



## India's Food Processing Industry

The Union Minister of State for Food Processing Industries has stated that **Pradhan Mantri Kisan SAMPADA Yojana (PMKSY)** envisages **creation of direct and indirect employment** for 5,30,500 persons by 2020.

### Pradhan Mantri Kisan SAMPADA Yojana

- In the year 2016, the Ministry of Food Processing and Industries (MoFPI) had introduced an umbrella Scheme Called “Agro-Marine Processing and Development of Agro-Processing Clusters” or **SAMPADA**, which was proposed to be implemented with an allocation of Rs 6,000 crore for the period of 2016-20.
- In the year 2017, the government renamed SAMPADA scheme as **Pradhan Mantri Kisan Sampada Yojana (PMKSY)**.
- The **objective** of PMKSY is to supplement agriculture, modernize processing and decrease Agri-Waste.
- The PMKSY has seven component schemes:
  - Mega Food Parks,
  - Integrated Cold Chain and Value Addition Infrastructure,
  - Infrastructure for Agro-Processing Clusters,
  - Creation of Backward and Forward Linkages,
  - Creation/Expansion of Food Processing & Preservation Capacities,
  - Food Safety and Quality Assurance Infrastructure, and
  - Human Resources and Institutions.
- Under PMKSY, capital subsidy in the form of **grants-in-aid ranging from 35% to 75%** of the eligible project cost subject to a maximum specified limit is provided to investors under the various schemes for undertaking infrastructure, logistic projects and setting up of food processing units in the country.

### Other steps taken in the Food Processing Sector

- **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 has been permitted.
- **A special fund of Rs.2000 crore** has been created with the [National Bank for Agriculture and Rural Development \(NABARD\)](#) to provide affordable credit to food processing projects/units.
- Food & agro-based processing units and cold chain infrastructure has been classified as agriculture activity for **Priority Sector Lending (PSL)**.
- **Fiscal measures** like 100% exemption of Income Tax on profit for new food processing units, 100 % income tax exemption from profit derived by Farmers Producers Organizations (FPOs) having annual turnover of Rs.100 crore have been allowed for activities such as post-harvest value addition to agriculture.
- **Lower Goods & Service Tax (GST) rates** for the majority of food products have been fixed.
- A new Central Sector Scheme “**Operation Greens**” for integrated development of Tomato, Onion and Potato (TOP) crops value chain, with an outlay of Rs.500 Crore. to promote FPOs, agri-logistics, processing facilities, has been launched.

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