

GOVERNMENT OF INDIA  
MINISTRY OF FOOD PROCESSING INDUSTRIES  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 2877**  
ANSWERED ON 08<sup>TH</sup> AUGUST, 2024

**SUBSIDY FOR START UP COMPANIES**

**2877. SMT. MALVIKA DEVI:**

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

- (a) the details of subsidies provided for start up companies to start food processing and packing units in small districts such as Kalahandi and Nuapada;
- (b) the number of new cold storage units to be provided in the coming years for Odisha particularly Kalahandi and Nuapada Lok Sabha Constituencies along with the details of the subsidies being given/proposed to be given; and
- (c) whether the Government proposes to establish cold storages which would run on solar energy and if so, the details thereof along with the proposed budget required for the same?

**ANSWER**

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

(a) Ministry of Food Processing Industries (MoFPI) is incentivizing setting up/upgradation of Food Processing Industries through its Central Sector Schemes, named Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), and Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) and a Centrally Sponsored Scheme, named Prime Minister Formalization of Micro Food Processing Enterprises Scheme (PMFME) across the country, including Kalahandi and Nuapada districts of Odisha. The details of assistance available under these schemes is placed at **Annexure**.

(b) & (c) MoFPI neither set up food processing units on its own, nor its schemes support establishment of standalone cold storages facilities. However, creation of integrated cold storage infrastructure as part of food processing units are incentivized under relevant schemes, which are demand driven in nature.

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**ANNEXURE REFERRED IN REPLY TO PART (a) OF THE LOK SABHA UNSTARRED QUESTION NO. 2877 FOR ANSWER ON 08.08.2024 REGARDING "SUBSIDY FOR START UP COMPANIES"**

**Assistance available under sub-schemes of PMKSY**

Under sub-schemes of PMKSY, MoFPI provides mostly credit linked financial assistance (capital subsidy) in the form of grants-in-aid with total outlay of Rs.5520 crore for 15<sup>th</sup> Finance Commission Cycle.

Grants-in-aid @ 35 % of eligible project cost in respect of general and 50% in respect of SC/ST/NER/Difficult region, subject to maximum of Rs.5 crore to Rs.15 crore per project, is provided for setting up of Food Processing Industries under different sub-schemes of PMKSY. Certain concessions are also available to SC/ST/NER/Difficult region applicants.

An individual or organizations such as PSUs, Joint Ventures, NGOs, Cooperatives, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs), Farmer Producer Companies (FPCs), Partnership firm, including Startups, etc. are eligible for applying.

**Assistance available under PMFME Scheme**

MoFPI provides financial, technical and business support to micro food processing enterprises through PMFME scheme with outlay of Rs.10,000 crore for a period of 5 Years (2020-21 to 2024-25). The details 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 is also 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) to meet the requirement of food processing industry and product specific skilling. The training is provided through State Level Training Institutes (SLTIs).

**Assistance available under PLISFPI Scheme**

PLISFPI is targeted to facilitate expansion of food processing capacity by creating champion brands in Food Processing Sector with total outlay of Rs.10,900 crore for a period of 6 years (2021-22 to 2026-27).

Under PLISFPI, incentives are extended to food manufacturing entities with stipulated minimum "sales" and who are willing to make stipulated "investment" for expansion of processing capacity and "branding" abroad.