

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 2471
TO BE ANSWERED ON 21ST MARCH, 2025

CONTRIBUTION OF FOOD PROCESSING SECTOR TO AGRICULTURE GDP

2471. SHRI TEJVEER SINGH:

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

- (a) the contribution of the food processing sector to agricultural GDP in 2024-25;
- (b) whether small and medium food processing units have shown a declining growth trend;
- (c) the influence of rising input costs on the competitiveness of export of Indian processed food; and
- (d) if so, the details thereof and its implications on the income of farmers and agricultural diversification?

ANSWER

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

(a): As per the first revised estimates of Gross Value Added (GVA) released by Ministry of Statistics and Programme Implementation, the percentage share of GVA of food processing sector in agriculture, forestry and fishing for the year 2022-23 is 8.45%.

(b): The trend of food processing units as per reports of Annual Survey of Industries (ASI) for registered units may be seen as below:

Year	2018-19	2019-20	2020-21	2021-22	2022-23
Food Processing Units	40,579	41,484	41,938	41,913	42,801

Source: Annual Survey of Industries

(c) & (d): Rising input costs affects the price competitiveness of the exports, including the Indian processed food exports due to:

- **Higher production Costs:** Increased input costs may raise overall cost of food processing. This makes Indian processed food exports more expensive compared to other countries.
- **Reduced Price Competitiveness:** Higher prices reduce demand for Indian products in global markets leading to lower export volumes. Countries with lower input costs may capture market share.

If the decreased export competitiveness reduces demand for Indian exports and in turn reduces demand for certain agricultural inputs, there may be a negative impact on farmers income. However, certain section of farmers may experience better returns due to higher price realization in the short run. This may result in diversification of cropping pattern towards the high value or high demand crops by the farmers.
