

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 1236
ANSWERED ON 09TH FEBRUARY, 2021

UNREGISTERED FOOD PROCESSING ENTERPRISES

1236. SHRI RAJA AMARESHWARA NAIK:

DR. SUKANTA MAJUMDAR:

SHRI VINOD KUMAR SONKAR:

SHRIMATI SANGEETA KUMARI SINGH DEO:

SHRI NISITH PRAMANIK:

SHRI BHOLA SINGH:

DR. JAYANTA KUMAR ROY:

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

- (a) whether a large number of unregistered food processing enterprises are unorganized and informal, located in rural areas;
- (b) if so, whether they face challenges including the inability to access credit, high cost of institutional credit, lack of access to modern technology, inability to integrate with the food supply chain and compliance with the health & safety standards;
- (c) if so, whether the Government has approved a new Centrally Sponsored Scheme for Formalisation of Micro food processing Enterprises (FME) and if so, the details thereof;
- (e) whether there is any urgency for strengthening this segment which will lead to reduction in wastage, creation of off-farm job opportunities and aid in achieving the overarching Government objective of doubling farmers' income; and
- (f) if so, necessary steps being taken by the Government in this regard?

ANSWER

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES
(SHRI RAMESWAR TELI)

(a) & (b): Yes, Sir. There are about 25 lakh unregistered food processing enterprises in the country. Nearly 66% of these units are located in rural areas.

The unorganized food processing industry in India faces various challenges including: (a) capital deficiency and low bank credit; (b) lack of productivity and innovation due to limited skills and access to modern technology and machinery for production and packaging; (c) lack of branding & marketing skills and inability to integrate with the supply chains; (d) deficient quality and food safety control systems, including lack of basic awareness on good hygienic and manufacturing practices;

(c) to (f): As part of AatmaNirbhar Bharat Abhiyan, Ministry of Food Processing Industries has launched the centrally sponsored PM Formalisation of Micro Food Processing Enterprises (PMFME) Scheme for providing financial, technical and business support for upgradation of two lakh micro food processing enterprises. With an outlay of Rs. 10,000 Crore over a period of five years from 2020-21 to 2024-25, the scheme aims to enhance the competitiveness of existing micro-enterprises in the unorganized segment of the food processing industry and promote formalization of the sector.

The PMFME scheme envisages to reduce wastage, creation of off-farm job opportunities and aids in achieving the overarching objective of doubling the farmers' income. The objectives of the scheme, inter-alia, include building the capability of micro enterprises by enabling the increased access to credit by existing micro food processing entrepreneurs, FPOs, Self Help Groups and Co-operatives; integration with organized supply chain by strengthening branding & marketing; supporting the transition process of the existing two lakh micro food processing enterprises into formal framework; providing access to common services like common processing facility, laboratories, storage, packaging, marketing and incubation services; strengthening of institutions, research and training in the food processing sector, and enhancing the access to professional and technical support.

The Scheme adopts One District One Product (ODOP) approach to reap benefits of scale in terms of procurement of inputs, availing common services and marketing of products. So far, ODOPs for 135 unique products in 707 districts in 35 States/UTs has been approved by the Ministry.
