

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA

STARRED QUESTION NO. *127
ANSWERED ON 11TH February, 2020

EXPANSION OF FOOD PROCESSING INDUSTRY

***127. SHRI MAGUNTA SREENIVASULU REDDY:**

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

- (a) the steps taken/being taken by the Government for setting up/expansion of food processing industries in the country, as on date, State/UT-wise particularly in Andhra Pradesh;
- (b) whether the Government has conducted any study regarding setting up and expansion of such industries in the country;
- (c) if so, the details thereof; and
- (d) the other measures taken/being taken by the Government in the current year for expansion of food processing industries in the country?

ANSWER

THE MINISTER OF FOOD PROCESSING INDUSTRIES
(SMT. HARSIMRAT KAUR BADAL)

- (a) to (d): A statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (d) OF LOK SABHA STARRED QUESTION NO. *127 FOR ANSWER ON 11.02.2020 REGARDING “EXPASION OF FOOD PROCESSING INDUSTRIES”.

(a) For the overall development of the Food processing Sector, the Ministry of Food Processing Industries is implementing a Central Sector Umbrella Scheme – **PRADHAN MANTRI KISAN SAMPADA YOJANA - (PMKSY)**. The scheme components are: (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, (vii) Human Resources and Institutions and (viii) Operation Greens. The scheme provides financial assistance for setting up/expansion of new food processing industries in States/UTs.

(b) & (c) No study has been conducted regarding setting up of and expansion of food processing industries in the country.

(d) The following policy initiatives have been taken by the government for promotion of food processing industries in the country.

- 100% Foreign Direct Investment (FDI) through automatic route in manufacturing of food products.
- 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 in National Bank for Agriculture and Rural Development (NABARD) has been created to provide affordable credit to food processing projects/units.
- Food & agro-based processing units, cold storage units/cold storage chains have been brought under the ambit of Priority Sector Lending (PSL).
- 100 percent income tax exemption for profit derived from activities such as post-harvest value addition to agriculture by FPOs’ having annual turnover up to Rs.100 crore,
- 100% income tax exemption for new food processing units for a period of five years,
- 100% deduction for capital expenditure incurred on setting up and operating of cold chain facility is allowed and concessional import duty is provided for plant and machinery under project imports benefit scheme.

The above scheme benefits and other measures are in operation during the current year i.e. 2019-20.
