

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 5294
TO BE ANSWERED ON 03RD APRIL, 2025
SPECIAL GRANTS TO AMRITSAR

5294. SHRI GURJEET SINGH AUJLA:

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

- (a) whether the Government plans to provide special grants or incentives to establish food processing units in Amritsar and nearby areas, considering the region's rich in agricultural and farm produce, if so, the details thereof;
- (b) the steps being taken to introduce special packages or schemes to support the farmers and entrepreneurs in setting up of food processing units including training, financial aid and marketing assistance;
- (c) the efforts made by the Government to attract investments in this sector to boost employment, improve value addition to farm products and enhance economic stability in this border belt;
- (d) whether such initiatives would significantly contribute to the region's development and upliftment of the agricultural community, if so, the details thereof; and
- (e) whether the Government has any plans to set up ancillary units as subsidiary and if so, the details thereof?

ANSWER

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

(a) to (e): In view of its rich agricultural and farm produce base, Ministry of Food Processing Industries (MoFPI) incentivizes entrepreneurs to establish related Industries in the Amritsar district of Punjab, through its Central Sector Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) Scheme, Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) Scheme and Centrally sponsored PM Formalization of Micro Food Processing Enterprises (PMFME) scheme. These schemes are not region specific but demand driven and implemented across the country.

Under PMKSY, credit linked financial assistance (capital subsidy) is provided to entrepreneurs for setting up of food processing industries with total outlay of Rs 5520 Cr for 15th Finance Commission Cycle. So far, till 28th February, 2025, MoFPI has sanctioned 51 food processing projects under corresponding component schemes of PMKSY in Punjab, out of which 3 projects are located in Amritsar district. These 51 food processing projects expected to generate 29,000 direct/ indirect employment opportunities and benefiting about 2.58 lakh farmers.

Under PMFME scheme, financial, technical and business support is provided for setting up / upgradation of micro food processing enterprises. The scheme is operational for a period of upto 2025-26 with an outlay of Rs.10,000 Crore. A total of 2,606 micro food processing enterprises have been approved for assistance under PMFME scheme in Punjab, till 28th February, 2025, out of which 30 micro food processing enterprises located in Amritsar district. These 2,606 micro food processing enterprises expected to generate 7,818 direct/indirect employment opportunities.

PLISFPI is, inter alia, intended to support creation of global food manufacturing champions and support Indian brands of food products in international market. The Scheme is operational for a period from 2021-22 to 2026-27 with an outlay of Rs. 10,900 crores. So far, 9 food processing companies have been approved for assistance under various categories of the PLISFPI scheme in Punjab, till 28th February, 2025 with estimated generation of direct/indirect employment opportunities of 2,446.

These schemes aim towards creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet which includes storage, transportation, value addition etc., thereby help in providing better returns to farmers and creating huge employment opportunities, reducing wastage of agricultural produce, enhancing productivity, increasing the processing level, which boosts rural economy and contribute in inclusive growth.

MoFPI does not set up food processing industries on its own. However, it incentivizes setting up of these Industries through grants/ subsidy to entrepreneurs. The projects are selected for assistance on the basis of Expression of Interest (EoI) issued from time to time. The schemes of MoFPI also provide support for training, marketing & branding. The details of incentives available under these schemes are at **Annexure**.

Apart from this, with the objective to boost investments and sourcing of Indian food products, MoFPI organized 3rd edition of a Mega Event, called “World Food India (WFI)” during 19th to 22nd September 2024 at Bharat Mandapam, New Delhi to showcase domestic Industry and provide it with collaborative opportunities with international stakeholders. The event brought global food processing companies, innovators, supply chain stakeholders, equipment manufacturers, etc. on a collaborative platform and provide foreign companies with tie-up/ business opportunities with its Indian counterparts. In addition, MoFPI is also organizing the WFI, 2025 to highlight investment opportunities and advancements in food processing.

**ANNEXURE REFERRED TO IN REPLY TO PART (a) TO (e) OF LOK SABHA
UNSTARRED QUESTION NO. 5294 FOR ANSWER ON 03RD APRIL, 2025
REGARDING “SPECIAL GRANTS TO AMRITSAR”**

Incentives available under Pradhan Mantri Kisan Samapada Yojana (PMKSY)

S. No.	Component Scheme	Scheme Benefits (Grant-in-aid) for projects in General Area	Scheme Benefits (Grant-in-aid) for projects in Difficult Areas as well as SC/ST, FPOs, SHGs
1.	Integrated Cold Chain and Value Addition Infrastructure	Grant-in-aid @ 35% of eligible project cost [subject to maximum of Rs.10 crores per project]	Grant-in-aid @ 50% of eligible project cost [subject to maximum of Rs. 10 crores per project]
2.	Creation/ Expansion of Food Processing & Preservation Capacities	Grants-in-Aid @35% of eligible project cost [subject to maximum of Rs. 5 crores per project]	Grants-in-Aid @50% of eligible project cost [subject to maximum of Rs.5 crores per project]
3.	Infrastructure for Agro-Processing Clusters	Grants-in-aid @35% of eligible project cost in General Area [subject to maximum of Rs. 10 crores per project]	Grants-in-aid @50% of eligible project [subject to max. of Rs. 10 crore per project]
4.	Operation Greens	Grants-in-Aid @35% of eligible project cost for Integrated Value Chain Development Projects, maximum grants-in-aid would be ₹15 crore per project; and for Standalone Post-Harvest Infrastructure Projects, maximum grants-in-aid would be ₹10 crore per project.	Grants-in-Aid maximum @50% of eligible project cost for Integrated Value Chain Development Projects, maximum grants-in-aid would be ₹15 crore per project; and for Standalone Post-Harvest Infrastructure Projects, maximum grants-in-aid would be ₹10 crore per project.
5.	Food Safety and Quality Assurance - Food Testing Laboratories	100% grants-in-aid for Govt. organizations For Private organizations/entities: grant-in-aid of @ 50% of the eligible cost	For Private organizations/entities: grant-in-aid of @ 70% of the eligible cost
6.	Human Resource & Institutions- Research & Development	For Government Organizations - Grants @ 100% of equipment cost, consumables, For private organizations /universities/institutions, grant @ 50 % of equipment cost.	For Government Organizations - Grants @ 100% of equipment cost, consumables For Private Organizations /Universities/ Institutions, Grants @ 70% of equipment cost.

Assistance available under PLISFPI scheme

- i. The beneficiary should achieve minimum year on year sales growth of 10% for claiming incentive under Category-I, Category-II and Millet-Based Products components of the Scheme. Under Category -I component, the companies have to make committed investments to increase their production capacities. If a company does not make the committed investment upto end of 2023-24, it is not eligible to receive incentives under the Scheme.
- ii. Under Category-III, i.e., Branding and Marketing component, a company is eligible for financial incentives @ 50% of expenditure incurred on Branding & Marketing abroad subject to a maximum of 3% of Sales of food products or Rs 50 crore per year, whichever is less. The minimum expenditure should be Rs. 5 crore over a period of five years.

The details of assistance available to Micro Food Processing Enterprises under PMFME Scheme

(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.
