

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 3908
ANSWERED ON 04TH APRIL, 2025

FDI INFLOW IN FOOD PROCESSING SECTOR

3908. SHRI KUNWAR RATANJEET PRATAP NARAYAN SINGH:

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

- (a) the total Foreign Direct Investment (FDI) inflow in the food processing sector over the last five years, highlighting any trends;
- (b) the initiatives taken by Government to enhance infrastructure in the food processing sector under the Pradhan Mantri Kisan Sampada Yojana (PMKSY);
- (c) the number of Mega Food Parks established across various states and their impact on local economies particularly in Uttar Pradesh;
- (d) in what manner these efforts are expected to contribute to job creation and increase agricultural exports; and
- (e) the measures implemented to attract further foreign investment in this sector?

ANSWER

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

(a): The Foreign Direct Investment (FDI) inflow in the food processing sector over the last five years is as below:

Year	FDI (in US\$ million)
2019-20	904.7
2020-21	393.41
2021-22	709.72
2022-23	895.34
2023-24	608.31

Source: Department for Promotion of Industry and Internal Trade (DPIIT)

(b) to (d): For the overall development of food processing sector in the country, Ministry of Food Processing Industries (MoFPI) has been implementing Central Sector Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) scheme. Under PMKSY, financial assistance is provided to entrepreneurs for setting up food processing industries including creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet, to reduce post-harvest losses and create higher value-addition, providing better returns to farmers, creation of employment opportunities, reducing wastage, increasing the processing level and enhancing the export of the processed foods thereby giving a big boost to the growth of food processing sector in the country. A total of 1608 projects have been sanctioned across the

country since inception under PMKSY, out of which 1103 projects have been completed. The details of incentives available under PMKSY scheme are at **Annexure.-I**

The Ministry of Food Processing Industries was implementing the Mega Food Park scheme (MFPS), a component scheme of Pradhan Mantra Kisan Sampada Yojana (PMKSY) for creating modern infrastructure for the food processing sector along with the value chain from farm to market. Since inception of the MFP Scheme, the Ministry has approved 41 MFP projects across the country. The scheme has been discontinued by the Government w.e.f. 01.04.2021 with provision for committed liability during 15th Finance Commission cycle. No Mega Food Parks have been approved in the state of Uttar Pradesh. State wise list of 41 MFPs are at **Annexure-II**.

MFP provides modern infrastructure facilities for the food processing along the value chain from the farm to the market with a cluster based approach. It includes creation of infrastructure for primary processing and storage near the farm in the form of Primary Processing Centres (PPCs) and Collection Centres (CCs) and common facilities and enabling infrastructure at Central Processing Centre (CPC). Development of such processing clusters will help in latest technology adoption in the production systems and better returns to the farmers.

(e): In order to enhance the foreign investment in Food Processing Sector, the following measures have been taken by the Ministry of Food Processing Industries (MoFPI):

- i. Exempting all the processed food items from the purview of licensing under the Industries (Development and Regulation) Act, 1951;
- ii. 100% Foreign Direct Investment (FDI) permitted through automatic route for food processing sector subject to sectoral regulations;
- iii. 100% Foreign Direct Investment, under Government approval route, for trading including through e-commerce, in respect of food products manufactured or produced in India; and
- iv. Lower GST for raw and processed products; more than 71.7% food products under various chapter heads/sub-heads are covered in lower tax slab of 0% & 5%.

ANNEXURE REFERRED TO IN REPLY TO PART (b) TO (d) OF THE RAJYA SABHA UNSTARRED QUESTION NO. 3908 FOR ANSWER ON 04th APRIL, 2025 REGARDING “FDI INFLOW IN FOOD PROCESSING SECTOR”

Incentives available under Pradhan Mantri Kisan Sampada Yojana (PMKSY)

S. No.	Component Scheme	Scheme Benefits (Grant-in-aid) for projects in General Area	Scheme Benefits (Grant-in-aid) for projects in Difficult Areas as well as SC/ST, FPOs, SHGs
1.	Integrated Cold Chain and Value Addition Infrastructure	Grant-in-aid @ 35% of eligible project cost [subject to maximum of Rs.10 crores per project]	Grant-in-aid @ 50% of eligible project cost [subject to maximum of Rs. 10 crores per project]
2.	Creation/ Expansion of Food Processing & Preservation Capacities	Grants-in-Aid @35% of eligible project cost [subject to maximum of Rs. 5 crores per project]	Grants-in-Aid @50% of eligible project cost [subject to maximum of Rs.5 crores per project]
3.	Infrastructure for Agro-Processing Clusters	Grants-in-aid @35% of eligible project cost in General Area [subject to maximum of Rs. 10 crores per project]	Grants-in-aid @50% of eligible project [subject to max. of Rs. 10 crore per project]
4.	Operation Greens	Grants-in-Aid @35% of eligible project cost for Integrated Value Chain Development Projects, maximum grants-in-aid would be ₹15 crore per project; and for Standalone Post-Harvest Infrastructure Projects, maximum grants-in-aid would be ₹10 crore per project.	Grants-in-Aid maximum @50% of eligible project cost for Integrated Value Chain Development Projects, maximum grants-in-aid would be ₹15 crore per project; and for Standalone Post-Harvest Infrastructure Projects, maximum grants-in-aid would be ₹10 crore per project.
5.	Food Safety and Quality Assurance - Food Testing Laboratories	100% grants-in-aid for Govt. organizations For Private organizations/entities: grant-in-aid of @ 50% of the eligible cost	Private organizations/entities: grant-in-aid of @ 70% of the eligible cost
6.	Human Resource & Institutions- Research & Development	For Government Organizations - Grants @ 100% of equipment cost, consumables, For private organizations /universities/institutions, grant @ 50 % of equipment cost.	For Government Organizations - Grants @ 100% of equipment cost, consumables For Private Organizations /Universities/ Institutions, Grants @ 70% of equipment cost.

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List of 41 Mega Food Park Projects across the country (As on 28.02.2025)

S.No	States	Number of projects
1	Andhra Pradesh	3
2	Arunachal Pradesh	1
3	Assam	1
4	Bihar	2
5	Chhattisgarh	1
6	Gujarat	2
7	Haryana	2
8	Himachal Pradesh	1
9	Jammu & Kashmir	1
10	Karnataka	2
11	Kerala	2
12	Madhya Pradesh	2
13	Maharashtra	3
14	Manipur	1
15	Meghalaya	1
16	Mizoram	1
17	Nagaland	1
18	Odisha	2
19	Punjab	3
20	Rajasthan	2
21	Tamil Nadu	1
22	Telangana	2
23	Tripura	1
24	Uttarakhand	2
25	West Bengal	1
Total		41
