

GOVERNMENT OF INDIA  
MINISTRY OF FOOD PROCESSING INDUSTRIES  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 308**  
ANSWERED ON 19<sup>TH</sup> NOVEMBER, 2019

FOOD PROCESSING INDUSTRIES

**308. SHRI N. REDDEPPA:**

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

- (a) whether the Government is encouraging the Food Processing Industries in the country and if so, the details thereof;
- (b) the role of private and public partnerships in this regard, State/UT-wise; and
- (c) the steps being taken to remove hurdles in this sector to achieve the desired results?

**ANSWER**

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

(a) to (c): Investment in food processing industries are largely driven by private sector. Government supplements their efforts through various schemes and policy measures. The Ministry of Food Processing Industries (MoFPI) is implementing the Central Sector Umbrella Scheme- PRADHAN MANTRI KISAN SAMPADA YOJANA (PMKSY) with the scheme components viz: (i) Mega Food Parks, (ii) Integrated Cold Chain and Value Addition Infrastructure, (iii) Infrastructure for Agro-processing Clusters, (iv) Creation of Backward and Forward Linkages, (v) Creation / Expansion of Food Processing & Preservation Capacities, (vi) Food Safety and Quality Assurance Infrastructure, and (vii) Human Resources and Institutions with the objectives, inter alia, to create modern infrastructure and efficient supply chain with a view to encourage and facilitate food processing industries for preservation and processing of all agro and marine produce in the country. The Ministry is also implementing the scheme "Operation Greens" since November, 2018 for integrated development of value/supply chain of tomato, onion and potato (TOP) crops in selected States on pilot basis.

The above schemes are demand driven. The Ministry provides capital subsidy in the form of grants-in-aid to the individuals, farmers, Farmer Producer Organisations (FPOs), Entrepreneurs, Cooperatives, Societies, Self Help Groups (SHGs), Private Companies and Central/ State PSUs etc. under its various schemes for setting up of food processing industries/ units/ projects against the Expression of Interest issued by the Ministry from time to time.

Besides the implementation of schemes, the Government has taken other steps/measures 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 (up to first five years), 100 percent income tax exemption from profit derived by FPOs having annual turnover of up to 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.