

Draft National Food Processing Policy

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Source: *PRS India*

The Ministry of Food Processing Industries released the Draft National Food Processing Policy, 2019 for public comments.

Aims

- The draft policy aims for the development of the food processing sector and addressing the critical gaps hampering its growth.
- It also aims to **increase investment in the sector by six-fold by 2035.**

Objectives

- **Reducing wastage at the farmer level to increase their incomes**
- Supporting the food processing industry to create **employment opportunities**
- Ensuring a **higher deployment of credit** in the sector
- Enhancing the availability of safer, affordable, and higher quality food products for consumer, and
- Infrastructure and skill-building to meet the demands of the sector.

Key features

- **Infrastructure development:** The draft policy seeks to incentivize the creation of supply chain infrastructure for the food processing sector. **Some of the proposed measures include:**
 1. Identifying, developing and promoting new agriculture processing and production clusters, and

2. Supporting the development of logistics infrastructures such as cleaning and packing facilities.
- **Incentives and support measures:** The draft policy proposes various incentives that can be provided for the growth of the sector. **These include:**
 1. Capital investment subsidy for setting up new food processing units and technology up-gradation of existing units
 2. Fiscal incentives such as lower Goods and Services Tax rates on food products and food processing machineries, and
 3. Certain electrical duty and land-related concessions may also be provided.
 - **Training and skill development:** The draft policy proposes various **incentives for the promotion of employment such as;**
 1. Promoting employment welfare
 2. Facilitating farmers to set up food processing units, and
 3. Promoting food processing training cum incubation centres.
 4. It also proposes starting new courses and conducting research in food technology, entrepreneurship, and management.