

GOVERNMENT OF INDIA  
MINISTRY OF FOOD PROCESSING INDUSTRIES  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 3259**  
TO BE ANSWERED ON 28<sup>TH</sup> MARCH, 2025

**FOOD PROCESSING INDUSTRIES IN RURAL AREAS**

**3259. SMT. RAJANI ASHOKRAO PATIL:**

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

- (a) the specific schemes and incentives being offered to promote the establishment of food processing industries in rural areas;
- (b) the impact of these initiatives on employment generation and income growth in rural areas, especially, in Maharashtra; and
- (c) the challenges faced by the food processing industry in rural areas, and the steps being taken to address these challenges?

**ANSWER**

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

**(a) & (b) :** In order to promote Food Processing Industries, Ministry of Food Processing Industries (MoFPI) has been incentivizing setting up/expansion of related infrastructure through its Central Sector Scheme Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) and Centrally sponsored PM Formalization of Micro Food Processing Enterprises (PMFME) scheme across the country including rural areas of Maharashtra. These schemes are not region or state specific but demand driven.

These schemes aim towards creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet which includes storage, transportation, etc., thereby help in providing better returns to farmers and creating huge employment opportunities especially in the rural areas, increasing the processing level and enhancing the export of the processed foods.

Under PMKSY, credit linked financial assistance (capital subsidy) is provided to entrepreneurs for setting up of food processing industries with total outlay of Rs 5520 Cr for 15<sup>th</sup> Finance Commission Cycle. MoFPI has, so far, approved a total of 3 Mega Food Parks, 13 Agro Processing Clusters, 77 Integrated Cold Chains, 78 Food Processing Units, 11 Creation of Backward & Forward Linkages and 7 Operation Greens projects in Maharashtra with estimated direct/ indirect employment opportunities of 1,35,978 under corresponding schemes of PMKSY.

Under PMFME scheme, financial, technical and business support is provided for setting up / upgradation of micro food processing enterprises. The scheme is operational for a period of upto 2025-26 with an outlay of Rs.10,000 Crore. A total of 22,167 micro food processing enterprises has been approved for credit linked subsidy in Maharashtra under PMFME Scheme with estimated direct/ indirect employment opportunities of 66,501.

PLISFPI is, inter alia, intended to support creation of global food manufacturing champions and support Indian brands of food products in international market. The Scheme is operational for a period from 2021-22 to 2026-27 with an outlay of Rs. 10,900 crores. A total of 40 proposals under different categories of PLISFPI scheme have been approved in Maharashtra with estimated direct/ indirect employment opportunities of 48,638.

The details of incentives available under PMKSY, PLISFPI and PMFME schemes of MoFPI are at **Annexure**.

(c): Some of the key challenges facing the food processing sector are- Supply chain infrastructure gaps; Institutional gaps; Relatively low level of processing; Lack of seamless linkage between Agri-Production and Processing, Credit availability gaps etc. In order to help it face various challenges and ensure overall development of Food Processing Sector, MoFPI, through its schemes, extends financial support to prospective entrepreneurs for setting up of different kinds of food processing, as per respective scheme guidelines.

So far, MoFPI has sanctioned 1608 projects including 41 Mega food Parks, 394 Cold Chain projects, 75 Agro-processing Clusters projects, 526 Food Processing Units, 61 Creation of Backward & Forward Linkages and 44 Operation Greens projects under corresponding component schemes of PMKSY across the country till 28<sup>th</sup> February, 2025, out of which a total of 1103 projects has been completed in the country under component schemes of PMKSY resulted in creation of preservation and processing capacity of 244.94 lakh MT per year.

A total of 1,27,758 micro food processing enterprises have been approved for assistance under PMFME in the country till 28th February, 2025.

So far, 171 food processing companies have been approved for assistance under various categories of the PLISFPI scheme in the country till 28th February, 2025.

\*\*\*\*\*

**ANNEXURE REFERRED TO IN REPLY TO PART (a) & (b) OF THE RAJYA SABHA UNSTARRED QUESTION NO. 3259 FOR ANSWER ON 28<sup>TH</sup> MARCH, 2025 REGARDING “FOOD PROCESSING INDUSTRIES IN RURAL AREAS”**

**Incentives available under Pradhan Mantri Kisan Samapada Yojana (PMKSY)**

S. No.	Component Scheme	Scheme Benefits (Grant-in-aid) for projects in General Area	Scheme Benefits (Grant-in-aid) for projects in Difficult Areas as well as SC/ST, FPOs, SHGs
1.	Integrated Cold Chain and Value Addition Infrastructure	Grant-in-aid @ 35% of eligible project cost [subject to maximum of Rs.10 crores per project]	Grant-in-aid @ 50% of eligible project cost [subject to maximum of Rs. 10 crores per project]
2.	Creation/ Expansion of Food Processing & Preservation Capacities	Grants-in-Aid @35% of eligible project cost [subject to maximum of Rs. 5 crores per project]	Grants-in-Aid @50% of eligible project cost [subject to maximum of Rs.5 crores per project]
3.	Infrastructure for Agro-Processing Clusters	Grants-in-aid @35% of eligible project cost in General Area [subject to maximum of Rs. 10 crores per project]	Grants-in-aid @50% of eligible project [subject to max. of Rs. 10 crore per project]
4.	Operation Greens	Grants-in-Aid @35% of eligible project cost for Integrated Value Chain Development Projects, maximum grants-in-aid would be ₹15 crore per project; and for Standalone Post-Harvest Infrastructure Projects, maximum grants-in-aid would be ₹10 crore per project.	Grants-in-Aid maximum @50% of eligible project cost for Integrated Value Chain Development Projects, maximum grants-in-aid would be ₹15 crore per project; and for Standalone Post-Harvest Infrastructure Projects, maximum grants-in-aid would be ₹10 crore per project.
5.	Food Safety and Quality Assurance - Food Testing Laboratories	100% grants-in-aid for Govt. organizations  For Private organizations/entities: grant-in-aid of @ 50% of the eligible cost	For Private organizations/entities: grant-in-aid of @ 70% of the eligible cost

6.	Human Resource & Institutions- Research & Development	For Government Organizations - Grants @ 100% of equipment cost, consumables, For private organizations /universities/institutions, grant @ 50 % of equipment cost.	For Government Organizations - Grants @ 100% of equipment cost, consumables For Private Organizations /Universities/ Institutions, Grants @ 70% of equipment cost.
----	---	---	---

**Incentives available under Production Linked Incentive Scheme for Food Processing Industry (PLIS-FPI)**

- i. The beneficiary should achieve minimum year on year sales growth of 10% for claiming incentive under Category-I, Category-II and Millet-Based Products components of the Scheme. Under Category -I component, the companies have to make committed investments to increase their production capacities. If a company does not make the committed investment upto end of 2023-24, it is not eligible to receive incentives under the Scheme.
- ii. Under Category-III, i.e., Branding and Marketing component, a company is eligible for financial incentives @ 50% of expenditure incurred on Branding & Marketing abroad subject to a maximum of 3% of Sales of food products or Rs 50 crore per year, whichever is less. The minimum expenditure should be Rs. 5 crore over a period of five years.

**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 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.

\*\*\*\*\*