

Food processing sector registers significant growth: Govt report

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Over last few years, the ministry of food processing industries has been encouraging investment into the sector, improving infrastructure, evolving better standards, removing bottlenecks and initiating R&D and skill development.

The National Mission on Food Processing (NMFP) was approved in June, 2013 followed by quick formulation of guidelines to states. The Ministry has taken a number of steps for encouraging investment into the FPI sector; these include issuing expression of interest (EOI) for setting up 15 cold chain projects, information dissemination on resources and facilities available in different states, creating an investor portal, and modification of guidelines for setting up cold chains.

On the ministry's initiative, concessional duty on food processing machinery is under consideration of the government. The Ministry has also been coordinating with other Ministries and organisations for showcasing India's potential in this sector, improving hygienic standards of abattoirs, food safety, assessment of agricultural wastage, etc.

Details of the growth of the food processing sector and the major actions taken by the FPI Ministry in the year 2014 are given below:

Ministry of Food Processing Industries (MoFPI) is concerned with formulation and implementation of the policies and plans for the food processing industries within overall national priorities and objectives. In an emerging country like India, where growth with equity is a primary policy thrust, the optimum development of the food processing sector will contribute significantly in tackling several developmental concerns such as disguised unemployment in agriculture, rural poverty, food security, food inflation, improved nutrition, and prevention of wastage of food.

The approach to 12th Five Year Plan for the Ministry of Food Processing Industries was prepared keeping in view the overall national objectives. It was felt that significant development in food processing sector can be achieved only through a decentralised approach paving the way for greater involvement of states. The total plan allocation for 12th plan for the Ministry is Rs.5990 crore.

Food Processing Sector is an important segment of the economy, constituting a share of around 9.0 to 10.0 percent of GDP in Agriculture and Manufacturing sector.

FP sector provides employment to around 65 lakh. According to the latest Annual Survey of Industries for 2010-11, the total number of persons employed in the organized food processing sector was about 16.62 lakhs. In unorganized sector, FP sector supported employment to 47.93 lakhs persons as per NSSO 67th Round.

In terms of labour productivity, at 2004-05 prices, Output per worker in registered units increased from Rs 16.12 lakh to Rs 24.67 lakh (CAGR of 8.9%).

The overall exports from India increased by 40.5% in 2010-11 and by 21.8% during 2011-12, and declined by 1.8% in 2012-13, in US \$ terms. The food processing sector registered a growth of 38.1% during 2010-11 and 55.5% during 2011-12. Export of food products during 2012-13 registered a growth of 14.0% in dollars terms.

In terms of value addition, during the last 5 years ending 2011-12, FPI sector has been growing at an Average Annual Growth Rate (AAGR) of around 8.6 % as compared to little less than 4 % in Agriculture and 8 % in Manufacturing.

Government has approved setting up 12 more Mega Food Parks in addition to 30 on-going projects and 75 new Cold Chain Projects in addition to 74 already approved, during the 12th Plan period under the Infrastructure Development scheme of this Ministry. In pursuance to this, the Ministry had accorded in-principle approval to 10 Mega Food Park projects and 68 Cold Chain projects. EOI for 15 more Cold Chain projects have been issued on 02.12.2013. The Cold Chain Scheme guidelines have been revised for better implementation of the scheme.

Based on the learning experience and keeping in view the problems faced in implementation of Mega Food Parks Scheme, the Ministry has moved a proposal modification of existing guidelines to facilitate speedier and effective implementation of the projects.

The Government on 27.06.2013 approved the National Mission on Food Processing (NMFP) as a Centrally Sponsored Scheme for the remaining period of 12th Plan with additional components of primary processing centres / collection centres in rural areas, reefer van / refrigerated trucks, modernisation of meat shop and old food parks. The guidelines for the remaining period of 12th Plan 2013-14 to 2016-17 have been issued on 23.07.2013 for implementation of the mission by State / UT Governments.

Government has approved the Ministry's proposal for meeting the 11th Plan committed liabilities under Central Sector Scheme of Technology Upgradation during the 12th Plan (2012-17) for an amount of Rs.740 crore numbering 3168 cases.

This Ministry jointly organized a workshop on 29.08.2013 with ICAR to share the protocols of repeat study on post harvest losses (sponsored by MoFPI) being done by Central Institute of Post Harvest Engineering & Technology (CIPHET), Ludhiana with the selected ICAR institutions dealing with perishables (fruit & vegetables) at New Delhi. The last study was done by ICAR on post-harvest losses in the year 2005-09 and the report was released in 2010. In all, 46 crops were studied and losses were assessed in the range of 6% to 18%.

On the basis of a review on the study on "Assessment of Post-Harvest losses of Major Crops and Commodities in India" conducted by Central Institute of Post harvest Engineering & Technology (CIPHET), Ludhiana, ICAR was requested to associate the ICAR institutions (related to top 5 fruits/vegetable crops) and State Governments with the CIPHET study to make it more meaningful.

This Ministry participated jointly with APEDA in AAHAR International Food and Hospitality Fair, 2013 organised by India Trade Promotion Organisation (ITPO) from 14th to 18th March, 2013 at New Delhi.

In a conference of the Principal Secretaries / Secretaries(UD) of States / UTs held in New Delhi on 10.07.2013 in Department of Urban Development it was apprised by Secretary (FPI) about the unhygienic conditions under which domestic meat industry is functioning with little regard for pollution norms. The participants were also apprised of the scheme of this Ministry for grant-in-aid assistance upto Rs. 15 crore for setting up of new abattoirs and modernisation of existing abattoirs. As a sequel to the above meeting, a model project report for small abattoirs was prepared and has been uploaded on the Ministry's website and has also been shared with State Governments / UTs.

A stakeholder's consultation was organised on 31.07.2013 to invite suggestions for change in the guidelines for funding of Cold Chain and Cold Storage Projects under the Viability Gap Funding Scheme of Ministry of Finance. In accordance with the suggestions received from the stakeholders, the guidelines of the Cold Chain Scheme has been revised and notified on 20.11.2013.

The 3rd meeting of Executive Committee of National Food Processing Development Council (NFPDC) was convened on 13.08.2013. The progress of National Mission on Food Processing (NMFP) in different States and other issues pertaining to sustainable growth of food processing sector in the country was reviewed in this Ministry.

On 21.08.2013 and 22.08.2013, the progress of NMFP with selected States was reviewed through video conferencing for North Eastern States and selected UTs. Secretary (FPI) discussed the matter with various Chief Secretaries of State Governments and requested them to furnish utilization certificates so that budgetary allocation of 2013-14 can be released. Minister for FPI has also addressed letters to Chief Ministers on 26.08.2013 in this regard.

The Ministry has launched its new website which is more investor friendly and also disabled-friendly for visually impaired users.

A meeting was held on 06.08.2013 with Chairman and CEO of FSSAI to discuss various issues raised by the Industry in regard to implementation of the Food Safety Regulations relating to documents and conditions for grant of licenses and issues relating to product approval. The clarifications received from FSSAI have been circulated to industry associations. A Mayors Conference was held at New Delhi on 13-14th September 2013.). The Conference was inaugurated by Minister of State (Agriculture & FPI), Dr. Charan Das Mahant. Around 100 delegates including Mayors, Chairmen/President of Municipal Councils, Municipal Commissioners, Veterinary Officers and experts participated in the Conference.

On receipt of representations from the industry about the difficulties faced by them in implementing some of the provisions of Food Safety and Standards Act, 2006 and Regulations a meeting was organized in which representatives of Industry Chambers and Food Processing Industries participated along with Officers from Food Safety and Standards Authority of India (FSSAI). Based on the deliberations, a reference to review the system of product approval was made to FSSAI and the Ministry of Health & Family Welfare.

In order to attract investment in the food processing sector, the Ministry prepared State Profiles, which contain information about production and productivity of crops and availability of infrastructure in various states for investment in food processing sector. The State profiles have been circulated to State Governments / UT administrators for ready reference. An investor's portal has also been launched to facilitate investment in the food processing sector.

With a view to reducing losses in food chain and ensuring remunerative return to farmers for their produce, Minister for Food Processing Industries had taken up the issue of excise duty concession on processed food and food processing machinery with the Prime Minister on 31.05.2013. In response to this, Finance Minister on 17.07.2013 had conveyed that while it will not be possible to provide full excise duty concession on these items, particularly on food products, concession in respect of food processing equipment could be examined on merit. Accordingly, the matter has been taken up with Department of Revenue for concessional duty on food processing machinery.

The Ministry has been organizing special camps with banks for the cases pending of 11th Plan under the Scheme of Technology Upgradation/ Establishment/ Modernization of Food Processing Industries. This exercise was done for facilitating entrepreneurs and also expediting release of committed liabilities pending on account of these cases.

The Committee on Agriculture (2013-14) made a visit to National Institute of Food Technology, Entrepreneurship and Management (NIFTEM), Sonapat, Haryana for an on-the-spot study. The Committee appreciated the infrastructure created by the Institute for B.Tech; M. Tech and PhD courses and various other initiatives such as Village Adoption Programme, Skill Development Programme etc.

A delegation led by the Ministry of Food Processing Industries visited Nigeria, Gambia / Senegal from 20 to 27th February,

2013 to hold discussions with the Indian Missions with the host country authorities in connection with setting up of bilateral Food Testing labs (FTS.) in Nigeria and Gambia under Indian Africa Forum Summit (IAFC)-II.

This Ministry participated jointly with APEDA in Pro Food / Pro Pack & Agbiz - 2013, held at Colombo, Sri Lanka from 23rd to 25th Aug., 2013; Saudi Agro Food - 2013, held at Riyadh, Saudi Arabia from 15th to 18th September, 2013 and in the international event, FHC China-2013 at Shanghai, China from 13 to 15 November 2013.