

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 3049
ANSWERED ON 08.08.2023

PLI SCHEMES FOR FOOD PROCESSING

3049. SHRI DAYANIDHI MARAN:

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

- (a) the details of the PLI Schemes for food processing and the way in which it will boost the industry capacity;
- (b) the manner in which the Ministry is ensuring the quality and safety standards of processed food products to meet global demands;
- (c) the details of specific strategies and policies that are in place to increase ethanol production;
- (d) the steps proposed by the Ministry to address infrastructure challenges for SMEs and promote technology adoption in the sector;
- (e) whether any measures are being taken to improve supply chains and storage facilities, if so, please the details thereof; and
- (f) the impact of the SAMPDA initiative for food processing SMEs and the details thereof;
- (g) the manner in which the Ministry ensure sustainable practices, reduce environmental impact in the industry and incentivizing tech-based food processing innovation and the details thereof; and
- (h) the strategies that are in place to promote “Brand India” as a premium food supplier globally?

ANSWER

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

(a) The Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) was approved by the Union Cabinet on 31st March 2021 with a budget of Rs. 10,900 crores, to be implemented from 2021-22 to 2026-27. It consists of three components: incentivizing manufacturing in four major food product segments, promoting Innovative/Organic products of SMEs, and supporting branding and marketing abroad for Indian brands. Additionally, the PLI Scheme for Millet-based Products (PLISMBP) was launched in FY 2022-23 with an outlay of ₹800 crore, utilizing savings from PLISFPI. The scheme boosts the capacity of the food processing industry by supporting food manufacturing entities that are willing to expand their processing capacity, incentivizing the growth of strong Indian brands, enhancing the presence of Indian food brands in the global market, creating more employment opportunities, and ensuring higher income for farmers.

(b) The Ministry is actively implementing three major schemes to promote the food processing sector: Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), Pradhan Mantri Formalization of Micro Food

Processing Enterprises (PMFME) scheme, and Production Linked Incentive (PLI) Scheme. These schemes offer comprehensive support across the entire food processing value chain, aiding the food industry in meeting international quality and safety standards for their food products. One of the objectives of the R&D scheme under PMKSY is to promote research and development in the field of food quality and safety standards in the food processing sector. Through this scheme, financial support is provided through grant-in-aid, covering 50% of equipment costs in general areas and 70% in difficult areas. Under another component scheme of PMKSY, known as "Food Safety and Quality Assurance Infrastructure," financial assistance is provided to Central/State Government and private sector organizations/universities for the establishment and enhancement of food testing laboratories across the country. This initiative plays a crucial role in ensuring compliance with FSSAI regulations, which, in turn, facilitates the maintenance of high-quality and safety standards of processed food products to meet global demands.

(c) To increase ethanol production, the Government is implementing the Ethanol Blended with Petrol (EBP) Programme nationwide. Various Ethanol Interest Subvention Schemes were introduced from 2018 to 2022, encouraging entrepreneurs to establish new distilleries or expand existing ones. The scheme offers an interest subvention of 6% or 50% of the interest charged by banks/financial institutions for five years, whichever is lower, along with a one-year moratorium, to promote ethanol production growth. Ethanol production from grain was also included under these schemes in 2021 to further promote ethanol production.

(d & e) The Ministry of Food Processing Industries (MoFPI) has been implementing the Pradhan Mantri Kisan Sampada Yojana (PMKSY), which addresses the infrastructure challenges being faced by SMEs and promotes technology adoption in the food processing sector. PMKSY supports establishment of cold chains, and other processing facilities, which contribute to improving the supply chain and storage capabilities in the food processing sector. 1,281 projects have been approved under PMKSY.

(f) The PMKSY provides significant support and incentives to food processing SMEs, encouraging their growth and development. Through financial assistance and other benefits, PMKSY facilitates the establishment of modern infrastructure/ technology, and capacity expansion for SMEs. This has led to increased processing levels, improved product quality, and enhanced market access for these SMEs. The Yojana has significantly boosted employment opportunities, particularly in rural areas, assisting in the generation of jobs for 13.09 Lakh people.

(g) The Ministry is implementing three major schemes – PMKSY, PMFME scheme, and PLI Scheme - to promote the food processing, thereby reducing food losses and promoting sustainability. The R&D Scheme under PMKSY aims to enhance production, including tech- based food processing innovation, quality, safety, and trade while promoting sustainability. The PLI Scheme for Food Processing Industry incentivises MSMEs that focus on innovative products, boosting innovation in the food processing sector. Additionally, the PLI Scheme for Millet-based Products promotes millets, which are special grains that need less resources to grow, provide excellent nutrients, and can withstand changes in the weather, which helps in achieving the goal of sustainability.

(f) To promote "Brand India" globally, the PLI Scheme for Food Processing Industry supports companies with branding and marketing abroad, boosting emergence of strong Indian brands. Companies receive 50% financial incentives for expenditure on international branding, capped at 3% of food product sales or ₹50 Crore per year, whichever is less. Presently, 77 applications are covered under this PLI component.
