

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
STARRED QUESTION NO. *384
ANSWERED ON 23RD MARCH, 2021

PRIVATE SECTOR PARTICIPATION IN FPIs

***384. SHRIMATI VANGA GEETHA VISWANATH:
SHRI ASADUDDIN OWAISI:**

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

- (a) whether the Government has any proposal to increase private sector participation in the food processing sector to bring food processing revolution which is overdue for several decades;
- (b) if so, the details thereof;
- (c) whether the Government is aware that the country needs post-harvest food processing revolution with focus on value addition on each and every product produced in the country and for this Public Private Partnerships (PPP) are also required;
- (d) if so, the details thereof and the plan prepared in this regard; and
- (e) whether the Government is considering to encourage setting up of food processing units near the fields and if so, the details thereof?

ANSWER

THE MINISTER OF FOOD PROCESSING INDUSTRIES
(SHRI NARENDRA SINGH TOMAR)

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

STATEMENT REFERRED TO IN REPLY TO PART (a) to (e) OF LOK SABHA STARRED QUESTION NO. *384 FOR ANSWER ON 23RD MARCH, 2021 REGARDING “PRIVATE SECTOR PARTICIPATION IN FPIS”.

(a) to (e): Government has been consistently encouraging and incentivizing increased private sector investment for overall development of Food Processing sector of the country to promote value addition in agricultural and allied sector and reduce wastages.

Ministry of Food Processing Industries (MoFPI) is implementing a Central Sector umbrella scheme- Pradhan Mantri Kisan Sampada Yojana (PMKSY) since 2016-17 for overall growth and development of food processing sector, mostly through private sector participation. Under the component schemes, MoFPI provides credit linked financial assistance (capital subsidy) in the form of grants-in-aid to entrepreneurs for setting up of food processing / preservation industries with farm level infrastructure like primary processing facilities, collection centers etc. So far, 768 projects out of a total of 793 projects have been approved for setting up food processing Industries by the private sector with approved Grants in Aid of Rs 5603 Crores.

In order to further increase private sector participation in the sector, Government has taken three major initiatives this year. Firstly, Government has approved the introduction of “Production Linked Incentive scheme” for Food Processing Sector with an outlay of Rs 10,900 Crore to support creation of global food manufacturing champions and support Indian brands of food products in international market. Entrepreneurs in the MSME sector manufacturing innovative and organic products will also be incentivized under the scheme.

Secondly, with a view to extend incentives to the private micro food enterprises, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs) and Cooperatives, spread all over the country, Ministry of Food Processing Industries (MoFPI) is implementing centrally sponsored "PM Formalisation of Micro food processing Enterprises Scheme" from the current financial year. The scheme aims to provide financial, technical and business support for upgradation/ setting up of two lakh micro food processing units based on One District One Product (ODOP) approach in a period of five years from 2020-21 to 2024-25 with an outlay of Rs. 10,000 crores. Under the scheme, a total of 137 unique food products/ perishable produce etc have been approved as ODOP for 707 districts of 35 States/ UTs.

Thirdly, in the budget speech for 2021-2022, Government has announced expansion of scope of “Operation Greens scheme” from Tomato, Onion & Potato (TOP) to 22 perishable products, so as to boost value addition in agriculture and allied products and their exports.
