

Infrastructure and Investment Support for Food Processing Industries

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Ministry of Food Processing is implementing a Central Sector Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) to support creation of global food manufacturing champions and support Indian brands of food products in international market. The scheme is being implemented over a six-year period from 2021-22 to 2026-27 with an outlay of Rs.10,900 crores.

With the objective to boost investments and sourcing of Indian food products, MoFPI had organized three editions of World Food India (WFI) during the years 2017, 2023 and 2024 which serve a premier platform to highlight investment opportunities and advancements in food processing by facilitating their integration into domestic and international markets. The event brings global food processing companies, innovators, supply chain stakeholders, equipment manufacturers, etc. on a collaborative platform and provide foreign companies with tie-up/ business opportunities with its Indian counterparts.

India's food processing industry has undergone rapid transformation, driven by its vast agricultural base, rising domestic demand, and supportive government policies. India is poised to emerge as a global leader in the food-processing sector, with an impressive growth trajectory. Agriculture sector forms the backbone of the India's food processing industry, India being the second largest producer of fruits and vegetables as per the Agriculture Statistics at Glance, 2023. Further, MoFPI took the initiative to encourage the use of Millets in Ready to Cook (RTC) / Ready to Eat (RTE) products and incentivizing them under the Production Linked Incentive Scheme for Millet-based Products (PLISMBP) to increase usage of millets in food products and promote value addition and sales. Food Processing sector emerged as an important segment of the Indian economy in terms of its contribution to GDP, employment and exports. Agriculture and processed food exports reached approximately USD 49.4 billion in Financial Year 2024-25, with processed food exports constitutes around 20.4%. Further, processed food export share has risen from 13.7% in 2014-15 to 20.4% in 2024-25. Among the registered food processing units, about 2.23 million workers are employed as per Annual Survey of Industries, 2022-23 while the unregistered segment supports 4.68 million workers as per the Annual Survey of Unincorporated Sector Enterprises, 2023-24.

With a view to promote manufacturing and to attract investment to this sector, the Government has initiated several reforms and policy measures along with schemes to promote development of post-harvest infrastructure and value addition under the Make in India campaign :-

- i. 100% FDI was earlier permitted under the automatic route in food processing industries. In 2016-17, 100% FDI was permitted through Government approval route for trading including through e-commerce in respect of food products manufactured and / or produced in India.
- ii. As per announcement in the Budget 2014-15, a special fund of Rs. 2,000 Crore has been set up in NABARD to provide affordable credit in designated Food Parks & food processing units to be set up in these parks.
- iii. In respect of Ease of doing business, MoFPI is working completely on an online scheme management system from receiving of proposals to release of grant in aid.
- iv. Further, MoFPI through implementation of the Central Sector Scheme, namely, Pradhan Mantri Kisan Sampada Yojana across the country, helps in creation of modern infrastructure with efficient supply

chain management from farm gate to retail outlet for promotion, overall development and growth of Food Processing Industries, through creation of employment opportunities, reducing wastage of agricultural produce, increasing the processing level and enhancing export of the processed foods.

- v. MoFPI is also implementing a Centrally Sponsored Scheme- PM Formalisation of Micro Food Processing Enterprises Scheme for providing technical, financial and business support for setting up/upgradation of Micro Food Processing Enterprises.

This information was given by the Minister of State for Food Processing Industries Shri Ravneet Singh in a written reply in Lok Sabha today.

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