

General Studies-3; Topic: Food processing and related industries in India- scope and significance, location, upstream and downstream requirements, supply chain management.

Pradhan Mantri Kisan Sampada Yojana (PMKSY)

1) Introduction

- SAMPADA (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) has been renamed as the "Pradhan Mantri Kisan Sampada Yojana (PMKSY)" for the period of 2016-20 coterminous with the 14th Finance Commission cycle.
- **It is an umbrella scheme incorporating ongoing schemes of the Ministry of Food Processing Industries like:**
 - a. Mega Food Parks
 - b. Integrated Cold Chain and Value Addition Infrastructure
 - c. Food Safety and Quality Assurance Infrastructure
 - d. Infrastructure for Agro-processing Clusters
 - e. Creation of Backward and Forward Linkages
 - f. Creation / Expansion of Food Processing & Preservation Capacities
- The objective of PMKSY is to supplement agriculture, modernize processing and decrease Agri-Waste.

2) Impact

- Creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet.
- Provide a big boost to the growth of food processing sector in the country.
- Help in providing better prices to farmers and is a big step towards doubling of farmers' income.
- Create huge employment opportunities especially in the rural areas.
- Help in reducing wastage of agricultural produce
- Increasing the processing level and availability of safe and convenient processed foods at affordable price to consumers
- Enhance the export of the processed foods.
- Value addition to agricultural produce.

3) Factors that influence the growth of Food Processing Sector

- The demand for ready-to-eat foods is rising rapidly with growing urbanization, increase in nuclear families, Indian middle class, and more exposure to global markets.
- With consumer tastes evolving, flavoured milk is gaining popularity, especially among the urban population.
- In the meat products category, the consumption of chicken is increasing more rapidly than any other category of meat.
- India has abundant resources in terms of raw materials for food production, including fruits, vegetables, spices, dairy products and edible oils.
- The presence of a skilled workforce and low labour costs.

4) Indian Food Processing Sector

- Food Processing Sector has emerged as an important segment of the Indian economy contributing to GDP, employment and investment.
- The food sector has emerged as a high-growth and high-profit sector due to its potential for value addition.
- The Indian food processing industry accounts for 32 per cent of the country's total food market which is one of the largest industries in India.
- India's organic food market is expected to increase by three times by 2020.

5) Measures to give a boost to Food Processing Sector

- 100% FDI in trading including through e-commerce, for food products manufactured in India.
- Special Fund of Rs. 2000 crore in NABARD to provide credit at concessional rate of interest to designated food parks and agro processing units
- Food and agro-based processing units and cold chain infrastructure have been brought under the ambit of Priority Sector Lending (PSL)
- Mapping all agro-clusters in the country.
- The Ministry of Food Processing Industries announced Human Resource Development (HRD) in the food processing sector.
- Setting up testing laboratories, laying down of food standards and their harmonization with international standards.
- National Institute of Food Technology Entrepreneurship and Management (NIFTEM) in Haryana acts as a "one Stop Solution Provider" to all the problems of the sector.
- An integrated Food Law i.e. Food Safety and Standards Act, 2006 will provide single window to food processing sector.

6) Way Forward

- The adoption of food safety and quality assurance mechanisms by the food processing industry offers several benefits.
- Adherence to stringent quality and hygiene norms and thereby protect consumer health
- Prepare the industry to face global competition.
- Enhance product acceptance by overseas buyers
- Keep the industry technologically abreast of international best practices.
- Encourage R&D in food processing for product and process development and improved packaging
- Intensive consultation with industry, academia, scientists and representatives of State Governments for smoother and inclusive growth of the sector.
- Decentralisation in the implementation of various schemes with greater involvement of the States/UTs.