

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 3674
ANSWERED ON 16TH JULY, 2019

PROCESSING OF FRUITS

3674. DR. SHRIKANT EKNATH SHINDE:
DR. PRITAM GOPINATHRAO MUNDE:
SHRI GIRISH BHALCHANDRA BAPAT:
SHRI VINAYAK RAUT:

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

- (a) whether the country ranks second in the world in the production of fruits and vegetables and only 6 to 7 per cent of this is processed as compared to 65% in US and 23% in China, if so, the facts thereof;
- (b) whether a well developed food processing industry is needed to increase farm gate prices, reduce wastage, ensure value addition, promote crop diversification, generate employment opportunities and boost exports and if so, the steps taken by the Government in this regard and the success achieved so far;
- (c) whether the Government proposes to exempt perishables from the purview of Agricultural Produce Market Committee (APMC) and to make direct sales to aggregators and processors, introduce electronic auction platforms for all the mandis, if so, the details thereof; and
- (d) the other steps taken by the Government to increase processing of food and to reduce the wastage of fruits and vegetables?

ANSWER

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

(a): As per Food and Agriculture Organization of the United Nations, India occupies second position in the world in the production of Fruits and Vegetables. As per a study, commissioned by Ministry of Agriculture & Farmers Welfare and undertaken by Institute of Economic Growth, the average extent of food processing in the country was 6.76% in 2010-11 including fruits and vegetables.

(b): Yes, Sir. The Ministry of Food Processing Industries (MoFPI) is implementing a Central Sector Umbrella Scheme – PRADHAN MANTRI KISAN SAMPADA YOJANA -(PMKSY) for promotion and development of Food Processing Industries in the Country. 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. Number of Projects sanctioned under various component schemes of PMKSY is as under:

Scheme Name	No. of Projects
Mega Food Parks	42
Integrated Cold Chain and Value Addition Infrastructure	292
Creation / Expansion of Food Processing & Preservation Capacities	180
Infrastructure for Agro-processing Clusters	39
Creation of Backward and Forward Linkages	64
Food Testing Laboratory	140
Operation Green	2

(c): Agricultural marketing is in the domain of State Governments and is regulated under the provisions of respective States' Agricultural Produce Market Committee (APMC) Acts. In order to ensure better price realization to the farmers, Government is advocating with the States to deregulate the marketing of Perishables (Fruits and Vegetables) outside the market yards. Further, for better price realization to the farmers, Government is pursuing with the States to allow direct marketing between farmers and aggregators, processors, consumers through reforms in States' marketing laws. To provide better model with concept of "ease of doing business", Government has made this provision in the Model Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017 released on 24th April, 2017 also for its adoption by the States. In order to enhance transparency in trading and ensure better price discovery to the farmers, Government has already introduced electronic auction platform by launching of e-NAM in April, 2016.

(d): The other policy initiatives/steps/measures taken to boost the growth of food processing sector in the country are: permitting 100% 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 ₹ 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 infrastructure 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, 100% deduction of expenditure incurred on investment on establishment and operation of cold chain/warehousing facility for storage of agricultural produce, concessional import duty for plant and machinery under project imports benefit scheme, import duty exemption on import of raw material under advance authorization scheme.
