

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO.1027
ANSWERED ON 24TH JULY, 2018

FDI IN FPI SECTOR

1027. ADV. NARENDRA KESHAV SAWAIKAR:

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

- (a) whether it is a fact that the Government had allowed 100% Foreign Direct Investment (FDI) for development of Food Processing Industries (FPI);
- (b) if so, the details thereof;
- (c) the extent to which the Government was able to attract FDI in this Sector; and
- (d) whether the Government would ensure that a regional balance will be maintained while developing the food processing industries all over the country?

ANSWER

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

(a) to (c): Government has allowed 100% Foreign Direct Investment (FDI) in the food processing sector through automatic route subject to applicable laws/sectoral rules/regulations/security conditions. Also, 100% FDI with Government approval for retail trading, including through e-commerce, is allowed for food products manufactured or produced in India. The FDI equity inflow into the food processing sector since 2014-15 is as follows:

Year (April- March)	FDI Equity (US \$ Million)
2014-15	515.86
2015-16	505.88
2016-17	727.22
2017-18	904.90

(d): The Ministry of Food Processing Industries (MoFPI) does not set up any food processing projects/industries on its own. It provides financial assistance in the form of grants-in-aid to the individual, farmers, Farmer Producer Organizations, entrepreneurs, cooperatives, societies, Self Help Groups, Private Companies and Central/State PSUs etc. under its various schemes for setting up of food processing projects/industries. The schemes are not any region specific or state specific, but are demand driven. The rate of subsidy provided under the schemes of MoFPI ranges from 35% to 50% of the eligible project cost subject to maximum of Rs.5 crore to Rs.50 crore for the general areas. However, the rate of subsidy for difficult areas, ITDP areas and hilly and North-eastern States including the State of Sikkim is higher at 50% to 75%.
