

FOOD SECTOR INCENTIVE GETS CABINET NOD

Relevant for: Indian Economy | Topic: Food processing and related industries in India: scope and significance, location, upstream and downstream requirements and supply chain management

The Union Cabinet on Wednesday approved a production-linked incentive scheme for the food processing industry with an outlay of Rs. 10,900 crore.

Announcing the scheme, Piyush Goyal, Minister for Consumer Affairs, Food and Public Distribution, said the scheme was a “fitting tribute to farmers” and that it would lead to employment for 2.5 lakh people. He added that it would lead to additional exports of Rs. 30,000 crore to Rs. 35,000 crore.

The objectives of the scheme were to “support creation of global food manufacturing champions”, “strengthen select Indian brand of food products for global visibility and wider acceptance in the international markets”, “increase employment opportunities of off-farm jobs” and “ensuring remunerative prices of farm produce and higher income to farmers”, a government statement said.

Mr. Goyal said the scheme would cover ready-to-cook, ready-to-eat, processed fruits and vegetables, marine products and mozzarella cheese. Organic products, free-range eggs, poultry meat and egg products were also covered. “The implementation of the scheme would facilitate expansion of processing capacity to generate processed food output of Rs. 33,494 crore and create employment for nearly 2.5 lakh persons by the year 2026-27,” the statement said. The applicants selected for the scheme would be required to invest in plant and machinery in the first two years.

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