

21

**STANDING COMMITTEE ON AGRICULTURE, ANIMAL
HUSBANDRY AND FOOD PROCESSING**
(2024-25)

(EIGHTEENTH LOK SABHA)

MINISTRY OF FOOD PROCESSING INDUSTRIES

**Initiatives taken in Food Processing Sector under
'Make In India' Program**

TWENTY FIRST REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2025 /Shravana, 1947 (Saka)

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Presented to Lok Sabha on

20.08.2025

Laid on the Table of Rajya Sabha on

20.08.2025



**LOK SABHA SECRETARIAT
NEW DELHI**

AUGUST, 2025 / SHRAVANA, 1947 (SAKA)

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<CONTENT>

	Page No.
Composition of the Committee (2024-25)	(v)
Introduction	(vii)
PART – I	
CHAPTER- I	An Overview of the Food Processing Sector
	1
	<ul style="list-style-type: none"> • Food Processing Sector-Key Segments • Growth of the Food Processing Industry • Projected growth of the Sector • Growth drivers and opportunities • Contributions to employment generation and opportunities • Contribution to Exports • Fish processing and value chain • FPI in India Vs other Countries-Comparative status/position
	1
	3
	3
	3
	4
	5
	7
	9
CHAPTER- II	Policy Support to Food Processing Industries (FPI)
	10
	<ul style="list-style-type: none"> • Foreign Direct Investment • Priority Sector Lending (PSL) • Challenges faced by MSMEs in accessing credit under PSL • Special Food Processing Fund • Ease of Doing Food Business • Impact of measures taken under Ease of doing Business • Make in India- Food Processing Sector
	10
	12
	14
	15
	15
	18
	19
CHAPTER- III	Implementation of various Schemes
	21
	<ul style="list-style-type: none"> • Pradhan Mantri Kisan Sampada Yojana (PMKSY) • PMKSY- Alignment of objectives with Make in India • PMKSY- Sanctions, disbursements, projects costs, grants release, etc. • Status on implementation of the projects • Setting up of Food Testing Laboratories (FTLs)- Status • Human Resource Institution- Skill component • Agro Processing Clusters (APCs) • Post Harvest Losses • Data on Cold Storage and Post Harvest logistics • Impact of Integrated Cold Chain and Value Addition Infrastructure Scheme • Creation of farm to retail chain network • R&D activities
	21
	22
	22
	23
	23
	24
	24
	25
	27
	27
	28
	28

	• Storage Capacity	29
	• Sanctions and beneficiaries under PMKSY	29
	• Number of registered food processing Units	30
	• SAMPADA Portal	30
CHAPTER – IV	Prime Minister-Formalisation of Micro Food Processing Enterprises (PMFME)	31
	• PMFME- One District One Product (ODOP)	31
	• Common Infrastructure component – Capital subsidy	33
	• Sanctions and disbursements to the eligible beneficiaries under PMFME	33
CHAPTER V	Production Linked Incentive Scheme for Food Processing Industries (PLISFPI- since 2021-22)	35
	• Components of the Scheme	35
	• Investments under the Scheme	36
	• Challenges in implementing PLISMBP	37
	• Data on applications under PLISFPI	38
	• Awareness creation	39
	• Incentive disbursement	39
	• Branding and Marketing support	40
	• Monitoring the Implementation of the Scheme	40
	• Digital initiatives for smooth implementation of three schemes	41
PART – II		
Observations / Recommendations of the Committee		42-69
ANNEXURES		
Annexure-I	Details of Shrimp projects approved under Operation Greens Scheme-Long Term Intervention	70
Annexure-II	Credit outstanding under PSL from 2019-20 to 2023-24 (year-wise and bank group-wise)	71
Annexure-III	Status of SPF as on 31st March 2025	72
Annexure-IV	Details of Nature of Penalties Imposed for Adulteration of the Food Products	75
Annexure-V	Setting up of Food Testing Laboratories (FTLs) – Status	77
Annexure-VI	State wise Cold storages under PMKSY as on 31.05.2025	80
Annexure-VII	State-wise and Component wise details of projects approved under PMFME Scheme (as on 31.05.2025)	81
APPENDIX		
I. Minutes of the 26 th Sitting of the Committee (2024-25) held on 13.06.2025		83
II. Minutes of the 35 th Sitting of the Committee (2024-25) held on 18.08.2025		86

**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE,
ANIMAL HUSBANDRY AND FOOD PROCESSING
(2024-25)**

SHRI CHARANJIT SINGH CHANNI – CHAIRPERSON

MEMBERS

LOK SABHA

2. Shri Patel Umeshbhai Babubhai
3. Smt. Harsimrat Kaur Badal
4. Shri Rajkumar Chahar
5. Smt. Anita Nagarsingh Chouhan
6. Shri Kuldeep Indora
7. Shri Rajpalsinh Mahendrasinh Jadav
8. Md. Abu Taher Khan
9. Shri Rahul Singh Lodhi
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11. Smt. Krishna Devi Shivshankar Patel
12. Shri Naresh Chandra Uttam Patel
13. Shri Narayan Tatu Rane
14. Shri Murasoli S
15. Shri Dharambir Singh
16. Shri Dushyant Singh
17. Shri Sudhakar Singh
18. Shri Kodikunnil Suresh
19. Shri Tejasvi Surya
20. Smt. Geniben Nagaji Thakor
21. Shri Bhausahab Rajaram Wakchaure

RAJYA SABHA

22. Smt. Ramilaben Becharbhai Bara
23. Shri Masthan Rao Yadav Beedha*
24. Dr. Anil Sukhdeorao Bonde
25. Shri Banshilal Gurjar
26. Shri S. Kalyanasundaram
27. Shri Nitin Laxmanrao Jadhav Patil
28. Shri Madan Rathore
29. Shri Ramji Lal Suman
30. Shri P. P. Suneer
31. Shri Randeep Singh Surjewala

Shri Krishan Lal Panwar, Member resigned from Rajya Sabha on 14.10.2024.

**Shri Masthan Rao Yadav Beedha, Member, Rajya Sabha has been nominated to the Standing Committee on Agriculture, Animal Husbandry and Food Processing w.e.f on 8th August 2025, vide Lok Sabha Bulletin Part-II, Para No. 3117 dated 13.08.2025.*

SECRETARIAT

- | | | | |
|----|-----------------------------|---|-----------------------------|
| 1. | Shri Srinivasulu Gunda | - | Joint Secretary |
| 2. | Shri Maheshwar | - | Director |
| 3. | Shri Ashwaghosh B. Lokhande | - | Under Secretary |
| 4. | Smt. Paromita Kumar | - | Assistant Executive Officer |

INTRODUCTION

I, the Chairperson, Standing Committee on Agriculture, Animal Husbandry and Food Processing (2024-25), having been authorized by the Committee to submit this Report on their behalf, present this Twenty First Report on the Subject 'Initiatives Taken in Food Processing Sector Under 'Make in India' Program' pertaining to the Ministry of Food Processing Industries.

2. The Standing Committee on Agriculture, Animal Husbandry and Food Processing had selected the Subject for examination during 2024-25. Briefing on the Subject by the representatives of the Ministry of Food Processing Industries was held at their Sitting on 13th June, 2025.

3. The Report was considered and adopted by the Committee at their Sitting held on 18.08.2025.

4. For facility of reference and convenience, the Observations/ Recommendations of the Committee have been printed in bold at **Part-II** of the Report.

5. The Committee wish to express their thanks to the representatives of the Ministry of Food Processing Industries for appearing before the Committee and furnishing requisite information in connection with the examination of the Subject.

NEW DELHI;
18 August , 2025
27 Shravana, 1947 (Saka)

CHARANJIT SINGH CHANNI
Chairperson,
Standing Committee on Agriculture
Animal Husbandry and Food Processing

PART - I

CHAPTER - I

An overview of the Food Processing Sector

The Food Processing Sector (from here onwards referred to as 'the sector') in India holds immense significance due to its pivotal role in linking the agricultural economy with industry. By transforming raw farm produce into value-added products, it not only enhances farmers' incomes but also reduces post-harvest losses, ensures food security, creates employment, and strengthens the rural economy. As India aspires to become a global manufacturing hub, the development of the sector is central to achieving inclusive growth, boosting exports, and fulfilling the vision of doubling farmers' incomes. By promoting innovation and technological advancements, this industry supports food security, nutrition, and rural development, thereby aligning with the broader goals of the 'Make in India' initiative and the vision of transforming India into a global food manufacturing hub.

Food Processing Sector - Key segments

1.2 The major key segments within Indian Food Processing Industry with respective contributions and future prospects are given as under:

- **Fruits and Vegetables Processing:** The fruits and vegetables processing sector are a dynamic landscape driven by evolving consumer preferences and technological advancements. This Sector includes categories such as canned fruits and vegetables, frozen products, juices, purees, and dried fruits, reflecting a growing global demand for processed varieties, particularly tropical and exotic fruit products.
- **Dairy Processing Sector:** India is the largest producer of milk globally, with an annual production of approximately 239.3 million metric tonnes in 2023-24. The dairy sector contributes 5% of the national economy and employs over 80 million farmers. The dairy products market in India ranks third in the Asia Pacific region and is forecasted to grow substantially driven largely by household demand.
- **Indian Snack Market:** The Indian snack industry has witnessed significant growth over the past decade, driven by changing consumer preferences, urbanization, and increased disposable incomes. This growth is supported by India's diverse agricultural base, which provides a natural advantage in the production of various snack items. The market encompasses a wide range of categories, including traditional namkeens such as bhujia and sev, extruded snacks made from corn and rice, potato chips and wafers available in multiple flavors, bakery snacks like cookies and crackers, health-oriented snacks targeting health-conscious

consumers, and ready-to-eat (RTE) snacks that require minimal preparation.

- **Meat and Poultry:** India hosts the world's largest bovine population and ranks second in egg production. The meat and poultry sector are crucial for meeting nutritional security and establishing India as a dominant player in the global meat processing industry. In 2023-24, meat production reached 10.25 million tonnes, with egg production at 138.38 billion eggs. The sector includes categories such as processed meat products like cold cuts and sausages, ready-to-cook and frozen items, and specialty products like organic and fortified eggs. The top five meat-producing states are Uttar Pradesh, West Bengal, Maharashtra, Andhra Pradesh, and Telangana.
- **Beverages:** The Indian beverage market encompasses both alcoholic and non-alcoholic segments. The alcoholic beverages market is projected to grow, driven by urbanization and changing consumer preferences. This segment includes traditional spirits like whiskey and rum, as well as a growing market for wines and craft brews. Key categories in this segment include soft drinks, juices, energy drinks, bottled water, and functional beverages, reflecting increasing health consciousness among consumers.
- **Pet Food, Animal Feed/Fodder, and Aquaculture Feed:** India is the fourth-largest producer of feed globally, with a significant portion of the supply coming from domestic production. The market includes categories such as pet food, poultry feed, cattle feed, and aquaculture feed, highlighting the diverse needs of livestock and companion animals in the country.
- **Bakery Industry:** India's bakery industry was valued at approximately USD 13.8 billion in 2024. Key categories within the bakery sector include bread, cakes, pastries, cookies, and specialty items like high-protein and gluten-free products, reflecting changing consumer preferences and dietary trends.
- **Nutraceuticals:** In 2023, India accounted for 9.22% of the global nutraceuticals market, with demand particularly strong among the aging population concerned about heart health and obesity. Manufacturers are investing in R&D to explore new ingredients and protect intellectual property, while the rise of the internet has enhanced consumer awareness of chronic diseases and preventive measures. Technological advancements, especially in artificial intelligence (AI), are expected to enable personalized solutions, further propelling market growth. As health consciousness continues to rise, the nutraceuticals segment is set to play a vital role in the Indian food processing industry.

Growth of the Food Processing Industry

1.3 The Food Processing Industry (from here onwards referred to as 'FPI') in India has grown at an Average Annual Growth Rate (AAGR) of 6.55%, which is higher than the overall manufacturing sector's growth rate. The Gross Value Added (GVA) by the sector has increased from ₹1.30 lakh crore in 2013-14 to ₹2.24 lakh crore in 2023-24, now constituting nearly 8% of the manufacturing sector's GVA. This sustained growth underscores the Sector's importance as a bridge between agriculture and industry.

1.4 The data on the contribution of the sector to GVA both in absolute numbers and also as percentage of manufacturing, for three years 2021-22 to 2023-24, as furnished by MoFPI, is as follows:

(in Rs Lakh Crore)

GVA	2021-22	2022-23	2023-24
Food Processing Sector	1.90	2.08	2.24
Share in Manufacturing (%)	7.40	8.28	7.93

Source: National Accounts Division, Central Statistics Office, Ministry of Statistics and Programme Implementation

Projected growth of the sector

1.5 With regard to the projections for the sector's growth over the next five to ten years, the MoFPI, in a written reply, submitted *inter alia* as under:

“Over the past nine years, the Food Processing Industries has demonstrated robust growth, recording an average annual growth rate of 6.55%, which is higher than the overall manufacturing sector's growth rate.... The highest growth rate was observed during 2018-19 (22.28%). The FPI sector is expected to grow at an average growth rate of around 6.5% during next five to six years and achieve a GVA of around 3.3 lakh crores in 2030.”

Growth drivers and opportunities

1.6 MoFPI submitted *inter-alia* that the following factors may propel the growth of FPI in the coming years: emerging opportunities are being targeted:

- Large Consumption Economy: Rising incomes and living standards drive demand for convenient and safe processed foods. Increasing demand for Processed Foods, changing lifestyles and food habits are driving demand and creating employment opportunities.
- Diverse and Large Raw material base: India is the world's largest producer of milk, spices, and pulses, and second-largest producer of

fruits, vegetables, and rice. This provides a vast raw material base for food processing industries. This diverse raw material base can help develop innovative food products. Some key sectors with opportunities include Fruits and Vegetables, Dairy Processing, Food Grain Processing, Poultry Processing, and Packaged Foods.

- **Increasing Contribution to GDP:** The sector aims to increase its contribution to GDP in coming years.
- **Reducing Food Wastage:** The industry aims to reducing food wastage and increasing the utilization of by-products and waste generated during food processing. India's post-harvest losses are substantial, with an estimated ₹1.53 trillion (USD 18.5 billion) worth of food lost annually. To mitigate this, the government has initiated various measures. Key Areas for Improvement include improving/expanding the Storage Infrastructure, Supply Chain Efficiency, Transportation and Training farmers and other stakeholders in the supply chain.

Contribution to employment generation and opportunities

1.7 In terms of employment, the sector is one of the largest organized manufacturing employers in the country. The number of persons engaged in the registered Food Processing Sector has risen from 17.73 lakh in 2014-15 to 22.96 lakh in 2022-23. The unincorporated segment, as per the latest survey, provides employment to 46.80 lakh workers, which is 13.89% of total employment in the unregistered manufacturing sector. The sector with over 42,803 registered and 2.3 million unregistered units generates around 7 million jobs.

1.8 **Employment Opportunities:** A study by the Ministry of Food Processing Industries (MoFPI) estimates a net expected requirement of 13.4 lakh skilled human resources in 11 sub-sectors of the food processing industry by 2030. Key areas include Bread and Bakery products, Dairy Products, Fruits & Vegetables Processing, Ready-to-Eat & Ready-to-Cook Products along with Quality Control and Assurance.

1.9 The data on the contribution of the sector to employment generation and both in absolute numbers and also as percentage of manufacturing, for three years 2021-22 to 2023-24, as furnished by MoFPI, is as follows:

Employment in numbers	2020-21	2021-22	2022-23
Food Processing Sector (in reg. enterprises) *	20,36,874	20,68,048	22,96,654
Share in Manufacturing (%)	13.18	12.50	12.91

Source: Annual Survey of Industries

N.B. *In addition to registered units, 46.57 lacs are employed in un-incorporated units, as per Annual Survey of Unincorporated Sector Enterprises, 2022-23.

Contribution to Exports

1.10 India's processed food exports have grown from 13% to 23% of total agri-food exports between 2014–15 and 2023–24, however, the country still lags behind global leaders like USA and China in processing capacity. The gap is more evident in technology adoption, where USA and China are leading with innovations like high-pressure processing and digital agriculture. In terms of value chain integration, India is supported by schemes like PMKSY, yet its integration is less developed compared to the USA's corporatized model, China's state-led modernization, and Brazil's export-oriented focus. Thus, India needs to strengthen infrastructure, technology, and integration to compete globally.

1.11 The data and details on the contribution of the sector to GVA, employment generation and exports, both in absolute numbers and also as percentage of manufacturing, for three years 2021-22 to 2023-24, as furnished by MoFPI, is as follows:

(USD Million)			
Exports	2022-23	2023-24	2024-25
Food Processing Sector	13,078.36	10,881.81	10,097.97
Share in Agriculture food exports (%)	25.6	23.4	20.4

1.12 MoFPI has submitted that on the export front, the Sector has shown remarkable progress. The share of processed food exports in agri-food exports has increased from 14.9% in 2017-18 to 20.4% in 2024-25, with the total value of agri-food exports reaching USD 49.43 billion in 2024-25, accounting for over 11% of India's total exports. The Government's focus on infrastructure development, ease of doing business, and 100% FDI under the automatic route has attracted significant investment, further strengthening the sector's capacity and competitiveness.

1.13 The details of volume and value of processed food export from the country for the last five years as furnished by the Ministry are as follows:

Year	Total Exports of processed food from India (Value) in USD Million
2020-21	8,565.60
2021-22	10,412.82
2022-23	13,078.36
2023-24	10,881.81
2024-25	10,097.97

Source: DGCIS

1.14 The Committee desired to know the assessment of India's potential with respect to processed food exports and Ministry's plan, if any to realise the potential, MOFPI submitted as under:

"The export of processed food products from India has increased from USD 4959.44 million in 2014-15 to USD 10,097.97 million in 2024-25 showing robust growth. The Indian processed food has huge potential for growth in coming years. No specific projections/ forecasts for growth of the exports of processed food products are made, however, the MoFPI through implementation of the Central Sector Scheme helps in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet. The Scheme not only provide a boost to the growth of Food Processing Sector in the country but also helps in enhancing the export of the processed foods.

Apart from this, with the objective to boost investments and sourcing of Indian food products in global market, MoFPI organizes a Mega Event, called "World Food India" to showcase domestic Industry and provide it with collaborative opportunities with international stakeholders.

Besides above, the allied Ministries/Departments and their Agencies such as Ministry of Agriculture and Farmers Welfare, Ministry of Fisheries, Animal Husbandry and Dairying, Department of Commerce, APEDA, MPEDA, etc. also extend enabling support through their respective schemes like Mission for Integrated Development of Horticulture, Agriculture Export Promotion Plan Scheme, National Agriculture Infra Financing Facility, Merchandise Exports from India Scheme (MEIS), Rebate of Duties and Taxes on Exported Products (RoDTEP) etc."

1.15 The global regulations and standards applicable to the exports of processed food as furnished by MoFPI is as under:

"Global food export regulations focus on ensuring food safety, quality, and fair-trade practices. Major standards include the Codex Alimentarius standards for food hygiene and quality, HACCP for risk management, and ISO 22000 for food safety management systems. India can improve its standards by strengthening its Food Safety and Standards Authority of India (FSSAI), adopting international standards, and focusing on quality control and certification."

1.16 The details of steps taken to ensure compliance with international quality standards for processed food products which facilitate the export of Indian processed foods to global markets, as furnished by MoFPI is as under:

"The development of the food-processing sector in India has emphasized the importance of strengthening Quality Assurance and Food Testing Infrastructure to meet international standards. Compliance with global

quality standards has become essential for processed food products to remain competitive in international markets. To ensure this, the following steps have been implemented:

- i. **Food Safety and Quality Assurance Infrastructure:** Under the Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), the Food Safety and Quality Assurance Infrastructure component, which has been operational since 2005, focuses on the establishment and upgradation of quality control and food testing laboratories. These labs are crucial for ensuring the quality of food produced in India, both for domestic consumption and export.
- ii. **FSSAI Compliance:** According to the Food Safety and Standards (FSS) Act, 2006, all Food Business Operators (FBOs) and Food Processing Industries (FPIs) must obtain licenses or registrations for their food businesses. FBOs must comply with hygiene standards as mandated by FSSAI. Specific actions taken by FSSAI include:
 - Providing training through the Food Safety Training and Certification (FoSTaC) program.
 - Setting up Food Safety on Wheels (FSW), mobile food testing laboratories, to reach even the remotest parts of the country.
 - Conducting periodic surveillance of food products, particularly those prone to adulteration.
 - Implementing rapid food testing methods to reduce screening time and improve surveillance.
- iii. **Bureau of Indian Standards (BIS):** The Bureau of Indian Standards, under the Ministry of Consumer Affairs, has published various standards related to food hygiene and safety practices, which businesses are required to follow.

These initiatives collectively ensure that processed food products meet international safety and quality standards, thereby facilitating exports to global markets.”

Fish processing and value chain

1.17 With regard to the measures taken to promote fish processing value addition and marketing under the Make in India, MoFPI *inter- alia* furnished the following reply:

“.....

The basic objective of the scheme is to ensure overall development of the food processing sector including fisheries & seafood processing in the country. The scheme aims to achieve the objective by providing incentives for creation of food processing & preservation infrastructure industries in the country.

Under Operation Greens scheme component of the PMKSY, the Ministry has identified the clusters for eligible crops, including 10 fruits, 11 vegetables and shrimp. The shrimp clusters were identified based on data from the Marine Products Export Development Authority (MPEDA) for 2018-19, considering states that contribute at least 5% of India's total shrimp production. Following this assessment, the identified cluster details were shared with the respective state governments for validation and to facilitate the inclusion of any overlooked districts/clusters. Based on this methodology, the Ministry has designated a cluster covering three districts-East Godavari, West Godavari, and Krishna in Andhra Pradesh. All the component schemes of PMKSY including OG Scheme are demand driven in nature; the proposals under the scheme are invited through Expression of Interest (EOI) for setting up food processing units from all over India. The financial assistance is provided at the rate of 35% of the eligible project cost for projects in General Areas, and 50% for projects in Difficult Areas, as well as for projects involving SC/ST, FPOs (Farmer Producer Organizations), and SHGs (Self-Help Groups).

Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC) Scheme of PMKSY provides financial support in the form of grants-in-aid/ subsidy of maximum Rs. 5.00 crore for setting up of food processing units including fish processing in the country. The scheme is a demand driven scheme.

Applications under the scheme are invited online from potential investors / entrepreneurs depending on the availability of funds and also vacant slots through Expression of Interest (EOI) issued by Ministry from time to time.

Scheme for Creation of Infrastructure for Agro Processing Clusters (APC). APC scheme guidelines has been revised on 25.04.2025 and under clause 3.5 (d) of the revised guidelines it has been incorporated that - "Preference in sanction of proposal will (also) be given for Setting up of clusters in Fisheries Sector notified under the Pradhan Mantri Matsya Sampadha Yojana (PMMSY)" as per their indicative list. Further, in scoring/assessment criteria, 05 marks have allocated for "Setting up of APC in the clusters identified by DAC&FW (MIDH), APEDA, export-oriented clusters identified by Ministry of Commerce, production and processing clusters in Fisheries Sector notified under the Pradhan Mantri Matsya Sampadha Yojana (PMMSY). " This scheme is also demand driven scheme and applications are invited online from potential investors / entrepreneurs depending on the availability of funds and also vacant slots through Expression of Interest (EOI) issued by Ministry from time to time. EOI under APC scheme has been floated on 14.05.2025 and the last date of submission of applications is 15.07.2025.

One of the food segment under PLISFPI is for marine segments in which eligible products are fish/ crustacean/ molluscs/ shrimps. One of the applicant under the scheme, namely, Gadre Marine Exports Private Limited is involved in processing and value addition of Surmi fish. The company has plants located at 4 locations i.e. Ratnagiri Maharashtra,

Junagad Gujarat, Mangalore Karnataka, Balasore Odisha, which are covered under the Scheme.

The details of shrimp projects approved under schemes of MoFPI as well as the list of ODOP for fish and Shrimp products under PMFME Scheme is attached at **Annexure-I.**”

FPI in India Vs other countries – Comparative status /position

1.18 In written response to the Committee’s query - how does India’s food processing capacity, technology adoption and value chain integration compares with that of other countries like the USA, China or Brazil, MoFPI stated *inter alia* as under :

“

Food Processing Capacity

..... India's processing capacity has potential for growth, particularly in infrastructure such as cold storage and logistics. In contrast, the USA leads with a food processing industry followed by China.

Technology Adoption

The USA and China are at the forefront of technology adoption in food processing, utilizing advanced technologies such as high-pressure processing (HPP) and precision agriculture. The USA has high adoption rates of digital agronomy and automation, while China is rapidly growing its food processing capabilities. In comparison, India is making progress but has huge potential for growth.

Value Chain Integration

India's value chain integration is driven by Government initiatives like the Pradhan Mantri Kisan Sampada Yojana (PMKSY), which supports cold chains and agro-processing clusters. The USA features a highly integrated agri-food value chain dominated by large agribusinesses, while China employs a state-led modernization strategy to enhance integration, though regional disparities remain. Brazil excels in export-oriented sectors but faces challenges in domestic integration due to complex regulations. Overall, while India is making strides in value chain integration, it still trails behind the more established systems in the USA, China, and Brazil.”

CHAPTER - II

Policy support to FPI

Foreign Direct Investment

The four key enablers furnished by MoFPI for attracting investments in FPI are as under:

- “Liberal FDI Policy: 100% FDI permitted through automatic route for food processing sector
- Export Potential: Processed food contributed 23.4% of agri-food exports in 2023-24
- Infrastructure Development: Government initiatives like Agro-Processing Clusters, Cold Chain Infrastructure and etc.
- Incentives & Schemes: Production Linked Incentives Scheme for Food Processing Industry (PLISFPI) and Agriculture Infrastructure Fund (AIF).”

2.2 Before 2016-17, 100% of FDI was allowed under the automatic route in food processing industries, barring trading. However, after that year, 100% FDI was permitted through the approval of the Government for trading, including e-commerce concerning food products manufactured or made in India.

2.3 The details of FDI inflows in the Food Processing Industries sector since 2014-15, year-wise as furnished by the Ministry in its written reply are as under:

Year	FDI (in Rs. Crore)	FDI (in USD Million)	Source of FDI (name of the countries)
2014-15	3,164.72	515.86	USA, France, Mauritius, Singapore, Japan
2015-16	3,312.00	505.88	Mauritius, USA, Singapore, Italy, Cyprus
2016-17	4,865.85	727.22	USA, Belgium, Mauritius, Singapore, Italy
2017-18	5,835.62	904.90	Singapore, Mauritius, South Korea, Japan, Luxembourg
2018-19	4,430.44	628.24	Singapore, Mauritius, USA, Japan, Netherland
2019-20	6414.67	904.70	Belgium, Singapore, Cyprus, Mauritius, USA
2020-21	2934.12	393.41	USA, Mauritius, Mexico, Singapore, Netherland
2021-22	5290.27	709.72	Singapore, Mauritius, France, USA, Mexico
2022-23	7194.13	895.34	Singapore, Mauritius, France, USA, Guernsey
2023-24	5037.06	608.31	Singapore, British Virginia, Switzerland, Ireland, Australia
2024-25	4557.27	540.76	Ireland, USA, Singapore, Mauritius

*Total FDI inflow includes equity inflow, equity capital of unincorporated bodies, re-invested earnings, and other capital. Sector/State/Country-wise details are maintained only for equity component of FDI inflow.

2.4 In written reply to a query about the reasons for fluctuations in FDI inflows into the Food Processing Industries and the decline during the Financial Year 2022-23 and 2023-24, MoFPI stated as under:

“The Foreign Direct Investment (FDI) inflows have been weak, according to the Economic Survey 2024. This is mainly attributed to geopolitical conflicts, high borrowing costs, and global economic fracturing. The geopolitical developments and monetary policy changes across countries resulted in increased caution among investors, leading to moderate growth in FDI flows. Global FDI flows declined in 2023 compared to 2022.

The decline in global FDI has impacted FDI flows to India. Net FDI inflows to India declined from USD 42.0 billion during FY23 to USD 26.5 billion in FY24. However, gross FDI moderated only by 0.6 percent from USD 71.4 billion in FY23 to just under USD 71 billion in FY24. The Economic Survey claimed that there was no change in investor interest in India. The contraction in net inflows was mainly due to repatriation/disinvestment due to many profitable exits.

Globally also the net FDI inflows witnessed a moderation due to increased scepticism on account of domestic structural issues, uneven exposure to geopolitical conflicts, and the impact of monetary policy tightening. The Economic survey has quoted the United Nations Conference on Trade and Development (UNCTAD) stating that the global FDI decreased marginally by 2 percent to USD 1.3 trillion in 2023 from USD 1.4 trillion in 2022.

With regard to India, overall FDI inflows have shown a temporary decline, this reflects global economic challenges rather than domestic barriers. India is proactively addressing execution-level challenges by simplifying approvals, strengthening infrastructure, and boosting investor confidence through single-window clearances etc.”

2.5 The Government of India, as mentioned elsewhere in the report, has allowed 100% of FDI initially through automatic route in FPIs barring trading and subsequently 100% FDI was permitted through the approval of the Government for trading, including e-commerce concerning food products manufactured or made in India to attract foreign investments and enhance growth potential of the Sector. About the future projections regarding FDI inflows, the Ministry furnished *inter alia* the following reply:

“No specific projections and forecasts have been made for FDI inflows in FPI sector. However, through the implementation of schemes namely, Pradhan Mantri Kisan Sampada Yojana (PMKSY), PM Formalisation of Micro Food Processing Enterprises Scheme (PMFME) and Production Linked Incentive Scheme (PLIS), Ministry of Food Processing Industries (MoFPI) helps in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet for promotion, overall development and growth of FPI sector and also promoting more FDI in FPI Sector.”

2.6 The details of the successful FDI-backed projects, as shared by MoFPI, is as under:

- PepsiCo (USA): In the last three years, PepsiCo has invested close to Rs. 3,500-4,000 crore in the Indian market. The company has invested in Uttar Pradesh, Assam and is planning to invest in Madhya Pradesh for a flavour manufacturing facility.
- Ball Corporation (USA): Ball Corporation invested Rs 700 crore investment in Telangana which supplies aluminum cans to beer and soft drink majors.
- Mars (USA): Mars Inc. has recently made significant investments in India, particularly focusing on expanding its pet food manufacturing and confectionery production. These investments include a Rs. 500 crore investment to strengthen pet food lines at the Siddipet (Telangana) plant and an additional Rs. 800 crore investment to expand a plant in Telangana
- Barry Callebaut (Switzerland): The Company is expanding its India presence and has established its chocolate manufacturing facility in Rajasthan.
- Nestlé (Switzerland): Nestlé India invested Rs . 900 crore in Odisha to open first factory in eastern India. The factory is slated to manufacture products from its foods (prepared dishes and cooking aids) portfolio.
- Monin (France): A French gourmet Flavourings Company is investing Rs. 300 crore in India to establish its first manufacturing facility near Hyderabad.

Priority Sector Lending (PSL)

2.7 Food and agro-based processing unit and cold chain infrastructure have been classified under agriculture activities for Priority Sector Lending (PSL) as per the revised RBI Guidelines issued on 23.04.2015. All activities under agro and food processing are eligible for PSL coverage.

2.8. In written reply to a query whether the inclusion of FPI under Priority Sector Lending (PSL) norms contributed to the growth of MSMEs and rural enterprises in the country, MoFPI submitted as under:

“Inclusion of the Food Processing Industry (FPI) under Priority Sector Lending (PSL) norms has significantly boosted the growth of Micro, Small, and Medium Enterprises (MSMEs) and rural enterprises in India by facilitating access to affordable credit and fostering innovation. This has enabled the sector to expand, modernize, and develop infrastructure in designated food parks, ultimately supporting the "Make in India" vision.

2.9 The provisions on loans for food and agro processing units contained in the PSL guidelines as furnished by MoFPI are as under :

“(i) Agriculture: In terms of para 9.3.(iii) of the Master Directions on Priority Sector Lending (PSL) dated March 24, 2025, Loans for Food and Agro-processing up to an aggregate sanctioned limit of ₹100 crore per borrower from the banking system are eligible for classification under ‘Agriculture’ category of PSL.

(ii) MSME: In terms of para 10(ii) of the MD on PSL, all bank loans to MSMEs are eligible for classification under ‘MSME’ category of priority sector lending. This includes loans to MSMEs for ‘Food and Agro-processing’ for which no per borrower loan limit has been prescribed.”

2.10 In written reply to a query whether MoFPI has conducted any evaluation of PSL effectiveness, MoFPI submitted that no study on the effectiveness of PSL on the Food Processing Sector has been conducted so far.

2.11 With regard to the maximum PSL loan limit per borrower and how the compliance of PSL is monitored, the MoFPI furnished the following reply:

- **Maximum PSL loan limit per borrower:** As per inputs provided for question (b) above, per borrower limit of is Rs 100 crore is applicable only for classification of loans to Food and Agro-processing under Agriculture category of PSL. Loans to MSMEs for Food and Agro-processing can be classified under MSME category of PSL without any limit.
- **Monitoring of Compliance:** Compliance to PSL guidelines is monitored through quarterly and annual PSL returns submitted by banks to RBI. Further, the data reported by banks are subject to inspection by Department of Supervision (DoS), RBI.

2.12 The data on credit outstanding under PSL from FY 2019-20 to 2023-24 as furnished by MoFPI may be seen at **Annexure-II**.

2.13 In response to a request to furnish the details of loans provided to food processing industries under PSL in both rural and urban areas by major banks, Non-Banking Financial Companies (NBFCs), and Microfinance Institutions (MFIs), MoFPI submitted as follows:

“As reported by Reserve Bank of India (RBI), the segregated data pertaining to loans provided by banks to food processing industries under Priority Sector Lending (PSL) in both rural and urban areas is not available with Financial Inclusion & Development Department (FIDD), Central Office, RBI. The details of the bank loans provided to Food Processing Industries

under Priority Sector Lending as per the following category of banks during the last five years are as below:

(Amount in Rs. Crore*)

Banks	As on March 2020	As on March 2021	As on March 2022	As on March 2023	As on March 2024
PUBLIC SECTOR BANKS	82209.14	87854.37	90966.51	99246.05	113814.35
PRIVATE SECTOR BANKS	41132.77	44666.24	53932.97	74545.86	101465.73
FOREIGN BANKS	6787.55	8037.02	8227.39	7244.88	5927.09
SMALL FINANCE BANKS	378.64	852.49	1426.34	2132.70	2707.89
Total	130508	141410	154553	183169	223915

Source: RBI; the data pertaining to loans provided to food processing industries under PSL by NBFCs and MFIs is not available with FIDD, Central Office, RBI.

Challenges faced by MSMEs in accessing credit under PSL

2.14 With regard to the challenges faced by MSME units in FPS in accessing Priority Sector credit and the measures taken to address these challenges, MoFPI furnished the following reply:

“Access to credit is a cornerstone for growth in India's food processing sector, which has vast potential to enhance the agricultural value chain, reduce wastage, and increase farmer incomes. Despite its recognized importance, financing remains a challenge for many food-processing businesses, particularly small and medium enterprises.

....To enhance access to finance, regular meetings are held with lending banks, State Level Banking Committees (SLBCs), State Nodal Agencies (SNAs), and State Government Departments to minimize the issues faced by applicants.

In addition, District Resource Persons (DRPs) have been appointed under the scheme to provide handholding support/guidance to micro food processing enterprises for project formulation, execution, access to credit, compliance with quality standards, and other statutory requirements. MoFPI primarily provides credit-linked financial assistance (capital subsidy) in the form of grants-in-aid to entrepreneurs selected based on an Expression of Interest (EoI) issued from time to time. These schemes are demand-driven and not region- or state-specific; they are implemented across the country. Some of the key steps/policy measures to mitigate challenges and achieve intended outcomes in the growth of the food processing sector *inter alia* are as follows:

“A 100% income tax exemption is granted for profits derived from activities such as post-harvest value addition to agriculture by FPOs with annual turnover up to Rs. 100 crore. Additionally, 100% income tax exemption is allowed for new food processing units for a period of five years, a 100% deduction is provided for capital expenditure incurred on setting up and operating cold chain facilities and concessional import

duty is offered for plant and machinery under the project imports benefit scheme.”

Special Food Processing Fund

2.15 As per announcement in the Budget 2014-15, a special fund of Rs. 2,000 Crore has been set up in NABARD to provide affordable credit in designated Food Parks & food processing units to be set up in these parks. The data on term loans sanctioned and disbursed (as on 31.03.2025) under Special Food Processing Fund since its inception is as follows:

Sl. No.	Name of the Scheme	No. of Projects Sanctioned	Term Loan Sanctioned	No. of Projects for which funds disbursed	Amount of Disbursement (₹ Cr)	% Disbursed	No. of Projects Operationalized
1	Mega Food Park Project	14	549.35	14	450.60	82.02	11
2	Agro Processing Clusters	9	92.07	9	82.10	89.17	8
3	Individual Processing Units in Designated Food Parks	14	204.30	14	143.66	70.32	11
4	Industrial Food Parks (IFPs)	3	333.99	3	153.85	46.06	0
	Total	40	1179.71	40	830.21	70.37	30

* Please refer Annexure-II for the details of projects.

2.16 The details of status of Special Food Processing Fund backed projects Scheme-wise are given by the Ministry in **Annexure-III**.

Ease of Doing Food Business

2.17 As a measure towards improving Ease of Doing Business, the Food Safety and Standards Authority of India (FSSAI) issued notification in January and October 2016 shifting product-by-product approval to ingredient and additive based approvals.

2.18 In response to a query whether the shift to ingredient- and additive-based approvals by FSSAI has impacted the speed of product launches and FDI inflows, MoFPI submitted as under:

“FSSAI has notified Food Safety and Standards (Approval of non-specified food and food ingredients) Regulations, 2017 on 11.09.2017, which lays down the rules and procedure for grant of prior approval of non-specified food and food ingredients. The regulation covers the following articles of food or food ingredients for which standards have not been specified in any regulation made under the FSS Act, 2006:

- Novel food or novel food Ingredients or processed with the use of novel technology;
- New additives (Not listed in Food Safety and Standards Regulations (FSSR));
- New processing aids including enzymes (Not listed in FSSR);
- Articles of food and food ingredients consisting of or isolated from microorganisms, bacteria, yeast, fungi or algae; and,
- Non-specified food including new botanical, new fruit or fruit based product, probiotic and prebiotic and any other.

The procedure for grant of prior approval for Non-Specified Food and Food Ingredients has been prescribed under Regulation 4 of Food Safety and Standards (Approval for Non-Specified Food and Food Ingredients) Regulations, 2017. Six Expert Committees (ECs) have been constituted under Regulation 4 (5) of FSS (Approval of non-specified food and food ingredients) Regulations, 2017 for examination or evaluation of applications received under FSS (NSF & FI) Regulations, 2017. These Expert Committees evaluates the applications and based on risk assessment recommends their opinion w.r.t. the particular application submitted by the applicant.

The aforesaid regulation has helped the Food Business Operators and spurred the process of Food approvals.”

2.19. With regard to the details of nature of penalties imposed for adulteration of food products and the sufficiency or otherwise of extant penal provisions to deter adulteration, MoFPI submitted as under:

“The FSS Act 2006 has the provision of graded penalties depending on the gravity of the offence and accordingly, civil penalties for minor offences and punishment for serious violations. The samples of food articles are drawn and analysed to verify their compliance with the laid down quality and safety parameters & other requirements under the Food Safety & Standards Act 2006 (FSS Act) & Food Safety & Standards Regulations (FSSR) made there under. Any non-compliance to the provisions under the Act and the Regulations, constitute ‘**Non-Conformance**’. The act further, has categorized Non-Conformance into:

- Substandard
- Misbranded
- Extraneous Matter
- Unsafe

Vide sec 3(1)(a) of the FSS Act- “Adulterant” means any material which is or could be employed for making the food unsafe or sub-standard or mis-branded or containing extraneous matter.

In case of non-compliance as above, regulatory actions are taken in the form of punitive measures which comprise of penalties & punishment

depending upon the nature & gravity of the offence. These punitive actions, as stipulated under the act includes fine and imprisonment which are imposed by following the due procedure of launching Adjudication (civil) & Prosecution (Criminal), which are judicial proceedings in nature, at the appropriate court of law.”

2.20 The details of the offences, penalties and nature of judicial proceedings Brief of these provisions may be seen at **Annexure IV**.

2.21 MoFPI has stated that in order to enhance the investment in Food Processing Sector, all the processed food items are exempted from the purview of licensing under the industries (Development and Regulation) Act, 1951. In response to a query whether this initiative aligns with the objectives of promoting ease of doing business in the Food Processing Sector, the Ministry furnished the following reply:

“The exemption of all processed food items from the purview of licensing under the industries (Development and Regulation) Act, 1951, is a significant policy initiative aimed at enhancing the Ease of Doing Business in the Indian Food Processing Sector. This initiative aligns with several key objectives that promote a more conducive environment for business operations.

Alignment with the Objectives of Promoting Ease of Doing Business: Regulatory Simplification: By **removing** the mandatory licensing requirement under the IDR Act, 1951, the Ministry has effectively reduced regulatory requirements, particularly for micro, small, and medium enterprises (MSMEs), which form a substantial part of the unorganised food processing sector. This simplification encourages faster establishment and expansion of food processing businesses, allowing them to focus on production rather than compliance.

Boost to Entrepreneurship: The policy aligns with the goals of Atmanirbhar Bharat Abhiyan by creating a more entrepreneur-friendly environment. It empowers micro-entrepreneurs to formalise their units and transition from the unorganised to the organised sector with fewer compliance burdens, thereby fostering a culture of entrepreneurship and innovation.”

2.22 MoFPI has submitted that the following initiatives were taken to as part of ease of doing business:

- (i) The Ministry of Food Processing Industries is working completely on an online scheme management system “SAMPADA Portal” from receiving of proposals to release of grant- in-aid under the various component scheme of Pradhan Mantri Kisan SAMPADA Yojana

(PMKSY). A dashboard for MIS purposes has been created to facilitate real time monitoring of progress and key performance indicators.

- (ii) Separate online portals have been developed to cater to new schemes like Prime Minister-Formalisation of Micro Food Processing Enterprises (PMFME) and Production Linked Incentive (PLI) applications.”

Impact of measures taken under Ease of doing Business

2.23 In response to queries about the (i) effectiveness of the measures taken under ‘Ease of Doing Business’; and, (ii) the time taken to approve applications which are found in order along with the steps taken to facilitate investment, MoFPI submitted as under:

“No such evaluation regarding effectiveness of such measures has been done so far, by this Ministry. Ministry is having a separate portal “Nivesh Bandhu Portal” which is the investment portal under the Ministry of Food Processing Industries, India. The portal is a one stop solution for all the investors who are looking to invest in India in the food processing sector. The portal highlights the steps to simplify the process of doing business in India, the market entry strategies and the regulatory frameworks that are involved in setting up the operations in India.”

2.24 In response to a request to furnish the role played by National Single Window System (NSWS) in facilitating investments in the Food Processing Sector, MoFPI submitted the following reply:

“The National Single Window System (NSWS) is a digital platform to guide in identifying and applying for approvals according to the business requirements. NSWS has enhanced ease of doing business in India's food processing sector by streamlining regulatory approvals and clearances across Central and State levels. It offers a unified digital platform where investors can access information, apply for approvals, track applications, and receive clearances from multiple departments without the need for physical interface. For the food processing industry, which often requires a range of licenses related to food safety, environmental compliance, land acquisition, and utilities, the NSWS has fostered a more investor-friendly environment. The portal hosts applications for approvals from 32 Central Ministries / Departments and 29 States & UTs.”

Make in India – Food processing sector

2.25. Government of India has accorded high priority to the sector under the 'make in India' initiative, launched on 25 September, 2014 which seeks to position India as a global manufacturing and investment hub by creating a conducive environment for business, opening new sectors for investment, and fostering Public- Private Collaboration. With this vision Food processing Sector has been identified as one of the key priority areas due to its role in inclusive growth , employment generation, export promotion and enhancement of Farmer's incomes.

2.26. In written reply to a query - why the Food Processing Sector was declared a strategic sector under 'Make in India' Program, MoFPI submitted **inter- alia** as follows :-

“The Food Processing Sector is a strategic sector under the 'Make in India' program because it is a key driver of inclusive economic growth, supports small-scale and rural enterprises, enhances value addition, boosts exports, and aligns with the national vision of doubling farmer incomes and positioning India as a global food processing hub. Further, India's rich agricultural base and growing consumer demand adds to Food Processing Sector's strategic importance. The Sector's continued development, backed by robust policy support and targeted interventions, is essential for realizing India's vision of sustainable and inclusive growth. Thus, the Ministry of Food Processing Industries (MoFPI) has implemented strategic interventions to attract investments, strengthen infrastructure, and promote domestic manufacturing across the value chain.”

2.27 The growth trajectory drawn w.r.t. 'Make in India' initiative under Food Processing Sector in India, as furnished by MoFPI is as follows:

“....The Ministry of Food Processing Industries (MoFPI) has implemented strategic interventions to attract investments, strengthen infrastructure, and promote domestic manufacturing across the value chain. As part of this initiative, the Government has launched three major schemes—Pradhan Mantri Kisan Sampada Yojana (PMKSY), Production Linked Incentive Scheme for Food Processing Industry (PLISFPI), and Pradhan Mantri Formalization of Micro Food Processing Enterprises (PMFME)...

Events like World Food India 2024 have further helped showcase India's potential in food processing and allied sectors, drawing global attention and partnerships. These comprehensive policy interventions are propelling the sector toward achieving Make in India goals—reducing agri-waste, boosting exports, increasing value addition, and creating sustainable livelihoods across the country. In this background, the FPI sector is expected to grow at an average annual growth rate of around 6.5% during next 5-6 years and achieve a GVA of around 3.3 lakh crores in 2030.”

2.28 The key challenges being faced or anticipated under 'Make in India' in the Food Processing Sector and the corrective measures taken to address them, as furnished *inter alia* by MoFPI are as under:

“ ...

The first challenge is the presence of informal units in FPI in the country. Most of the units involved in FPI are from informal sector and this leads to issues like unavailability of credit, etc. Further, there is a major issue of lack of adequate infrastructure in the form of cold chain and storage facilities. Lastly, small and medium-sized enterprises (SMEs) also often lack access to the newest technology and modern processing equipment, which negatively impacts their ability to effectively compete with larger firms.”

CHAPTER - III

Implementation of various Schemes

MoFPI, as the nodal agency, has undertaken several initiatives to promote the sector, including formulation of favourable policies, rationalisation of tariffs, and implementation of targeted schemes such as:

- Pradhan Mantri Kisan Sampada Yojana (PMKSY) – (*Central Sector Scheme*): Aims to create modern infrastructure and efficient supply chains to reduce agri-waste and increase processing capacity.
- Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) – (*Central Sector Scheme*): Designed to boost domestic manufacturing and exports by incentivising investment in high-value and innovative food products.
- Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) – (*Centrally Sponsored Scheme*): Seeks to formalise and support micro food processing units through financial, technical, and business support, with a focus on One District One Product (ODOP).

3.2 The above Schemes aim to strengthen the value chain, improve infrastructure, formalise the unorganised sector, and incentivise innovation and private investment in the country. Further, *Invest India*, the national investment promotion and facilitation agency has also contributed by assisting investors with regulatory facilitation, query resolution, and guidance in navigating the food processing ecosystem.

Pradhan Mantri Kisan Samapada Yojana (PMKSY)

3.3 Ministry has implemented Central Sector Umbrella Scheme - PMKSY since May, 2017 across the country including NER with an allocation of Rs. 6,000 Crores for the period 2016-20 co terminus with the 14th Finance Commission Cycle.

3.4 A new scheme "Operation Greens (OG)" was introduced in PMKSY in November, 2018 for integrated development of value/supply chain of tomato, Onion and Potato (TOP) crops in selected States on pilot basis with an outlay of Rs 500 Crores, which was subsequently extended to all notified crops and later to 22 perishables. *Continuation of restructured PMKSY during 15th Finance Commission cycle i.e. till 31.03.2026 has been approved with an allocation of Rs. 5520 crores with following component schemes-*

- Integrated Cold Chain and Value Addition Infrastructure
- Creation/ Expansion of Food Processing and Preservation Capacities (Unit Scheme)
- Infrastructure for Agro-processing Clusters

- Food Safety and Quality Assurance Infrastructure
- Human Resources and Institutions –Research & Development
- Operation Greens

3.5 The component schemes of Mega Food Park, Creation of Backward & Forward Linkages, Human Resource & Institution - Promotional Activities, Skill Development & HACCP, a component of Food Safety and Quality Assurance Infrastructure have been discontinued in the 15th FC cycle with the provision of committed liability.

PMKSY -Alignment of objectives with Make in India

3.6 With regard to alignment of the objectives of the Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) with the goals of the 'Make in India' initiative, MoFPI submitted as follows:

“PMKSY is a demand-driven scheme. Under PMKSY Individuals including rural entrepreneurs as well as entity / organization such as Farmer producer Organisation (FPOs)/Farmer Producer Company (FPCs)/ Non-Government Organisations (NGOs)/Public Sector Undertaking (PSUs) /Firms/Companies, etc. are eligible to avail benefits under the Scheme.

To ensure equal opportunities across rural and urban areas Scheme awareness activities through National & State level awareness campaigns are conducted with the aim to enhance the awareness of general public and for their participation for availing benefits under the Schemes.

Further, under Cold chain scheme and Operation Green scheme Farm Level Infrastructure (FLI) is mandatory part of the scheme, promoting rural entrepreneurship.”

PMKSY- Sanctions, disbursements, projects costs, grants release, etc.

3.7 The data on projects sanctioned, completed, project cost, total grants released, farmers benefitted, etc, as furnished by MoFPI is as under:

Name of Scheme	Total Project Sanctioned	Total Project Completed	Total Project Cost of Completed Projects (Rs. in Cr)	Total Grant Approval of Completed Projects (Rs. in Cr)	Total Grant released to Completed Projects (Rs. in Cr)	Processing & Preservation Capacity of Completed Projects (LMT)	Farmers Benefitted (Completed)	Employment (Completed)
MFP*	41	24	2754.33	1175.27	1072.55	28.61	60277	70343
CC	398	288	7774.26	2126.33	2113.23	137.94	2750976	172800
APC	76	22	592.07	184.04	142.46	6.72	81300	17133
Unit	558	300	4684.73	1121.89	1061.59	66.26	53456	115417
BFL*	61	53	605.79	143.31	138.44	7.39	388116	28958
OG	45	10	376.71	122.02	114.76	2.45	19580	16122
FTL	205	169	762.04	324.87	319.08	0	0	6253
HRI-R&D	262	225	93.24	91.14	81.10	0	0	0
HRI-Skill*	26	25	18.55	9	9.03	0	0	0
Total	1672	1116	17661.72	5297.86	5052.35	249.36	3353705	427026

Status on implementation of the projects

3.8 MoFPI submitted that out of 1672 projects sanctioned under various components of PMKSY, only 1116 projects have been completed/operational. With regard to the delay in completion of projects, MoFPI submitted the following reply:

“Out of the 1672 projects, some projects have been cancelled due to non-compliance of relevant scheme guidelines and as on 31.05.2025 there are a total number of 1604 sanctioned projects under various component schemes of PMKSY out of which 1129 projects have been operationalized and remaining 475 projects are under various stages of implementation.

The delay in project implementation is attributed to multiple factors, including non-receipt of statutory clearances and approvals such as Consent to Establish (CTE), Consent to Operate (CTO), approval of building/layout plans, change of land use (CLU), and fulfilment of pre-disbursement conditions mandated by lending banks for term loan disbursement. Additionally, delays in obtaining FSSAI licenses and approvals from various government authorities—such as Revenue, Town Planning, Electricity, Water Supply, Pollution Control Board, and Licensing Authorities—also contribute significantly to the implementation lag. Furthermore, in some cases, delays in the procurement and supply of imported machinery also adversely affect the timely execution of projects.”

Setting up of Food Testing Laboratories (FTLs) – Status

3.9 Referring to the completion of setting up of 169 out of 205 FTLs under the component ‘Setting Up/Upgradation of Food Testing Laboratories’ the Committee sought to know (i) whether these projects are sufficient to meet the needs of the ever-growing Food Processing Industry in the country; and, (ii) the status of the remaining 36 projects, MoFPI submitted as under:

“As per National Accreditation Board for Testing and Calibration Laboratories (NABL), there are total 617 NABL accredited food testing laboratories operational in the country. Out of 617 FTLs, 122 are Government owned and remaining 495 are Private owned. An impact assessment of the scheme has been conducted by the YES Bank in February 2021. As per the study, “at 100% compliance by Food Business Operators (FBOs) and Hotel Restaurant and Catering/Café (HoRECA) segments towards food testing, the deficit in laboratories is estimated at more than 360 laboratories”.

The status of 36 ongoing projects is placed at **Annexure-V.**”

Human Resource Institution – Skill component

3.10 The Committee sought to know which skill development initiatives have replaced the Human Resource Institution–Skill (component scheme), and the measurable impact the 25 completed projects have had on employment generation and innovation. In response, the Ministry furnished the following reply:

“Human Resources and Institution-Skill Development component scheme of PMKSY was intended only for extending financial assistance to the training partners/other eligible beneficiaries affiliated with FICSI (Food Industry Capacity and Skill Initiative), the Sector Skill Council for Food Processing and NSDC (National Skill Development Centre) – (i) for establishment of Skill Training Centres; and (ii) development of Course content/training modules in food processing.

Further, the Ministry is implementing a Centrally Sponsored Scheme namely Prime Minister's Formalization of Micro Enterprises (PMFME) Scheme. The said Scheme has a capacity building training component, under which capacity building trainings are conducted by the State/UT Government. The capacity building trainings imparted under the Scheme are of short-term nature and do not fall within the ambit of skill development training norms of MSDE.

Under Skill Development scheme 26 skill projects have been approved, out of which 25 are Training Centre Projects for establishing 36 skill training centres and 1 is the Course Content Project for developing 13 Job Roles in food processing sector. As on date, 25 Skill Projects have since been completed and 1 skill project is ongoing/under implementation.”

Agro Processing Clusters (APCs)

3.11 The Committee sought to know the effect of APCs under PMKSY since 2017 on the efficiency, inclusiveness, and rural outreach of the Food Processing Sector. In response, MoFPI furnished the following reply:

“The main objective of the Scheme is to develop the modern infrastructure and common facilities to encourage group of entrepreneurs for setting up of food processing units based on cluster approach by linking groups of producers/farmers to the processors and markets through well-equipped supply chain with modern infrastructure. Clusters facilitate direct linkages between farmers, processors, and retailers, reducing layers in the supply chain, ensuring timely procurement, and processing. These clusters will help in reducing the wastage of the surplus produce and add value to the horticultural / agricultural produce, which will result in increase of income of the farmers and create employment at the local level.”

3.12 The details of the Scheme for Creation of Infrastructure for APCs furnished by the Ministry are as under:

- Aims at development of modern infrastructure and common facilities to encourage group of entrepreneurs to set up food processing units based on cluster approach by linking groups of producers/farmers to the processors and markets through well-equipped supply chain with modern infrastructure;
- Envisages a cluster of minimum 5 processing units with an investment of Rs. 25 Cr.;
- Grant @ 35%/50% in general/difficult areas as well as for projects of SC, ST, FPO & SHGs, of eligible project cost up to max of Rs. 10 Crore per project;
- Minimum 10 acres land is required either by purchase or on lease of 50 years; and
- Eligible organizations Farmer Producer Organisations/Cooperatives/FPCs/SHGs/Government & private sector companies, processors, retailers etc.

3.13 The Committee sought to know about the number of Micro, Small and Medium Enterprises (MSMEs) involved under PMKSY. In response, the Ministry furnished the following reply:

“Under PMKSY a total of 1604 projects have been sanctioned and majority of them fall under the MSME category as per the M/o Micro, Small and Medium Enterprises notification dated 28.03.2025.”

Post Harvest Losses

3.14 In written response to a query whether there is verifiable / measurable evidence to show that under PMKSY there has been a decline in post-harvest losses, MoFPI furnished the following reply:

“As per studies conducted by Indian Council for Agricultural Research – Central Institute of Post-Harvest Engineering & Technology (ICAR-CIPHET), 2015 and NABARD Consultancy Service Pvt. Ltd (NABCONS), 2022, Category wise absolute losses in physical quantity and monetary value and the estimated percentage of Harvest and Post-Harvest loss of various agricultural produce in India is as per Table 1 and Table 2 below:

Table 1: Category wise absolute losses in physical quantity and monetary value

S. No.	Category	Production (million MT)	Quantity lost (million MT) NABCONS (2020-21)	Monetary loss NABCONS (₹ in Crore)	% Contribution of the total loss (in monetary value)
1	Cereals	281.28	12.49	26000.79	17.02
2	Pulses	21.55	1.37	9289.21	6.08
3	Oilseeds	37.27	2.11	10924.97	7.15
4	Fruits	90.82	7.36	29545.07	19.34
5	Vegetables	164.74	11.97	27459.08	17.97
6	Plantation crops (including sugarcane) and spices	426.13	30.59	16412.56	10.74
7	Livestock produce (milk, meat and fish)	232.86	3.01	29871.41	21.70
Total		1254.65	68.90	149503.10	
8	Eggs*	122110	7363	3287.32	
Grand Total				152790.42	

*For eggs, production in million numbers and price per eggs were taken”

Table -2

Crops/Commodities	Loss (%)	
	As per ICAR-CIPHET Study (2015)*	As per NABCONS study (2022)**
Cereals	4.65 - 5.99	3.89-5.92
Pulses	6.36 - 8.41	5.65-6.74
Oil Seeds	3.08 - 9.96	2.87-7.51
Fruits	6.70-15.88	6.02-15.05
Vegetables	4.58-12.44	4.87-11.61
Plantation Crops & Spices	1.18-7.89	1.29-7.33
Milk	0.92	0.87
Fisheries (Inland)	5.23	4.86
Fisheries (Marine)	10.52	8.76
Meat	2.71	2.34
Poultry	6.74	5.63
Egg	7.19	6.03

Source: *Report on Assessment of Quantitative Harvest and Post-Harvest Losses of Major Crops and commodities in India, 2015. **NABCONS Study 2022

3.15 With regard to the contribution of PMKSY in reducing PHL, the Ministry stated *inter- alia* as under:

“.....

Food irradiation facilitates in reduction of post-harvest losses and wastage of perishable farm produce by enhancing shelf life. Food irradiation units are assisted under the Integrated Cold Chain & Value Addition Infrastructure scheme, one of the component scheme of PMKSY. MoFPI has approved 16 numbers of project proposals for setting up of multi-product food irradiation units across the Country till date. The total amount of Grants-in-aid of Rs. 112.99 Crore has been approved of which, Rs. 68.38 Crore has been released.”

3.16 Adding further, MoFPI submitted as under:

“PMKSY is a big step towards creating Post harvest infrastructure for reducing losses, ensuring better prices to farmers, creating off farm employment opportunities and value addition”

3.17 About the measures taken to promote energy-efficient logistics, and its impact, the Ministry stated as under:

“As per the provisions under PMKSY component scheme guidelines, Project Implementation Agency (PIA) must comply with the requirements of Cold Chain infrastructure as per the directions of Ministry of Environment, Forest & Climate Change, Government of India. These requirements focus on the adoption of energy-efficient cooling systems that utilize Non-ODS (Non- Ozone Depleting Substances) and low GWP (Low Global Warming Potential) refrigerants with low environmental impact.”

Data on Cold Storage and Post Harvest logistics

3.18 The details of State-wise cold storage and post-harvest logistics facilities including identified horticulture States, as submitted by the Ministry is as follows :

“The component schemes under PMKSY provide financial assistance in the form of grants-in-aid to entrepreneurs for setting up of food processing and preservation infrastructure which, inter-alia, includes cold storages for captive use and refrigerated vehicles to minimize post-harvest losses. The Ministry furnished the details of cold storage and post-harvest logistics facilities, State-wise including identified horticulture in **Annexure-VI.**”

Impact of Integrated Cold Chain and Value Addition Infrastructure Scheme

3.19 With regard to the impact of cold chain infrastructure on reducing the losses and wastage of crops, MoFPI further submitted that:

“As per the Evaluation Study conducted and submitted to the Ministry by NABARD Consultancy Services Pvt. Ltd. (NABCONS) in 2020 on “Impact of Units Implemented under Scheme for Integrated Cold Chain and Value

Addition Infrastructure assisted by Ministry of Food Processing Industries (MoFPI)”, it was highlighted that due to interventions of the Integrated Cold Chain and Value Addition Infrastructure Scheme of Ministry of Food Processing Industries, While all sectors reported a slight decrease in the wastages, the fruit and vegetable sector has been most significantly impacted by the cold chain scheme. The dairy sector saw a decrease in wastage from 0.84 per cent to 0.13 per cent whereas in the fisheries sector the wastage decreased from 1.25 per cent to 0.38 per cent.”

Creation of farm to retail chain network

3.20 The Committee inquired on how the individual components of the PMKSY are contributing towards enhancing and reinforcing the **farm-to-retail supply chain** network. In response, the Ministry provided the following reply:

“MoFPI through implementation of PMKSY, helps in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet across the country. The scheme not only provide a boost to the growth of food processing sector in the country but also helps in, inter alia, reducing wastage of agricultural produce, increasing the processing level and enhancing the export of the processed foods. With creation of Food Processing Infrastructure, the demand for Farm produce which is raw material for Food Processing increases leading to better prices to farmers and increasing farm gate profitability.”

R&D activities

3.21 When the Committee asked about the R&D initiatives that have been taken for processing, storage, innovation and sustainable packaging, the Ministry in their written reply have submitted as under:

“The Ministry of Food Processing Industries is implementing a Research and Development scheme, which is a component of Pradhan Mantri Kisan SAMPADA Yojana (PMKSY).

Under the scheme, financial assistance as grant- in-aid is given to various Universities, IITs, Central/ State Government Institutions, Government funded Organizations, R&D laboratories and CSIR recognized R&D units in private sector to promote and undertake demand driven R&D work in the field of processed food sector for product & process development, design and development of equipment, improved storage, shelf-life, packaging etc.

Government organizations/ Institutions/ Universities are eligible for 100% grant-in-aid for the cost of equipment, consumables and expenditure related to Junior Research Fellow/ Senior Research Fellow/ Research Associate, while private Organizations/ Institutions/ Universities are eligible for 50% grant-in-aid for the equipment cost in general areas and 70% grant-

in-aid in difficult areas for conducting such research activities on reimbursement basis as per existing scheme guidelines.

Under the scheme, 236 R&D project proposals have been approved under the R&D scheme from FY 2008-2009 to till now. Of these, 225 R&D projects have been completed and 11 R&D projects are on-going.

Since implementation of PMKSY (2016-2017), the Ministry has approved 80 Research and Development projects. Out of which, 69 R&D projects have been completed and 03 R&D projects are on-going.”

Storage capacity

3.22 While replying to a specific query of the Committee regarding the future plans of the Ministry with respect to storage capacity and how the storage and processing units relate, the Ministry explained to the Committee, as under:

“Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) is demand driven in nature and applications are invited through Expression of Interest (EoI) from all over country. Merit based approvals are given to the eligible proposals based on availability of funds. Further, under PMKSY cold storage as a part of food processing projects is established as per the requirement of processing capacity of that food processing unit for exclusive captive use. Standalone cold storages are not supported under any component scheme of PMKSY scheme.”

Sanctions and beneficiaries under PMKSY

3.23 Ministry, through its Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), has so far, sanctioned a total of 1604 projects under different sub-schemes of PMKSY with total project cost of Rs. 30,943.43 crores, which are aimed to create processing & preservation capacity of 416.16 LMT/annum; benefiting about 50.29 lakh farmers; creation of additional direct/indirect employment opportunities of 7.30 lakh.

3.24 With regard to the role of PMKSY in the development of Food Processing Sector, the Ministry stated as under:

“PMKSY supports the creation and expansion of the processing/preservation capacity through implementation of various component schemes. These schemes aim for the overall development of food processing sector, including creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet, reduce post-harvest losses and create higher value-addition, providing better returns to farmers, creation of employment opportunities, reducing wastage, increasing the processing level and enhancing the export of the processed foods.”

Number of registered food processing Units

3.25 The total number of registered food processing units in Food Processing Sector as furnished by MoFPI is as under:

“As per the report of Annual Survey of Industries (ASI) for the year 2022-23 were 42,801 whereas as per the latest report of Annual Survey of Unincorporated Sector Enterprises (ASUSE), 2023-24 the estimated number of establishments in un-incorporated sector were 22,89,058.”

SAMPADA Portal

3.26 When asked about the key features of the SAMPADA Portal and the details of proposals received under various component schemes of PMKSY, MoFPI furnished the following reply:

“The SAMPADA Portal is an initiative by Ministry of Food Processing Industries, Government of India, to switch to electronic mode from physical mode so as to carry out the work of the Ministry in a paperless manner. This portal aims at disposal of work of the Ministry in transparent, smooth, time bound manner. This portal serves as Centralized Database for all projects under PMKSY where in applications/documents are received/submitted online. It enables monitoring, status tracking & impact assessment of projects by the Ministry as well as by the promoters.

Under various component schemes of Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), since the inception of the PMKSY i.e, 2017, 5380 proposals have been received on the portal, out of which 1232 proposals have approved by the Ministry and suitable action in remaining cases is also taken.”

3.27 With regard to the (i) role of real-time monitoring dashboard in the SAMPADA Portal; (ii) how it assists in tracking the progress of food processing projects; and, (iii) the achievement of Key Performance Indicators (KPIs), the Ministry stated as under:

“This portal serves as Centralized Database for all projects under PMKSY where in applications/documents are received online, status/movement of the projects/files can be monitored through the portal at various stages by the Ministry as well as by the promoters until the completion of the project.

The portal provides key information like change in project cost, grant in aid, release of installments of grant in aid/subsidy etc. and also assists in tracking the progress of food processing projects and the achievement of Key Performance Indicators (KPIs) by facilitating timely monitoring and review of the ongoing projects.”

CHAPTER - IV

Prime Minister-Formalisation of Micro Food Processing Enterprises (PMFME)

As part of Aatmanirbhar Bharat Abhiyan, Ministry of Food Processing Industries (MoFPI) has launched an all India centrally sponsored "PM Formalisation of Micro food processing Enterprises (PMFME) Scheme" for providing financial, technical and business support for upgradation of existing micro food processing enterprises. The Scheme was approved by the Union Cabinet on 20 May, 2020 and Guidelines for the Scheme was issued on 19 June, 2020. It is to be implemented for a period of five years from 2020-21 to 2024-25 with an outlay of Rs. 10,000 cr. for providing credit linked subsidy to 2,00,000 (two lakh) micro food processing units across the country. This Scheme will for the "Vocal for Local" mission of the Government. The Scheme has been extended for a period of one year up to 2025-26.

PMFME- One District One Product (ODOP)

4.2 PMFME Scheme adopts One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. ODOP for the scheme will provide the framework for value chain development and alignment of support infrastructure. The ODOP product selected are either a perishable agri-produce, cereal-based product or a food product widely produced, Minor Forest Produce or traditional food products in a district and their allied sectors. The ODOPs are recommended by the States/UTs on the basis of agriculture production, number of micro food enterprises and SHGs/Cooperatives/Producer group engaged in processing of food product. The list of ODOP has been reconciled with the ODOFP list of MoA&FW. PMFME Scheme provides support to existing individual micro units for capital investment. New units, for both individual and groups would be supported for ODOP products. The scheme also envisages strengthening backward and forward linkages, provision of common facilities, incubation centres, training, R&D, marketing & branding, provision of which would primarily be for ODOP products.

4.3 The Committee sought to know the specific activities undertaken by MoFPI or other relevant bodies to promote ODOP products. In response, the Ministry informed that several awareness and promotional activities have been undertaken to enhance public understanding and participation under the PMFME Scheme, with a focus on promoting ODOP products. These include:

"National & State level awareness campaigns such as Newspaper advertisement, Radio Jingles, Exhibitions & Expos, Millet Fairs, Buyer-Seller Meets, district and block level workshops etc. More than 120 unique

ODOP products manufactured by the micro processing enterprises were showcased during World Food India 2024. By fostering entrepreneurship and supporting traditional food processing, the PMFME scheme has played a pivotal role in uplifting rural economies and promoting "Vocal for Local." The benefits and the impact of the scheme is showcased through many success stories of the scheme beneficiaries published in PMFME website and e-newsletter.

Additionally, national print advertisement campaigns in regional languages have been launched, targeting publications from small to large-scale. The Ministry, in collaboration with State Governments, has also been organizing district-level awareness workshops to engage key stakeholders such as potential micro-food processing enterprises, bank representatives, district officials, and resource persons, ensuring they are well-informed about the PMFME Scheme. Moving forward, the Ministry plans to expand its efforts with continued pan-India campaigns, district-level workshops, exhibitions, and events, all aimed at maximizing reach and boosting participation in the PMFME Scheme at the regional level."

4.4 In response to a query how ODOP helped in promoting the Make in India Initiative, the Ministry submitted the following reply:

"ODOP approach is being followed under the PMFME Scheme to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products.

Under PMFME scheme units are supported in processing of ODOP as well as Non ODOP. ODOP identifies unique products from each district, and PMFME provides financial, technical, and capacity-building support to micro-enterprises working on these products. This has strengthened the value chain of the product, supported in boosting local manufacturing, generates employment, and enhances value addition, aligning with Make in India's goal of strengthening domestic production.

Under the Scheme, a total of 1, 41,174 loans have been sanctioned for micro food processing units through the Credit Linked Subsidy program, as on 31st May 2025. This initiative has successfully provided employment to 4, 23,522 individuals. Additionally, seed capital assistance has been sanctioned for 3,41,608 SHG members."

4.5 With regard to the scalability and value addition of food products across districts under ODOP program, the Ministry stated as under:

"MoFPI is extending credit linked subsidy to the interested individual/entity for upgradation of existing or setting up of new micro-food processing facility across the country, in accordance with the guidelines of Pradhan Mantri Formalization of Micro Food Processing Enterprises (PMFME) scheme. Establishment of Common Infrastructure projects by

FPOs/SHGs/Cooperative/Govt. Entities; Seed Capital to SHG members; Marketing & Branding projects for ODOP; and Capacity Building through training institutions are also supported as per the PMFME scheme guidelines.

Support is being provided for setting up of new/ upgradation of existing micro food processing enterprises for ODOP as well as Non ODOP Products.”

4.6 With regard to the reasons for sanctioning of loans to only 1,38,947 lakh persons under credit linked subsidy support, PMFME (ODOP) programme which is less than fifty per cent of the total number of applications i.e. 3,27,300, MoFPI furnished the following reasons:

“The major reasons for rejection of applications after submission are low quality of applications, non-compliance of mandatory documents and poor CIBIL/credit score. The bank sanctions the projects based on their policy, however Ministry regularly conducts meeting with lending banks and State Government. Also, raises the issue at the Department of Financial Services (DFS) level and in the State Level Bankers Committee (SLBC) meetings. Regular Workshops, Seminars and awareness camps are being conducted at National, State and District level to increase the outreach and benefit of the scheme to the last mile beneficiaries.”

Common Infrastructure component – Capital subsidy

4.7 The details of technical, financial, branding support to incubation centres provided, the Ministry submitted the following reply:

“Under the Common Infrastructure component of the PMFME Scheme, 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 which have established or propose to establish food processing line along with common infrastructure/ value chain/ incubation centres for ODOP as well as Non ODOP processing. The common infrastructure will also be available for other units and public to utilize on hiring basis for substantial part of the capacity.

Till 31.05.2025, Ministry has approved 75 incubation centres with Grant in Aid of Rs. 205.36 Cr. The delegation of power to approve the proposals of Common infrastructure is given to the State/ UT Governments.”

Sanctions and disbursements to the eligible beneficiaries under PMFME

4.8 So far, a total of 1,41,174 loans have been sanctioned under the credit linked subsidy component of the PMFME scheme to individual beneficiaries, Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producer

Cooperative Societies. An amount of Rs 1154.49 crore has been released as seed capital assistance to 3,41,608 Self Help Group (SHG) members and 75 Incubation Centers have been approved for setting up of Incubation Centers to be set up in ODOP processing lines and allied product lines with an outlay of Rs 205.35 crore.

4.9 About the portals catering to the scheme, MoFPI submitted that

“ A dedicated online portal is in place for submission/approval/rejection of proposals under Centrally Sponsored Prime Minister's Formalisation of Micro Food Processing Enterprises (PMFME) Scheme i.e. pmfme.mofpi.gov.in. The portal also provides detailed information about the PMFME scheme, its guidelines, and tracking their application status in real time. No physical documents are required to be submitted by applicants.”

CHAPTER - V

Production-Linked Incentive Scheme for Food Processing Industries (PLISFPI- since 2021-22)

In order to support creation of global food manufacturing champions commensurate with India's natural resource endowment and support Indian brands of food products in the international markets, Central Sector Scheme- "Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)" was approved by Union Cabinet on 31.03.2021 with an outlay of Rs.10,900 crores. The Scheme is being implemented over a six-year period from 2021-22 to 2026-27.

5.2 Specific sectors with high growth potential and medium to large scale employment generation potential have been identified for providing support through the PLI scheme, which include ready-to-eat and ready-to-cook, marine products, fruits and vegetables, honey, indigenous contains ghee, mozzarella cheese, organic eggs and poultry meat.

Components of the scheme

5.3 The three components of the Scheme are-

- Incentivising manufacturing of four major food product segments viz. Ready to Cook/ Ready to Eat (RTC/ RTE) foods including Millets based products, Processed Fruits & Vegetables, Marine Products and Mozzarella Cheese (Category-I).
 - The second component is for incentivising production of Innovative/ Organic products of SMEs (Category-II) across all the above four food product segments including free Range Eggs Poultry Meal and Egg products.
 - The third component relates to support for branding and marketing abroad (Category-III) to incentivise emergence of strong Indian brands for in-store Branding, shelf space renting and marketing.
 - **PLI Scheme for Millets:** A production Linked incentive Scheme for Millet based products (PLISMBP) was launched in 2022-23 for a period of five years up to 2026-27, to encourage the use of millets in RTC/RTE products and incentivising their sales.
- ✓ "The selection under the Scheme was a one-time process. The Scheme guidelines were notified on 02.05.2021 and the Expression

of Interest (Eol) were also invited on 02.05.2021 under PLISFPI. Detailed guidelines for the Millet Based PLI Scheme were issued on 24.06.2022 and Expression of Interest (Eol) for this new segment were invited on 27.06.2022, with last date of receipt of applications as 29.07.2022.

- ✓ The scheme has reportedly generated employment for around 3.4 lakh persons against the initial target of 2.5 lakhs. Also investment of Rs. 7641.16 Crore was initially envisaged against which investment of Rs. 9032 Crore has been reported.”

Investments under the scheme

5.4 The investment details are as follows:

- These proposals have a committed investment of Rs.7641.16 crore; production of processed food worth Rs.8.29 Lakh crore; exports worth Rs.1.77 Lakh crore and generation of employment opportunities of 2.50 Lakh till Year 2026-27.
- Investment under the Scheme was to be completed by 31/03/2024. The Estimated investment was Rs.3310 crore, at the time of selection under PLISFPI, investment of Rs.7641.16 crore was approved to be implemented by 31/03/2024. The investment of Rs.8910 crore has been achieved by 31/03/2024.
- The implementation of the scheme has promoted import substitution by Category-I companies. For example, two large companies viz. Nestle & HUL have substituted the tomato pulp/ puree imports and are procuring locally.
- The Scheme has reportedly generated employment for more than 3.3 Lakhs people. A total incentive of Rs 1521.806 Crore has been disbursed in 105 cases since inception of the scheme.
- Ministry has incorporated “Millets” as one of the thrust areas under the scheme. It has approved 29 Millet based proposals for production-linked incentive with an outlay of Rs.800 crore, which includes proposals from 8 large entities and 21 MSMEs.
- Companies covered under various components of the PLI Scheme and also the progress of the scheme since inception are as follows:

Sl. No.	Plan	Section	Number of approvals	Total
1.	Category- I	RTE/RTC	12	53
		fruits and vegetables	27	
		marine products	10	
		mozzarella cheese	4	
2	Category- II	Innovative	2	15
		organic	13	
3	Category- III	B&M	73	73
4	PLISMBP	large organizations	8	29
	PLISMBP	MSME	21	
Total			170	170

Challenges in implementing PLISMBP

5.5 On being asked by the Committee about how the Ministry is addressing eligibility and setup challenges in Production Linked Incentive Scheme for Millet-based Products (PLISMBP) and the details of steps that are being taken to reduce documentation and improve disbursement under PLISMBP, the Ministry furnished the reply as follows:

“There have been no major eligibility and setup challenges in Production Linked Incentive Scheme for Millet-based Products (PLISMBP). To ensure effective implementation of the scheme following steps have been taken:

User-Friendly Interface: The PLISFPI Portal is designed as a one-stop solution for all information related to the scheme. The Portal is used to file Quarterly Returns and filing Incentive Claims by the Applicants.

Efficient Communication: Email communications for different categories has been established to facilitate information dissemination, quick responses, and issue resolution.

Accessibility: The Ministry and PMA have dedicated teams to ensure easy access and prompt assistance. Additionally, PMA has assigned case officers to each selected applicant.

Technical Support: A dedicated IT team is available at the PMA to address any technical issues with the PLISFPI Portal.

Comprehensive Information: The Portal provides a wealth of information, including the selection process, applications received, selected applicants, investment locations, incentive claims, and bank guarantees.

Weekly Meetings: Weekly Meetings are held with the PLI Beneficiaries to understand their concerns and resolve issues and dissemination of important updates regarding the Scheme.”

5.6 While replying to a specific query of the Committee regarding outreach and awareness steps taken to ensure equitable participation in PLISMBP, the Ministry replied that selection under PLISMBP was a onetime process which is carried out after various stakeholder consultations. Wide publicity was given at the time of inviting applications under the Scheme.

5.7 In written response to a query how does the Scheme ensure the use of domestically grown produce and the outcomes thereof, MoFPI stated as under:

“The Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) specify that the entire manufacturing process, including primary processing, of the food products eligible for coverage under the scheme must occur in India, with the exception of additives, flavors, and edible oils. This approach aims to benefit farmers by procurement of domestically grown agricultural products for the manufacturing process thereby increasing their income. Category-I companies have successfully substituted imports of tomato pulp and puree by sourcing locally, demonstrating the scheme's effectiveness in promoting domestic manufacturing.”

Data on applications under PLISFPI

5.8 The data on the number of applications received, approved, rejected, withdrawn under each category/segment of Production Linked Incentive Scheme for Food Processing Industries (PLISFPI) category and the steps taken for its effective implementation as furnished by MoFPI is as follows:

Applications		Received	Rejected	Selected	Did not accept	Subjudice	Withdrawn	Live
FY 20-21	Fruits & Vegetables	40	7	33	4	1	1	27
	RTC/RTE	34	22	12	0	0	0	12
	Marine Products	11	0	11	0	0	1	10
	Mozzarella Cheese	6	2	4	0	0	0	4
	Innovative	62	60	2	0	0	0	2
	Organic	27	16	11	0	0	1	10
	Branding & Marketing	114	34	80	0	0	7	73
FY 22-23	Millet Large Entity	8	0	8	0	0	0	8
	Millet MSME	25	3	22	0	0	1	21
	Organic Round 2	9	6	3	0	0	0	3
		336	150	186	4	1	11	170

“To ensure effective implementation of the PLI scheme, various steps have been taken as under:

User-Friendly Interface: The PLISFPI Portal is designed as a one-stop solution for all information related to the scheme. The Portal is used to file Quarterly Returns and filing Incentive Claims by the Applicants.

Technical Support: A dedicated IT team is available at the PMA (IFCI Ltd) to address any technical issues with the PLISFPI Portal.

Comprehensive Information: The Portal provides a wealth of information, including the selection process, applications received, selected applicants, investment locations, incentive claims, and bank guarantees.”

5.9 With regard to the role of Industrial Finance Corporation of India Ltd (IFCI) in PLISFPI, the Ministry replied as under:

“The Scheme is being implemented through a Project Management Agency (PMA) which is responsible for providing secretarial, managerial and implementation support and carrying out other responsibilities as assigned by MoFPI from time to time. Industrial Finance Corporation of India Ltd (IFCI) has been engaged as PMA for the scheme. The performance of PMA is evaluated on the basis of scope of work prescribed through an MoU signed between MOFPI and IFCI Ltd.”

Awareness creation

5.10 With regard to the steps taken to create awareness about the Scheme among the general public I, MoFPI submitted as under:

“Promotional Activities Section of MOFPI has a team for disseminating information about different schemes of the Ministry through social media among general public. During the event of World Food India 2024 organised at Bharat Madapam, wide publicity was given to the schemes being implemented by MOFPI.”

Incentive disbursement

5.11 On the current status of incentive disbursement under the Scheme, the Ministry submitted that so far incentive amount of Rs. 1627.469 Crore has been disbursed as shown below:

Segment	Incentive Disbursed (₹ Crore)
Processed Fruits & Vegetables	537.05
Ready to Cook/ Ready to Eat	887.14
Marine Products	139.22
Mozzarella Cheese	32.02
Organic Products	4.60
Millets	27.44
Total	1627.469

There has been delay in disbursement of incentives in some cases, where the applicants have not been able to provide supporting documents to the satisfaction of PMA and the Ministry. In some cases, there has been delay in achieving the committed investment target and therefore the incentive disbursement has been put on hold.”

Branding and Marketing support

5.12 In regard to a specific query by the Committee on branding and marketing promotion under the Scheme, the Ministry stated as under:

“Under the PLISFPI, the Government provides financial incentives to promote Indian food brands abroad, supporting branding and marketing activities for Indian-branded consumer food products in global markets. Applicants are reimbursed 50% of their expenditure on branding and marketing abroad, capped at 3% of their annual food product sales or ₹50 crore per year, whichever is lower.”

Monitoring the implementation of the Scheme.

5.13 On being asked by the Committee about how Quarterly Review Reports are used to monitor and improve implementation of the Scheme and the major challenges faced in PLISFPI implementation and how is the Ministry addressing them, the Ministry stated as under:

“The data reported through Quarterly Review Reports is assessed by the PMA (IFCI Ltd) while examining the incentive claims submitted by the applicants.

So far no audits or third-party evaluations have been conducted by the Ministry. However, NITI Aayog has mandated Indian Institute of Management, Ahmedabad (IIM-A) to conduct an impact assessment study of the PLISFPI; and the report is awaited.”

5.14 With regard to the share of large and small food processing companies in the PLISFPI over the last five years as under:

“The beneficiaries of the Scheme are a diverse mix of 132 companies, out of which 69 belong to MSME category. In addition, 40 MSMEs have invested as contract manufacturers of large companies under Category-I.”

“As of March 31st March, 2025, 170 applications from 132 companies were approved with Rs. 8910 crores invested and 3.4 lakh jobs created.”

5.15 About the portals catering to the scheme, MoFPI submitted that-

“In PLI Scheme, there was only one-time selection process and all the applications were received over an online portal i.e. plimofpi.ifcilttd.com. Further, claims for availing incentives by approved applicants are also submitted on the online portal.”

Digital initiatives for smooth implementation of three schemes

5.16 With respect to the challenges faced by small food processing businesses in embracing digital adoption and the details of steps taken by the Ministry to address these challenges, the Ministry furnished the following reply:

“Ministry has made all the processes related to the release of grants simple, easy, and transparent through the online scheme management system. Separate Online portals have been developed for all its schemes PMKSY (www.pmkSY.gov.in), PMFME (pmfme.mofpi.gov.in), and PLISFPI (plimofpi.ifcilttd.com). The system captures the entire workflow starting from the stage of submission of proposals to project acceptance and thereafter facilitating grant release involving all the stakeholders namely Promoter, Project Execution Agencies, Project Management Agencies (PMAs), and Ministry and automates all the processes related to grant release. At every instance, email/SMS is automatically sent to the applicant about their status. The module facilitates online submission of application documents and its status tracking on a real-time basis. A helpline number including email-based queries & reply has also been provided to promoters for getting their resolutions, if any.”

PART - II

OBSERVATIONS/RECOMMENDATIONS

Sectoral Overview

1. Recognising the critical role of food processing sector in the economy in terms of development of agriculture and allied sectors, employment generation, usage of agriculture raw material for producing value added products, etc, Govt of India during the last decade has taken many path breaking policy initiatives such as (a) allowing Foreign Direct Investment (FDI) in Food Processing sector (FPS); (b) including loans to FPS under Priority Sector Lending (PSL); (c) Creating special fund for setting up of Mega Food Parks (MFPs), Industrial Food Parks (IFPs), Agro Processing Clusters (APCs), individual food processing units, etc; (d) identifying FPS as strategic sector its potential for inclusive growth, rural employment generation, value addition, and export promotion; and, (d) formulation and implementation of various schemes viz. Prime Minister Kisan Sampada Yojana (PMKSY), Prime Minister Formalisation of Micro Enterprises, and PLI Scheme, as part of Make in India initiative, for FPS. These initiatives have resulted in (i) attracting Rs 53000

crores of FDI during the last decade, (ii) doubling of processed food products from about US \$ 5 billion to more than US\$ 10 billion since 2014-15 (iii) increase in employment in FPS from 17.73 lakh in 2014-15 to 22.96 lakh in 2022-23, (iv) rise in Gross Value Addition (GVA) from Rs. 1.90 lakh crore in 2021-22 to Rs. 2.24 lakh crore in 2023-24, (v) maintaining a share of around 8% in the GVA of the overall manufacturing sector. In the light of the afore mentioned, the Govt Sector is projected to grow at an average annual rate of 6.5% over the next five to six years and reach a GVA of approximately Rs. 3.3 lakh crore by 2030.

In light of the above, the initiatives taken so far may be strengthened further, assess schemes and policies to see whether any course correction is required to achieve the specified targets by 2030. The Committee also recommend the Ministry to ensure effective Communication, coordination, consultations with all the stakeholders including State Governments which may help in identifying region specific challenges, streamlining regulatory frameworks and facilitate timely interventions for boosting investment, employment, and innovation in the Food Processing Sector. The succeeding paras

deal in detail with various aspects of the policies and schemes of the Government.

Foreign Direct Investment in Food Processing

2. With a view to give impetus to the growth of food processing sector in India, the Committee note that Govt has initially in 2016-17 allowed Foreign Direct Investment (FDI) under '*automatic route*' and subsequently in 2027-18 100% FDI was permitted through the '*approval of the Government*' for trading, including e-commerce concerning food products manufactured or made in India. Such an enabling policy to attract foreign investments resulted in foreign companies investing more than Rs. 53,000 crore in Indian food processing industry since 2014-15. Such huge investments, the Committee believe is the primary driver, apart from other initiatives of the Govt of India, in increasing employment opportunities and also growth witnessed in exports of food processing sector, which was discussed in detail else where in the report.

The committee note the Government's FDI policy could attract marquee food processing and beverage companies namely Nestle, Pepsi, Mars and other long-term investors from US, Singapore, France, Japan, Italy, Switzerland, Australia, etc. It has

given fillip to local produce of agri commodities. The Committee appreciate that these Companies are using locally produced agricultural crops for making Ready to Eat/ Ready to Cook Products providing much needed support to the farmers. Further, these companies brought in food processing technologies which were not in India earlier. The moderation / decline in FDI in the last two/ three years, the Committee note, is due to geopolitical situation and also the overall decline in foreign capital inflows all over the world and hence is temporary in nature and will stabilise in due course. They at the same time suggest the Govt quicken the approval processes for FDI proposals and specific time lines may be drawn to accord approvals for FDI proposals as this will act as an incentive for these companies. Further, provision of basic infrastructure may not be allowed to be an inhibiting factor for attracting FDI especially in the current geo political situation.

Credit flow to FPS under Priority Sector Lending

3. The Committee are glad to note that the Government of India's initiative to include lending to agro processing industries under Priority Sector Lending (PSL) in 2015 is a decisive step in the right direction that contributed enormously to the growth of

Food Processing Industry (FPI) in India. The data furnished by the Ministry on lending by the three groups of the commercial banks – Public, Private and Small Finance banks since 2020 shows that the outstanding credit to the food processing sector has witnessed continuous increase from Rs. 82,209, Rs. 41,132 and Rs.378 crore to Rs 1,13,814, Rs. 1,01,465 and Rs. 2707 crore in 2024 respectively. The outstanding credit by foreign banks though witnessed continuous growth from 2020 to 2022, it saw decline in the rest two years 2023 and 2024. The Committee while acknowledging and appreciating the initiatives of the Govt for enabling flow of credit to food processing industry which led to a massive increase of more than 70 % in outstanding credit to the sector *i.e.* from about Rs. 1,30,508 crores at the end of March in 2020 to Rs. 2,23,915 crores at the end of March, 2024. The Committee have no doubt that enabling credit flow to the sector has resulted in increase in employment and exports of the sector.

The Committee note that separate data is not maintained by Financial Inclusion & Development Department (FIDD) of RBI is not maintaining data on credit to the food processing units in rural and Urban areas separately. The Committee, in view of the objectives of the Prime Minister Formalisation of Micro

Enterprises (PMFME) scheme to bring the informal food processing units, which are predominantly in rural areas, into the formal sector, they believe maintenance of data on credit flows to food processing units in Urban and Rural areas is imperative. The Committee are further of the view that segregated data for urban and rural areas enables the Govt for reviewing the progress of the PMFME scheme in rural areas and also to have course correction, if any required in rural areas.

4. In view of the huge impact that food processing industry on employment generation especially in rural areas and also exports, the access to the bank credit particularly in rural areas needs to be monitored. Further, as a decade has gone by since the inclusion of food processing sector under PSL, it may be desirable to have an impact assessment study on the flow of credit to food processing units especially in rural areas.

Special Food Processing Fund – Need to improve utilisation

5. The Committee note that the Govt of India has set up a special fund of Rs. 2,000 Crore in NABARD in 2014-15 to provide

affordable credit to the food processing units to be set up mega Food Parks and also to the mega Food parks.

The data on term loans sanctioned and disbursed, as on 31.03.2025, out of the Special Food Processing (SFPF) shows that even after a decade of its existence, (i) Rs. 1180 crore only out of Rs. 2000 crore, representing 59 % of the funds available could be sanctioned as term loans to Mega Food Parks (MFPs), Agro Processing Clusters (APCs), Individual food processing units in designated food parks and Industrial Food Parks (IFPs), (ii) Out of the term loans of Rs. 1179.79 crore sanctioned, Rs. 830 crore only was disbursed, representing 70.30% of sanctions till 30 March, 2025. The Committee would like to be apprised of the specific reasons for -

- (i) far lower sanctions *vis-a-vis* available funds;**
- (ii) lower disbursements *vis-à-vis* sanctions;**
- (iii) whether all the (a) 14 lender's under MFPs, (b) Nine APCs (c) 14 Individual Processing Units (IPUs) and three Industrial food parks (IFPs), as given at annexure III, which availed credit from the fund are repaying the loans as per the terms and conditions of the loans and also whether they are operational to produce / process**

products as per the agreed quantities maintaining prescribed quality, etc; and

- (iv) the three IFPs not completing the projects even after two / three years of disbursing the funds?

6. The Committee also would like to be apprised of whether any third party audit of the fund was done and the detailed findings of such audit such as diversion, misutilisation / appropriation, if any, etc and also the measures taken / proposed to be taken to address the shortfalls in administering the funds and also whether fund has achieved its objectives for which it was set up with in a time frame drawn.

Ease of doing Business – FSSAI regulations

7. In addition to enabling the credit flow to and allowing 100% FDI in FPS, the Govt also took initiatives towards ease of doing business. For instance, Food Safety and Standards Authority of India (FSSAI), the food sector regulator, has replaced product-by-product approval with ingredient and additive based approvals in 2017. Further FSSAI has put in place rules and procedures for grant of prior approval of non-specified food and

food ingredients. The aforesaid regulation has helped the Food Business Operators and spurred the process of Food approvals.

Ease of Doing Business- Exemption from licenses under IDR Act 1951

8. Another significant policy initiative to attract investments into the FPS is exempting manufacturing /making processed food items from the purview of licensing under the Industries (Development and Regulation) Act, 1951. The Committee believe that this initiative aligns with the Objectives of Promoting Ease of Doing Business such as reducing regulatory requirements, particularly for micro, small, and medium enterprises (MSMEs) which form a substantial part of the unorganised food processing sector. The Committee are of the views that this may lead to faster establishment and expansion of food processing businesses, allowing them to focus on production rather than compliance. The Committee also feel that such a step will result in faster transition from the unorganised to the organised sector with fewer compliance burdens.

Ease of doing Business - Digital initiatives

9. The Committee observe that MoFPI has undertaken significant digital transformation by launching dedicated online portals for three major schemes- SAMPADA Portal for PMKSY, separate and exclusive portals for PMFME and PLISFPI. These portals facilitate end-to-end online management of scheme applications, from proposal submission to the release of grant-in-aid, and enable real-time monitoring of project progress and key performance indicators through integrated dashboards. The Committee have given to understand that that these digital systems have improved transparency and accountability. Despite these advancements, the Committee find that delays in project implementation which are largely due to challenges in securing statutory clearances and approvals from multiple authorities, which are outside the direct purview of these scheme-specific portals. The Committee further note that the National Single Window System (NSWS), integrating 32 Central Ministries, is specifically designed to facilitate investor related clearances on a single portal, with transparency and accountability, enhancing ease of doing business exponentially. The Committee underscore that full and seamless integration of all relevant authorities with

NSWS is essential to unlock the Sector's true growth potential. By ensuring that every regulatory clearance required for food processing projects is available through NSWS, the Ministry can substantially reduce project lead times, minimize bureaucratic hurdles, and create a truly investor-friendly environment. The Committee, therefore, recommend that the Ministry should take appropriate measures to ensure full integration of all relevant authorities with NSWS, promote its widespread adoption among stakeholders, rural areas, and establish robust monitoring and escalation mechanisms to realize the System's best and most profitable outcomes for the Food Processing Sector.

Ease of Doing Business- e commerce platforms

10. The Committee observe that e-commerce platforms are becoming increasingly important for the Food Processing Industry. They help businesses, especially Small and Micro Enterprises (SMEs), reach more customers across the country without the need for a physical store. By selling online, food processors can secure better prices for their products by cutting down on establishment costs, middlemen and can respond more quickly to consumer demands. Open Network for Digital

Commerce (ONDC), the Committee note, is an initiative by the Department for Promotion of Industry and Internal Trade (DPIIT) is a digital platform designed to democratize e-commerce by enabling open networks for all aspects of the exchange of goods and services over digital or electronic networks. It envisions creating a level playing field for sellers, buyers, and service providers across India, particularly Small and Medium Enterprises (MSMEs). The Committee, while appreciating this initiative, are of the opinion that such e-commerce platforms could be a game changer for the Food Processing Industry. They accordingly recommend that MoFPI take focused steps to raise awareness and increase the participation of MSMEs in e-commerce platforms, especially in rural and semi-urban areas. Further, MoFPI may actively encourage these enterprises to register and engage with platforms like ONDC to expand their market access reduce dependence on large platforms and improve their competitiveness and revenue opportunities.

FPI- Food safety and quality standards

11. The Committee observe that during the past five years, the number of food samples collected and tested by FSSAI has

steadily increased, indicating a strengthening of enforcement and monitoring activities. The Committee, however also note with concern that the proportion of non-conforming samples, including those deemed unsafe, substandard, or with labelling and other violations, remains persistently high each year. While authorities have intensified actions against violators, with a rise in both civil and criminal proceedings, convictions, and penalties, the Committee believe that the ongoing prevalence of non-conforming samples indicate a significant challenge in achieving full compliance with food safety standards.

Adulteration of Food is a serious concern in the country and has overarching effects on the general health and well-being of the population at large. In view of this, the Committee strongly recommend:

- (i) FSSAI to intensify its efforts to enhance food safety compliance nationwide. This should include launching comprehensive awareness campaigns targeting food processing units and consumers alike, emphasizing the importance of food safety regulations and the serious consequences of non-compliance.**

- (ii) to ensure that there are an adequate number of personnel in this field and to support regular training and capacity-building initiatives for food safety, equipping them with the latest knowledge and tools is imperative for strict monitoring and effective enforcement.
- (iii) To explore the possibility of debarring/blacklisting individuals instead of units/factories who are engaged in adulteration and non-compliance with FSSAI rules/regulations.

The Committee are of the firm opinion that ensuring highest standards of quality and safety of processed food items will certainly elevate the 'Make in India' brand, building trust among consumers worldwide.

PMKSY- Scheme for 'Setting Up/Upgradation of Food Testing Laboratories'

12. The Committee observe that out of 205 Food Testing Lab Projects sanctioned under the component Scheme for 'Setting Up/Up gradation of Food Testing Laboratories', only 169 have been completed so far, with 36 projects still pending due to

reasons related to delays in National Accreditation Board for Testing and Calibration Laboratories (NABL), accreditation and administrative procedures. The Committee have been apprised that there are 617 NABL accredited food testing laboratories operational in the country, comprising 122 Government owned and 495 private owned labs. An impact assessment carried out by YES Bank in February 2021, indicates that there remains a significant deficit of over 360 laboratories nationwide. The Committee note that this shortfall, along with delays in operationalizing sanctioned labs, poses a challenge to ensuring food safety, regulatory compliance, and supporting the growth of the Food Processing Industry. In view of the above, the Committee -

- (i) would like to be apprised of the specific corrective measures taken on the afore mentioned findings of Yes bank assessment study.
- (ii) recommend that priority be given for timely completion of all pending food testing lab projects by streamlining administrative and accreditation processes, especially for NABL certification

- (iii) suggest to ensure that these labs are set up in regions with the greatest need and highest food processing capacity.
- (iv) recommend the Ministry to take steps for upgrading existing labs and enhance testing capacity and reliability, promote the use of mobile food testing labs and digital platforms to improve accessibility and efficiency, particularly for small and medium food enterprises in remote areas to mitigate the current gap in food testing infrastructure in the Food Processing Sector.

The Committee are of the considered opinion that complying with the above suggestions /recommendations will instil confidence in the importers of Indian processed foods as far as safety and quality are concerned. Stringent quality checks will enable the India's Food Processing Industries to compete globally.

PMKSY- status on completion of the projects

13. The Committee note that out of a total of 1,672 projects sanctioned under the various component schemes of PMKSY,

only 1,116 projects have been completed so far, reflecting a completion rate of about 67%. The Committee note significant variation in progress across the component schemes under PMKSY- Under the component (i) 'Integrated Cold Chain and Value Addition Infrastructure' 288 out of sanctioned 398 projects; (ii) Agro Processing Clusters (APC) 22 out of sanctioned 76 projects; (iii) 'Operation Greens' only 10 out of sanctioned 45 projects have been completed. The Committee further observe that the total cost of completed projects stands at Rs. 17,661.72 crore, with grants approved for Rs. 5,297.86 crore and only Rs. 5,052.35 crore actually released, indicating a gap in fund disbursement. Completed projects have created a processing and preservation capacity of 249.36 lakh metric tonnes, benefiting over 33.53 lakh farmers, and generating 4.27 lakh jobs. The Committee are concerned to note that delays in project completion and timely fund release may be limiting the intended benefits of the Scheme to farmers and scope for employment generation. In view of these observations, the Committee recommend that the Ministry should take steps to expedite the completion of pending projects, particularly under components where progress has been sluggish, and ensure the timely release of approved grants. The Committee further recommend the

Ministry to conduct regular review meetings and strengthened coordination with State-level agencies to resolve implementation bottlenecks and enhance the overall impact of PMKSY.

Agro Processing Clusters

14. The main objective of Agro Processing Clusters is to develop modern infrastructure and common facilities to encourage group of entrepreneurs for setting up of food processing units based on cluster approach. The Committee note that under this Scheme, grants-in-aid are provided at 35% of the eligible project cost in general areas and 50% in difficult areas, as well as for projects led by Scheduled Castes (SC), Scheduled Tribes (ST), Farmer Producer Organizations (FPOs), and Self Help Groups (SHGs), with a maximum grant of Rs. 10 crore per project. As observed in the above para 13, 22 projects only out of 76 sanctioned could be completed so far even after a period of eight years, since the implementation of the Scheme from the year 2017. The Committee are glad to note that the completed projects have created a processing and preservation capacity of only 6.72 lakh metric tonnes, benefiting 81,300 farmers, and generating 17,133 jobs which is again very low given the Scheme's potential. Considering these, the Committee recommend that the Ministry

should promote greater participation of Farmer Producer Organizations (FPOs) in Agro Processing Clusters to ensure success of the component.

Study on Post-Harvest Losses

15. The Committee note that the India's Post-Harvest Losses are substantial and the percentage loss data on Post-Harvest Losses (PHL), based on Indian Council for Agricultural Research-Central Institute of Post-Harvest Engineering and Technology (ICAR-CIPHET), and NABARD Consultancy Service Pvt. Ltd (NABCONS), 2022 study, show very high levels of losses in livestock, fruits, vegetables and cereals, with total losses across all categories amounting to Rs. 1.52 lakh crore. The Committee note that the Evaluation Study conducted by NABCONS in 2020 was highlighted that due to interventions of the Integrated Cold Chain and Value Addition Infrastructure Scheme of Ministry of Food Processing Industries, while all sectors reported a slight decrease in the wastages, the fruit and vegetable sector has been most significantly impacted by the cold chain scheme. The dairy sector saw a decrease in wastage from 0.84 per cent to 0.13 per cent whereas in the fisheries sector the wastage decreased from 1.25 per cent to 0.38 per cent. As the data is more than five years

old and since many developments took place in the field, the Committee would like to have an updated data in this regard.

The Committee also recommend that the Ministry should explore the possibility of setting up of totally Government owned cold storages, value chain addition modern infrastructure and supply chain management in every district or such districts which have substantial potential for development of food processing units so as to address the issue of PHL in a concrete way. Government spending in this Sector will give a strong push in reducing PHL since most of the schemes of the Ministry are demand driven and require private initiative.

Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME)

16. The Committee note that the presence of informal units in FPI in the country is one of the main challenges in 'Make in India' under Food Processing Sector. To address this challenge, the Govt of India has launched PMFME on 29 June 2020 with an outlay of Rs. 10,000 crores with the aim to provide credit-linked subsidy to two lakh micro food processing units across the country, especially in the unorganized sector. The Scheme offers

financial, technical, and business support to help these enterprises join the formal economy and access Schemes of Food Processing Industries.

The Midterm Impact Evaluation study for PMFME scheme conducted by M/S BDO India LLP revealed that a total of 66,966 projects have been established under the Scheme (86.6% by first-time entrepreneurs), with 31,805 enterprises formalized which is far below the target of formalizing 2,00,000 enterprises. Further, in 2024-25, loans were sanctioned to 50,875 beneficiaries under the Credit Linked Subsidy component, reflecting a decline from the previous year, the reasons being delays in subsidy release by State Governments. The Committee have taken note that the Ministry is addressing this challenge through regular meetings with banks and State Governments, raising issues at Department of Financial Services (DFS) and State Level Bankers Committee (SLBC) meetings, and conducting awareness campaigns. In view of this, the Committee recommend the Ministry to -

- (i) intensify engagement with lending institutions and State Governments to resolve subsidy and sanctioning issues, ensuring uninterrupted credit and support to Micro Food Processing Enterprises.**

- (ii) set annual targets for formalisation of FPI units, strengthen District Resource Persons, simplify and digitize registration, and conduct targeted awareness campaigns.
- (iii) conduct regular monitoring and evaluation to maximize formalization of FPI units and expand access to credit and market opportunities. Addressing these bottlenecks will help achieve the ambitious targets of the PMFME Scheme and significantly further the 'Make in India' initiative.

Production Linked Incentive Scheme for FPIs (PLISFPI)

17. The Committee observe that the Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) is designed to ensure that manufacturers use domestically grown agricultural produce for eligible food products, which supports farmers' incomes and reduces reliance on imports. The Committee note that this approach has already resulted in companies successfully replacing imported tomato products with locally sourced alternatives, demonstrating the scheme's effectiveness in promoting domestic manufacturing. The

Committee appreciate the Ministry's efforts to make the application process more accessible through a user-friendly online portal and the provision of technical support by the Project Management Agency (IFCI). However, the Committee are concerned by the low selection rate in the innovative segment, which indicates possible barriers for new and creative initiatives within the sector. In view of this, Committee recommend that the Ministry should take specific steps to identify and address obstacles faced by innovative projects, ensuring that the benefits of the scheme reach a wider range of stakeholders.

Infrastructure Development and Value Chain Strengthening

18. The Committee note that lack of adequate infrastructure in the form of cold chain and storage facilities is one of the main issues that are being faced under the 'Make in India' initiative in Food Processing Sector. The Committee also observe that cold storage facilities play a pivotal role in minimizing post-harvest losses, extending the shelf life of agricultural produce, and ensuring food security in India. They are essential for supporting the country's fast growing food processing sector, which is a key driver under the 'Make in India' initiative. The availability of

robust cold chain infrastructure enables value addition, enhances market access for farmers, and facilitates the integration of Indian agriculture with global supply chains.

The analysis of the data reveals that (i) out of 1,604 projects approved only 1,129 projects have been completed nationally, creating 205.14 LMT of processing and 49.11 LMT of preservation capacity, (ii) certain States and Union Territories (such as Chandigarh, Ladakh, Lakshadweep, and several North Eastern States) still lag behind in both the number and capacity of cold storage facilities. The Committee believe that there is a pressing need for the speedy augmentation of cold storage infrastructure across all regions, particularly in the States with high potential for agriculture produce and underserved areas, to support the ambitious ‘Make in India’ goals in the Food Processing Sector. The Committee, therefore, recommend the Ministry to accelerate project implementation by prioritizing the allocation of resources to low-coverage regions, and incentivize the adoption of advanced storage technologies.

Export related issues Need for projections/targets

19. The Committee note that MoFPI has neither projections nor set any targets for exports of processed foods. In absence of any

future projections or targets, the Committee believe, evaluation of export potential and the effectiveness of export promoting policies cannot be fairly evaluated. The Committee, therefore recommend that the relevant authorities establish clear and realistic future projections and targets for processed food exports, taking into account current market trends and ground realities. Setting such benchmarks will not only enable a fair assessment of export potential and the effectiveness of export promotion policies but will also instil a sense of accountability among the concerned agencies. Furthermore, well-defined targets and projections will provide a definitive direction for the sector, guiding strategic planning and resource allocation to maximize growth and competitiveness in the global market. In addition to this, the Committee also desire the Ministry to take steps for increasing the number of Quality Control Cells in agro-processing clusters and units to ensure regular quality checks and strict compliance with standards which will help build trust in Indian processed food products and enhance the Sector's ability to sustain export growth.

Adoption of Global Best Practices

20. The Committee observe that while India's Food Processing Sector has made notable progress in recent years especially with a rising share of processed food exports and significant employment generation, there is still considerable scope for improvement when compared to countries like the USA, China, and Brazil. India is lagging behind in value chain integration, and technology adoption *Vis-a-Vis* developed countries. The Committee would like the Ministry to adopt / embrace advanced automation, sustainable packaging, stringent food safety standards, and robust supply chain management to improve efficiency of the sector.

21. The Committee also desire that the Ministry should establish a dedicated platform to facilitate the sharing of success stories and best practices among States and Union Territories.

Research & Development in Food Processing Sector

22. The Committee note that the Ministry has taken important steps to promote research and development in the Food Processing Sector through the PMKSY R&D scheme, providing

financial support to universities, research institutions, and even private sector laboratories. Since 2008-09, 236 R&D projects have been approved, with most now completed. Further, under PMKSY (from 2016–17), 80 projects have been approved, of which 69 are finished and 3 are ongoing. The Committee also note that Government organizations, institutions, and universities are eligible for 100% grant-in-aid, while private organizations, institutions, and universities can receive 50% grant-in-aid for equipment costs in general areas and up to 70% in difficult areas, all on a reimbursement basis as per the scheme guidelines. In this context, the Committee would like to be apprised of the details of (i) patents – product or process filed and received; (ii) the commercialisation of the technologies developed; and (iii) royalty payments, if any received in the areas of packaging, storage, etc.

Processing of Damaged Potato Crops

23. The Committee note that there are many instances specially in those regions where potato cropping is abundant, Potato farmers have to throw away their crop for want of right prices and or storage space at reasonable cost. The Committee observe that

many a time due to plummeting price in the market, the farmers are forced offload their crop at a loss. The Committee therefore suggest the Ministry to take appropriate steps to redress the grievance.

Presently, the Committee note that Potato crop is considered as a horticultural crop. They however, would like to know whether including potato into the category of food/cereals would have some bearing on the facilities and importance being given to the crop and, if so, the same may be apprised to the Committee at the earliest.

NEW DELHI;
18 August , 2025
27th Shravana, 1947 (Saka)

CHARANJIT SINGH CHANNI
Chairperson,
Standing Committee on Agriculture
Animal Husbandry and Food Processing

ANNEXURE-I

Details of Shrimp projects approved under Operation Greens Scheme-Long Term Intervention

S No.	Name of Applicant	Cluster/District	State	Date of Approval Letter	Total Project Cost (₹ Crores)	Approved Grant (₹ Crores)	Grant Released (₹ Crores)	Status
1.	Advishnu Marine Foods Private Limited	East Godavari	Andhra Pradesh	09-11-2022	35.00	10.00	6.66	Ongoing
2.	Avanti Frozen Foods Private Limited	Kakinada	Andhra Pradesh	16-11-2022	64.62	10.00		Ongoing
3.	Devi Fisheries Limited	Kakinada	Andhra Pradesh	09-11-2022	105.50	15.00		Ongoing
4.	Rajyalakshmi Marine Exports	Kakinada	Andhra Pradesh	09-11-2022	49.25	10.00	6.67	Ongoing
5.	Annam Marine Exports Private Limited	Guntur	Andhra Pradesh	09-11-2022	51.00	10.00	3.33	Ongoing
6.	Milesh Marine Exports Private Limited	Krishna	Andhra Pradesh	09-11-2022	34.85	10.00	3.23	Ongoing
7.	Alpha Marine Limited	Nellore	Andhra Pradesh	09-11-2022	98.00	9.62	9.62	Completed
8.	Devi Sea Foods Limited	West Godavari	Andhra Pradesh	16-11-2022	75.18	10.00		Ongoing
9.	Sandhya Marines Limited	West Godavari	Andhra Pradesh	09-11-2022	72.10	10.00		Ongoing
10.	Summit Marine Exports Private Limited	West Godavari	Andhra Pradesh	09-11-2022	55.60	9.84	9.84	Completed
11.	SMSEA Corporation LLP	Visakhapatnam	Andhra Pradesh	09-11-2022	52.27	10.00	6.66	Ongoing
Total					693.37	114.46	46.01	

ANNEXURE-II

Credit outstanding under PSL from 2019-20 to 2023-24 (year-wise and bank group-wise)

(Amount in ₹Crores)

Year	2023-24			2022-23			2021-2022			2020-2021			2019-2020		
Bank group	Total PSL Outstanding	Agriculture Outstanding	Outstanding Loans to Food and Agro-processing*	Total PSL Outstanding	Agriculture Outstanding	Outstanding Loans to Food and Agro-processing*	Total PSL Outstanding	Agriculture Outstanding	Outstanding Loans to Food and Agro-processing*	Total PSL Outstanding	Agriculture Outstanding	Outstanding Loans to Food and Agro-processing*	Total PSL Outstanding	Agriculture Outstanding	Outstanding Loans to Food and Agro-processing*
Foreign Banks	278677.18	55452.57	5927.09	241943.78	52263.80	7244.88	212248.15	55579.81	7646.22	223014.26	51653.13	7804.49	185496.34	51954.28	6581.23
Public Sector Banks	3401435.87	1530238.82	113814.35	3027760.53	1352283.34	99246.05	2755762.91	1209788.24	90966.51	2532707.59	1125565.90	87854.37	2360275.03	975766.47	82209.14
Private Sector Banks	2609428.46	1042495.39	101465.73	2077470.19	833447.78	74545.86	1830174.89	692068.25	54514.14	1609349.31	613604.73	44898.77	1378088.41	575489.92	41339.09
Small Finance Banks	142047.19	38151.37	2707.89	88617.06	29571.12	2132.70	70233.96	15993.88	1426.34	46532.11	14962.89	852.49	45986.22	15740.16	378.64
*Note: Outstanding loans to Food And Agro Processing excludes loans classified under MSME category of PSL.															

ANNEXURE-III

Status of SPF as on 31st March 2025.							₹Crore
Sr. No.	Name of the Project	Location	Date of Sanction	Term Loan Sanctioned	Disbursement	% Disbursed	Remarks
A	Mega Food Park Projects (MFPs)						
1	M/s Gujarat Agro Infrastructure Mega Food Park Pvt. Ltd.	Surat, Gujarat	28.07.2015	37.91	36.39	95.99	A/c Closed
2	M/s Pristine Mega Food Park Pvt. Ltd.	Khagaria, Bihar	21.10.2015	46.54	31.29	67.23	A/c Closed
3	M/s Cremica Food Park Pvt. Ltd.	Una, HP	06.10.2015 (Rs.32.94 cr) 04.05.2020 (Rs.7.28 cr)	40.22	37.94	94.33	A/c Closed
4	Punjab Mega Food Park by PAIC	Ludhiana, Punjab	06.11.2015	27.12	25.77	95.02	A/c Closed
5	Mega Food Park by KINFRA	Palakkad, Kerala	27.10.2015	28.34	28.34	99.99	Fully Disbursed
6	Haryana Mega Food Park by HSIIDC	Sonepat, Haryana	06.11.2015	71.02	65.07	91.63	A/c Closed
7	M/s Avantee Mega Food Park Pvt. Ltd.	Dewas, MP	27.11.2015	66.52	56.52	84.97	Under Implementation
8	M/s Raagamayuri Agro Vet Pvt. Ltd.	Mahabubnagar Telangana	27.11.2015	46.89	10.00	21.33	A/c Closed
9	MFP by TSIIC	Khammam, Telangana	22.12.2015	28.83	10.07	34.93	A/c Closed
10	M/s Indus Best Mega Food Park Pvt. Ltd.	Raipur, Chhattisgarh	15.03.2016	40.34	40.34	100.01	Fully Disbursed
11	MFP by HAFED	Rohtak, Haryana	09.09.2019 (1st Revalidated upto 08.09.2020, 2nd Revalidation upto 08.03.2021)	55.00	54.88	99.78	Under Implementation
12	MFP by MFICL, Govt. of Manipur	Thoubal, Manipur	26.11.2019	18.63	12.00	64.41	Under Implementation
13	Meghalaya MFP	North Garo Hills, Meghalaya	13.09.2021	4.30	4.30	100.00	under implementation
14	Tamil Nadu MFP	Gangaikondan, Dist. Tirunelveli, Tamil Nadu	24.03.2022	37.69	37.69	100.00	Fully Disbursed

	Sub-Total Mega Food Parks			549.35	450.60	82.02	
B	Agro Processing Cluster (APCs)						
1	M/s Nimar Agro Park	Barwani, Madhya Pradesh	18.07.2019	13.99	13.99	100.00	Fully Disbursed
2	M/s Cuddalore Market Committee	Cuddalore, Tamil Nadu	23.10.2020	7.99	7.99	100.00	Fully Disbursed
3	M/s Dharmapuri Market Committee	Krishnagiri, Tamil Nadu	23.10.2020	10.17	10.17	100.00	Fully Disbursed
4	M/s Dindigul Market Committee	Dindigul, Tamil Nadu	23.10.2020	9.36	9.36	100.00	Fully Disbursed
5	M/s Madurai Market Committee	Madurai, Tamil Nadu	23.10.2020	12.92	12.92	100.00	Fully Disbursed
6	M/s Salem Market Committee	Salem, Tamil Nadu	23.10.2020	8.64	8.64	100.00	Fully Disbursed
7	M/s Theni Market Committee	Theni, Tamil Nadu	23.10.2020	9.47	9.47	100.00	Fully Disbursed
8	M/s Tiruvannamalai Market Committee	Tiruvannamalai, Tamil Nadu	23.10.2020	9.56	9.56	100.00	Fully Disbursed
9	M/s Gama Biotech Farms	N TR Dist, Andhra Pradesh	08.08.2023	9.97	0.00	0.00	Documentation yet to complete
	Sub-Total Agro Processing Cluster			92.07	82.10	89.17	
C	Individual Processing Units in DFPs (IPUs)						
1	M/s Patanjali Ayurved Limited – Honey Plant	Haridwar, Uttarakhand	07.07.2016	19.21	19.21	100.00	A/c Closed
2	M/s Patanjali Ayurved Limited – Chyawanprash Unit	Haridwar, Uttarakhand	01.07.2016	17.59	17.59	100.00	A/c Closed
3	M/s Dhansiri Nutrient Foods LLP	Nalbari, Assam	13.09.2019 Additional TL of Rs.3.54 was sanctioned on 31.12.2021	14.00	14.00	100.00	Fully Disbursed
4	M/s Allfun Foods (India) Pvt. Ltd	Satara, Maharashtra	05.03.2020	12.07	12.07	100.00	Fully Disbursed
5	M/s Vitanosh Ingredients Pvt Ltd	Surat, Gujarat	07.04.2020, 17.01.2023 (2.5)	10.90	10.90	100.00	Fully Disbursed
6	M/s Parwati Agro Product Private Limited	Surat, Gujarat	28.08.2020, 17.01.2023 (4.975)	11.97	11.97	100.00	Fully Disbursed
7	M/s Aelea Commodities Pvt. Ltd.	Surat, Gujarat	08.12.2020	18.00	18.00	100.00	A/c Closed
8	M/s Agriva Naturals	Cremica Food Park, Una, H.P	04.02.2022	11.70	0.02	0.17	A/c Closed

9	M/s Go Green	Surat, Gujarat	27.02.2023	3.50	3.50	100.00	under implementation
10	M/s Euro India Fresh Foods Limited	Navsari, Gujarat	19.04.2022	10.10	3.33	32.97	under implementation
11	M/s Miloni Foods	Navsari, Gujarat	19.04.2022	11.00	3.81	34.64	under implementation
12	M/s Roshita Industries	Satara, Maharashtra	27.02.2023	9.26	9.26	100.00	under implementation
13	M/s ADF Foods Ltd	GAIMFPL, Surat Gujarat	01.06.2023	35.00	0.00	0.00	Documentation yet to complete
14	M/s Jackwin Foods Pvt Ltd	Mehsana, gujarat	31.10.2023	20.00	20.00	100.00	under implementation
	Sub-Total FPU's in DFPs			204.30	143.66	70.32	
D	Industrial Food Parks (IFPs)						
1	Manapparai Food Park by SIPCOT	Tiruchirapalli, Tamil Nadu	11.10.2022	110.15	47.62	43.23	under implementation
2	Theni Food Park by SIPCOT	Theni, Tamil Nadu	11.10.2022	138.81	57.95	41.75	under implementation
3	Tindivanam Food Park by SIPCOT	Viluppurum, Tamil Nadu	27.03.2023	85.04	48.28	56.77	under implementation
	Sub-total IFPs			333.99	153.85	46.06	
	Grand Total		1179.71	830.21	70.37		

ANNEXURE-IV

Offences	Maximum Penalty or Punishment	Nature of judicial Proceeding
50. Penalty for selling food not of the nature or substance or quality demanded.	Rs. 5 Lakhs; Rs. 25000 in case of petty FBO	Civil
51. Penalty for sub-standard food.	Rs. 5 Lakhs	Civil
52. Penalty for misbranded food	Rs. 3 Lakhs	Civil
53. Penalty for misleading advertisement	Rs. 10 Lakhs	Civil
54. Penalty for food containing extraneous matter	Rs. 1 Lakh	Civil
55. Penalty for failure to comply with the directions of Food Safety Officer	Rs. 2 Lakhs	Civil
56. Penalty for unhygienic or unsanitary processing or manufacturing of food	Rs. 1 Lakh	Civil
57. Penalty for possessing adulterant	Rs. 10 Lakhs	Civil
58. Penalty for contraventions for which no specific penalty is provided	Rs. 2 Lakhs	Civil
59. Punishment for unsafe food – (i) does not result in injury	Imprisonment for three months and fine upto Rs. 3 lakh	Criminal
59. Punishment for unsafe food – (ii) non-grievous injury	Imprisonment for one year and fine upto Rs. 3 lakhs	Criminal
59. Punishment for unsafe food- (iii) grievous injury	Imprisonment for six years and fine upto Rs. 5 lakhs	Criminal
59. Punishment for unsafe food – (iv) death	Imprisonment for seven years to life and fine upto Rs. 10 lakhs	Criminal
60. Punishment for interfering with seized items	Imprisonment for Six months and fine upto Rs. 2 lakhs	Criminal
61. Punishment Penalty for false information	Fine upto Rs. 10 lakhs	Civil
62. Punishment for obstructing or impersonating a Food Safety Officer	Imprisonment for three months and fine upto Rs. 1 lakh	Criminal
63. Punishment / Penalty for carrying out a business without licence	Fine upto Rs. 10 lakhs	Civil
64. Punishment for subsequent offences	Twice the punishment, fine on daily basis upto Rs. 1 lakh, and Cancellation of License	Civil or Criminal- depending on the nature of repeat offence
65. Compensation in case of injury or death of consumer	At least Rs 5 lakh if the person dies Up to Rs.3 lakh for serious injuries Up to Rs. 1 lakh for other injuries	Civil
67. Penalty for contravention of provisions of this Act in case of import of articles	In addition to any penalty, under the provisions of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992) and the Customs Act, 1962 (52 of 1962), the defaulter	

	shall also be liable under this Act and shall be proceeded against accordingly under the described sections as above.	
69. Power to compound offences- from small food sellers like petty manufacturers, hawkers, or temporary stall holders	a fine not more than Rs. 1 Lakh by way of composition of the offence	Civil * no offence, for which punishment of imprisonment has been prescribed under this Act, shall be compounded
33. Punishment for contravening Prohibition order	Rs. 3 Lakh	Civil
34. Punishment for contravening Emergency Prohibition order	Imprisonment upto 2 years and fine upto Rs. 2 Lakh	Criminal

Setting up of Food Testing Laboratories (FTLs) – Status

S No	Proposal's Name	District	State	Project Cost (Lakh)	Date of PAC	Date of Approval Letter	Grant Approved (Lakh)	Due for completion	Reasons for Delay
1	The Energy and Resources Institute (TERI) (NER)	Guwahati	Assam	324.93	08-08-2016	21-09-2016	171.84	22.09.2018	Updated Status on Final Show Cause Awaited
2	Jawaharlal Nehru Technological University (JNTU), Annantpur, Chittoor	Anantpur	Andhra Pradesh	1567.44	29-01-2019	15-02-2019	639.50	16.02.2021	NABL status awaited
3	Indian Institute of Food Processing Technology (GMO) Up-gradation	Thanjavur	Tamil Nadu	145.84	23-08-2019	02-09-2019	114.70	03.09.2021	File under Submission
4	Maharaja Ranjit Singh Punjab Technical University,	Bhatinda	Punjab	289.14	23-08-2019	02-09-2019	253.12	03.09.2021	NABL status awaited
5	Sher-e-Kashmir University of Agricultural Sciences	Shrinagar	Jammu & Kashmir	1460.85	10-12-2019	30-12-2019	736.84	01.06.2022	NABL status awaited
6	MPEDA ELISA Laboratory, Contai	Medinipur East	West Bengal	69.19	07-07-2020	05-10-2020	32.23	06.10.2022	NABL status awaited
7	MPEDA ELISA Laboratory, Haroa	24 Parganas	West Bengal	70.96	07-07-2020	05-10-2020	32.67	06.10.2022	NABL status awaited
8	Bombay Test House Pvt Ltd, Navi Mumbai, Thane (Up-gradation)	Thane	Maharashtra	504.62	19-03-2021	26-03-2021	207.00	27.03.2023	NABL status awaited
9	Punjab Biotechnology Incubator (Up-gradation)	SAS Nagar (Mohali)	Punjab	804.64	19-03-2021	26-03-2021	497.00	27.03.2023	File under Submission
10	Value Premier Labs Private	Chennai	Tamil Nadu	606.00	29-11-2022	22-12-2022	225.42	23.12.2024	File under Submission

	Limited								on
11	Gram Tarang Foods Testing Laboratories Pvt Ltd	Gajapati	Odisha	691.20	29-11-2022	22-12-2022	310.70	23.06.2025	
12	Chennai Mettex Labs Pvt. Ltd.	Chennai	Tamil Nadu	952.18	12-06-2023	27-06-2023	263.69	28.06.2025	
13	J & K Food Quality Control Lab for Skill Development	Pulwama	Jammu & Kashmir	1073.00	12-06-2023	27-06-2023	364.02	28.12.2026	
14	Trust well Lab	Patna	Bihar	1691.61	12-06-2023	27-06-2023	516.01	28.06.2025	
15	Aura Analytical Services Pvt Ltd	Aurangabad	Maharashtra	935.42	12-06-2023	27-06-2023	533.42	28.12.2026	
16	Bihar State Seed and Organic Certification Agency	Patna	Bihar	1996.78	12-06-2023	27-06-2023	538.31	28.06.2025	
17	Banjara Lambani Samaj	Bangalore	Karnataka	1182.72	17-11-2023	21-11-2023	664.78	22.11.2025	
18	North Eastern Hill University	West Garo Hill	Meghalaya	2035.05	17-11-2023	21-11-2023	1021.09	22.11.2025	
19	Startech Labs Private Limited	Sangareddy	Telangana	1286.70	13-02-2024	01-03-2024	371.17	02.03.2026	
20	M/s First Source Laboratory Solutions LLP	Rangareddy	Telangana	1558.70	13-02-2024	01-03-2024	655.23	02.03.2026	
21	Welzo Research & Development Pvt. Ltd	Solan	Himachal Pradesh	1340.30	13-02-2024	01-03-2024	772.12	02.09.2027	
22	Foodtech Consults India Private Limited	Agra	Uttar Pradesh	1304.81	13-02-2024	01-03-2024	550.70	02.03.2026	
23	Nagaon Foods and Analysis Private Limited	Nagaon	Assam	1175.69	13-02-2024	01-03-2024	650.00	02.03.2026	
24	S. N. Pura Laboratory LLP	Hooghly	West Bengal	1128.51	13-02-2024	01-03-2024	642.46	02.03.2026	

25	Intellab India	Nagpur	Mahara shtra	2714.85	13-02-2024	01-03-2024	801.33	02.03.2026	
26	Mediforce Research Private Limited	Sirmour	Himach al Pradesh	1373.80	13-02-2024	01-03-2024	808.01	02.09.2027	
27	Kalpna Chawla Computech Pvt. Ltd	Karnal	Haryana	1278.03	13-02-2024	01-03-2024	751.37	02.03.2026	
28	Eurofins Analytical Services India Private Limited	Navi Mumbai	Mahara shtra	1479.52	13-02-2024	01-03-2024	531.86	02.03.2026	
29	Angel Analytical Services LLP	Thane	Mahara shtra	1258.12	13-02-2024	01-03-2024	732.71	02.03.2026	
30	Bikaner Agrimarketin g Private Limited	Jaipur	Rajasth an	1235.28	13-02-2024	01-03-2024	497.45	02.03.2026	
31	Mitra S. K. Private Limited (for upgradation)	Kolkata	West Bengal	1272.30	13-02-2024	01-03-2024	459.75	02.03.2026	
32	Emminent Analytics	SAS Nagar	Punjab	1084.27	13-02-2024	01-03-2024	455.50	02.03.2026	
33	Shreeyan Research and Analytical Laboratories	Panchkul a	Haryana	1084.27	13-02-2024	01-03-2024	447.05	02.03.2026	
34	Pious Laboratories Pvt. Ltd. (Up- gradation)	Indore	Madhya Pradesh	1216.34	13-02-2024	01-03-2024	404.50	02.03.2026	
35	SMS Labs Services Private Limited (Up- gradation)	Thiruvall ur	Tamil Nadu	1016.14	13-02-2024	01-03-2024	393.28	02.03.2026	
36	National Science	Vadodar a	Gujarat	1013.69	13-02-2024	01-03-2024	301.05	02.03.2026	

ANNEXURE-VI

Statewise Cold storages under PMKSY as on 31.05.2025

S. No	State	Approved Projects	Completed/ Operational	Processing (LMT/Annum)	Preservation (LMT/Annum)	No of Cold storages/ frozen storage/ CA/ MA
1	Andaman & Nicobar	2	1	0.27	0.02	2
2	Andhra Pradesh	77	39	10.66	2.11	37
3	Arunachal Pradesh	12	2	0.11	0.03	1
4	Assam	106	58	7.25	0.75	8
5	Bihar	15	4	6.34	1.10	1
6	Chandigarh	0	0	0.00	0.00	0
7	Chhattisgarh	9	6	1.51	1.10	6
8	Dadar & Nagar Haveli and Daman & Diu	1	1	0.05	0.00	0
9	Delhi	21	21	0.00	0.00	0
10	Goa	2	2	0.06	0.00	0
11	Gujarat	107	87	17.78	3.49	38
12	Haryana	98	80	7.76	2.66	31
13	Himachal Pradesh	44	35	2.77	1.18	27
14	Jammu & Kashmir	40	30	1.72	0.27	16
15	Jharkhand	2	2	0.00	0.00	0
16	Karnataka	96	76	9.49	2.68	35
17	Kerala	51	37	2.17	2.00	12
18	Ladakh	0	0	0.00	0.00	0
19	Lakshadweep	0	0	0.00	0.00	0
20	Madhya Pradesh	52	30	6.41	1.91	17
21	Maharashtra	246	175	66.41	7.55	98
22	Manipur	8	4	0.00	0.09	5
23	Meghalaya	10	6	0.12	0.00	0
24	Mizoram	4	4	0.39	0.19	9
25	Nagaland	6	2	0.32	0.03	3
26	Orissa	28	12	1.87	0.67	8
27	Puduchery	2	2	0.00	0.00	0
28	Punjab	76	61	9.89	5.25	61
29	Rajasthan	56	36	6.02	2.55	29
30	Sikkim	1	1	0.00	0.00	0
31	Tamil Nadu	145	105	9.51	1.38	62
32	Telangana	68	36	8.18	1.63	16
33	Tripura	9	9	1.10	0.30	1
34	Uttar Pradesh	97	73	15.60	1.77	38
35	Uttarakhand	59	50	6.75	4.86	64
36	West Bengal	54	42	4.62	3.54	35
	Total	1604	1129	205.14	49.11	660

ANNEXURE-VII

State-wise and Component wise details of projects approved under PMFME Scheme (as on 31.05.2025)

Total Assistance Approved under PMFME - As on 31.05.2025

S.No.	State/UT	Number of Micro Enterprises	Approved Subsidy (in Crore)	Number of SHG Members	Approved Subsidy (in Crore)	Number of Approved Incubation Centre	Approved Subsidy (in Crore)	Number of Approved B&M Projects	Approved Subsidy (in Crore)	Net Enterprises-PMFME	Total Subsidy under PMFME (in Crore)
1	Andaman & Nicobar	18	1.03	110	0.42	0	0.00	0	0.00	128	1.45
2	Andhra Pradesh	7180	108.61	32831	124.27	2	6.11	2	0.78	40015	239.76
3	Arunachal Pradesh	107	6.31	2524	6.56	0	0.00	0	0.00	2631	12.87
4	Assam	3279	42.53	28603	82.70	1	2.75	0	0.00	31883	127.97
5	Bihar	24122	542.58	24254	86.30	2	4.81	1	0.59	48379	634.28
6	Chandigarh	5	0.21	0	0.00	0	0.00	0	0.00	5	0.21
7	Chhattisgarh	1018	42.50	10914	14.13	2	5.50	0	0.00	11934	62.13
8	Dadra & Nagar Haveli and Daman & Diu	11	0.37	13	0.02	0	0.00	0	0.00	24	0.39
9	Delhi	295	7.22	0	0.00	2	4.67	0	0.00	297	11.89
10	Goa	114	4.14	1361	4.94	1	2.03	1	1.04	1477	12.15
11	Gujarat	755	48.34	7185	18.39	0	0.00	0	0.00	7940	66.74
12	Haryana	1422	91.54	1453	5.28	0	0.00	1	2.71	2876	99.52
13	Himachal Pradesh	1841	44.48	15602	58.67	3	8.84	0	0.00	17446	111.99
14	Jammu & Kashmir	1509	31.03	879	3.12	3	7.80	0	0.00	2391	41.95

15	Jharkhand	3651	73.00	6139	20.64	0	0.00	0	0.00	9790	93.64
16	Karnataka	6625	242.95	19042	74.87	14	32.17	3	3.12	25684	353.11
17	Kerala	6802	173.94	6802	21.49	1	2.75	0	0.00	13605	198.17
18	Ladakh	83	3.87	412	1.15	2	5.50	0	0.00	497	10.52
19	Lakshadweep	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
20	Madhya Pradesh	9754	323.12	13733	43.46	3	9.88	0	0.00	23490	376.46
21	Maharashtra	24143	693.89	46553	166.06	3	7.27	2	1.25	70701	868.47
22	Manipur	299	21.25	421	1.52	0	0.00	0	0.00	720	22.78
23	Meghalaya	202	3.36	4285	13.06	0	0.00	0	0.00	4487	16.42
24	Mizoram	42	1.63	2641	10.11	1	2.75	0	0.00	2684	14.49
25	Nagaland	383	6.55	3797	6.90	1	2.43	0	0.00	4181	15.88
26	Odisha	2206	64.29	28234	83.26	1	1.85	0	0.00	30441	149.40
27	Puducherry	176	3.95	1424	5.43	0	0.00	1	1.58	1601	10.96
28	Punjab	2754	237.33	1407	4.37	1	3.45	1	2.11	4163	247.25
29	Rajasthan	1108	65.64	5277	18.67	8	23.11	0	0.00	6393	107.42
30	Sikkim	62	1.63	1275	5.07	2	4.92	2	1.86	1341	13.48
31	Tamil Nadu	15605	341.39	26385	100.53	4	8.78	1	0.15	41995	450.85
32	Telangana	6953	95.19	23713	92.81	3	8.43	0	0.00	30669	196.43
33	Tripura	205	4.99	3241	12.16	1	2.65	0	0.00	3447	19.80
34	Uttar Pradesh	17329	628.53	8511	25.97	14	46.90	0	0.00	25854	701.41
35	Uttarakhand	904	27.14	9349	31.27	0	0.00	0	0.00	10253	58.41
36	West Bengal	212	12.42	3238	10.91	0	0.00	0	0.00	3450	23.33
	Total	141174	3996.94	341608	1154.49	75	205.35	15	15.19	482872	5371.97

**STANDING COMMITTEE ON AGRICULTURE, ANIMAL HUSBANDRY AND FOOD
PROCESSING BRANCH**

(2024-25)

**MINUTES OF THE TWENTY SIXTH SITTING OF THE COMMITTEE ON
AGRICULTURE, ANIMAL HUSBANDRY AND FOOD PROCESSING (2024-25)**

The Committee sat on Friday, the 13th June, 2025 from 1130 hours to 1310 hours in Committee Room 3, Extension to Parliament House Annexe (EPHA), New Delhi.

Shri Charanjit Singh Channi – Hon’ble Chairperson

MEMBERS

LOK SABHA

2. Smt. Anita Nagarsingh Chouhan
3. Shri Kuldeep Indora
4. Shri Rajpalsinh Mahendrasinh Jadav
5. Shri Sukanta Kumar Panigrahi
6. Shri Naresh Chandra Uttam Patel
7. Shri Dharambir Singh
8. Shri Sudhakar Singh
9. Shri Bhausahab Rajaram Wakchaure

RAJYA SABHA

1. Smt. Ramilaben Becharbhai Bara
2. Shri Nitin Laxmanrao Jadhav Patil
3. Shri Madan Rathore
4. Shri Ramji Lal Suman

SECRETARIAT

- | | | |
|-----------------------------|---|------------------|
| 1. Shri Srinivasulu Gunda | - | Joint Secretary |
| 2. Shri Maheshwar | - | Director |
| 3. Shri Anil Kumar Sanwaria | - | Deputy Secretary |

WITNESSES

MINISTRY OF FOOD PROCESSING INDUSTRIES

- | | | |
|----|-----------------------|----------------------|
| 1. | Shri Sanjeev Chopra | Secretary |
| 2. | Shri Minhaj Alam | Additional Secretary |
| 3. | Shri Shyam Singh Negi | Sr. Economic Advisor |
| 4. | Shri Preet Pal Singh | Joint Secretary |

At the outset, the Hon'ble Chairperson welcomed the Members of the Committee to the Sitting convened for taking '**Briefing by the representatives of the Ministry of Food Processing Industries on the subject "Initiatives taken in Food Processing Sector under 'Make in India' Program"**'. Thereafter, the representatives of the Ministry of Food Processing Industries were called in. The Chairperson welcomed the representatives of the M/o Food Processing Industries and apprised them of the provisions of Direction 55 (1) of the Direction by the Speaker, Lok Sabha regarding confidentiality of proceedings.

4. After introduction, a Power-Point Presentation was made by the representatives of the Ministry of Food Processing Industries which *inter alia* included topics such as, Overview of Food Processing Sector, Schemes and Initiatives by the Ministry under 'Make in India' and Highlights of World Food India (WFI) event.

5. The Committee raised several issues/points which are briefly mentioned below and sought clarification(s)/information from the representatives of the Ministry:

- i. Simplify documentation and reduce collateral requirements, streamline loan approvals and strengthen credit facilitation cells at district level.
- ii. Strengthen Rural Areas by assisting them to set up Processing units for seasonal products;
- iii. Promote export of seasonal fruits and value addition by export oriented workshops;
- iv. Explore value addition of Millet based products;
- v. Promote tie-ups with retail chains for branding and marketing of millet based products;
- vi. To deploy resource persons to brief Public Representation about the Scheme and monitoring of their implementation effectively in all districts;
- vii. Conduct training and workshops for SHGs, women entrepreneurs and FPOs and ensure publicity in local language;
- viii. Enforce strict time-bound implementation of Sanctioned Mega Food Parks and other infrastructure and monitor private players who delay projects after receiving subsidies;

- ix. Undertake a district wise crop mapping and infrastructure need assessment to identify saturated regions and redirect schemes to underserved regions;
- x. Set up mandatory viability assessments before approving new clusters;
- xi. Allocation of budget to SC/ST/OBC population should be tantamount to their population percentage;
- xii. Prioritize cold storage and processing units in regions with high fruits and vegetable output;
- xiii. Promote export of seasonal fruits and value addition by export oriented workshops;
- xiv. Work towards better remuneration for Potato and reduce its wastage;
- xv. Promotion of Public Sector led Models in Food Processing Sector in the country;
- xvi. Implement PPP-based factories where private investors are not coming forward;
- xvii. To introduce performance based budgeting based on available demand and subsequent formation of clusters;
- xviii. Establish transparent monitoring mechanism to monitor post-sanction performance of established units and penalize the misuse of subsidy.
- xix. Conduct comparative global study related to Food Processing Sectors in countries like USA, China, Germany, Israel etc.

6. The representatives of the Ministry of Food Processing Industries responded to some of the queries raised by the Members. The Chairperson, thereafter, thanked the witnesses for sharing valuable information with the Committee on the subject and directed them to furnish the requisite information on points / items, which were not readily available with them, to the Committee Secretariat by 22nd June, 2025, positively.

The Committee then adjourned.

(A copy of the verbatim proceedings of the Sitting has been kept separately.)

**MINUTES OF THE THIRTY FIFTH SITTING OF THE COMMITTEE ON AGRICULTURE,
ANIMAL HUSBANDRY AND FOOD PROCESSING (2024-25)**

The Committee sat on Monday, 18th August, 2025 from 1500 hours to 1530 hours
in Committee Room No. 3, Extension to Parliament House Annexe, New Delhi.

Present

Shri Charanjit Singh Channi –Chairperson

Members

Lok Sabha

2. Shri Umeshbhai Babubhai Patel
3. Shri Rajkumar Chahar
4. Smt. Anita Nagarsingh Chouhan
5. Shri Rajpalsinh Mahendrasinh Jadav
6. Md. Abu Taher Khan
7. Shri Sukanta Kumar Panigrahi
8. Smt. Krishna Devi Shivshankar Patel
9. Shri Naresh Chandra Uttam Patel
10. Shri Murasoli S.
11. Shri Dharambir Singh
12. Shri Sudhakar Singh
13. Shri Kodikunnil Suresh
14. Smt. Geniben Nagaji Thakor
15. Shri Bhausahab Rajaram Wakchaure

Rajya Sabha

16. Smt. Ramilaben Becharbhai Bara
17. Shri Masthan Rao Yadav Beedha
18. Shri Banshilal Gurjar
19. Shri Nitin Laxmanrao Jadhav Patil
20. Shri Madan Rathore
21. Shri Ramji Lal Suman
22. Shri P.P. Suneer

Secretariat

- | | | | |
|----|-------------------|---|------------------|
| 1. | Shri Dhiraj Kumar | - | Joint Secretary |
| 2. | Shri Maheshwar | - | Director |
| 3. | Shri Prem Ranjan | - | Deputy Secretary |

2. At the outset, the Chairperson welcomed the Members to the Sitting of the Committee and xxxxx. Thereafter, the Committee took up for consideration and adoption the following Reports:

- (i) xxxxx xxxxx xxxxx xxxxx xxxxx;
- (ii) xxxxx xxxxx xxxxx xxxxx xxxxx;
- (iii) Draft Report on the subject **“Initiatives taken in the Food Processing Sector under ‘Make in India’ Program”**, pertaining to Ministry of Food Processing Industries;
- (iv) xxxxx xxxxx xxxxx xxxxx xxxxx;
- (v) xxxxx xxxxx xxxxx xxxxx xxxxx;
- (vi) xxxxx xxxxx xxxxx xxxxx xxxxx;
- (vii) xxxxx xxxxx xxxxx xxxxx xxxxx; and
- (viii) xxxxx xxxxx xxxxx xxxxx xxxxx.

3. After some deliberations, the Committee adopted the Draft Report without any modifications and the Committee authorized the Chairperson to finalize and present the Report to Parliament.

The Committee then adjourned.