

Policy Initiatives by the Government in The Food Processing sector Year-wise

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YEAR : 2014-15

Sl. No.	Initiatives	Impact
1	Creation of a Special Fund of Rs. 2000 crore in NABARD	Availability of affordable credit to Mega Food Parks and food processing units set up therein Rs. 465 crore sanctioned to 12 number of Projects and Rs. 91 crore disbursed
2	Launched Investors Portal.	Information on potential and opportunities for investment in the food processing sector and incentives provided by the Central and State Governments were made available to the prospective investors at a single point The queries of the investors were received and answered through the portal guiding them and making it easier for them to take decision
3	Strengthened Grievance Redressal System	Under the infrastructure schemes of Mega Food Parks and cold chain, a committee of three Independent Monitors was constituted to address the grievances of the applicants whose proposal for Mega Food Parks and Cold Chains could not be selected. The committee also provides personal hearing to the applicants before disposing of their grievances
4	Food Map of India	The Food Map enables investor to take decision with regard to locating their projects as the food map showed mapping of the potential of food processing in surplus production areas
5	Streamlining Project Monitoring process	The close monitoring of the projects regularly led to completion of three Mega Food Parks in comparison to two projects in previous six years and completion of 14 cold chain projects as against 12 in last six years. This has also lead to significant improvement in utilization of plan fund allocation nearly 200% in all the schemes
6	Excise Duty on Machinery reduced from 10% to 6%	The reduction of duty resulted in reduction in cost of investment in the food processing projects and enhancing viability of the projects

Year 2015-16

	Initiative	Impact
1	Food and agro-based processing unit and cold chain infrastructure have been classified under agriculture activities for Priority Sector Lending	Availability of additional credit for food processing activities and infrastructure
2	Service Tax on pre-conditioning, pre-coding, ripening, waxing, retail packaging and labelling of fruits and vegetables exempted in cold chain projects	This is a big relief in terms of tax exemption to the cold chain operators as this facility was only available to the farmers at farm gate but not to the cold chain operators This enhanced the viability of cold chain projects, encouraging more investment in the sector.

Year 2016-17

	Initiative	Impact
1	Permitting 100% FDI in retail trade including E-Commerce of food products manufactured and or produced in India	This has enhanced investment opportunities in India globally and have generated interest among the leading world food retailers for making investment in India Three companies M/s Super Market Groceries Supplies Pvt ltd. M/s Grofers India Pvt Ltd and M/s Amazon Corporate Holdings Pvt. Ltd. have already submitted their proposals for seeking permission to make investment of US \$ 695 million over a period of time
2	To enhance the transparency and reduce human interface on-line software has been developed and put in use for filing of claims for the infrastructure development projects. This has also being expanded to other schemes.	On-line software has resulted in quicker disposal of the claims for grant by the projects and resulting in acceleration of the progress on the grant
3	Setting up of investment tracking and facilitation Desk of Invest India in the Ministry	The desk will identify new potential investors and approach them in a focussed and structured manner for investment and follow-up the investment cases by providing hand holding services. The desk will also assist Ministry in organising road-shows both in India and abroad and organising investment meets.
4	The Schemes of the Ministry have been restructured and new schemes have been launched under proposed SAMPADA.	The SAMPADA Scheme will target creation of Infrastructure and increasing capacities of processing and preservation in entire supply chain of food processing sector right from farm gate to retail outlets. The New Scheme will help in integrating food processing units and food trade with the farmers creating huge opportunities for employment of increasing income of the farmers.
5	Excise Duty reduced from 12.5% to 6% on refrigerated containers	

		The reduction of duty resulted in reduction in cost of investment in the food processing projects and enhance their viability.
YEAR 2017-18		
1	e-NAM to be expanded from 250 to 585 APMCs e-NAM Market to have primary processing facilities e-NAM will be provided assistance for creating primary processing to cleaning, grading, packaging.	This will encourage and make easier direct procuring of raw-material by the processing units and retail traders resulting in increased income to farmers. Primary Processing will increase value addition of the farmers produce and fetch better price. This will also lead to quality consciousness
2	Model Law on Contract Farming to be prepared to integrate farmers	The Contract Farming Law will integrate backward integration of the food processors with the farmers and attracting investment in post harvest management activities leading to increased benefit to the farmers and reduction in wastages.
3	A Dairy Processing and Development Fund of Rs. 8000 core to be set up in NABARD	The Fund will be used to modernize old and obsolete milk processing units particularly in cooperative sector and will result in enhancing milk processing capacity thereby adding more value to the produce of the farmers and increasing their income
4.	National Policy on Food Processing	The policy will provide a road map for holistic development for the food processing sector, the potential and opportunities for the growth of supply chain and promote food processing in the country to create employment opportunities and ensure wellness of the farmers.
5.	World Food India, 2017	Ministry is organising World Food India 2017 from 3 rd to 5 th November, 2017 in Delhi to showcase investment potential of India in the food processing sector and attract investment in the entire supply chain for inclusive development.

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