GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION No. 826
ANSWERED ON 23RD JULY, 2026

CHALLENGES FACED BY MICRO FOOD PROCESSING ENTERPRISES

826. SHRI ATUL GARG:
DR. D. PURANDESWARI:
SMT. SHAMBHAVI:

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

(a) whether the Government has identified implementation challenges faced by micro food processing enterprises under the Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme, if so, the details thereof and if not, the reasons therefor;
(b) the steps taken to prepare and disseminate model Detailed Project Reports and guide prospective entrepreneurs to facilitate seamless processing of applications;
(c) whether District Resource Persons and Trained Master Trainers have been appointed to hand holding applicants and improve sanction rates, if so, the details thereof and if not, the reasons therefor;
(d) the measures adopted to expand common facility centres, incubation support and partnerships with banks and technical institutes; and
(e) the manner in which the efforts/initiatives taken under the scheme would strengthen the formalisation of micro food processing enterprises, enhance marketability and increase rural employment opportunities particularly in Ghaziabad (Uttar Pradesh), Rajahmundry (Andhra Pradesh), Khagaria and Samastipur (Bihar) Lok Sabha Constituencies?

ANSWER

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

(a): The Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME) Scheme is a Centrally Sponsored, demand-driven Scheme aimed at providing financial, technical and business support to micro food processing enterprises. During the course of implementation, certain challenges have been observed, including limited awareness among beneficiaries, delays in release of the State share, difficulties in obtaining statutory registrations and licenses, capacity constraints of micro enterprises, inadequate technology upgradation, gaps in project preparation, branding and market linkages, and challenges in meeting documentation requirements for food safety compliances.

(b) to (c): To facilitate preparation of bankable project proposals, 190 Model Detailed Project Reports (DPRs) covering various food processing activities have been developed by NIFTEM-Thanjavur and NIFTEM-Kundli in consultation with technical experts and are available on the PMFME portal. Under the Scheme, District Resource Persons (DRPs) have been engaged by

States/UTs to provide end-to-end handholding support to beneficiaries including project identification, preparation of DPRs, online application submission, obtaining statutory registrations, coordination with banks and formalisation support. The Scheme has also developed a robust capacity-building ecosystem through Master Trainers and District Level Trainers (DLT), who impart Entrepreneurship Development Programme (EDP) and product-specific training to beneficiaries, thereby improving project quality, credit readiness and loan sanction rates.

(d): Under the scheme, Support for creation of Common Infrastructure is provided @ 35% of eligible project cost with maximum limit of Rs. 3 Crore to Farmer Producer Organizations (FPOs)/ Self Help Groups (SHGs) and its Federations/ Cooperatives/ Government Agencies to establish food processing line along with common infrastructure/ value chain/ incubation centre. The proposals are mobilized and approved by the State Nodal Departments, as per the Scheme guidelines. These shared facilities are aimed at reducing capital costs and promote technology adoption.

The Scheme also provides financial assistance for establishment of Common Incubation Centres (CICs) to improve access to modern processing, testing, packaging, storage and training infrastructure for micro food processing enterprises. Proposals for establishment of CICs are identified and recommended by the States/UTs based on the ODOP and local processing requirements, for approval by the Ministry. As on 30th June 2026, 80 incubation centres have been approved across 27 States/ UTs.

In addition to this, State Level Technical Institutes (SLTI) have been identified in each of the State for nominating Master Trainers, coordinating and conducting training programmes for DRPs and DLTs, translating and adapting training materials into regional languages, customizing DPRs to suit State-specific requirements, providing technical guidance to the State Nodal Agency (SNA) on food processing matters, and supporting beneficiary handholding through capacity building and training for enterprise formalisation.

Further, all scheduled commercial banks are participating in the Scheme, and regular review meetings are held with the State Governments and banking institutions to improve credit flow and implementation. Department of Financial Services (DFS) is also conducting regular review meetings with the banks to review the implementation of the scheme.

(e): The PMFME Scheme supports formalisation of micro food processing enterprises through financial assistance for technology upgradation, common infrastructure, capacity building and market linkages. The Scheme facilitates registration under UDYAM, FSSAI and other statutory requirements through empaneled DRPs, enabling enterprises to access institutional finance, organised retail and wider markets. The Scheme also strengthens district-specific value chains, promotes value addition, entrepreneurship and employment generation through establishment and upgradation of micro food processing enterprises and Seed Capital support to SHG members. The district-wise details regarding loans sanctioned, Units Formalised and Seed Capital support to rural SHGs in Ghaziabad (U.P), Rajahmundry (Andhra Pradesh), Khagaria and Samastipur (Bihar) Lok Sabha Constituencies are at **Annexure.**

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Annexure

ANNEXURE REFERRED TO IN REPLY TO PART (e) OF THE LOK SABHA UNSTARRED QUESTION NO. 826 FOR ANSWER ON 23.07.2026 REGARDING "CHALLENGES FACED BY MICRO FOOD PROCESSING ENTERPRISES"

District-wise Nos. of Loans Sanctioned, Units Formalised and Seed Capital support to Rural SHG members

S.No.	Districts	Loans Sanctioned (Nos)	Units Formalised (Nos)	Seed capital sanctioned to rural SHG members
1.	Ghaziabad	121	69	29
2.	Hapur	86	40	0
3.	East Godavari	555	140	1286
4.	Khagaria	527	102	394
5.	Saharasra	525	153	368
6.	Samastipur	1619	259	650
7.	Darbhanga	1134	81	1385

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