

GOVERNMENT OF INDIA  
MINISTRY OF FOOD PROCESSING INDUSTRIES  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 2499**  
ANSWERED ON 9<sup>TH</sup> JULY, 2019

AGRO-PROCESSING SECTOR

**2499. SHRI SUBBARAYAN K.:**

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

- (a) whether it is a fact that huge opportunities in the agro-processing sector are not exploited properly and the rate of both private and public investment in this sector of industry is very low;
- (b) if so, the remedial measures proposed to be taken to improve this sector; and
- (c) whether the Government is considering a proposal to remove the Essential Commodities Act and Agricultural Produce Marketing Committee (APMC) which are considered to be hurdles in developing the agro-processing sector, if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES  
(SHRI RAMESWAR TELI)

(a) & (b): To exploit the huge untapped potential and opportunities in the food processing sector by leveraging private investment in the creation of supportive infrastructure and logistics requirement along the entire value/supply chain of the food processing, the Ministry of Food Processing Industries (MoFPI) is implementing Pradhan Mantri Kisan Sampada Yojana (PMKSY) with the following scheme components to invest Rs.6000 crore during the entire Fourteenth Finance Commission period:

1. Mega Food Parks;
2. Integrated Cold Chain and Value Addition Infrastructure;
3. Creation / Expansion of Food Processing & Preservation Capacities;
4. Infrastructure for Agro-processing Clusters;
5. Creation of Backward and Forward Linkages;
6. Food Safety and Quality Assurance Infrastructure; and
7. Human Resources and Institutions

The Ministry is also implementing the scheme "Operation Greens" as a vertical of PMKSY since November, 2018 to invest Rs.500 crore for integrated development of value chain of tomato, onion and potato (TOP) crops.

The other steps/measures taken to boost the growth of food processing sector in the country are: creation of a special fund of ₹ 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 agricultural activity for Priority Sector Lending (PSL); lower Goods & Services Tax (GST) rates for majority of food products, 100% exemption of income tax on profit for new food processing units, 100 percent income tax exemption from profit derived by FPOs having annual turnover of Rs.100 crore for activities such as post-harvest value addition to agriculture, concessional import duty for plant and machinery under project imports benefit scheme, import duty exemption on import of raw material under advance authorization scheme etc.

(c): The Ministry of Consumer Affairs, Food & Public Distribution (Department of Consumer Affairs) has not considered removal of Essential Commodities Act, so far. The Ministry of Agriculture & Farmers Welfare (DAC & FW) has no proposal to remove the Agricultural Produce Market Committee. However, in order to provide better marketing facilities to the farmers, the Government has released a new model "The Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017" in April 2017 for its adoption by States/ UTs. The Provisions therein provide for better Marketing channels such as setting up of private markets, direct marketing, farmer-consumer markets, special commodity markets, to facilitate farmers in marketing their produce at competitive & remunerative prices. This will help in strengthening Agriculture Produce Marketing Committee in making them efficient.

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