GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 723
ANSWERED ON 25TH JULY, 2025

FINANCIAL ASSISTANCE TO FOOD PROCESSING INDUSTRIES

723.   SHRI C. VE. SHANMUGAM:

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

(a)   whether it is a fact that Government provides financial assistance to   set up food processing industries;

(b)   if so, the details thereof, and if not, the reasons therefor;

(c)   whether Government proposes to extend further financial assistance under the existing schemes for setting up of such industries;

(d)   if so, the details thereof;

(e)   the number of units to whom financial assistance has been extended in Tamil Nadu during the last five years, year-wise; and

(f)   the further steps taken by Government in this regard?

ANSWER

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

(a) & (b):   In order to promote and ensure overall development of Food Processing Industries, Ministry of Food Processing Industries (MoFPI) has been incentivizing setting up/expansion of related infrastructure through its Central Sector schemes namely Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) Scheme, Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) and Centrally Sponsored – Pradhan Mantri Formalization of Micro Food Processing Enterprises (PMFME) Scheme across the country.

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

(c) & (d): MoFPI have separate budgetary provision every year for providing financial support to prospective entrepreneurs for setting up of food processing industries, as per respective scheme guidelines.

(e) & (f):   The number of approved projects in state of Tamil Nadu under the schemes of MoFPI since 2020-21 is as under: -

Name of Scheme	2020-21	2021-22	2022-23	2023-24	2024-25
PMKSY	18	1	12	15	0
PMFME	0	288	3717	7666	3587
PLISFPI	0	13	7	0	0

The schemes implemented by MoFPI are not region or state specific but demand driven and financial assistance is provided to the eligible applicants selected on the basis of Expression of Interest issued from time to time.

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ANNEXURE REFERRED TO IN REPLY TO PART (a) & (b) OF THE RAJYA SABHA UNSTARRED QUESTION NO. 723 FOR ANSWER ON 25TH JULY, 2025 REGARDING "FINANCIAL ASSISTANCE TO FOOD PROCESSING INDUSTRIES"

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.

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