii) The expansion in the scope of “Operation Greens” scheme under Pradhan Mantri Kisan SAMPADA Yojana from Tomato, Onion and Potato (TOP) to all notified fruits & vegetables (TOTAL). Subsequently, in the Union Budget 2021, Operation Greens scheme has been extended from TOP to 22 perishables for value addition and export.
- (iii) Production Linked Incentive scheme (PLIS) for Food Processing Sector with an outlay of Rs 10,900 crore to support creation of global food manufacturing champions and support Indian brands of food products in international market.
- (iv) In order to facilitate food processing units, resume their operations, the Ministry of Food Processing Industries had established a dedicated Grievance Cell and a Task Force during initial phase of outbreak of COVID-19 pandemic to liaison with state authorities. A total of 585 industry related issues were resolved during the COVID lockdown period in 2020 by the Cell.
- (v) The Ministry is implementing a Central Sector Scheme–Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) for overall development of the food processing sector for increasing processing capacity, reducing wastage of agricultural produce, creating off-farm employment and ensuring better returns to farmers and enhancing export of the processed foods.
