

GOVERNMENT OF INDIA  
MINISTRY OF FOOD PROCESSING INDUSTRIES  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 3181**  
ANSWERED ON 07<sup>th</sup> AUGUST, 2025

**PROMOTING FOOD PROCESSING SECTOR TO REDUCE WASTAGE**

**3181. SHRI DHARAMBIR SINGH:**

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

- (a) whether the Government is promoting the food processing sector to reduce wastage and if so, the details thereof;
- (b) the details of the schemes to support cold chain infrastructure;
- (c) the incentives offered by the Government for setting up processing units in rural areas;
- (d) the efforts made by the Government to ensure fair prices for farmers through processing; and
- (e) whether the Government plans to encourage food processing industries in Bhiwani-Mahendergarh Lok Sabha Constituency, if so, the details thereof and if not, the reasons therefor?

**ANSWER**

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

(a) to (d). The Ministry of Food processing Industries (MoFPI) supports the creation and expansion of the processing/preservation capacity through implementation of various schemes for the overall development of food processing sector, including creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet, to reduce post-harvest losses and to increase the level of processing. The schemes under MoFPI are as follows:

- i) MoFPI implements Central Sector Umbrella Scheme-Pradhan Mantri Kisan Sampada Yojana (PMKSY) since 2016-17 to create post-harvest infrastructure and processing facilities to boost the overall development of the food-processing sector including reduction in post-harvest losses, enhancing value addition etc. The component schemes under PMKSY are (i) Mega Food Parks (the component has been discontinued with effect from 01.04.2021 with provision for committed liabilities only) (ii) Integrated Cold Chain and Value Addition Infrastructure, (iii) Creation of Infrastructure for Agro-Processing Clusters, (iv) Creation of Backward and Forward Linkages (the component has been discontinued from 1st April 2021) (v) Creation / Expansion of Food Processing & Preservation Capacities (vi) Operation Greens (vii) Food Safety and Quality Assurance - Food Testing Laboratories (FTL) and Human Resource & Institutions- Research & Development.

MoFPI provides credit linked financial assistance (capital subsidy) in the form of grants-in-aid to the individuals, farmers, Farmer Producer Organizations (FPOs), Entrepreneurs, Cooperatives, Societies, Self Help Groups (SHGs), Private Companies and Central/ State PSUs etc. for setting up of food processing/preservation industries across the country.

Financial assistance to the eligible applicant is provided as per the scheme guidelines and all eligible applicants including farmers can apply against the Expression of Interest issued by the Ministry from time to time for enabling them to set up various food processing/preservation infrastructure, which, inter alia, includes cold storages to minimize post-harvest losses and increase processing level. As on June 2025, 1601 projects have been approved under PMKSY out of which 1133 projects have been completed. The incentives available under different sub-schemes of PMKSY are placed at **Annexure-I**.

- ii) MoFPI implements Central Sector Scheme- “Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)” to support creation of global food manufacturing champions commensurate with India’s natural resource endowment and support Indian brands of food products in the international markets. The budget outlay of the scheme is Rs.10,900 crore and total 170 applications have been approved under various categories of the scheme. The scheme has led to increase in food processing capacity of 35.00 lakh MT in the country. A total number of about 3.39 Lakhs, both direct and indirect employment, has been generated so far under the scheme. The details of pattern of assistance under the scheme are placed at **Annexure-II**.
- iii) MoFPI is implementing a centrally sponsored "PM Formalisation of Micro food processing Enterprises (PMFME) Scheme" under Aatma Nirbhar Bharat Abhiyaan initiative for providing financial, technical and business support for upgradation of micro food processing enterprises in the country. The scheme is operational from 2020-21 to 2025-26 with an outlay of Rs 10,000 Crore. The scheme aims to enhance the competitiveness of micro-enterprises in the unorganized segment of the food processing industry and promote formalization of the sector. Till 30th June 2025, Centre Share of Rs. 3791.04 Cr. has been released to States/ UTs for implementation of various components of the scheme. The details of financial assistance offered to the enterprises under PMFME scheme are as under **Annexure-III**.

Further, for creation of Agricultural Marketing infrastructure including Scientific Storage and to reduce post-harvest and handling losses, the Ministry of Agriculture & Farmers Welfare, Government of India is implementing sub-scheme “Agricultural Marketing Infrastructure (AMI)” of Integrated Scheme for Agricultural Marketing (ISAM) across the country. It is an open ended, demand driven and credit linked scheme wherein back ended capital subsidy @ 25% and 33.33% is available based on the eligible category of beneficiary. Under AMI scheme of ISAM, assistance is available to Individuals, Farmers, Group of farmers/growers, Agri-preneurs, Registered Farmer Produce Organizations (FPOs), Cooperatives, and state agencies etc. Farmer centric processing is also eligible under the scheme.

With creation of food processing infrastructure under the above schemes, the demand for farm produce, which is raw material for food processing industries, increases leading to better prices to farmers and increasing farm gate profitability. The above scheme has significantly contributed at micro level (farmers and cold chain owners) by increasing income through better price realization, value addition and wastage reduction etc. across the country.

(e). The Ministry does not establish food-processing units on its own, including cold storage infrastructure. The above-mentioned schemes are demand driven in nature and the funds are not allocated/sanctioned/released state-wise. The applications are invited through Expression of Interest (EoI) from across the country including Bhiwani-Mahendergarh Lok Sabha Constituency.

**ANNEXURE-I REFERRED TO IN REPLY TO PART (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NUMBER 3181 ANSWERED ON 07<sup>TH</sup> AUGUST, 2025 REGARDING PROMOTING FOOD PROCESSING SECTOR TO REDUCE WASTAGE**

**Table1: Incentives available under 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 (CC)	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 (CEFPPC)	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 (APC)	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 (OG)	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 (FTL)	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 <b>equipment</b> cost, consumables, For private organizations /universities/institutions, grant @ 50 % of equipment cost.	For Government Organizations -Grants @ 100% of equipment cost, <b>consumables</b> For Private Organizations /Universities/ Institutions, Grants @ 70% of equipment cost.

**ANNEXURE-II REFERRED TO IN REPLY TO PART (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NUMBER 3181 ANSWERED ON 07<sup>TH</sup> AUGUST, 2025 REGARDING PROMOTING FOOD PROCESSING SECTOR TO REDUCE WASTAGE**

**PATTERN OF ASSISTANCE UNDER PLI 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, 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.

**ANNEXURE-III REFERRED TO IN REPLY TO PART (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NUMBER 3181 ANSWERED ON 07<sup>TH</sup> AUGUST, 2025 REGARDING PROMOTING FOOD PROCESSING SECTOR TO REDUCE WASTAGE**

**The Details of Financial Assistance Offered to the Enterprises under 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.

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