



## FOOD PROCESSING SECTOR OVERVIEW

- Current Scenario
  - The FDI in the food processing sector during 2016-17 was **USD 727.22 million**; an increase of **43.8%** from 2015-16 (USD 505.88 million)
  - The sector has witnessed **USD 8.03 billion of FDI inflows into the country from April 2000 to September 2017**
  - Key sub-sectors include dairy, meat & poultry, fisheries and processed fruits & vegetables
  - Export of manufactured food products and beverages-**USD 31.03 billion in 2016-17**
  - Infrastructure development: 42 Mega Food Parks and 228 cold chains (109 approved)
- Future Potential
  - India opportunity –1<sup>st</sup> in milk and Spices production, 2<sup>nd</sup> largest in food in production of food grain, fruits and vegetables and fishery
  - Focus states: Andhra Pradesh, Maharashtra, Gujarat, Telangana and Assam.

## DEMAND DRIVERS

- Strong domestic demand
  - 1.3Bn potential consumers and Rising disposable income
- Supply side advantages
  - High level of agricultural production — Large livestock base and availability of wide variety of crops
- Export opportunities
  - Proximity to key export destinations

## POLICY SUPPORT & INCENTIVES

- FDI limits
  - 100% FDI through automatic route for food processing
  - 100% FDI under government approval route for trading, including through e-commerce, in respect of food products manufactured and / or produced in India
- Fiscal Support
  - Concessional Customs Duty applicable on imported equipment
  - Income tax deductions on capital expenditure @100% for cold chain or warehouse
  - 100% income tax exemption for food processing, preservation and packaging units

- Other initiatives include e-NAM, Dairy Processing & Infrastructure Development Fund, PM Kisan SAMPADA Yojana.

### RECENT INVESTMENTS

- Recent investments include key players in the food sector; Coca-Cola, Mondelez, Amazon, ITC, Hersheys and Cargill.