

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

**UNSTARRED QUESTION NO. 5415**  
TO BE ANSWERED ON 03<sup>RD</sup> APRIL, 2025

**FOOD PROCESSING SECTOR IN GLOBAL MARKET**

**5415. SMT. ROOPKUMARI CHOUDHARY:**

**DR. K SUDHAKAR:**

**SHRI KHAGEN MURMU:**

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

- (a) the steps taken/being taken by the Government to develop the food processing sector in the country including Chhattisgarh and make it competitive in the global market keeping in view the predominantly agro-based economy of the State;
- (b) the initiatives being taken by the Government to promote branding, marketing and value addition to provide a strong presence in international markets of food products in the country including Chhattisgarh;
- (c) whether any new trade agreements are being made or export promotion strategies being developed to provide better market access to Indian food products and promote the States' agro-processing industry in the country including Chhattisgarh; and
- (d) if so, the details of infrastructure development schemes, financial incentives and other support mechanisms that support to enhance country's competitiveness in global trade including Chhattisgarh?

**ANSWER**

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

**(a) to (d):** In order to promote and ensure overall development of Food Processing Industries, 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 across the country including Chhattisgarh State. 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 15<sup>th</sup> Finance Commission Cycle. So far, MoFPI has sanctioned 8 food processing projects under corresponding component schemes of PMKSY in Chhattisgarh State.

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. The scheme aimed at enhancing competitiveness & promoting formalization of micro-enterprises in the unorganized segment of the food processing through financial, technical and business support. It provides the

framework for value chain development and alignment of support infrastructure. The scheme also envisages strengthening backward and forward linkages, provision of common facilities, incubation centres, training, marketing & branding. A total of 896 micro food processing enterprises have been approved for assistance under PMFME scheme in Chhattisgarh State.

PLISFPI scheme for food processing sector was approved by the Union Cabinet on 31<sup>st</sup> March 2021 with a budget of ₹10,900 crore, to be implemented from 2021-22 to 2026-27. Under the scheme, Ministry provides financial incentives to promote Indian food brands abroad, supporting branding and marketing activities for Indian-branded consumer food products in global markets. So far, 1 food processing company has been approved for assistance under the PLISFPI scheme in Chhattisgarh State, till 28<sup>th</sup> February, 2025.

In view of its rich agri- based economy, MoFPI, through its schemes, extends financial support to prospective entrepreneurs in Chhattisgarh State, for setting up of different kinds of food processing units, as per respective scheme guidelines. The details of incentives available under these schemes are at **Annexure**

These schemes aim towards creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet which includes storage, transportation, etc., thereby help in providing better returns to farmers and creating huge employment opportunities, increasing the processing level and enhancing the export of the processed foods.

Apart from this, with the objective to boost investments and sourcing of Indian food products in global market, MoFPI organized 3<sup>rd</sup> edition of a Mega Event, called “World Food India” during 19<sup>th</sup> to 22<sup>nd</sup> 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 provided foreign companies with tie-up/ business opportunities with its Indian counterparts.

MoFPI is also organizing the WFI, 2025 to highlight investment opportunities and advancements in food processing. The event will focus on bringing together key stakeholders, including global investors, retailers, distributors, policymakers, and research institutions. The event will provide B2B matchmaking opportunities, international delegations, and industry roundtables to enhance market access, promote investments, and facilitate exports of food products. The events are expected to boost business and strengthen India’s presence in the international market by driving the adoption of advanced technologies, promoting sustainable practices, and enhancing product quality to meet global standards.

Government has permitted 100% Foreign Direct Investment (FDI) in the food processing sector through automatic route. Further, 100% FDI is allowed through Government approval route for trading, including through e-commerce in respect of food products manufactured and/or produced in India.

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**ANNEXURE REFERRED TO IN REPLY TO PART (a) TO (d) OF THE LOK SABHA UNSTARRED QUESTION NO. 5415 FOR ANSWER ON 03<sup>RD</sup> APRIL, 2025 REGARDING “FOOD PROCESSING SECTOR IN GLOBAL MARKET”**

**Incentives available under Pradhan Mantri Kisan Sampada Yojana (PMKSY)**

<b>S. No.</b>	<b>Component Scheme</b>	<b>Scheme Benefits (Grant-in-aid) for projects in General Area</b>	<b>Scheme Benefits (Grant-in-aid) for projects in Difficult Areas as well as SC/ST, FPOs, SHGs</b>
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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**Incentives available under Production Linked Incentive Scheme for Food Processing Industry (PLIS-FPI)**

- 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.

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**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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