

GOVERNMENT OF INDIA  
MINISTRY OF FOOD PROCESSING INDUSTRIES  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 802**  
ANSWERED ON 04<sup>TH</sup> DECEMBER, 2025

**START-UPS IN FOOD PROCESSING SECTOR**

**802. SHRI K SUDHAKARAN:**

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

- (a) the key schemes incentives and financial assistance currently available to promote startups in the food-processing sector;
- (b) the number of start-ups and micro food-processing units that have benefited under these schemes during the last five years with specific figures for Kerala, scheme-wise and State-wise;
- (c) the total funds sanctioned and released under Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) scheme, Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), Priority Sector Lending and NABARD's Food Processing Fund during this period including allocations to Kerala's districts such as Kannur, Kasaragod and Thiruvananthapuram;
- (d) whether any assessment has been conducted on the impact of these schemes in enabling entrepreneurship, value-addition and employment, if so, the details thereof; and
- (e) whether the Government proposes to expand credit access, incubation support and processing facilities in Kerala to further strengthen start-ups in this sector, if so, the details thereof?

**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, Ministry of Food Processing Industries (MoFPI) has been incentivizing setting up/expansion of related infrastructure through its two Central Sector Schemes namely Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) and Production Linked Incentive Scheme for Food Processing Industry (PLISFPI). MoFPI is also implementing a Centrally sponsored scheme namely PM Formalization of Micro Food Processing Enterprises (PMFME) scheme. Ministry provides subsidy/incentives to the eligible entities including startups under these schemes.

The details of incentives available under these schemes of MoFPI are given at **Annexure-I** and the details of food processing projects sanctioned by MoFPI under the said three scheme across the country including Kerala is given at **Annexure-II**.

**(c):** State/UT-wise allocation of funds are not made under PMKSY & PLISFPI. However, year-wise total budget allocation & utilization of funds since 2020-21 under PMKSY, PLISFPI & PMFME and also the Centre share of funds under PMFME scheme since 2020-21 to Kerala are at **Annexure-III**.

As per information provided by Reserve Bank of India, the year wise total disbursement and outstanding for food processing in state of Kerala under Priority Sector is as under-

Credit to Food Processing Industries under Priority Sector Lending- State of Kerala (Rs in crores)		
	Disbursement	Outstanding
As on March 2020	7254	5475
As on March 2021	5387	5029
As on March 2022	4691	4903
As on March 2023	4231	5286

As on March 2024	6361	6097
As on March 2025	3987	4886

With a view to promote food processing industry in the organised sector on a cluster basis, GoI instituted the Food Processing fund (FPF) with a corpus of Rs.2000 crore during 2014-15 in NABARD for providing affordable credit for establishment of designated food parks notified by MoFPI from time to time and setting up of food processing units therein.

As per information provided by NABARD, no fund has been disbursed under FPF during the last 5 years in the State of Kerala. During the year 2020-21, a term loan of Rs 10 crore was sanctioned to ESAF Swasraya Multi State Agro Cooperative Society Limited which was later withdrawn by the promoter.

**(d):** The PMKSY has largely achieved its objectives and the evaluation studies conducted for the relevant component schemes of PMKSY have concluded substantial benefit to the farmers from assisted projects. The evaluation study of Integrated Cold Chain and Value Addition Infrastructure Scheme under PMKSY, conducted by M/s NABARD Consultancy Limited (NABCONS) in Year 2020, has estimated that captive projects under the scheme have resulted in increase in farm-gate prices by 12.38 % and each project is estimated to benefit more than 9500 farmers. The evaluation study of Scheme for Creation of Infrastructure for Agro Processing Clusters under PMKSY, conducted by M/s Quality Council of India in Year 2025, has estimated to benefit 2.5 lakh farmers and 90,000 direct/indirect employment on operationalization of approved projects. The evaluation study of Creation / Expansion of Food Processing & Preservation Capacities under PMKSY, conducted by M/s BDO India LLP in Year 2025, has estimated to benefit 1.87 lakh farmers and 2,23,919 direct/indirect employment on operationalization of approved projects.

The evaluation study of PMFME Scheme, conducted by M/s BDO India LLP in Year 2025, has reported that scheme has been able to support entrepreneurship, value addition, formalization, reduced wastage, investment and employment in food processing of the country and has achieved better livelihood and income for the micro food entrepreneurs.

**(e):** All the three schemes are not region specific but demand driven and are implemented across the country including Kerala. Ministry provides subsidy/incentives to the eligible entities including startups under these schemes. MoFPI also support startups through its two autonomous Institutions namely, National Institute of Food Technology Entrepreneurship & Management, Kundli, Haryana (NIFTEM-K) and National Institute of Food Technology Entrepreneurship & Management, Thanjavur, Tamil Nadu (NIFTEM-T) across the country. The Institutes also provide handholding support, mentorship, training, access to facilities such as Pilot Plant, NABL-accredited Food Testing Labs, incubation services, quality testing, R&D support, networking opportunities, etc. to these Startups.

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**ANNEXURE REFERRED TO IN REPLY TO PART (a) & (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 802 FOR ANSWER ON 4<sup>TH</sup> DECEMBER, 2025 REGARDING “START-UPS IN FOOD PROCESSING SECTOR”**

**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.

**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.

**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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**Number of projects approved under PMKSY, PLISFPI and PMFME schemes of MoFPI since inception of the scheme**

S. No.	State/UT	No. of approved projects under PMKSY	No. of approved Micro Food Processing Enterprises under PMFME	No. of approved applications at different locations under PLISFPI
1.	Andaman & Nicobar	2	18	0
2.	Andhra Pradesh	76	8087	38
3.	Arunachal Pradesh	12	136	0
4.	Assam	102	4600	4
5.	Bihar	15	27723	7
6.	Chandigarh	0	5	0
7.	Chhattisgarh	10	1280	1
8.	Dadar & Nagar Haveli and Daman & Diu	1	12	0
9.	Delhi	22	363	0
10.	Goa	2	137	1
11.	Gujarat	109	1010	32
12.	Haryana	99	1633	9
13.	Himachal Pradesh	44	2537	4
14.	Jammu & Kashmir	41	1938	2
15.	Jharkhand	2	4250	2
16.	Karnataka	98	7724	21
17.	Kerala	54	7937	10
18.	Ladakh	0	90	0
19.	Lakshadweep	0	0	0
20.	Madhya Pradesh	51	11944	10
21.	Maharashtra	244	26172	41
22.	Manipur	8	308	0
23.	Meghalaya	10	227	0
24.	Mizoram	4	56	0
25.	Nagaland	4	429	0
26.	Odisha	30	2732	5
27.	Puduchery	2	192	0
28.	Punjab	76	3021	9
29.	Rajasthan	55	1351	6
30.	Sikkim	1	65	0
31.	Tamil Nadu	156	17210	20
32.	Telangana	67	7266	13
33.	Tripura	9	248	0
34.	Uttar Pradesh	99	1037	27
35.	Uttarakhand	59	20575	7
36.	West Bengal	55	431	9

**ANNEXURE REFERRED TO IN REPLY TO PART (c) OF THE LOK SABHA UNSTARRED QUESTION NO. 802 FOR ANSWER ON 4<sup>TH</sup> DECEMBER, 2025 REGARDING “START-UPS IN FOOD PROCESSING SECTOR”**

**Details of funds allocated and funds utilized in PMKSY, PLISFPI & PMFME schemes of MoFPI**

(Rs in Crores)

<b><u>Scheme</u></b>	<b>2020-21</b>		<b>2021-22</b>		<b>2022-23</b>		<b>2023-24</b>		<b>2024-25</b>	
	<b>R.E.</b>	<b>A.E.</b>	<b>R.E.</b>	<b>A.E.</b>	<b>R.E.</b>	<b>A.E.</b>	<b>R.E.</b>	<b>A.E.</b>	<b>R.E.</b>	<b>A.E.</b>
<b>PMKSY</b>	750.00	667.05	791	713.49	673.00	561.92	745	666.20	630	540.12
<b>PLISFPI</b>	Scheme started in 2021-22		10	9.27	801	489.83	1150	590.50	700	450.49
<b>PMFME</b>	400	394.59	399	326.46	290	274.76	800	778.84	1200	1023.10

R.E.—Revised Estimates, A.E.- Actual Expenditure

**Funds released to Kerala under PMFME Scheme since 2020-21**

(Rs in Crores)

<b>State</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Kerala	10.13	3.46	3.98	29.52	31.27

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