



India's Food Processing Industry

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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.