

GOVERNMENT OF INDIA  
MINISTRY OF FOOD PROCESSING INDUSTRIES  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 5289**  
ANSWERED ON 27<sup>TH</sup> MARCH, 2018

POTENTIAL OF FOOD PROCESSING INDUSTRY

†5289. SHRI HARI MANJHI:

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

- (a) whether the food processing industry sector has immense potential in the country and the turnover in this sector has touched Rs.400000 crore by the year 2016 and if so, the details thereof;
- (b) whether the Government has prepared any short term or long term schemes to grasp/realize the said potential;
- (c) if so, the details thereof; and
- (d) the amount of private investment likely to be made in the said sector during the next ten years?

ANSWER

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

**(a):** Food processing industries has immense potential in the country as India has the diversified production base and low level of processing. As per a study, “An assessment of the extent of food processing in various food sub-sectors” commissioned by Ministry of Agriculture & Farmers Welfare in 2014 and conducted by the Institute of Economic Growth, Delhi, the level of food processing in the country in 2010-11 was estimated at 6.76 per cent. As per Annual Survey of Industries, 2014-15, conducted by the Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation, the output of the registered food processing factories/units was estimated at Rs.9,34,149 crores in 2014-15.

**(b) to (d):** The Ministry of Food Processing Industries has been implementing various Central Sector Schemes under PRADHAN SAMPADA MANTRI KISAN YOJANA (PMKSY) for overall promotion and development of food processing sector in the country to, inter alia, tap the full potential of food processing sector by increasing level of processing and reducing wastages of food along the value chain. The PMKSY has an allocation of Rs.6000 crore for the period upto 2019-20, co-terminus with 14<sup>th</sup> Finance Commission Cycle. Besides, Government has taken a number of policy initiatives like permitting 100% Foreign Direct Investment (FDI) through automatic route in manufacturing of food products and 100% FDI under Government approval route for trading, including through ecommerce, in respect of food products produced and/or manufactured in India; creation of a special fund of Rs. 2000 crore in National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit; classification of food & agro-based processing units and cold chain as agriculture activity for Priority Sector Lending (PSL); lower Goods & Service Tax (GST) rates for majority of food products, 100% exemption of income tax on profit for new food processing units etc., to attract investment in the sector. The PMKSY envisages investment of Rs.31,400 crores by 2020.

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