

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION No. 4511
ANSWERED ON 19TH MARCH, 2026

IMPLEMENTATION OF PMFME SCHEME

4511. DR. SHASHI THAROOR:

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

- (a) the current status of implementation of the Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) scheme including the number of micro food processing units assisted so far under the credit-linked subsidy component;
- (b) whether the Government has reviewed the effectiveness of the PMFME scheme in ensuring sustainable business operations post-formalisation especially the number of units that remain operational versus those that have become non-operational after receiving assistance, if so, the details thereof;
- (c) whether the Government is aware of implementation bottlenecks in certain regions such as delays in obtaining mandatory environmental clearances which have led banks to withhold credit approvals and thereby stalled the launch of PMFME units, if so, the details thereof; and
- (d) the details of the policies planned to ensure that assisted micro food processing enterprises not only receive support but also remain viable and competitive in the long term?

ANSWER

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

(a): Under the Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME) Scheme, the progress as on 31st December 2025 including Credit Linked Subsidy component is as under:

- Credit Linked Subsidy: Loans for 1,72,707 Micro food processing enterprises sanctioned with approved subsidy of Rs. 5009.61 crore
- Seed Capital: 3,76,326 Self Help Group members approved with amount of Rs. 1282.98 crore
- Incubation Centre: 76 Incubation Centre approved with Grant in Aid of Rs. 208.11 crore
- Capacity Building: 1,36,723 beneficiaries have been trained
- Branding & Marketing: 27 proposals have been approved

(b): Ministry regularly reviews the implementation and outcomes of the Scheme in coordination with the State Government. Ministry has got conducted Third Party Mid Term Impact Evaluation Study to assess the effectiveness and impact of the Scheme. As per the finding of the study as on 31st March 2025, the scheme has generated over 2.8 lakh employment opportunities, strengthened local branding and marketing initiatives, and improved market access for beneficiaries, resulting in an average increase in turnover of about 1.7 times. The enterprises supported under the scheme undergo physical verification, formalization (Food Safety and Standards Authority of India (FSSAI), Udyam Aadhar, and Goods and Services Tax (GST) registration) and geo-tagging within the prescribed timeline. Regular monitoring is conducted by the banks for operational status of the units and that the loans remain standard.

(c): No such issues have been reported to the Ministry regarding delays in obtaining mandatory environmental clearances which have led banks to withhold credit approvals. However, the issues faced during the implementation of the scheme are addressed through handholding support by District Resource Persons (DRPs) and regular review meetings with States/UTs, lending banks, Department of Financial Services (DFS), State Level Bankers Committee (SLBC) meetings, and other concerned Ministries/ Departments, to ensure timely processing of applications and sanction of loans by lending banks.

(d): Under the scheme, the assisted micro food processing enterprises are provided handhold support for formalisation of the unit through registration under Udyam, FSSAI, and GST. The support is provided through District Resource Persons (DRPs) enabling enterprises to comply with regulatory requirements and access formal credit and organised markets.

Further, scheme provides capacity building through Entrepreneurship Development Program (EDP) and product specific training to strengthen the managerial, technical and business capabilities of entrepreneurs. The Scheme also provides Branding and Marketing support to facilitate development of common brands, improved packaging, quality standardisation and wider promotion of products. In addition, the Scheme promotes end-to-end market linkages through buyer–seller meets, participation in fairs and exhibitions, and integration with organised retail and e-commerce platforms. Overall, the Scheme adopts a holistic policy framework that combines formalisation, skill development, branding, and market integration. These measures ensure that supported micro food processing enterprises not only receive financial assistance but also develop the institutional capacity, market presence, and operational efficiency required for long-term sustainability and competitiveness.
