

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 563
ANSWERED ON 07TH FEBRUARY, 2025

**PROMOTION OF FOOD PROCESSING TO DOUBLE FARMER'S INCOME IN
PUNJAB**

563. SHRI RAGHAV CHADHA:

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

- (a) whether Government has any plans to promote food processing as a means to double farmers' income in Punjab;
- (b) the steps being taken to improve food processing infrastructure in Punjab, and the manner in which Government intend to link it with agricultural growth;
- (c) whether there are any specific schemes or financial support provided to farmers and food processors in Punjab to encourage value addition and reduce wastage; and
- (d) in what manner Government is monitoring the impact of these initiatives on farmers' income and employment opportunities in Punjab?

ANSWER

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

(a) to (c): In order to promote and ensure overall development of Food Processing Industries across the country including Punjab, Ministry of Food Processing Industries (MoFPI) has been incentivizing setting up/ expansion of related infrastructure through its Central Sector Umbrella Scheme “Pradhan Mantri Kisan SAMPADA Yojana (PMKSY)”, Central Sector “Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)” and Centrally sponsored “PM Formalization of Micro Food Processing Enterprises (PMFME)” Scheme and thereby increasing the income of the farmers. These schemes are not region specific but demand driven.

Under PMKSY, credit linked financial assistance (capital subsidy) is provided to entrepreneurs for setting up of food processing industries with total outlay of Rs 5520 Cr for 15th Finance Commission Cycle.

Under PMFME scheme, financial, technical and business support is provided for setting up / upgradation of micro food processing enterprises. The scheme is operational for a period of upto 2025-26 with an outlay of Rs.10,000 Crore.

PLISFPI is, inter alia, intended to support creation of global food manufacturing champions and support Indian brands of food products in international market. The Scheme is operational for a period from 2021-22 to 2026-27 with an outlay of Rs. 10,900 crores.

These schemes aim towards creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet which includes storage, transportation, value addition, etc., thereby help in providing better returns to farmers and creating huge employment opportunities, reducing wastage of agricultural produce and increasing the processing level.

The details of incentives available under these schemes are at **Annexure-I** and the details of food processing projects sanctioned by MoFPI under the said three scheme in the State of Punjab is given at **Annexure-II**.

(d): Ministry has conducted evaluation study for relevant component schemes of PMKSY. These studies have concluded that the component schemes have largely achieved their objectives with substantial benefit to the farmers and created employment opportunities from assisted projects. The evaluation study of Integrated Cold Chain and Value Addition Infrastructure Scheme under PMKSY, conducted by M/s NABARD Consultancy Limited in Year 2020, has estimated that captive projects under the scheme have resulted in increase in farm-gate prices by 12.38 % and each project is estimated to benefit more than 9500 farmers and to create 600 direct/ indirect employments. Under PMKSY, Ministry sanctioned 52 food processing projects in Punjab, out of these 38 projects are completed. From these completed projects 2,12,845 farmers are benefited and generating employment of 20,557.

ANNEXURE REFERRED TO IN REPLY TO PART (a) TO (c) OF RAJYA SABHA UNSTARRED QUESTION NO. 563 FOR ANSWER ON 07TH FEBRUARY, 2025 REGARDING “PROMOTION OF FOOD PROCESSING TO DOUBLE FARMER'S INCOME IN PUNJAB”

Incentives available under Pradhan Mantri Kisan Samapada Yojana (PMKSY)

S. No.	Component Scheme	Scheme Benefits (Grant-in-aid) for projects in General Area	Scheme Benefits (Grant-in-aid) for projects in Difficult Areas as well as SC/ST, FPOs, SHGs
1.	Integrated Cold Chain and Value Addition Infrastructure	Grant-in-aid @ 35% of eligible project cost [subject to maximum of Rs.10 crores per project]	Grant-in-aid @ 50% of eligible project cost [subject to maximum of Rs. 10 crores per project]
2.	Creation/ Expansion of Food Processing & Preservation Capacities	Grants-in-Aid @35% of eligible project cost [subject to maximum of Rs. 5 crores per project]	Grants-in-Aid @50% of eligible project cost [subject to maximum of Rs.5 crores per project]
3.	Infrastructure for Agro-Processing Clusters	Grants-in-aid @35% of eligible project cost in General Area [subject to maximum of Rs. 10 crores per project]	Grants-in-aid @50% of eligible project [subject to max. of Rs. 10 crore per project]
4.	Operation Greens	Grants-in-Aid @35% of eligible project cost for Integrated Value Chain Development Projects, maximum grants-in-aid would be ₹15 crore per project; and for Standalone Post-Harvest Infrastructure Projects, maximum grants-in-aid would be ₹10 crore per project.	Grants-in-Aid maximum @50% of eligible project cost for Integrated Value Chain Development Projects, maximum grants-in-aid would be ₹15 crore per project; and for Standalone Post-Harvest Infrastructure Projects, maximum grants-in-aid would be ₹10 crore per project.
5.	Food Safety and Quality Assurance - Food Testing Laboratories	100% grants-in-aid for Govt. organizations For Private organizations/entities: grant-in-aid of @ 50% of the eligible cost	For Private organizations/entities: grant-in-aid of @ 70% of the eligible cost

6.	Human Resource & Institutions- Research & Development	For Government Organizations - Grants @ 100% of equipment cost, consumables, For private organizations /universities/institutions, grant @ 50 % of equipment cost.	For Government Organizations - Grants @ 100% of equipment cost, consumables For Private Organizations /Universities/ Institutions, Grants @ 70% of equipment cost.
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The details of assistance available to Micro Food Processing Enterprises under PMFME Scheme

- (i). *Support to Individual / Group Category Micro Enterprises:* Credit-linked capital subsidy @35% of the eligible project cost, maximum ceiling Rs.10 lakh per unit;
- (ii). *Support to SHGs for seed capital:* Seed capital @ Rs. 40,000/- per member of SHG engaged in food processing for working capital and purchase of small tools subject to maximum of Rs. 4 lakh per SHG Federation.
- (iii). *Support for Common Infrastructure:* Credit linked capital subsidy @35% subject to maximum of Rs. 3 crore to support FPOs, SHGs, Cooperatives and any Government agency for setting up of common infrastructure. The common infrastructure will also be available for other units and public to utilize on hiring basis for substantial part of the capacity.
- (iv). *Branding and Marketing Support:* Grant upto 50% for Branding and Marketing to groups of FPOs/ SHGs/ Cooperatives or an SPV of micro food processing enterprises.
- (v). *Capacity Building:* The scheme envisages training for Entrepreneurship Development Skilling (EDP+): program modified to meet the requirement of food processing industry and product specific skilling.

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Food Processing Industries approved/completed in Punjab state under corresponding component schemes of PMKSY since inception

Sl. No.	Component Scheme	No. of projects Approved	No. of projects Completed	Grants –in–aid Approved (Rs. Crore)
1	Mega Food Park	3	2	136.43
2	Integrated Cold Chain and Value Addition Infrastructure	24	21	153.55
3	Infrastructure for Agro-Processing Clusters Scheme	3	1	20.11
4	Creation / Expansion of Food Processing & Preservation Capacities Scheme	17	10	66.25
5	Scheme for Creation of Backward and Forward Linkages	4	4	12.62
6	Operation Greens	1	0	9.84

Micro Food Processing Industry based proposals approved in Punjab state under PMFME

No of Micro Food Processing Industries approved with credit linked subsidy: 2516

Food Processing Projects based proposals approved in Punjab state under PLISFPI

No of Food Processing Projects approved with project cost of Rs 126.31: 09
