

GOVERNMENT OF INDIA  
MINISTRY OF FOOD PROCESSING INDUSTRIES  
**LOK SABHA**

**UNSTARRED QUESTION NO. 5321**  
TO BE ANSWERED ON 03<sup>RD</sup> APRIL, 2025

**FINANCIAL ASSISTANCE FOR SETTING UP OF FOOD PROCESSING  
INDUSTRIAL UNITS**

**5321. SHRI MALVINDER SINGH KANG:**

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

- (a) whether the Government proposes to extend the financial assistance under the ongoing schemes for setting up of Food Processing Industrial Units;
- (b) if so, the details thereof;
- (c) the number of units extended financial assistance in Punjab during the last four years; and
- (d) the results achieved therefrom?

**ANSWER**

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

**(a) & (b):** In order to promote and ensure overall development of Food Processing Industries across the country including Punjab, Ministry of Food Processing Industries (MoFPI) has been incentivizing setting up/ expansion of related infrastructure through its Central Sector “Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) Scheme”, Central Sector “Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)” and Centrally sponsored “PM Formalization of Micro Food Processing Enterprises (PMFME)” Scheme. These schemes are not region specific but demand driven.

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.

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.

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.

The details of incentives available under these schemes are at **Annexure**.

**(c) & (d):** MoFPI has, so far, approved a total of 3 Mega Food Parks, 3 Agro Processing Clusters, 24 Integrated Cold Chains projects, 16 Food Processing Units, 4 Creation of Backward & Forward Linkages and 1 Operation Greens projects in Punjab under

corresponding schemes of PMKSY with estimated benefit to about 2.58 lakh farmers and generation of direct/ indirect employment opportunities of about 29,000.

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 has been approved for credit linked subsidy in Punjab under PMFME Scheme with estimated generation of direct/ indirect employment opportunities of 7,818.

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. A total of 9 proposals under different categories of PLISFPI scheme have been approved in Punjab with estimated generation of direct/ indirect employment opportunities of 2,446.

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**ANNEXURE REFERRED TO IN REPLY TO PART (a) & (b) OF LOK SABHA UNSTARRED QUESTION NO. 5321 FOR ANSWER ON 03<sup>RD</sup> APRIL, 2025 REGARDING “FINANCIAL ASSISTANCE FOR SETTING UP OF FOOD PROCESSING INDUSTRIAL UNITS”**

**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.
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**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.

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