

GOVERNMENT OF INDIA  
MINISTRY OF FOOD PROCESSING INDUSTRIES  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 5832**  
ANSWERED ON 03<sup>RD</sup> APRIL, 2018

WORLD CLASS FOOD PROCESSING INDUSTRIES

**5832. SHRI K. PARASURAMAN:**

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

- (a) whether it is a fact that India is the second largest producer of food in the world but its share in world's exports is very low despite its inherent strength in tea, spices and rice due to lack of world class food processing industries and if so, the details thereof; and
- (b) the steps taken by the Government to overcome this issue other than granting food parks to the corporates?

ANSWER

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

**(a) & (b):** As per the latest world trade data maintained by International Trade Centre-Trade Map, in 2016, India accounts for 2.22 per cent of the total world export of food. For overall growth and development of food processing industries by ensuring robust modern infrastructure along the entire value/supply chain of food processing, the Ministry of Food Processing Industries has been implementing various Central Sector Schemes under PRADHAN SAMPADA MANTRI KISAN YOJANA (PMKSY) with an allocation of Rs.6000 crore for the period up to 2019-20, co-terminus with 14<sup>th</sup> Finance Commission Cycle. Government has also 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 crores in National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit to food processing industries; 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, concessional import duty for plant and machinery under project imports benefit scheme etc.

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