

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
STARRED QUESTION NO. *392
ANSWERED ON 19TH MARCH, 2026

AGRO-PROCESSING CLUSTERS

***392. SHRI E T MOHAMMED BASHEER:**

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

- (a) whether the Government is aware/has taken note that fund utilization under the Agro-Processing Clusters sub-scheme declined to 61.94 per cent in 2023-24 with budget estimate for 2024-25 significantly reduced mirroring broader delays in documentation and clearances, if so, the details thereof; and;
- (b) the details of the measures taken by the Government to incentivize proposals from underserved regions, expedite State-level statutory approvals and prevent recurrence through performance audits or third-party evaluations?

ANSWER

THE MINISTER OF FOOD PROCESSING INDUSTRIES
(SHRI CHIRAG PASWAN)

- (a) to (b): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) & (b) OF LOK SABHA STARRED QUESTION NO. *392 ANSWERED ON 19TH MARCH, 2026 REGARDING “AGRO-PROCESSING CLUSTERS”

(a) The Ministry of Food Processing Industries (MoFPI) has been implementing the Scheme for Creation of Infrastructure for Agro Processing Clusters (APC), a component scheme of the Pradhan Mantri Kisan Sampada Yojana (PMKSY) for development of modern infrastructure to encourage entrepreneurs to set up food processing units based on cluster approach in the country since 2017. Scheme for Creation of Infrastructure for Agro Processing Clusters (APC) is a demand driven scheme. Applications under the scheme are invited online from the potential investors / entrepreneurs against Expression of Interest (EoI) issued by the Ministry from time to time. Further, the utilization of funds depends upon the compliance of the conditions for release of funds by the Project Implementing Agencies as per scheme guidelines. The details of Budget Estimates, Revised Estimates and Actual Expenditure during 2023-24 and 2024-25 are as under:-

(Rs. in Crore)

Financial Year	Budget Estimates (BE)	Revised Estimates (RE)	Actual Expenditure (AE)	Percentage Utilization against RE
2023-24	81.30	51.016	39.35	77.13%
2024-25	38.90	47.00	43.44	92.43%

(b) The APC scheme is not state/district/region specific. However, under APC scheme, the following relaxations have been provided to incentivize proposals from Difficult areas including SC/ST entrepreneurs: -

(i) Net worth required is equal to the grants-in-aid/subsidy sought for in case of proposals from Difficult areas/SC/ST category applicants in comparison to the 1.5 times of grants-in-aid/subsidy sought for General category applicants.

(ii) Term Loan required is 10% of the total project cost in case of proposals from Difficult areas/SC/ST category applicants in comparison to 20% of the total project cost for General category applicants.

(iii) Infusion of equity required is 10% of the total project cost in case of proposals from Difficult areas/SC/ST category applicants in comparison to 20% of the total project cost for General category applicants.

(iv) The eligible grants-in-aid/subsidy is 50% of the eligible project cost in case of proposals from Difficult areas/SC/ST category applicants in comparison to the 35% of eligible project cost for General category applicants.

Ministry regularly monitors the projects and coordinates with the project implementing agencies by conducting review meetings /site visits to assess the progress of the projects. Ministry, on the request of project implementing agencies, also takes up the matter with the department concerned of State Government and their agencies for smooth and timely implementation. Ministry has also conducted a third-party impact evaluation study of Scheme for Creation of Infrastructure for Agro Processing Clusters (APC scheme) under PMKSY, through M/s Quality Council of India (QCI) to assess and analyse the implementation, outcome and impact of the scheme on the projects approved under APC scheme.
