

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 2183
ANSWERED ON 31ST JULY, 2018

FUNDS FOR EXPORTING AGRO PRODUCTS

2183. **SHRI CHHOTE LAL:**

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

- (a) whether it is a fact that the country is the world's second largest producer of rice, wheat, fish, fruits and vegetables and the largest producer of milk;
- (b) if so, the manner in which the Government has taken advantage of this favourable scenario in the Food Processing Sector; and
- (c) whether the Government has been infusing the necessary capital to export the aforesaid agro-products or depending on private partnerships?

ANSWER

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

(a): Yes, Madam.

(b): The Government is seized of the level of agricultural production in the country and taking all out measures to promote food processing and value addition activities with the major objectives to increase processing level of agricultural produces, reduce harvest and post-harvest losses, increase employment opportunities and raise income level of farmers. For overall growth and development of food processing sector, Ministry of Food Processing Industries (MoFPI) has been providing capital subsidy under its central sector scheme, "PRADHAN MANTRI KISAN SAMPADA YOJANA (PMKSY)" to create robust modern infrastructure and logistic network along the entire value/supply chain of food processing. Besides, capital subsidy is also provided for setting up of food processing units and/or expansion thereof. Under the scheme components of PMKSY viz. (i) Mega Food Park; (ii) Integrated Cold Chain and Value Addition Infrastructure; (iii) Infrastructure for Agro-Processing Clusters; (iv) Creation of Forward and Backward Linkages; (v) Creation/ Expansion of Food Processing & Preservation Capacities; (vi) Food Safety and Quality Assurance Infrastructure; and (vii) Human Resources and Institutions, capital subsidy ranging from 35% to 75% of the eligible project cost subject to a maximum subsidy ranging from Rs.5 crore to Rs.50 crore (under most of the scheme) in the form of grants-in-aid are provided. Farmers, Farmers Producer Organizations (FPOs), Entrepreneurs, Co-operatives Societies, Self Help Groups, Private Companies and Central/State PSUs are eligible to avail grant to set up food processing projects.

To attract Foreign Direct Investment (FDI) into the food processing sector, Government has permitted 100% FDI through automatic route in manufacturing of food products. Also, 100% FDI in food retail, including through e-commerce, under Government approval route has been permitted for retail trading of food products produced and/or manufactured in India.

Besides, to further give leverage to investment in the sector, a special food processing fund of Rs. 2,000/- crore has been created with National Bank for Agriculture and Rural Development (NABARD) for availability of hassle-free and affordable bank credit to set up different food processing projects. Also, Loans to food & agro-based processing units and Cold Chain have been classified under agriculture activities for Priority Sector Lending as per the revised RBI.

(c): Ministry of Commerce & Industry (MOC&I) launched the Trade Infrastructure for Export Scheme (TIES) in the year 2017. The objective of this scheme is to enhance export competitiveness by bridging gaps in export infrastructure, creating focused export infrastructure, first mile and last mile connectivity for export-oriented projects and addressing quality and certification measures. The Central and State Agencies etc. are eligible for financial support under this scheme. The Financial Assistance under Agriculture and Processed Food Export Promotion Scheme of Agriculture and Processed Food Export Development Authority (APEDA) is the Medium Term Expenditure Framework for the period from 2017-18 to 2019-20. The scheme is available to private exporters for export development of Agricultural and Processed food products. Financial assistance is provided for Development of Export Infrastructure, Quality Development and Market Development.
