



Mains Practice Question

Q. Discuss in what ways the food processing industry can be a game-changer for Indian agriculture.

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Approach

- Define Food Processing and its status in India.
- Discuss the significance of Food Processing Industries for Indian agriculture.
- Discuss the steps to be taken to promote the Food Processing Industry in India.
- Conclude suitably.

Introduction

Food processing generally includes the basic preparation of foods, the alteration of a food product into another form and preservation and packaging techniques. India, being an agrarian economy, has a natural advantage in terms of food processing industries (FPI). Thus, FPI is recognised as the '**Sunrise Industry**' in India.

Body

Significance of Food Processing Industries for Indian Agriculture

- **Absorbing Rural Workforce:** In India, it is estimated that nearly 50% of the Indian labour force is engaged in agriculture and allied sectors.
 - Thereby, food processing industries can absorb a major share of workers from the agriculture sector, who face disguised unemployment.
- **Food Security:** If there are good food processing industries in India, raw materials such as grains or meat can be converted into food for domestic and foreign consumption.
- **Increasing Exports:** With an increasing and busy lifestyle, there is an increasing demand for processed food.
 - Thus, by leveraging food processing industries, India can become a key player in the exports of processed food.
 - This may also assist the government to earn foreign exchange reserves and check the current account deficit.
- **Overall Economic Growth:** Food processing industries provide vital linkages and synergies among all the sectors of the economy viz. Primary (agriculture), Secondary (industry) and Tertiary (Transportation of goods, R & D in Agro-processing).
- **Curbing Migration:** Since rural areas are a more favourable factor of location for food processing.
 - Thus, it will check rural-urban migration and poverty in rural India.
- **Doubling Farmers' Income:** Given this multi-sectoral significance, food processing industries can play a critical role in achieving the goal of doubling the farmers' income.

Steps to be taken for the promotion of food processing industries

- The government should adopt a hand-holding approach by establishing risk-sharing mechanisms, fiscal incentives and partnership models for creation of infrastructure for logistics, storage and

processing.

- There is a need to foster the development of backward linkages, evolving conducive regulatory framework for contract and corporate farming and encouraging commodity clusters and intensive livestock rearing.
- In this context, the launch of **Pradhan Mantri Kisan Sampada Yojana** is a step in the right direction.

Conclusion

Thus, the need today is to treat food processing as part of the overall food sector and provide all the facilities, exemptions, and concessions as available to agriculture and related activities.

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