



## Mains Practice Question

**Q.** "The food processing industry is a sunrise sector with the potential to boost the economy." Discuss its role in reducing post-harvest losses and enhancing income and employment. **(150 words)**

02 Apr, 2025    GS Paper 3 Economy

### Approach

- Briefly introduce the potential of the food processing industry.
- In the body, discuss the three focus areas: post-harvest loss reduction, income enhancement, and employment generation with supporting data.
- Conclude suitably.

### Introduction

The food processing industry plays a pivotal role in transforming India's agricultural economy. As a **sunrise sector**, it enables value addition, reduces wastage, and supports farmers and rural enterprises, making it a powerful engine for economic growth and employment generation.

### Body

#### Reducing Post-Harvest Losses:

- Development of *cold chains, processing units, and preservation infrastructure* under schemes like **PMKSY** has significantly reduced agri-waste.
- **NABCON evaluation** found waste reduction of up to **70% in fisheries** and **85% in dairy products**.
- **1087 operational PMKSY projects** have created a **processing capacity of 241.94 lakh MT**, preserving perishable produce and minimizing loss.
- **50 irradiation projects** and **100 new food testing labs** are being supported to improve shelf life and safety.

#### Enhancing Farmers' Income:

- PMKSY has benefited around **51 lakh farmers** by creating market linkages and ensuring better farm gate prices.
- Processed food exports increased to **23.4% of agri-exports in 2023-24**, reflecting higher value realization.
- **One District One Product (ODOP)** under **PM Formalisation of Micro food processing Enterprises (PMFME) Scheme** empowers local producers and adds value to traditional agri-products.
- **Rs. 254 crore seed capital** sanctioned in 2024 under PMFME to support SHG-led enterprises.

#### Generating Employment Opportunities:

- Food processing contributes **12.41% of employment** in the organized manufacturing sector (ASI 2022-23).
- PMKSY has created **7.46 lakh jobs** (direct/indirect) through 1646 approved projects.
- **PLISFPI Scheme** attracted **₹8910 crore investment** and generated **2.89 lakh jobs** across high-growth food segments.
- **46,643 loans** sanctioned under PMFME in 2024 alone, supporting micro enterprises and rural entrepreneurship.
- The **Ministry of Food Processing Industries (MoFPI)** supports **Self-Help Groups (SHGs)** through schemes like **PMFME**, providing **seed capital up to ₹40,000 per member** and a **credit-linked grant of up to ₹10 lakh**.
  - SHGs are also eligible for assistance under **PMKSY**, enhancing their role in rural economic growth.

## Conclusion

With strong policy support, rising investments, and expanding infrastructure, the food processing sector can **reduce agri-waste, boost farmer incomes, and create off-farm employment, advancing rural development, economic growth, and SDG 2 (Zero Hunger)**. Leveraging technology like **AI in supply chain management** can further enhance efficiency, sustainability, and food security.

PDF Reference URL: <https://www.drishtiias.com/mains-practice-question/question-8736/pnt>

