

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION No. 279
ANSWERED ON 03RD FEBRUARY, 2023

STATUS OF 'VOCAL FOR LOCAL' SCHEME

**279. SMT. RAJANI ASHOKRAO PATIL:
SHRI ELAMARAM KAREEM:
PROF. MANOJ KUMAR JHA:**

Will the Minister of *FOOD PROCESSING INDUSTRIES* be pleased to state:

- (a) whether Government has implemented 'vocal for local' scheme in the food processing sector;
- (b) if so, details of micro food enterprises in the country, State-wise;
- (c) whether it is a fact that there are thousands of micro food enterprises which need technical, marketing, financial and other support to realize the above scheme;
- (d) whether Government is assisting/helping them in every area of operations;
- (e) if so, details thereof;
- (f) whether Government has any proposal to ensure that all the micro food enterprises get Food Safety and Standard Authority of India (FSSAI) standards for global outreach; and
- (g) if so, details thereof, if not, reasons therefor?

ANSWER

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES
(SHRI PRAHLAD SINGH PATEL)

(a). As part of Atmanirbhar Bharat Abhiyan - Vocal for Local Initiative in food processing sector, Ministry of Food Processing Industries (MoFPI) is implementing a centrally sponsored "PM Formalisation of Micro food processing Enterprises (PMFME) Scheme" for providing financial, technical and business support for setting up / upgradation of micro food processing enterprises in the country. The scheme is operational for a period of five years from 2020-21 to 2024-25 with an outlay of Rs. 10,000 Crore. The Scheme primarily adopts One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. It provides the framework for value chain development and alignment of support infrastructure.

(b). As per the Annual Survey of Industries, 2015-16 and 73rd Round Survey of National Sample Survey Organisation (NSSO), there are about 25 lakh unregistered/ unincorporated food processing enterprises in the country. The details of State-wise number of unregistered/unincorporated enterprises in the country are at **Annexure**.

(c). Yes, Sir.

(d) & (e). The PMFME scheme is designed to address the challenges faced by the micro enterprises and to tap the potential of groups and cooperatives in supporting the upgradation and formalization of these enterprises. The scheme aims to enhance the competitiveness of new and existing individual micro-enterprises in the unorganized segment of the food processing industry and

promote formalization of the sector. The details of assistance available to Micro Food Processing Enterprises under PMFME Scheme:

(i). *Support to Individual / Group Category Micro Enterprises:* Credit-linked capital subsidy @35% of the eligible project cost, maximum ceiling Rs.10 lakh per unit;

(ii). *Support to Self Help Groups (SHGs) for seed capital:* Seed capital @ Rs. 40,000/- per member of SHG engaged in food processing for working capital and purchase of small tools subject to maximum of Rs. 4 lakh per SHG Federation.

(iii). *Support for Common Infrastructure:* Credit linked capital subsidy @35% subject to maximum of Rs. 3 crore to support FPOs, SHGs, Cooperatives and any Government agency for setting up of common infrastructure. The common infrastructure will also be available for other units and public to utilize on hiring basis for substantial part of the capacity.

(iv). *Branding and Marketing Support:* Grant upto 50% for Branding and Marketing to groups of FPOs/ SHGs/ Cooperatives or an SPV of micro food processing enterprises.

(v). *Capacity Building:* The scheme envisages training for Entrepreneurship Development Skilling (EDP+): program modified to meet the requirement of food processing industry and product specific skilling.

(f) & (g). Capacity building and training is a critical component of the scheme in technical upgradation and formalization of micro food processing enterprises. The focus areas for capacity building are entrepreneurship development, compliance of Food Safety and Standards Authority of India (FSSAI) standards and general hygiene and other statutory compliances. District Resource Persons (DRPs) have been appointed to provide handholding support to micro food processing enterprises for the compliance of FSSAI and other statutory requirements.

ANNEXURE REFERRED IN REPLY TO PART (b) OF THE RAJYA SABHA UNSTARRED QUESTION NO. 279 FOR ANSWER ON 03.02.2023 REGARDING “STATUS OF ‘VOCAL FOR LOCAL’ SCHEME”

State wise details of State-wise number of unregistered/unincorporated enterprises in the country

| Sl. No. | State/UT | Number of Unincorporated Enterprises manufacturing food and beverages |
|----------------|------------------------------|--|
| 1 | Andaman & Nicobar Islands | 774 |
| 2 | Andhra Pradesh | 1,54,330 |
| 3 | Arunachal Pradesh | 145 |
| 4 | Assam | 65,997 |
| 5 | Bihar | 1,45,300 |
| 6 | Chandigarh | 656 |
| 7 | Chhattisgarh | 26,957 |
| 8 | D & N Haveli and Daman & Diu | 758 |
| 9 | Delhi | 14,350 |
| 10 | Goa | 2,929 |
| 11 | Gujarat | 94,066 |
| 12 | Haryana | 24,577 |
| 13 | Himachal Pradesh | 21,885 |
| 14 | Jammu & Kashmir | 28,089 |
| 15 | Jharkhand | 116536 |
| 16 | Karnataka | 127458 |
| 17 | Kerala | 77,167 |
| 18 | Ladakh | - |
| 19 | Lakshadweep | 127 |
| 20 | Madhya Pradesh | 1,02,808 |
| 21 | Maharashtra | 2,29,372 |
| 22 | Manipur | 6,038 |
| 23 | Meghalaya | 3,268 |
| 24 | Mizoram | 1,538 |
| 25 | Nagaland | 3,642 |
| 26 | Odisha | 77,781 |
| 27 | Puducherry | 3,482 |

| | | |
|----|---------------|------------------|
| 28 | Punjab | 63,626 |
| 29 | Rajasthan | 1,01,666 |
| 30 | Sikkim | 101 |
| 31 | Tamil Nadu | 1,78,527 |
| 32 | Telangana | 80,392 |
| 33 | Tripura | 13,998 |
| 34 | Uttar Pradesh | 3,50,883 |
| 35 | Uttarakhand | 18,116 |
| 36 | West Bengal | 3,22,590 |
| | Total | 24,59,929 |

Source: Annual Survey of Industries, 2016-17 and NSSO 73rd Round (July 2015-June 2016)