

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 2950
ANSWERED ON 20TH DECEMBER, 2024

CONTRIBUTION OF FOOD PROCESSING INDUSTRIES TO GDP

2950. SHRI SANJAY SETH:

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

- (a) the details of the change in contribution of food processing industries to the GDP during the last five years;
- (b) the details of growth in the sector, State-wise including Uttar Pradesh;
- (c) whether Government has introduced measures to increase foreign investment in the sector, if so, the details thereof; and
- (d) whether Government has taken initiative for the promotion of micro food processing enterprises, if so, the details thereof?

ANSWER

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

(a). Contribution of food processing industries to Gross Value Added (GVA) during the last five years are as follows:

Year	2018-19	2019-20	2020-21	2021-22	2022-23*
Share in Percentage	1.85	1.48	1.55	1.37	1.30

**As per First Revised Estimates of National Accounts Division, Central Statistics Office, Ministry of Statistics and Programme Implementation*

(b). The growth in Gross Value Added of Food Processing Sector for the last five years are as below. However, State-wise information is not available.

GVA of Food Processing Industries (Rs. In Crore)					
Year	2018-19	2019-20	2020-21	2021-22	2022-23*
GVA	2,35,710	1,95,909	1,96,332	1,89,532	1,91,967
Growth(%)	22.41	-16.89	0.22	-3.46	1.29

**As per First Revised Estimates of National Accounts Division, Central Statistics Office, Ministry of Statistics and Programme Implementation*

(c). In order to enhance the foreign investment in Food Processing Sector, the following measures have been taken by the Ministry of Food Processing Industries (MoFPI):

- i. Exempting all the processed food items from the purview of licensing under the Industries (Development and Regulation) Act, 1951;
- ii. 100% Foreign Direct Investment (FDI) permitted through automatic route for food processing sector subject to sectoral regulations;

- iii. 100% Foreign Direct Investment, under Government approval route, for trading including through e-commerce, in respect of food products manufactured or produced in India; and
- iv. Lower GST for raw and processed products; more than 71.7% food products under various chapter heads/sub-heads are covered in lower tax slab of 0% & 5%.

(d). MoFPI provides financial, technical and business support for setting up/ upgradation of micro food processing enterprises under Pradhan Mantri Formalization of Micro Food Processing Enterprises (PMFME) scheme. The scheme is operational from 2020-21 to 2025-26 with total outlay of Rs 10,000 Crore. A total of 1,08,580 micro food processing enterprises have been approved for assistance under PMFME as on 31st October, 2024.
