

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION No. 599
ANSWERED ON 28TH NOVEMBER, 2024

FINANCIAL ASSISTANCE TO MICRO FOOD PROCESSING ENTERPRISES

599. SMT. POONAMBEN HEMATBHAI MAADAM:

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

- (a) whether the Government has provided any financial assistance to the Micro Food Processing Enterprises under the Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFMEs) Scheme;
- (b) if so, the details thereof;
- (c) whether the Government provides financial assistance for research and development in food processing Sector;
- (d) if so, the details thereof; and
- (e) whether the Government has partnered with educational and research institutions for food processing Research and Development (R&D) and if so, the details thereof?

ANSWER

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

(a) & (b). Ministry of Food Processing Industries (MoFPI) is implementing a Centrally Sponsored- "Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme" for providing financial, technical and business support for upgradation of micro food processing enterprises in the country. The scheme is operational for a period of five years from 2020-21 to 2025-26 with an outlay of Rs. 10,000 Crore. The scheme aims to enhance the competitiveness of existing individual micro-enterprises in the unorganized segment of the food processing industry and promote formalization of the sector. The Scheme primarily adopts One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. It provides the framework for value chain development and alignment of support infrastructure. The ODOP are identified by States / UTs based on the agriculture production, raw material availability, perishability of the product etc. The details of financial assistance offered to the prospective entrepreneurs under PMFME Scheme to promote ODOP are at **Annexure**.

(c) to (e). Ministry of Food Processing Industries (MoFPI) extends financial assistance as grant-in-aid to various institutions/ universities, Public funded organizations and recognized R&D laboratories both in public and private sector, to promote and undertake demand driven R&D work in the Food Processing Sector for product and process development, design and development of equipment, improved storage, shelf-life, packaging etc.

Under the scheme, financial assistance as grant-in-aid is given to Private organizations/ Universities/institutions/R&D laboratories and Council of Scientific & Industrial Research (CSIR) recognized R&D units in private sector to the tune of 50% of equipment cost in general areas and 70% in difficult areas and to various Universities, Indian Institute of Technology (IITs), Central/ State Government Institutions, Government funded organizations to promote and undertake demand driven R&D work in food processing sector for product & process development, design and development of equipment, improved storage, shelf-life, packaging etc. R&D projects of Government organizations/ Institutions are eligible for 100% grant-in-aid for the cost of equipment, consumables and expenditure related to Research Fellows, etc. R&D portal had been developed through the National Institute of Food Technology, Entrepreneurship & Management (NIFTEM), Kundli, Sonapat, Haryana to disseminate information relating to research & development work supported by MoFPI scheme, including outcomes, technologies developed, etc. The portal will also be a repository of R&D work by other Ministries/Institutions in the food processing sector.

ANNEXURE REFERRED IN REPLY TO PART (a) & (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 599 FOR ANSWER ON 28.11.2024 REGARDING “FINANCIAL ASSISTANCE TO MICRO FOOD PROCESSING ENTERPRISES”

The details of financial assistance offered to the enterprises under Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme 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 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.
