

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION No. 221
ANSWERED ON 29TH JANUARY, 2026

**FINANCIAL ASSISTANCE FOR UPGRADATION OF MICRO FOOD PROCESSING
UNITS**

**221. SHRI NEERAJ MAURYA:
SHRI DEVESH SHAKYA:**

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

- (a) whether financial assistance has been provided for the upgradation of micro food processing units in Etah-Kasganj, Aonla and Jaunpur Parliamentary Constituencies under the Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) scheme;
- (b) if so, the details of the total number of applications received, approved and the number of units actually set up/upgraded in the said Constituencies during the last three years, district-wise;
- (c) whether several eligible beneficiaries have not been able to avail complete benefits of the scheme due to delays in approval of bank loans, lack of technical assistance or lack of market linkages and if so, the details thereof;
- (d) the specific steps taken by the Government to promote processing, branding and marketing of local produces under the One District One Product (ODOP) based approach; and
- (e) whether the Government is considering to have a special review and time bound interference for the effective implementation of above said scheme in the aforesaid Parliamentary Constituencies and if so, the details thereof?

ANSWER

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

(a) & (b): The details of financial assistance eligible for micro food enterprises under Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme across the country including Etah-Kasganj, Aonla and Jaunpur Parliamentary Constituencies are at **Annexure-I**. The district-wise details for total applications received, sanctioned and disbursed in the said constituencies during last three years is at **Annexure-II**.

(c): The success rate of sanctioning by the lending banks is 42% which is at par with most of the government sponsored Credit Linked Schemes. The bank sanctions the projects based on their policy, however regular meetings are held with lending banks and State Government to address the problems being faced by micro food processing enterprises. Support to upgrade existing units or setting up of new micro units is provided through a credit linked grant @ 35% with maximum grant of Rs.10 lakh. The Scheme also provides support to food processing units of SHGs/ FPOs/ Cooperatives for credit-linked subsidy @ 35%, Seed Capital to Self Help Groups (SHGs), Incubation Centre, Common Infrastructure, Branding & Marketing and Capacity Building. Under

the Branding and Marketing component, support is provided to groups of FPOs, SHGs, cooperatives, or Special Purpose Vehicles (SPVs) of micro food processing enterprises, with a grant of upto 50% of the eligible project cost, following the cluster approach for developing a common brand with provision for quality control, standardisation, packaging and adhering to food safety parameters for consumer retail sale.

In addition to this, District Resource Persons (DRPs) are also engaged at the district level by the States to provide continuous handholding support to beneficiaries.

(d): Under the One District One Product (ODOP) approach of PMFME Scheme, Support to upgrade existing units or setting up of new micro units is provided through a credit linked grant @ 35% with maximum grant of Rs.10 lakh. The Scheme also provides support to food processing units of SHGs/ FPOs/ Cooperatives for credit-linked subsidy@35%, Seed Capital to Self Help Groups (SHGs), Incubation Centre, Common Infrastructure, Branding & Marketing and Capacity Building.

The scheme provides grant-in-aid through its Branding and Marketing support to help micro food processing enterprises with limited market access to boost the visibility and sales of their products. This is achieved through strategic tie-ups with regional and national retail chains. Memorandum of Understanding (MoU) with Government e-Marketplace (GeM) portal has been done to facilitate marketing of products manufactured by the units supported under PMFME Scheme.

(e): Ministry regularly conducts meeting with lending banks and State Government. The issues being faced by micro food processing enterprises are also raised at the Department of Financial Services (DFS) level and in the State Level Bankers Committee (SLBC) meetings to discuss and resolve implementation challenges. Further, periodic review meetings are also conducted at state and district level by the State government.

Monitoring is further strengthened through the PMFME Management Information System (MIS), which captures district-wise data on applications received, loans sanctioned, funds disbursed, and unit-level outcomes.

ANNEXURE REFERRED TO IN REPLY TO PART (a) & (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 221 FOR ANSWER ON 29.01.2026 REGARDING “FINANCIAL ASSISTANCE FOR UPGRADATION OF MICRO FOOD PROCESSING UNITS”

The details of financial assistance offered to the enterprises under Pradhan Mantri Formalisation of Micro Food Processing Enterprises (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% of the eligible project cost 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.

ANNEXURE-II

ANNEXURE REFERRED TO IN REPLY TO PART (a) & (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 221 FOR ANSWER ON 29.01.2026 REGARDING “FINANCIAL ASSISTANCE FOR UPGRADATION OF MICRO FOOD PROCESSING UNITS”

s. N o.	Dist ricts	FY 2022-23			FY 2023-24			FY 2024-25		
		Applications submitted	Loans Sanctioned	Loans Disburse d	Applications submitted	Loans Sanctioned	Loans Disburse d	Applications submitted	Loans Sanctioned	Loans Disburse d
1	Bare illy	100	43	19	280	152	100	307	133	125
2	Bud aun	23	5	3	51	15	6	79	26	18
3	Etah	36	6	5	98	32	29	69	29	23
4	Jaun pur	60	33	11	325	186	163	254	94	79
5	Kas ganj	50	5	1	232	55	49	85	12	12
