

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 2485
ANSWERED ON 13TH MARCH, 2026

TAXATION ON ULTRA PROCESSED FOODS

2485. SHRI KARTIKEYA SHARMA:

Will the Minister of *Food Processing Industries* be pleased to state:

- (a) whether, in light of the Economic Survey 2025-26 recommending higher taxation on Ultra-Processed Foods (UPFs), the Ministry is promoting reformulation, product diversification and healthier processing through its schemes;
- (b) whether the Ministry has proposed any surcharge or “Health/Nutrient-Based Tax” revenues for strengthening nutrition supply chains such as fruits, millets, pulses and protein-rich foods for programmes like PM-Poshan; and
- (c) the guidelines to prevent regulatory evasion or “nutrient camouflage” and the support being provided to MSME food processors to transition toward healthier products without excessive compliance burden?

ANSWER

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

- (a) Economic Survey 2025-26 has highlighted the possibility of introducing higher taxation on Ultra-Processed Foods (UPFs) as one of the measures to discourage consumption of UPFs. The Ministry of Food Processing Industries (MoFPI) through implementation of various initiatives and schemes viz. Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), Prime Minister Formalization of Micro Food Processing Enterprises (PMFME) and Production Linked Incentive Scheme for Food Processing Industries (PLISFPI) aims for the overall development of food processing sector. Under various component of the aforementioned schemes, the MoFPI provides financial assistance for creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet. The infrastructure created and assistance provided aim to provide better returns to farmers, creation of employment opportunities, reducing wastage, increasing the processing level and enhancing the export of the processed foods. The infrastructure created through the schemes also helps in product diversification and healthier processing of food.
- (b) Ministry of Food Processing Industries (MoFPI) has not proposed any surcharge or “Health/Nutrient-Based Tax”.
- (c) Ministry of Food Processing Industries (MoFPI) has compiled a set of Frequently Asked Questions (FAQs) to promote public understanding of processed food including UPFs and to foster informed choices. MoFPI organizes World Food India which provides industries including MSMEs, a platform to showcase and promote innovative products like plant based proteins, millet products, processed fruits and vegetables.
