

GOVERNMENT OF INDIA  
MINISTRY OF FOOD PROCESSING INDUSTRIES  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO- 699**  
ANSWERED ON- 08.02.2019

**DECLINE IN EARNING OF FOREIGN EXCHANGE IN FOOD PROCESSING SECTOR**

699. SHRI V. VIJAYASAI REDDY:

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

- (a) The details of proposal for setting up of resource centre by CFTRI at Kurnool, Andhra Pradesh for the benefit of farmers of Rayalaseema area;
- (b) the reasons for low food processing in the country and how the country compares to other countries like US, UK, China, France, etc. in this regard;
- (c) whether it is a fact that foreign exchange earned through food processing sector is gradually coming down from US \$ 36 billion in 2012-13 to US \$ 29 billion in 2015-16; and
- (d) if so, the reasons behind this downtrend and in what manner Ministry is planning to turn this around?

**ANSWER**

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

(a): CSIR-CFTRI has intimated that as of now, there is no proposal to establish a Resource Centre at Kurnool, Andhra Pradesh.

(b): The reasons for low food processing in the country are inadequate link between production and processing (lack of processable varieties), lack of product development and innovation, seasonality of operations & low capacity utilization, supply chain institutional gaps, gaps in infrastructure of supply chain, etc. The level of food processing in India is around 10% as compared to nearly 20% in China and more than 50% in US and UK.

(C) & (d): The value of export of food products during was US \$35.89 billion in 2012-13 and US \$ 29.67 billion in 2015-16 (Source: Ministry of Commerce & Industry).

Changes in exchange rate between Indian rupee and US Dollar, changes in unit price of exported item, changes in composition of exported item and changes in volume in export are the reasons for variation in value of export resulting in fluctuation of the foreign exchanges earnings during the period.

The Department of Commerce (DoC), Ministry of Commerce & Industry has the mandate to promote export of various products from the country including processed food products. Promoting exports of processed food products is a continuous process. The newly introduced Agriculture Export Policy provides an assurance that the export of processed agricultural products will not be brought under the ambit of any kind of export restrictions. The DoC has also several schemes to promote exports, including exports of processed food products, viz. Trade Infrastructure for Export Scheme (TIES), Market Access Initiatives (MAI) Scheme etc. Incentive on export of various value added agricultural/processed food items is provided to exporters under the Merchandise Exports from India Scheme (MEIS). In addition, assistance to the exporters of value added agricultural/processed food items is also available under the Export Promotion Schemes of Agricultural & Processed Food Products Export Development Authority (APEDA), Tea Board, Coffee Board and Spices Board. These organizations also seek to promote exports through participation in international fairs & exhibitions, taking initiatives to gain market access for different products in different markets, dissemination of market intelligence, taking steps to ensure quality of exported products etc.

Due to efforts taken by the Govt, the value of export of food products has increased to US \$30.87 billion in the year 2016-2017 and US \$35.47 billion in the year 2017-18 (Source: Ministry of Commerce & Industry).

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