

Initiatives By the Government of India to Transform the Food Processing Sector in The Amrit Kaal

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India, with its rich agricultural tradition and varied climatic conditions, possess immense potential in the food processing sector. The food processing industry being not only instrumental for the nation's economic growth but also ensures food safety, reducing waste, enhancing farmers' income and providing employment opportunities. Our country is the world's largest producer of milk, pulses and jute, and the second largest producer of essential crops such as rice, wheat, sugarcane, groundnut, vegetables, fruits and cotton. Food processing involves transformation of raw materials which are agricultural produce into consumable food items with value addition and extended shelf life.

As the consumers are getting more health conscious demand for processed and packaged foods that are safe and nutritive is rising day by day. Food processing also involves better health markets on the packets. There is thus a need to tap the popularity of various food grains and coarse grains like millets which are gaining increasing importance due to their nutritional benefits and adaptability to various climatic conditions.

Recognizing the sector's potential, the government has launched several initiatives to boost the food processing industries. The foremost and important scheme is Pradhan Mantri Kisan Sampada Yojana (PMKSY) which aims to create modern infrastructure with efficient supply chain management from farm to directly retail outlet. It includes Mega Food Parks, Cold Chain, and Preservation Infrastructure. Mega Food Parks provide mechanism to link agricultural production to the market by bringing together farmers, processors, and retailers. Some other schemes include Pradhan Mantri Formalization of Micro Food Processing Enterprises (PMFME), Production Linked Incentive (PLI) scheme for Food Processing Industry (PLISFPI) and One District One Product. The government is continuously working on improving the ease of doing business by simplifying procedures and providing single-window clearance for projects. Initiatives are also being taken to enhance the skill-set of workers in this sector. To promote entrepreneurship, a 'Startup Forum for Aspiring Leaders and Mentors-SUFALAM' was also

held in which startups were urged to play a proactive role in collaborating with farmers and venturing into consumer friendly affordable and nutritious products. Let us dwell into some of the schemes in detail.

The Ministry of Food Processing Industries (MoFPI) through implementation of the Central Sector Scheme, namely Pradhan Mantri Kisan Sampada Yojana (PMKSY), across the country has facilitated the creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet for promotion. The scheme has resulted into the overall development and growth of the food processing industry, through creation of employment opportunities, reducing wastage of agricultural produce, increasing processing levels, and enhancing the export of processed foods. Similarly, under Atmanirbhar Abhiyaan, the MoFPI launched a Centrally Sponsored Scheme named Pradhan Mantri Formalization of Micro Food Processing Enterprises (PMFME) in June 2020 to encourage 'Vocal for Local' in the sector. The scheme aims to enhance the competitiveness of individual micro-enterprises in the unorganized segment of the food processing industries and promote formalization of the sector. This is the first ever Government scheme for Micro Food Processing enterprises and is targeted to benefit 2 lakh enterprises through credit linked subsidies and adopting the approach of 'One District One Product'.

NABARD has been at the forefront as an important stakeholder in the food processing sector, playing a vital role in infrastructure creation for the food processing industry. Currently NABARD manages two important funds that are Food Processing Fund and Warehouse Infrastructure Fund, allocated by the Government of India for supporting the food processing sector and creation of warehouse infrastructure for scientific storage of food grains across the country. The Government of India instituted the Food Processing Fund during 2014-15, with a corpus of Rs. 2,000 crores, with the objective of providing affordable credit to public and private players for setting up of Designated Food Parks notified by the Ministry of Food Processing Industries. The Government of India announced a dedicated Warehouse Infrastructure Fund with a corpus of Rs.

5,000 crores in 2013-14. The fund was set up to support State governments, State-owned agencies, and Corporates for the creation of scientific warehouse capacity through financial support. The creation of storage infrastructure in APMCs was later included as an eligible activity for support under Warehouse Infrastructure Fund. The Fund envisages financing State governments, State government undertakings and the private sector for establishing dry warehouse, cold storage facilities, and cold chain infrastructure. Further, the Government of India has taken policy initiatives like exempting all processed food items from the purview of licensing under the industries (Development and Regulation) Act, 1951; allowing 100% Foreign Direct Investment through an automatic route for the food processing sector; lowering GST for raw and processed products; and covering more than 71.7% food products under various chapter heads and sub-heads in a lower tax slab of 0% and 5%. All these would attract the necessary private investments to the sector.

For setting up of standards for processed foods, The Food Safety and Standards Authority of India (FSSAI) has constituted 21 Scientific Panels, which consists of subject experts from universities, research institutes, and other reputed Government Organizations like CSIR, ICAR, ICMR, IITR, NIFTEM, IIT, CFTRI, etc. The Scientific Panel carried out the risk assessment, took into consideration a draft standard, which was then forwarded for endorsement by the Scientific Committee. The standard is reviewed and validated by the Scientific Committee before being finally approved by the Food Authority. A robust food testing ecosystem is essential for evaluating compliance with safety standards and identifying emerging risks. FSSAI has established a network of primary laboratories, referral laboratories, and National Reference Laboratories to support food analysis and surveillance activities. With 239 primary food testing labs, 22 referral labs, and 12 reference labs, along with over 264 Food Safety on Wheels positioned strategically across the nation, India ensures rigorous monitoring and testing of food products. This extensive network plays a crucial role in detecting and addressing potential hazards, guaranteeing that only safe and compliant food reaches consumers.

In today's fast moving and up-tempo world, processed foods have been the first option for quick bite. They are convenient, readily available, and often satisfying to the taste buds. However, in recent years, a noticeable shift has been seen. There has been a large change in the way people think about the food they

consume. More number of individuals are opting for healthier food choices. As people increasingly recognize the importance of healthy food, the National Agricultural Cooperative Marketing Federation of India (NAFED), which is an agriculture-based cooperative, has expanded its business by coming out with healthy food initiatives like Millets, Bharat Atta, Bharat Dal, and Bharat Chawal. These initiatives align with NAFED's work for promoting healthy eating habits at affordable costs.

The Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) was approved by the Cabinet on 31 March 2021, with an outlay of Rs. 10,900 crores, to be implemented from FY 2021-22 to 2026-27. The scheme consists of three components: incentivizing manufacturing in four food product segments (Ready-to-Cook/Ready-to-Eat foods; processed fruits and vegetables; marine products; and mozzarella cheese), promoting innovative or organic products; and incentivizing branding and marketing abroad for promoting Indian brands in the global market. As a part of Atmanirbhar Bharat Abhiyan, Ministry of Food Processing Industries (MoFPI) is implementing a centrally sponsored 'PM Formalization of Micro Food Processing Enterprises (PMFME) Scheme'. The scheme aims to enhance the competitiveness of existing individual micro enterprises in the unorganized segment of the food processing industry and promote formalization of the sector. The objectives of the scheme are to build capacity of micro enterprises through increased access to credit, integration with organized supply chain by strengthening branding and marketing, increased access to common services, strengthening of institutions, research and training in the food processing sector.

Start Up Forum for Aspiring Leaders and Mentors (SUFALAM) 2024 was held to symbolize that innovations, collaborations and advanced technologies in different facets of food processing are the key drivers for transforming startups in food processing domain to established food business. There was a panel discussion of 250 stakeholders, comprising of startups, senior executives for food processing companies, MSMEs, financial institutions, venture capitalists, and academia. Topics covered were transformation of raw materials, climate-resilient option like algae and millets, and creativity entrepreneurship, Designing of processing machines, raw materials, and innovative Agri-Tech solutions. Issues like interventions in raw material sourcing, exploring opportunities in protein-rich foods and

sustainable packaging, and collaboration for sustained innovations were also touched upon.

The food processing industry is one of the most important and promising sectors of the Indian economy. India exports a wide array of items over 10,000. Within the vast export items, food and agricultural products constitute approximately 11% of our total exports. This is dominated by rice, spices, buffalo meat, sugar, and oil meals. Recognizing this strategic importance of Agri-exports, the Government of India has taken significant policy initiatives. In order to become a developed nation in the next 25 years, the goal of India in the Amrit Kaal era requires a transformation of its primary sector i.e. agriculture. The development within agriculture needs to transform from mere agriculture to agribusiness, with

the dependency of employment on this sector meticulously addressed by skill development of the youth.

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