

**GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:2668

ANSWERED ON:09.12.2014

DEVELOPMENT OF FOOD PROCESSING SECTOR

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

- (a) whether the food processing sector is still at a nascent stage in the country;
- (b) if so, the details thereof along with the present status of food processing in the country vis-a-vis neighbouring/ developed countries;
- (c) whether inadequate infrastructural facilities, access to credit and food safety laws are the main reasons for slow development of food processing sector in the country and if so, the details thereof;
- (d) the achievements made in the food processing sector in the country during each of the last three years and the current year; and
- (e) the steps taken/proposed to be taken by the Government to address the hurdles for development of food processing sector to make it at par with world standard?

Answer

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (SADHVI NIRANJAN JYOTI)

(a)&(b): As per the "Vision 2015: Strategy & Action Plan for Food Processing Industries in India" prepared by Rabo India Finance in April, 2005, the level of processing in India is very low and varies from sector to sector and is estimated at 2 per cent in the case of fruits and vegetables. It is very high in developed countries (80% in USA, 70% in France) and in many developing countries as well (80% in Malaysia, 30% in Thailand).

(c): Lack of efficient cold chain infrastructure, inadequate processing capacity and access to affordable credit are some of the important causes of slow development of food processing sector. As per the study conducted by National Spot Exchange Limited (NSEL) in 2010, the cold storage requirement and existing capacity are of the order of 61.13 million MT and 32 million MT respectively with a resultant cold storage gap of around 29 million MT. Constraints in terms of Supply chain, including Cold Chain, and lack of adequate processing capacity are important factors for low level of processing and higher level wastages of agri-produces. As per the study conducted by Central Institute of Post-Harvest Engineering and Technology (CIPHET), Ludhiana published in 2010, the magnitude of wastage was Rs. 44,143 crore per annum at 2009 wholesale prices.

(d): Information on value addition of manufactured food items is released annually in National Accounts Statistics (NAS). As per the latest NAS-2014, food processing sector in terms of value addition, has been growing at an Average Annual Growth Rate (AAGR) of around 13.2 per cent as compared to around 5.3 per cent in agriculture and 5.8 per cent in manufacturing during the last 3 years ending 2012-13.

(e): Government is implementing the Scheme for Quality Assurance, Codex Standards, Research & Development and Promotional Activities aimed at motivating the food processing industries for adopting internationally approved food safety and quality assurance mechanisms to become globally competitive. The scheme also aims at undertaking Research and Development for innovative products and processes to keep the industries abreast with latest technologies in Food Processing.