

GOVERNMENT OF INDIA  
MINISTRY OF FOOD PROCESSING INDUSTRIES  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 3806**  
ANSWERED ON. 17<sup>TH</sup> MARCH, 2020

EXPORT OF PROCESSED FOOD

**3806. SHRI G.M. SIDDESHWAR:**

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

- (a) whether it is a fact that India is the second largest producer of food in the world but its share in global food exports is very low despite its inherent strength in apple, apricots, peaches, cherries, pears and rice production due to lack of world class food processing industries;
- (b) if so, the details thereof; and
- (c) the steps taken by Government to overcome this issue?

**ANSWER**

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

(a) & (b): India occupies mostly the first three positions in the production of most of the major agricultural and marine produce/products in the world accounting for as high as 79.41% of the world production, the prominent of which are: first in buffalo milk (70.27%), ghee of buffalo milk (79.41%), ghee & butter oil of cow milk (57.18%), buffalo meat (42.17%) and second in rice/paddy (21.43%), wheat (12.48%), potato (11.62%), onion dry (20.84%), tomato (10.39%), tea (21.03%) and fish (7%). The food processing industries in India is, however, a sunrise sector with the level of processing at 6.76% and accounts for only 2.31% of the global food export.

(c): To increase the share of food processing in the overall manufacturing sector of the Indian economy by increasing the level of food processing and, inter alia, to give a boost to export of the processed food products by ensuring robust modern infrastructure along the entire value/supply chain of food processing, the Government is implementing various Central Sector Schemes under PRADHAN MANTRI KISAN SAMPADA YOJANA (PMKSY). The other various steps/measures/policy initiatives taken by the Government for promotion of food processing industries in the country include permission to 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, creation of a special fund of Rs.2000 crore in National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit to food processing projects/units, bringing food & agro-based processing units, cold storage units/cold storage chains under the ambit of Priority Sector Lending (PSL), allowing 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 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, concessional import duty for plant and machinery under project imports benefit scheme.

Government is implementing the schemes of 'Trade Infrastructure for Export Scheme (TIES)', 'Market Access Initiatives (MAI) Scheme', 'Merchandise Exports from India Scheme (MEIS)' etc. to promote exports, including agri food products. It is also implementing a new Central Sector Scheme – 'Transport and Marketing Assistance for Specified Agriculture Products' - for providing assistance for the international component of freight to mitigate the freight disadvantage for the export of agriculture products and marketing of agricultural products. Further, in order to promote the agricultural exports, that includes processed agri food products, Government has formulated a comprehensive Agriculture Export Policy with the vision: "Harness export potential of Indian agriculture through suitable policy instruments, to make India a global power in agriculture, and raise farmers' income."

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