

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 4509
ANSWERED ON 8TH JANUARY, 2019

GROWTH OF FPI SECTOR

**4509. SHRI CHANDRA PRAKASH JOSHI:
SHRI BIDYUT BARAN MAHATO:
SHRI SUMEDHANAND SARASWATI:**

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

- (a) whether the food processing sector in the country is the largest sector in terms of production, growth, consumption and exports, if so, the details of the steps taken by the Government to promote the food processing sector from 2014 onwards till date;
- (b) the quantum of foreign investment made in the Food Processing Industries sector from the year 2014 to till date and the names of the areas in which this environment has been made along with the details thereof;
- (c) whether globally more than 72 percent of the sale of food products takes place through super stores and if so, the present status thereof in the country;
- (d) the details of the steps taken by the Government to improve the situation in this regard from the year 2014 onwards till date; and
- (e) the percentage share of retail market and super stores in the trade of food products in the country at present and the reasons therefor along with the details thereof, State-wise?

ANSWER

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

(a): As per the latest Annual Survey of Industries (ASI), 2015-16, in terms of number of registered manufacturing factories/units, contribution to the total output by the registered manufacturing industries and generation of employment by these registered industries, the food processing is the largest in the country. Food processing sector also occupies an important place in export as the sector accounts for nearly 11.7% of the country's total export. The Government has taken a number of measures to promote food processing sector. It has permitted 100% Foreign Direct Investment (FDI) through automatic route in manufacturing of food products and 100% FDI under Government approval route for retail trading, including through e-commerce, in respect of food products produced and/or manufactured in India, a special fund of Rs.2000 crore has been created in National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit to food processing projects/units, food & agro-based processing units and cold chain infrastructure has been classified as agriculture activity for Priority Sector Lending (PSL), lower Goods & Service Tax (GST) rates for majority of food products have been fixed, 100 percent income tax exemption from profit derived from activities such as post-harvest value addition to agriculture by FPOs' having annual turnover up to Rs.100 crores have been provided to attract investment in the sector.

Further, the Ministry of Food Processing Industries (MoFPI) is implementing a Central Sector Scheme named as Pradhan Mantri Kisan SAMPADA Yojana (PMKSY). Under PMKSY, capital subsidy in the form of grants-in-aid ranging from 35% to 75% of the eligible cost of the project subject to maximum specified limit is provided to investors under the various schemes for undertaking infrastructure, logistic projects and setting up of food processing units in the country. The MoFPI has recently launched a new Central Sector Scheme "Operation Greens" for integrated development of Tomato, Onion and Potato (TOP) crops value chain, with an outlay of Rs.500 crore to, inter alia, promote Farmers Producers Organizations (FPO), agri-logistics, processing facilities and professional management of FPOs.

(b): As per the latest available data, during April 2014 to June 2018, US\$2781 Million FDI equity was received in the food processing sector and they are invested largely in the segments like dairy products, chocolate and sugar confectionery, fruits and vegetable processing, bakery products and prepared animal feeds.

(c) to (e): Apart from the super markets, food products are also traded through e-commerce in the organized retail market. However, no study or survey on the share distribution of different market channels in the organised retailing has been conducted by the MoFPI.
