

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 367
ANSWERED ON 20TH JULY, 2021

SETTING UP NEW FOOD PROCESSING INDUSTRIES

367. DR. NISHIKANT DUBEY:

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, State/UT-wise, including Jharkhand;
- (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 for expansion of food processing industries in the country?

ANSWER

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES
(SHRI PRAHLAD SINGH PATEL)

(a) to (d). The Ministry of Food Processing Industries (MoFPI) has been implementing a Central Sector Umbrella Scheme – PRADHAN MANTRI KISAN SAMPADA YOJANA - (PMKSY) for overall development of food processing sector across the country. Under component schemes of PMKSY, MoFPI provides mostly credit linked financial assistance (capital subsidy) in the form of grants-in-aid to entrepreneurs for setting up of food processing / preservation industries. PMKSY is not any region or state specific but demand driven and is implemented across the country including in the state of Jharkhand.

MoFPI is also implementing centrally sponsored "PM Formalisation of Micro food processing Enterprises Scheme" with an aim 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, out of which a total of 5468 units have been allocated to Jharkhand with an outlay of Rs 250.33 Crores. Under the scheme, a total of 137 unique food products/ perishable produce etc have been approved as ODOP for 707 districts across the country, including 24 districts located in Jharkhand.

Government has taken various policy initiatives for promotion of food processing industries in the country. It has allowed 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. 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. In addition, food & agro-based processing units, cold

storage units/cold storage chains have been brought under the ambit of Priority Sector Lending (PSL). The government has allowed 100% income tax deduction for profits for new food processing units for the first five years and followed by 25% deduction for next five years, from the year of start of commercial production.

Though Ministry has not conducted any study specifically regarding setting up and expansion of food processing industries, impact evaluation of component schemes of PMKSY including Mega Food Park and Integrated Cold Chain and Value Addition Infrastructure scheme has been conducted.
