

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 2247
ANSWERED ON. 15TH MARCH, 2022

INVESTMENT IN FOOD PROCESSING SECTOR

2247. SHRI PATEL HASMUKHBHAI SOMABHAI:

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

- (a) whether any measures are being taken by the Government to increase job creation capabilities by promoting domestic and foreign investment in the food processing sector;
- (b) if so, the details of funds invested by both domestic and foreign agencies in the said sector during the above period;
- (c) whether food processing is one of the major job intensive industries in the country and if so, details thereof; and
- (d) the details of the employment opportunities generated during each of these three years?

ANSWER

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

(a): The Ministry of Food Processing Industries is implementing the Pradhan Mantri Kisan Sampada Yojana (PMKSY) for augmenting processing/preservation capacity, creating off-farm employment, leveraging domestic investment and increasing value addition to the economy. Recently, the Production Linked Incentive (PLI) Scheme has been launched for creating global food champions through incentivising investment in the food processing sector and creating employment. The Pradhan Mantri-Formalisation of Micro Enterprises (PM-FME) scheme is also being implemented since 2020-21 which aims at upgrading/ formalising 2 lakh micro informal units and creation of 9 lakh employment. The government has permitted 100% foreign direct investment(FDI) under the automatic route.

(b): The total FDI received in the food processing sector since April 2014 till December 2021 is US\$ 5.15 billion. Also through 582 completed projects under various component schemes of PMKSY, Rs. 8562.92 crore of investment has been leveraged as on 31.01.2022.

(c): Yes Sir. Food processing sector is a labour intensive sector. As per the Annual Survey of Industries (ASI) 2018-19, food processing was ranked 1st in total persons engaged in manufacturing sector. The top five manufacturing sectors with number of persons engaged were:

S.No.	Sector	No. of persons engaged (in lakhs)	Share in total employment in %
1	Food Products	20.05	12.32
2	Textiles	16.73	10.28
3	Wearing Apparel	11.97	7.35
4	Basic Metals	11.49	7.06
5	Motor Vehicles, Trailers & Semi Trailers	10.95	6.73
	Total	162.80	

Source: ASI 2018-19

(d): Number of units and employment in registered food processing sector for last three years as reported in the ASI data were as under: -

Sl. No.	Year	No. of units	Employment (figures in lakh)
1.	2016-17	39,740	18.53
2.	2017-18	40,160	19.33
3.	2018-19	40,579	20.05

In addition, 51.11 lakh number of persons were engaged in the food processing sector in the unincorporated sector/informal sector, as per the National Sample Survey 2015-16 report.
