

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
STARRED QUESTION No. *300
ANSWERED ON 16TH MARCH, 2021

MICRO FOOD PROCESSING ENTERPRISES

***300. SHRI MANICKAM TAGORE B.:**

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

- (a) whether the Government has proposed/launched any scheme for formalisation of micro food processing enterprises with an outlay of Rs. 10,000 crore for providing credit-linked subsidy to 2 lakh micro food processing units across the country;
- (b) if so, the details thereof;
- (c) whether the Government has fixed any target for strengthening infrastructure of the industry across the country; and
- (d) if so, the details thereof including the financial support to the State Government in this regards?

ANSWER

THE MINISTER OF FOOD PROCESSING INDUSTRIES
(SHRI NARENDRA SINGH TOMAR)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) to (d) OF LOK SABHA STARRED QUESTION NO.*300 ANSWERED ON 16TH MARCH, 2021 REGARDING “MICRO FOOD PROCESSING ENTERPRISES”.

(a) to (d): Yes Sir.

As a part of Aatmnirbhar Bharat Abhiyan, Ministry of Food Processing Industries has launched an all India centrally sponsored "PM Formalisation of Micro food processing Enterprises (PMFME) Scheme" for providing financial, technical and business support for upgradation of existing micro food processing enterprises. It is to be implemented for a period of five years from 2020-21 to 2024-25 with an outlay of Rs.10,000 crore.

The Scheme adopts One District One Product (ODOP) approach to reap benefit of scale in terms of procurement of inputs, availing common services and marketing of products. ODOP approach would provide framework for value chain development and alignment of support infrastructure.

The objectives of the scheme are to build capability of two lakh micro enterprises through increased access to credit, integration with organized supply chain by strengthening branding & marketing, increased access to common services, strengthening of institutions, research & training in the food processing sector. The scheme provides for credit linked subsidy at 35% for upgradation of individual units, groups and common infrastructure.

Support under the PMFME scheme is provided for common infrastructure to FPOs, SHGs, Cooperatives, any Government agency or private enterprises. Common infrastructure created under the scheme will be available for other units and public to utilize on hiring basis for substantial part of the capacity. Credit linked grant would be available @ 35% of the eligible project cost for setting up common infrastructure.

The following common infrastructure would be funded under the Scheme:

- i) Premises for assaying of agriculture produce, sorting, grading, warehouse and cold storage at the farm-gate
- ii) Common processing facility for processing of ODOP produce;
- iii) Incubation Centre having one or more product lines, which could be utilized by micro units on a hire basis for processing of their produce. The Incubation Centre should partly be used for training purpose.

The credit linked grant would be provided to the bank account of the beneficiary. Being a Centrally Sponsored Scheme, the sharing pattern of funds between the Centre and the States is as under:

- i. Centre-State share at 60:40;
- ii. 90:10 sharing between Center and Himalayan & North Eastern States;
- iii. UTs with Legislature - sharing would be 60:40 between the Centre and the UTs;
- iv. UTs without Legislature - 100% funds would be provided by the Central Government.
