

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 3260
TO BE ANSWERED ON 28TH MARCH, 2025

SUPPORT FOR SMALL AND MEDIUM-SCALE FOOD PROCESSING ENTREPRENEURS

3260. SHRI KUNWAR RATANJEET PRATAP NARAYAN SINGH:

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

- (a) In what manner the Ministry is supporting small and medium-scale food processing entrepreneurs through the Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) and other schemes, particularly, in Kushinagar;
- (b) the financial assistance available for entrepreneurs under these initiatives;
- (c) the measures in place to ensure that these schemes benefit a diverse range of stakeholders, including cooperatives and Self-Help Groups;
- (d) the number of food processing units and projects sanctioned till date; and
- (e) the manner in which these efforts contribute to the overall growth of the food processing sector in India?

ANSWER

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

(a): The Ministry of Food Processing Industries (MoFPI) is supporting Small and Medium-scale food processing entrepreneurs in the food processing sector through schemes like Pradhan Mantri Kisan Sampada Yojana (PMKSY), Production Linked Incentive Scheme for Food Processing Industries (PLISFPI), and the Pradhan Mantri Formalization of Micro-food processing Enterprises (PMFME) scheme. These schemes provide financial, technical, and marketing support to various entrepreneurs including small and medium-scale entrepreneurs, facilitating capacity expansion, innovation, and formalization. These schemes are not region or state specific but demand driven.

(b) and (c): The financial assistance offered to entrepreneurs including cooperatives and self-Help Groups under PMKSY, PMFME, and PLI scheme of the Ministry is at **ANNEXURE**. The above-mentioned schemes are demand driven and aspiring beneficiary is required to apply and qualify to avail the benefits of the schemes as per the Scheme Guidelines.

(d) and (e): PMKSY scheme contributes to the overall growth of the Food Processing sector by providing assistance for setting up of food processing/preservation infrastructure. Under PMKSY as on 28.02.2025, 1608 number of projects have been approved out of which 1103 are operational generating 424849 man days of employment and benefitting 3337876 farmers. Further, the other schemes implemented by the Ministry, PMFME and PLI also contribute to the overall growth and development by scaling up domestic manufacturing, enhancing value addition, boosting the domestic production of raw materials, and creating employment opportunities.

ANNEXURE REFERRED TO IN REPLY TO PART (b) OF UNSTARRED RAJYA SABHA QUESTION NO. 3260 FOR ANSWER ON 28.03.2025 REGARDING “SUPPORT FOR SMALL AND MEDIUM-SCALE FOOD PROCESSING ENTREPRENEURS”

Pattern of assistance under PMKSY Scheme:

- i. **Integrated Cold Chain & Value Addition Infrastructure:** Grant-in-aid will be @ 35% of eligible project cost for project in general area and @ 50% of eligible project cost for difficult area as well as for projects of SC/ST, FPOs and SHGs, subject to maximum of Rs. 10 crore per project. Approved grants-in-aid released in three equal instalments.
- ii. **Creation of Infrastructure for Agro Processing Clusters:** Scheme envisages grants-in-aid @35% of eligible project cost in general areas and @50% of eligible project cost in difficult areas, SC/ST, FPOs and SHGs subject to maximum of Rs.10.00 Crores. Approved grants-in-aid released in three equal instalments.
- iii. **Creation/ Expansion of Food Processing and Preservation Capacities:** Scheme envisages grants-in-aid @35% of eligible project cost in general areas and @50% of eligible project cost in difficult areas, SC/ST, FPOs and SHGs subject to maximum of Rs.5.00 Crores. Approved grants-in-aid released in two equal instalments.
- iv. **Scheme for Food Safety & Quality Assurance Infrastructure:** For Government Organizations, the grant is 100% and for private organizations 50% for general areas and 70% for difficult areas and SC/ST applicants.
- v. **Scheme for Operation Greens:** Grants-in-aid will be @35% of eligible project cost for projects in general areas and @50% of eligible project cost for projects in difficult areas as well as for projects of SC/ST, FPOs and SHGs. 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.
- vi. **Scheme for Research & Development in Processed Food Sector:** For Govt. organisation, the grant is 100% of eligible project cost and for Private organisation, it is 50% of eligible project cost in General areas and 70% of eligible project cost in difficult areas.

Pattern of assistance under PLI scheme:

- i. The beneficiary should achieve minimum year on year sales growth of 10% for claiming incentive under Category-I i.e. incentives based on Sales and committed investment criteria, Category-II i.e. Incentives on innovative/organic products 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 up to 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.

Pattern of assistance under PMFME scheme:

The details of financial assistance offered to the enterprises under Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme are as under:

- 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 up to 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.
