FOOD PROCESSING AND RELATED INDUSTRIES

OUR APPROACH:
We will study this topic in the following manner:
1. Syllabus
2. Core Areas (Static)
3. Current Developments: Like schemes, reports, economic survey etc.
4. Relevance: For both Prelims + Mains
5. Coverage MCQs + Mains Type Questions
6. Answer writing tips
7. Handout for reference
8. Reading list (if required)

SYLLABUS
1. Meaning & constituents
2. Scope
3. Significance (Forward & Backward Linkages)
4. Notable Trends
5. Challenges (General & Sector Specific)
6. Supply Chain Management
7. Cold Chain
8. Government of India (GoI) Policies:
   a. Mega Food Parks Schemes (MFS)-2008
   b. SAMPADA (Scheme for Agro-Marine Processing & Development of Agro-Processing Clusters)-2018
   c. Cold Chain, Value Addition and Preservation Infrastructure Scheme-2008
   d. Operation Green (TOP): 2018-19

Aatmanirbhar Bharat Abhiyan includes:
   e. TOTAL-2020
   f. Scheme for Formalisation of Micro Food Processing Enterprises (FME)-2020
   g. PLI Scheme for Food Processing Industry (2021-22 to 2026-27)

MULTIPLE CHOICE QUESTIONS (MCQs) FOR PRACTICE
Question-1: Read the following statements about usage of labour and capital in Food Processing Industry (FPI) in India:
1. Indian FPI is capital intensive.
2. Indian FPI is labour intensive.
3. Every unit of capital invested in FPI employs large number of persons compared to other industries.
Choose the correct statement:
a. Only1
b. Only2
c. Both 1&3  
d. Both 2&3  
e. 1,2&3

Question-2: Consider the following statements regarding FDI in food processing industry in India:

1. 100% FDI under automatic route has been allowed in FPI for carrying out manufacturing of food products.
2. 100% FDI is allowed through automatic route in retail trade in respect of food products produced/manufactured in India.

Choose the correct option:
a. Only 1  
b. Only 2  
c. Both 1&2  
d. None of these

Answer: Only 1

In option 2: it should be government route in retail

Question-3: Consider the following statements regarding forward and backward linkages:

1. A forward linkage is created when investment in a particular project encourages investment in subsequent stages of production.
2. A backward linkage is created when a project encourages investment in facilities that enable the project to succeed.
3. Food Processing Industry leads to the development of mostly backward linkages in agriculture.

Choose the correct statement:

a. Only 1  
b. Only 2  
c. Only 3  
d. Both 1&2  
e. 1,2&3  
f. None of these

Question-4: Which of the following is/are the stated objectives of Mega Food Park (MFP) Scheme in India?

1. Maximization of value addition  
2. Minimization of wastages  
3. Improving farmers’ income  
4. Provide Employment  
5. Improve Nutritional Status of India

Choose the correct option:

a. 1,2&3  
b. 2,3&4
c. 1,2,3&4
d. 1,2,3,4&5

Question 5: Which of the following are non-operational Mega Food Parks in India? (for reference only)
1. Jangipur Bengal Mega Food Park, Murshidabad, West Bengal
2. Sikaria Mega Food Park, West Tripura, Tripura
3. International Mega Food Park, Fazilka, Punjab
4. Greentech Mega Food Park, Ajmer, Rajasthan

Choose the correct option:
a. Only 1
b. 1 & 2
c. None of these
d. All of these

Question 6: Which of the following is the correct quantum of funds earmarked for SAMPADA for the period 2016-2020?
a. Rs.4000 cr
b. Rs.6000 cr
c. Rs.7000 cr
d. Rs.8000 cr

Question 7: PLI Scheme for FPI has allocated funds for the FPI sector. Choose the correct answer:
a. Rs.10,000 cr
b. Rs.10900 cr
c. Rs.11000 cr
d. Rs.11900 cr

Question 8: Consider the following statements about SAMPADA
1. It is an umbrella scheme encompassing all the ongoing schemes of the Ministry of Food Processing Industries like Mega Food Parks, Integrated Cold Chain etc and not any new scheme.
2. This scheme is public sector driven and provides more freedom to the entrepreneurs to choose the project location.
3. The Scheme especially aims to enhance rural employment.

Choose the correct options:
a. Only 1
b. Only 3
c. Both 1 & 2
d. 1, 2 & 3

Question 9: Consider the following statements about “short term stabilisation measure” of operation green in India:
1. MoFPI will provide a subsidy of 50% of cost of transportation and 50% of cost of hiring appropriate storage facilities for Tomato, Onion Potato (TOP) Crops.
2. Storage facilities will be hired till procured crops are sold in the market.
Choose the correct option:

a. Only 1  
b. Only 2  
c. Both 1 & 2  
d. None of these

**Question-10:** Consider the following statements regarding “Operation Green (OG)”

1. NAFED will be the Nodal Agency to implement price stabilisation measures.  
2. NAFED will be nodal agency for disbursement of subsidy under this component to the eligible organization.

Choose the correct option regarding the role of NAFED as envisaged under OG:

a. Only 1  
b. Only 2  
c. Both 1 & 2  
d. None of these

**Question-11:** Consider the following statements pertaining to PLI for FPI:

1. The sole eligibility condition to avail PLI for FPI is a minimum investment in plant and machinery.  
2. PLI is “fund-limited” scheme.  
3. The evaluation and review of the project would be done by a project management agency.

Which of the above is/are not applicable for processed food items in India?

a. Only 1  
b. Only 2  
c. Both 1 & 2  
d. 1,2 & 3  
e. None of the above

**QUESTIONS FOR MAINS (For Self Practice)**

**Question-1:** Bring out the context in which FPI assumes significance in view of diversified agricultural profile of India.

**Question-2:** Define “Food Processing”. What are its constituents?

**Question-3:** Distinguish between primary, Secondary and Tertiary Food Processing. What are the key steps involved in each step?

**Question-4:** What do you mean by “Forward and Backward Linkages”? Explain these terms using an example from agriculture sector pertaining to food processing.

**Question-5:** Discuss the significance of FPI and its trend in India.

**Question-6:** What are the advantages of FPI for India? What are some of the challenges that Indian FPI is facing today? Suggest some solutions.

**Question-7:** Discuss some of the important government policies for FPI in India. Have they succeeded? Critically evaluate.
Question-8: What do you mean by “Supply Chain Management”? What are the key infrastructural challenges faced by supply chains in India?

Question-9: Why did government come up with the SAMPADA Scheme? What is its relevance in today’s context in FPI in India? Discuss.

Question-10: Discuss the steps taken by GoI under Atma Nirbhar Package for FPI in India.

Question-11: Formalisation of Micro FPI can help to boost FPI as well as boost farmer’s income. Discuss.

Question-12: How would the PLI Scheme meant for FPI sector help in its growth esp. in the context of covid pandemic led economic crisis.

Question-13: Discuss the steps undertaken by GoI to boost FPI sector in the context of covid led economic crisis.

Question-14-[2016]: What are the impediments in supply chain management in developing the food processing industry in India?

Question-15-[2017]: What are the reasons for poor performance of cost effective processing unit under the Mega Food Parks Scheme?

Question-16-[2018]: Examine the role of supermarkets in supply chain management of fruits, vegetables and food items. How do they eliminate number of intermediaries?

Question-17-[2019]: Elaborate the policy taken by the Government of India to meet the challenges of the food processing sector.

Question-18-[2020]: What are the challenges and opportunities of food processing sector in the country? How can income of the farmers be substantially increased by encouraging food processing?

Note: Many of the above questions are just a repetition of each other in different words. I have included them separately to give you all a feel of how UPSC can play with words in asking same question in different ways.
DEFINITION OF FOOD PROCESSING

Food Processing comprises of two processes i.e.

1. **Manufactured Processes**: If any raw product of agriculture, animal husbandry or fisheries is transformed through a process in such a way that its original physical properties undergo a change and if the transformed product is edible and has commercial value, then it is called as processed food.

2. **Value-Added Processes**: If there is a significant value, even if the product doesn’t undergo manufacturing process, it is called as processed food.

**Types of Processing:**

1. Primary: sorting, grading, labelling & packaging of food items
2. Secondary: re-shaping
3. Tertiary: processed items (final product)

**CONSTITUENTS OF FPI IN INDIA**

<table>
<thead>
<tr>
<th>SL.NO</th>
<th>COMPONENTS</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Fruits &amp; Vegetables</td>
</tr>
<tr>
<td>2</td>
<td>Milk Products</td>
</tr>
<tr>
<td>3</td>
<td>Meat &amp; Poultry</td>
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<td>4</td>
<td>Marine Products</td>
</tr>
<tr>
<td>5</td>
<td>Grain Processing</td>
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<td>6</td>
<td>Consumer Food</td>
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**INDIAN AGRICULTURE**

- 329 million hectares of geography
- Arable land area: **Rank 2**

**Agro-climatic Zones:**

- Planning Commission: 15
- NARP (launched by ICAR) = 126 + 5 (added later) = 131

**Indian agriculture (2020):**

a. 20% GDP
b. 42% employment
DO WE PRODUCE ENOUGH?

GLOBAL HUNGER INDEX-2020

- It is calculated on the basis of four indicators:
  1. Undernourishment: 14%
  2. Child Wasting: 17.3%
  3. Child Stunting: 34.7%
  4. Child Mortality: 3.7%

FOODGRAIN vs. HORTICULTURE

India wastes its agricultural produce

- Food processing in India:
  a. Range: 2-35%
  b. Average: 10%
  c. US = 65%, China =23%

- States with max losses = WB > Gujarat > Bihar > UP

- Post-harvest losses = Rs 92,000 cr
  a. Storage = Rs 37000 cr
  b. Other loss = Rs 55000 cr (avoidable)

UNEP & WRAP FOOD WASTE INDEX REPORT 2021:

- The Food Waste Index Report 2021, from the United Nations Environment Programme (UNEP) and partner organisation WRAP
- Total Global Food Waste = 931 million tonnes (121 kgs consumer level food wastage)
  a. Household = 61%
b. Food service = 26%
c. Retail = 13%
   - In India, the household food waste estimate is 50 kg per capita per year, or 68,760,163 tonnes a year. (U.S = 59 kg/capita/year, China = 64 Kg/capita/kg)

**INDIAN FOOD PROCESSING INDUSTRY (FPI)**
- Indian FPI is the world’s 6th largest
- Sunrise Industry
- 32% of India’s total food market
- 11.6% share in total employment
- 1.7% in total GVA in India
- Contributes 9% of Manufacturing gross value added & 11% of Agriculture gross value added
- 6% of India’s total industrial investment
- Share in India’s exports = 11%

**Question for practice:**
1. Discuss the scope of FPI in India.
2. Discuss the significance of FPI in India.
3. Discuss the scope and significance of FPI in India.

**SIGNIFICANCE OF FOOD PROCESSING SECTOR IN INDIA**

1. **Reduce Post-Harvest losses:**
   - Average level of processing is just 10%
   - Nearly 30-40% of agricultural produce is being wasted every year in India.

2. **Doubling Farmer’s Income & improving rural economy by 2022-23: (UPSC 2020 Mains)**
   - FPI improves the bargaining power for farmers, reduces the role of middlemen, enhances demand of their products and increases overall income of farmers and the rural economy.

3. **Forward and Backward Linkages**
   - A forward linkage is created when investment in a particular project encourages investment in subsequent stages of production.
   - A backward linkage is created when a project encourages investment in facilities that enable the project to succeed.

   **Example:** A Food Processing Unit leads to the development of both BWL & FWL.
4. Contribution in economic growth
   - Post 2010: rate of growth of FPI > rate of growth of manufacturing

5. Exports of Food Processing related items
   - Indian FPI is basically export oriented
   - India’s strategic geographical location
   - FPI constituted more than 10% of India’s total exports.

6. FPI & employment generation
   - 11.6% of India’s employment
   - By 2024, FPI sector is expected to employ close to 10 mn people in India

7. Migration/absorption of labour from agriculture and industry
   - Solution to disguised employment
   - Labour Intensive too & hence good absorption capacity

8. Food Security & Nutrition
   - By ↓ post-harvest losses of selected fruits and vegetables
   - Prof. Angus Deaton – rich protein source

Question: Discuss the challenges faced by FPI in India.

CHALLENGES FACED BY FPI IN INDIA

Infrastructure: Inadequate
1. Cold chain infrastructure
2. Government certified labs
3. Warehouses

Innovation
1. Technology transfer from research lab to the industry
2. Demand based innovations

Skill
1. Inadequate skill sets at different levels in FPI
2. Lack of specialised training programmes/infrastructure

Branding
1. Platform to brand the produce globally
2. Inefficient marketing networks

Access to credit
1. Access of dedicated Fund
2. Access of working capital at low Interest Rate

Supply Chain & Cold Storage Issues

SUPPLY CHAIN MANAGEMENT
- Supply chain management is the process of planning, implementing and controlling the operations of the supply chains as efficiently as possible. It is important for raw food, processed food, fruits and vegetables.

- Stakeholders:
  1. Farmer
  2. Commission Agent
  3. Processing Plant
4. Whole seller
5. Village Traders
6. Cooperatives
7. Unit Outlet
8. Exporter
9. Government Agency
10. Customer

**KEY INFRASTRUCTURE CHALLENGES IN SUPPLY CHAIN**
1. **Poor infrastructure** levels in the food supply chain.
2. **High consumer demand** for fresh or live-cut produce
3. The **large share of unorganized players** in the supply chain
4. **Operating commercial viability** challenges
5. **Regional imbalances** in food production and demand become difficult to address
6. **Limited infrastructure** also increases supply chain wastage and reduces quality and nutrition levels of foods. For example, wastage in the fruits and vegetables is estimated to be 6 to 18% in the post-harvest portions of the value-chain.

**COLD CHAINS IN INDIA**
- The main aim of cold chain related policies in India is to bring cold storage & processing together.
- MoFPI had launched the Scheme of Cold Chain, Value Addition and Preservation Infrastructure in the year 2008 so as to create integrated supply chain infrastructure in the country:
  1. To encourage setting up of **backward & forward linkages** in the agricultural supply chain in the country
  2. To **minimize the post-harvest losses** and to **enhance the value addition** in the agricultural produce

**Why the need?**
- India is **one of the largest food producers** in the world, yet only 10% of our food products are processed. A huge chunk of this output is waste due lack of storage facility.
- While **existing cold storages** are concentrated in few states and roughly 80 to 90% are used for potatoes, India has a long way to go.
- MoFPI is building **National Cold Chain Grid** in the country so that all food producing hubs are connected to cold storage and processing industries.
- MoFPI has been involved in setting up new cold chain infrastructure which has both cold storage and processing facilities.

**SCHEMES BY GoI FOR FPI**

**MEGA FOOD PARKS-2008**

**Definition:** A mega food park is basically a **hub** comprising **Collection Centres (CCs)** and **Primary Processing Centres (PPCs)** as spokes linked to a **Central Processing Centre** as hub. The broader idea behind the scheme is to bring together **farmers, processors and retailers** and link agricultural production to the market.
PROJECT COMPONENTS:

Collection Centres CCs
- The CCs work as points of aggregation of the produce from individual farmers, farmer’s groups and Self Help Groups.
- They feed the raw material to the PPCs.
- The collection centres are managed by local entrepreneurs.

Primary Processing Centres (PPCs)
- Some PPCs have inhouse facilities such as pulping, juicing etc. They have facilities such as refrigerated vans, trucks etc. to transport material to CPC in shortest possible time.

Central Processing Centre (CPC)
- An area = 50-100 acres and houses a number of processing units owned by different business houses.
- Facilities for both Large & Medium and Small Scale Units
- Common Facilities provided: water, electricity and effluent treatment, cold storage, ware housing, logistics and backward integration through the network of primary processing centres and collection centres.

Government Assistance
- The MFPS scheme envisages a one time capital grant of:
  a. 50% of eligible project cost subject to a max. of Rs. 50 Crores in general areas
  b. 75% of eligible project cost subject to a ceiling of Rs. 50 Crores in difficult and hilly areas i.e. North East Region including Sikkim, J&K, Himachal Pradesh, Uttarakhand

- The money would be sanctioned in four instalments: 30%, 30%, 20% & 20%

PROGRESS SO FAR:
So far following 22 Mega Food Parks are operational:
1. Srini Mega Food Park, Chittoor, Andhra Pradesh.
3. North East Mega Food Park, Nalbari, Assam.
4. Indus Best Mega Food Park, Raipur, Chhattisgarh.
5. Gujarat Agro Mega Food Park, Surat, Gujarat.
7. Integrated Mega Food Park, Tumkur, Karnataka.
8. Kerala Industrial Infrastructure Development Corporation (KINFRA) Mega Food Park, Palakkad, Kerala.
9. Indus Mega Food Park, Khargoan, Madhya Pradesh.
10. Avantee Mega Food Park, Dewas, Madhya Pradesh.
11. Paithan Mega Food Park, Aurangabad, Maharashtra.
12. Satara Mega Food Park, Satara, Maharashtra.
13. Zoram Mega Food Park, Kolasib, Mizoram.
14. MITS Mega Food Park, Rayagada, Odisha.
15. International Mega Food Park, Fazilka, Punjab.
17. Greentech Mega Food park, Ajmer, Rajasthan.
18. Smart Agro Mega Food Park, Nizamabad, Telangana.
19. Tripura Mega Food Park, West Tripura, Tripura.
20. Patanjali Food and Herbal Park, Haridwar, Uttarakhand.
22. Jangipur Bengal Mega Food Park, Murshidabad, West Bengal.

SAMPADA (SCHEME FOR AGRO-MARINE PROCESSING AND DEVELOPMENT OF AGRO-PROCESSING CLUSTERS)

- Due to limited success of MFP Schemes, GoI launched KISAN SAMPADA YOJANA (KSY) for the period 2016-20.
- SAMPADA with an allocation of Rs. 6,000 crore is expected to leverage investment of Rs. 31,400 crore, benefit 20 lakh farmers and generate 5,30,500 direct/indirect employment in the country by the year 2019-20.

SAMPADA-An Umbrella Scheme:

- SAMPADA is an umbrella scheme incorporating:
  a. Ongoing schemes of the Ministry like Mega Food Parks, Integrated Cold Chain and Value Addition Infrastructure, Food Safety and Quality Assurance Infrastructure, etc. and Human Resources and Institutions.
  b. New schemes:
     (i). New Agro-Processing Clusters
     (ii). Creation of Backward and Forward Linkages
     (iii). Creation / Expansion of Food Processing & Preservation Capacities (CEFPPC)

- The schemes are private sector driven and provide freedom to the entrepreneurs to choose the project location based on the availability of raw material, techno-economic feasibility, and viability of the project.

Objective of SAMPADA:

- The objective of SAMPADA is to:
  a. Supplement agriculture
  b. Modernize processing
  c. Decrease agri-waste
OPERATION GREEN/ TOPs SCHEME

- Operation Greens was announced in the Budget speech of 2018-19 with an outlay of Rs 500 crores to stabilize the supply of Tomato, Onion and Potato (TOP) crops and to ensure availability of TOP crops throughout the country round the year without price volatility.
- The government has identified various tomato, onion and potato clusters in the country for this initiative:
  a. Tomato: Gujarat, Karnataka, Andhra, Odisha
  b. Onion: Gujarat, Karnataka, Maharashtra, Bihar
  c. Potatoes: Gujarat, UP, Bihar, WB

- Operation is essentially a price fixation scheme that aims to ensure farmers are given the right price for their produce. The idea behind Operation Green is to double the income of farmers by end of 2022.
- Operation Green aims to promote farmer producers organisations, agri-logistics, processing facilities and professional management.

Two-Pronged Strategy of the scheme:

1. Short term Price Stabilisation Measures
   - National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) will be the Nodal Agency to implement price stabilisation measures.
   - MoFPI will provide 50% of the subsidy on the following two components:
     a. Transportation of Tomato Onion Potato (TOP) Crops from production to storage
     b. Hiring of appropriate storage facilities for TOP Crops

2. Long Term Integrated value chain development projects
   - GOI will also give financial assistance for long-term integrated value chain development projects which aim at capacity building of Farmer Producers Organisation (FPO), ensuring quality production, post-harvest processing facilities, agri-logistics as well development of marketing and consumption points besides the creation of an e-platform for demand and supply management of TOP crops.

TOTAL

- TOP will be extended from tomatoes, onion and potatoes to ALL fruit and vegetables.
- The Scheme would provide:
  1. 50% subsidy on transportation from surplus to deficient markets
  2. 50% subsidy on storage, including cold storages

Impact of TOTAL:
1. Better price realisation to farmers
2. Reduced wastages
3. Affordability of products for consumers

Scheme for Formalisation of Micro Food Processing Enterprises (FME): “Vocal for Local” with global outreach

Issue: Quality & Marketing:
- Under FME, unorganized ME units would undergo technical upgradation to attain FSSAI food standards.
- Build brands of local products and market them abroad.
- Focus ➔ organic, herbal, nutritional, health based items where India has strength
- Support to existing MEs, FPO , self-help groups and cooperatives will be supported.
FEATURES:
- Centrally Sponsored Scheme → 2020-21 to 2024-25
- Expenditure --> CG: SG = 60:40
- 2,00,000 micro-enterprises are to be assisted with credit linked subsidy.
- Cluster approach
- Focus on perishables

PLI FOR FPI

AIM:
- To create “global food manufacturing champions” by boosting Indian brands of food products in international markets.
- ↑ India’s agri-based exports from Rs 3 lakh cr to Rs 6 lakh crore.

COVERAGE:
1. Ready-to-cook and eat foods
2. Processed fruits and vegetables
3. Marine products
4. Mozzarella cheese
5. “Innovative” and organic products of small and medium enterprises (SMEs), including eggs, poultry meat and egg products

FACTS:
- Rs 10,900-crore PLI Scheme
- It targets Rs 33,494 cr worth of processed food output and with employment to nearly 2.5 lakh persons by 2026-27.

CONDITIONS FOR INCENTIVES TO FIRMS:
- A minimum investment in plant and machinery
- A minimum increase in sales

TWO TYPES OF INCENTIVES:
1. If they achieve both (a+b) → for the incremental sales, a % of that amount will be given for six years ending in 2026-27.
2. GoI support for branding and marketing to “incentivise emergence of strong Indian brands” abroad. A grant for in-store branding, shelf space renting and marketing abroad.

FEATURES OF FUNDING UNDER PLI SCHEME:
- PLI is “fund-limited”— the cost will be restricted to the approved amount.
- The maximum incentive payable to each beneficiary shall be fixed in advance at the time of approval of that beneficiary.

IMPLEMENTATION & MONITORING:
- Approval: MoFPI
- Sanction and release of incentives: MoFPI
- Monitoring: Empowered Group of Secretaries chaired by the Cabinet Secretary
- Implementation: A project management agency
- Evaluation & Review: A third party

UNIQUE FEATURE OF SCHEME:
1. It boosts farmer’s income
2. It is tailor-made for MSMEs in FPI.
3. Unlike the mobile phone sector, which only has a few players, food processing is spread across India.
ANSWER WRITING POINTERS FOR FOOD PROCESSING INDUSTRIES (FPI): for self-practice

Question-1-[2016]: What are the impediments in supply chain management in developing the food processing industry in India?

Answer:
- Define Supply Chain & Supply Chain management.
- Key challenges in supply chain management in FPI:
  1. Poor infrastructure levels in the food supply chain.
  2. High consumer demand for fresh or live-cut produce.
  3. The large share of unorganized players in the supply chain.
  4. Operating commercial viability challenges.
  5. Regional imbalances.
- Solution to face the challenges:
  1. Need of both government & private players.
  2. FDI.

Question-2-[2017]: What are the reasons for poor performance of cost effective processing units under the Mega Food Parks Scheme?

Answer:
- Explain the MFS in brief.
- Reasons for poor performance:
  1. Availability of at least 50 acres of land.
  2. Change in land use from agriculture to industries.
  3. Getting statutory approval from State governments.
  4. Banks charge high interest rates for the loans.
  5. Marketability of products made by small players.

Question-3-[2018]: Examine the role of supermarkets in supply chain management of fruits, vegetables and food items. How do they eliminate number of intermediaries?

Answer:
- Briefly talk about the meaning of supply chain management.
- ROUTE-3: Farmers → FPI like MFS → Supermarkets → Wholesale & Retail Market.
- Benefit to farmer:
  1. No middlemen.
  2. Better prices.
  3. Ready market.
  4. Inputs/Technology.
BENEFITS TO CONSUMER:

- Quality Products
- Better Prices
- Assured Supply

Conclusion: The Supermarkets’ supply chain management of fruits, vegetables and food items benefit both farmers and the consumers.

Question-4: What is the scope of FPI in Indian context?

Answer:

- Introduction:

- Scope:
  1. Strong domestic demand
  2. Supply-side Advantages
  3. Rising export opportunities
  4. Untapped market with strong growth potential
  5. Potential global outsourcing hub
  6. Supply chain infrastructure and contract farming
  7. Policy support

Question-5: What is the significance of FPI in Indian context?

Answer:

- Introduction:

- Significance:
  1. Reduce Post-Harvest Losses
  2. Farmer’s Income & improving rural economy
  3. Forward & Backward Linkages
  4. Investment, Skill & Technology infusion potential
  5. Contribution in economic growth
  6. Employment
  7. Migration/absorption of labour from agriculture and industry
  8. Food Security & Nutrition
  9. Consumer Choice increases

Question-6: What are some of notable trends of FPI in India?

Answer:

- Introduction:

- Trend:
  1. Large presence of the unorganized sector
  2. Changing consumer tastes towards “processed items”
  3. Entry of international companies because of FDI reforms like 100% FDI
  4. Rising demand of Indian product in international market
  5. Demand for frozen and processed items has increased.
  6. Increased procurement via concepts like contract-farming now.
Question-7: What are the advantages of “SAMPADA”?

Answer:
- Introduction: Small paragraph on Sampada
- **Advantages of this Scheme:**
  1. It aims at development of modern infrastructure to encourage entrepreneurs to set up food processing units based on cluster approach
  2. It will improve the supply chain by improving backward and forward integration for processed food industry
  3. It will help in providing better prices to farmers and is a big step towards doubling of farmers’ income.
  4. It will create huge employment opportunities especially in the rural areas.
  5. It will also help in reducing wastage of agricultural produce, increasing the processing level, availability of safe and convenient processed foods at affordable price to consumers and enhancing the export of the processed foods.

Question-8-[2019]: Elaborate the policy taken by the Government of India to meet the challenges of the food processing sector.

Answer:
1. Mega Food Park Scheme (MFP)-2008
2. Cold Chain, Value Addition and Preservation Infrastructure Scheme-2008
3. PM-SAMPADA (SCHEME FOR AGRO-MARINE PROCESSING AND DEVELOPMENT OF AGRO-PROCESSING CLUSTERS): 2016-2020
5. TOTAL-2020
6. Scheme for Formalisation of Micro Food Processing Enterprises (FME)-2020

Question-9-[2020]: What are the challenges and opportunities of food processing sector in the country? How can income of the farmers be substantially increased by encouraging food processing?

Answer: Already discussed in class
Karnataka: Farmers dump tonnes of mangoes on roadside as prices fall

ANI / Updated: Jun 27, 2021, 08:44 IST

Articles

Karnataka: Farmers dump tonnes of mangoes on roadside...

War against narcotics will continue: Karnataka home...

‘Ruk Jaana Nahi’ stories on Spotify show endless...

The mango growers are now demanding compensation from the government.

Maharashtra | Nashik and Aurangabad farmers dumped tomatoes on the road yesterday after prices crashed to Rs 2-3 per kg in the wholesale market

9:26 AM · Aug 27, 2021 · Twitter Web App