• PRADHAN MANTRI KISAN SAMPADA YOJANA (PMKSY)
• PM-FORMALISATION OF MICRO FOOD PROCESSING ENTERPRISES (PM-FME)

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SCHEMES UNDER PRADHAN MANTRI KISAN SAMPADA YOJANA

- Mega Food Parks
- Integrated Cold Chain & Value Addition Infrastructure
- Creation/Expansion of Food Processing & Preservation Capacities
- Creation of Infrastructure for Agro-processing Clusters
- Creation of Backward and Forward Linkages
- Food Safety & Quality Assurance Infrastructure
- Human Resources and Institutions
- Operation Green Scheme
MEGA FOOD PARKS SCHEME

Grant:
50% of the eligible project cost in general areas and at the rate of 75% of eligible project cost in difficult and hilly areas i.e. North East Region including Sikkim, J&K, Himachal Pradesh, Uttarakhand and ITDP notified areas of the States subject to a maximum of Rs. 50 crore per project.

Eligible Organisations & Eligibility conditions:
- Implemented through Special Purposes Vehicle (SPV).
- Combined Net Worth of the SPV promoters / shareholders should not be less than 50 crore.
- Net worth of each promoter / shareholder of the SPV should not be less than 1.5 times of his /her proposed equity contribution.
- SPV needs to bring in at least 20 percent of the total project cost as equity in general areas and at least 10 percent of the total project cost in difficult and hilly areas i.e. North East Region including Sikkim, J&K, Himachal Pradesh, Uttarakhand and ITDP notified areas of the States.
- Minimum Land Area - 50 Acres for 75 years.
- An anchor investment in the SPV to set up a food processing unit with an investment of at least Rs.10 Crore.
- FP Units to be set up: 25-30 (can avail grant under unit scheme)

Exclusions:
- Cost of Land, Pre-operatives, Margin Money for Working Capital to be excluded.
- Only one mega food park project will be sanctioned in a district.
- No second proposal from the same promoter(s) within two years of completion.

Visit: https://mofpi.nic.in/Schemes/about-mega-food-park-scheme
MEGA FOOD PARK-HUB AND SPOKE MODEL

- **CCs:** Aggregation Points

- **PPCs:**
  - Pre-cooling, Grading & Sorting, waxing, packing, Temporary Storage. Supply to CPC or direct market

- **CPC:**
  - Core, Basic Enabling, Non-core infrastructure, SDF sheds, Processing units

- Value Added Products
- Domestic sales & Products
- Fresh Products
- Domestic retail sales
State-Wise Distribution of Mega Food Parks (Total: 37)

- REED: Parks setup by State Government agencies.
- Blue: Parks setup by Private bodies (SPVs)

MEGA FOOD PARKS

37 Approved,
20 Operational
September 2020
COLD CHAIN SCHEME

Grant:
- For Storage infrastructure - 35% of projects cost in General areas & 50% in North East, Hilly and difficult areas.
- For Food Processing Infrastructure - 50% of project cost in General area & 75% for North East, Hilly & difficult areas.
- Maximum Grant - Rs.10 Crore.

Eligible Organisations & Eligibility conditions:
- Central & State PSUs/ Joint Ventures/ FPOs/ NGOs/ Co-operatives/ SHGs/ Corporate entity/ Proprietorship firms.
- SC/ST Promoter(s) with 100% stake will be treated as SC/ST proposals and treated at par with NE s' take for benefits.
- Combined net worth of promoter / proposed shareholders should not be less than 1.5 times of the grant sought.
- Term loan should be at least 20% of the total project cost.
- Date of commercial operation should not be prior to date of EOI.
COLD CHAIN SCHEME

Farm level infrastructure (SI No 1) is mandatory—any one or both components out of 2 & 3 below need to be set up:

- Farm Level Infrastructure
- Distribution Hub
- Reefer Transport
- Irradiation Facility (can be set up as a standalone facility)

**Farm Level Infrastructure:**
Integrated pack house with facility for weighing, sorting, grading, packing and waxing etc., pre-cooling units, CA, Cold storage, IQF etc.

**Distribution Hub:**
Hub with Multi-products/ Multi-temperature, Cold Storage, CA storage, Variable Humidity Chambers, Packing Facility, CIP Fog Treatment, IQF, Blast Freezing etc.

**Reefer Transport:**
Mobile Pre-Coolers and Reefer trucks/ Insulated tankers suitable for transportation of perishable agricultural commodities/ Horticulture / Dairy / Meat / Fish produce.

Visit: https://mofpi.nic.in/Schemes/about-cold-chain
SCHEME FOR CREATION/EXPANSION OF FOOD PROCESSING/PRESERVATION CAPACITIES (UNIT SCHEME)

Grant:
- 35% of the eligible project cost of General Area & 50% for North East, Hilly & difficult areas subject to maximum of Rs. 5 Crore.

Eligible Organisations & Eligibility conditions:
- Central & State PSUs/ Joint Ventures/ FPOs/ NGOs/ Co-operatives / SHGs/ Corporate entities/ Proprietorship firms.
- Promoter’s equity should not be less than 20% of project cost in General areas and 10% for North Eastern states/ Difficult areas/ SC / ST promoters.
- Minimum eligible project cost more than (a) Rs. 3 Cr. (for general areas) and (b) Rs. 1 Cr. (for North Eastern states/ Difficult areas / SC/ ST promoters.
- The term loan should be at least 20% of the total project cost. Sanction of term loan should not be prior to date of advertisement of EoI.

Preferences to the proposals:
- Units to be set up in Mega Food Parks and Agro Processing Clusters assisted by Ministry.
ELIGIBLE SECTORS UNDER UNIT SCHEME

- Fruits & vegetables Processing
- Milk Processing
- Meat / poultry / fish Processing
- Ready to Eat / Ready to Cook Food
- Products / Breakfast cereals / snacks / other food products
- Flour / Pulse / Oil seeds Millings
- Rice Milling - preference to Eastern & North Eastern States
- Other agri-horti sectors including spices, coconut, mushrooms, Soybean, Honey
- Fruit / Honey-based Wines
- Natural Food flavours / extracts, Food additives & Colours, oleoresins (not artificial)
- Animal Feed - plants to be set up in Mega Food Parks and APC

Visit: https://mofpi.nic.in/Schemes/about-cefppc-scheme
AGRO-PROCESSING CLUSTERS SCHEME

Grant:
- 35% of the eligible project cost of General Area & 50% for North East, Hilly & difficult areas subject to maximum of Rs.10 Crore.

Eligible Organisations & Eligibility conditions:
- Central & State PSUs/ Joint Ventures/ FPOs/ NGOs/ Co-operatives
- SHGs/ Corporate entities/ Partnership firms / Proprietorship firms.
- No Agro Processing Cluster in the same District where CPC of Mega Food Park is located
- Only one Agro Processing Cluster will be sanctioned in a district.
AGRO-PROCESSING CLUSTURES SCHEME

Eligibility conditions:

- Combined Net Worth of promoters/proposed shareholders should not be less than 1.5 times of the grant sought
- Promoter’s equity/contribution should not be less than 20% of project cost in General areas and 10% in hilly & difficult and Island areas
- Term loan should be at least 20% of the total project cost
- Minimum Land Area - 10 Acres
- Minimum no. of FP Units to be set up - 5 (can avail grant under Unit Scheme)
- Minimum Investment - Rs. 25 Crore.
- State-wise allocation of clusters.

Exclusions:

- Cost of land, Pre-operatives, Margin Money for working capital to be excluded
- Promoters of MFP are not eligible up to 2 years of completion of earlier project

Visit: https://mofpi.nic.in/Schemes/about-agro-processing-cluster-scheme
BACKWARD AND FORWARD LINKAGES SCHEMES

Grant:
- 35% of the eligible project cost of General Area & 50% for North East, Hilly & difficult areas subject to maximum of Rs.5 Crore.

Eligible Organizations:
- Central & State PSUs/ Joint Ventures/ Farmers/ FPOs/ NGOs/ Co-operatives/ SHGs/ Corporate entities/ Public and Private Companies/ Limited Liability Partnerships, Partnership firms/ Proprietorship firms etc.
- Groups of producers such as Co-operatives, Farmer Producer Organisations (FPCs), Self Help Groups (SHGs) etc. linked to food processing units.
- Retailers of processed food for having linkage at Farm Level or with food processors.
- Entrepreneurs desirous of entering into food processing/ food retail value chain.

Who Can Apply:
- Promoters of existing food processing units (except those who have availed MoFPI grant earlier).
BACKWARD AND FORWARD LINKAGES SCHEME

Eligible Components

For Backward Linkage
- Integrated Pack-house(s) (with mechanised sorting & grading line/ packaging line/ waxing line/ staging cold rooms/ cold storage, etc.)
- Milk Chilling Centres/ Bulk Milk Coolers
- Pre-Cooling Unit(s)/ Chillers
- Mobile pre-cooling Vans
- Reefer boats

Note: An entrepreneur can set up any one or more of the above mentioned facilities under the scheme. Standalone activities like Reefer transport or cold storage not permitted

Forward Linkage
- Ripening Chamber(s), Cold Room/Cold Storage
- Retail Chain of outlets for perishables including Meat shops with facilities such as Frozens storage/ Deep freezers/ Refrigerated display cabinets/ Cold room/ Chillers/ Packaging etc.
- Retail refrigerated carts, temperature controlled solar powered retail carts.

Transport:
- Refrigerated/ Insulated transport/ Reefer Vans as per requirements of backward and/ or forward linkage components.

Visit: https://mofpi.nic.in/Schemes/about-scheme-creation-backward-and-forward-linkages
FOOD SAFETY AND QUALITY ASSURANCE INFRASTRUCTURE

Food testing Laboratory Scheme

Grant:

- 50% of the cost of laboratory equipment for General area & 70% for difficult areas 100% for Govt./Public Sector.
- 25% of the cost of technical civil works and furniture, fixtures for General Area & 33% for difficult areas.

Eligible Organisations & Eligibility conditions:

- Central/ State Government and its organisations/universities (including Govt. owned deemed universities)/private sector organisations/universities including deemed universities.
FOOD SAFETY AND QUALITY ASSURANCE INFRASTRUCTURE

- **HACCP/ ISO Standards/ Food Safety/ Quality Management Systems**

- **Grant:**
  - Reimbursement of expenditure @50% in general area @75% in difficult areas of eligible project cost subject to maximum of Rs.17 lakhs and Rs.22 lakhs respectively.

- **Eligible Organisations:**
  - Central/ State Government Undertaking/ Organisations and Private Sector.

HUMAN RESOURCES AND INSTITUTIONS

Research & Development Scheme

Grant:

- For the Government organisations / Universities / Institutions: Grant-in-aid @100% of cost of equipment, consumables and expenditure related to salaries for projects staff specific to the project for maximum period of three years.
- For Private organisations/ Universities/ Institutions: Grant-in-aid is given @50% of equipment cost only in general areas and @70% in North East States and difficult Areas.

Eligible Organisations:

- All Universities, IITs, Central/State Government Institutions, Government funded Organisations, R&D laboratories and CSIR recognized R&D units in private sector.

Visit: https://mofpi.nic.in/Schemes/human-resources-and-institutions/research-development-food-processing-sector/about-research-development
HUMAN RESOURCES AND INSTITUTIONS

Skill Development Scheme:

Grant:
- Grant @50% of the cost of plan and machinery for approved training module.
- Max grant Rs.15 lakhs per training module & five training modules per training centres for eligible institutions.

Eligible Organisations:
- Recognised Central/ State/ Deemed University or its Department of food Processing technology.
- Colleges/ Institutions of food technology, affiliated with Central/ State Government Universities.
- Government approved ITIs.
- NABL accredited food labs, MoFPI assisted MFPs and APCs, NSDC/ FICSI/ State skill Mission recognised skill training partners.

Visit: https://mofpi.nic.in/Schemes/human-resources-and-institutions/skill-developement/about-skill-development
HUMAN RESOURCES AND INSTITUTIONS

- MoFPI has two institutions for capacity building in food preservation and processing.
- National Institute of Food Technology Entrepreneurship & Management (NIFTEM) - Deemed University.
- Indian Institute of Food Process Technology (IIIFPT)- affiliated to Tamil Nadu Agriculture University.
- Running B.tech, M.tech, & Ph.D programmes.
- Several short duration trainings for capacity development of industry professionals and entrepreneurs.

Visit: https://mofpi.nic.in/Schemes/human-resources-and-institutions/strengthening-institutions/about-strengthening-institutions
OPERATION GREEN TOPS TO TOTAL

Pattern of Assistance:
Ministry will provide subsidy @ 50% of the cost of the following two components, subject to the cost norms:

i. Transportation of notified crops from surplus production cluster to consumption centre; and/or
ii. Hiring of appropriate storage facilities for eligible crops (for maximum period of 3 months);

The Cost of Norms for calculation of eligible transportation and storage costs are as under:

Transport Charge:

i. Normal Truck Rate: ₹ 2.84 per MT per Km
ii. Reefer Van Rate: ₹ 5 per MT per Km

In case of transportation by Railways and Air, the actual freight amount charged by the Indian Railway and Air India will be considered as eligible cost.

Storage Charge:

ii. Warehouse Rate: ₹ 345 per MT per season
ii. Cold Storage Rate: ₹ 2,000 per MT per season

Eligible entities:
Food Processors, FPO/FPC, Co-operative Societies, Individual farmers, Group of Farmers, Licensed Commission Agent, Exporters, State Marketing/Co-operative Federation, Retailers etc. engaged in processing/marketng of fruits and vegetables.

Eligible Crops: Fruits -
Mango, Banana, Guava, Kiwi, Litchi, Papaya, Mousambi, Orange, Kinnow, Lime, Lemon, Pineapple, Pomegranate, Jackfruit, Apple, Almond, Aonla, Passion fruit, and Pear;
Vegetables:
French beans, Bitter Gourd, Brinjal, Capsicum, Carrot, Cauliflower, Chillies (Green), Okra, Cucumber, Peas, Garlic, Onion, Potato and Tomato;

The list of eligible crops, selected surplus production clusters & trigger price is available on Ministry’s website.

Essential conditions:
The subsidy will be disbursed to the eligible entities, in case of fulfilment of the following conditions:
i. Price in the notified production clusters should be less than trigger price.
ii. Procurement to be made directly from farmers, FPO/FPC, Co-operative Society or Licensed Commission Agent and payment should be made only through banking channel.
iii. Minimum quantity to be procured and transported/stored per applicant should be 50 MT for Individual farmers, 100 MT for FPO/FPC, Co-operative, Group of Farmers; 500 MT for Food Processor, Exporter, Licensed Commission Agent; 1,000 MT for Retailers, State Marketing/Co-operative Federation.
iv. Minimum distance from notified surplus production clusters to consumption centre, processing plant, retail outlet, or ports/airport/ICD/CFS in India, as the case may be (by road, railway or air) should be 100 Km for Food Processor, FPO/FPC, Co-operative, Individual farmer, Licensed Commission Agent, Exporter; 250 Km for Retailers, State Marketing/Co-operative Federation.
v. Storage at licensed warehouse or Cold Storage may be at notified production clusters, consumption centres or any place en-route consumption centre
vi. Payment for transportation and storage charges should be made only through banking channel;
vii. Maximum admissible subsidy amount per applicant will be Rs. 1 crore during the entire period of 6 months.
viii. For Food Processors, eligible quantity of procurement of crops for subsidy purpose will be capped with reference to installed capacity of their processing plants.
ix. No application should be made after completion of three months from the date of Transport or Storage invoice, as the case may be.

Visit: https://mofpi.nic.in/Aatmanirbhar-Bharat/Operation-Greens-(TOP-to-Total)/about-og-total
PM-FORMALISATION OF MICRO FOOD PROCESSING ENTERPRISES (PM-FME) SCHEME

As part of Aatmnirbhar Bharat Abhiyan, Ministry of Food Processing Industries (MoFPI) has launched an all India centrally sponsored "PM-Formalisation of Micro food processing Enterprises (PM-FME) Scheme" for providing financial, technical and business support for upgradation of existing micro food processing enterprises. 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. Two lakh micro food processing units will be directly assisted with credit linked subsidy.

Background:
The unorganised food processing sector comprising nearly 25 lakh units contribute to 74% of employment in food processing sector. Nearly 66% of these units are located in rural areas and about 80% of them are family based enterprises, supporting livelihood in rural households and minimising their migration to urban areas. These units largely fall within the category of micro enterprises. These units face a number of challenges which limit their performance and growth. These challenges include lack of access to modern technology & equipment, training, access to institutional credit, lack of basic awareness on quality control of products, and lack of branding & marketing skills, etc. Therefore, the unorganised food processing sector contributes much less in terms of value addition and output despite its huge potential.

Objectives:
Taking cognizance of the contribution of the unorganised micro food processing enterprises and the challenges that impede their performance, MoFPI is implementing the scheme through a package support and services. The objectives of the scheme are as under:

i. Increased access to credit by existing micro food processing entrepreneurs, FPOs, Self help groups & Co-operatives;
ii. Integration with organised supply chain by strengthening branding & marketing;
iii. Support for transition of existing 2,00,000 enterprises into formal framework;
iv. Increased access to common services like common processing facilities, laboratories, storage, packaging, marketing and incubation services;
v. Strengthening of institutions, research and training in the food processing sector; and
vi. Increased access for the enterprises, to professional and technical support.

### The scheme aims to:

i. Enhance the competitiveness of existing individual micro-enterprises in the unorganised segment of the food processing industry and promote their formalisation

ii. Support FPOs/SHGs/Producers/Cooperatives along their entire value chain

### One District One Product:

The Scheme adopts One District One Product (ODOP) approach to reap benefit of scale in terms of procurement of inputs, availing common services and marketing of products. One District One Product approach would provide framework for value chain development and alignment of support infrastructure. There may be more than one cluster for one product in one district. A cluster may also extend beyond one district. The States would identify food product for a district, keeping in perspective the focus of the scheme on perishables. The ODOP could be a perishable agri-produce, cereal based product or a food product widely produced in a district and their allied sectors. Illustrative list of such products includes mango, potato, litchi, tomato, tapioca, kinnu, bhujia, petha, papad, pickle, millet based products, fisheries, poultry, meat as well as animal feed among others. With respect to support to existing individual micro units, preference would be given to those producing under ODOP approach. However, units producing other products would also be supported. In case of groups, predominately, those involved in products under ODOP approach would be supported.
• Support to groups processing other products in such districts would only be for those already processing those products and with adequate technical, financial and entrepreneurial strength.

• Support for common infrastructure and marketing & branding would only be for products under ODOP approach.

• In case of support for marketing & branding at State or regional level, same product of districts not having that product as ODOP could also be included.

• The scheme also envisages strengthening backward and forward linkages, provision of common facilities, incubation centres, training, R&D, marketing and branding, provision of which would primarily be for ODOP products.

• Further, the cluster approach would also complement and benefit from the existing promotional efforts of the government such as focus on support for exports under Agricultural export policy by Ministry of Commerce and, focus on development of specific agri-produce in districts having comparative advantage, by Ministry of Agriculture.

Support to Individual Micro Enterprises:

i. Credit-linked capital subsidy @35% of the eligible project cost, maximum ceiling of Rs.10 lakh per unit

ii. Beneficiary contribution - minimum of 10% of the project cost, balance loan from Bank.

Eligibility criteria:

i. Existing micro food processing units having ownership right of the enterprise - proprietary / partnership firm;

ii. The enterprise should be unincorporated and should employ less than 10 workers;
Support to FPOs/ SHGs/ Producer Cooperatives:
Credit linked Grant @35% to support clusters and groups such as FPOs/ SHGs/ Producer Cooperatives along their entire value chain for sorting, grading, storage, common processing, marketing, processing of agri-produce etc.

Eligibility Criteria:
1. It should preferably be engaged in processing of ODOP producing, packaging, marketing, testing etc.
2. It should have minimum turnover of Rs. 1cr
3. Cost of the proposed project not to be larger than the present turnover
4. The members should have sufficient knowledge and experience in dealing with the product for a minimum period of 3 years.

Support to SHGs:
1. Seed capital @ Rs. 40,000/- per member of SHG for working capital and purchase of small tools
2. Seed capital would be given as grant to the SHG Federation by SNA/ SRLM for loan to the members of SHGs.

Eligibility Criteria for Seed Capital for SHGs:
1. Only for SHG members presently engaged in food processing
2. SHG member has to commit to utilise this amount for working capital and purchase of small tools

Support to individual SHG member as a single unit of food processing industry with credit linked grant @35% of the project cost, maximum ceiling of Rs. 10 lakh.
Support for capital investment at Federation of SHG level with credit linked grant @35%.
Eligibility Criteria for Credit Linked Grant for Capital Investment for SHGs:

i. The SHGs should have sufficient own funds for meeting 10% of the project cost and 20% margin money for working capital or sanction of the same as grant from the State Government;

ii. The SHG members should have a minimum period of 3 years’ experience in processing of the ODOP product.

Support for Common Infrastructure:

i. Credit linked grant @ 35% to support FPOs, SHGs, Cooperatives, any Government agency or private enterprises for Common infrastructure.

ii. The common infrastructure will also be available for other units and public to utilise on hiring basis for substantial part of the capacity.

Types of Common infrastructure to be funded under the scheme:

i. Premises for assaying of agriculture produce, sorting, grading, warehouse and cold storage at the farm-gate;

ii. Common processing facility for processing of ODOP produce;

iii. Incubation Centre should involve one or more product lines for utilisation by smaller units on a hire basis for processing of their produce.

Eligibility of a project would be decided based on benefit to farmers and industry at large, viability gap, absence of private investment, criticality to value chain, etc.

Branding and Marketing Support:

Grant up to 50% for Branding & Marketing support to groups of FPOs/ SHGs/ Cooperatives or an SPV of micro food processing enterprises would only be for ODOP products. In case of support for marketing & branding at State or regional level, same products of districts not having that product as ODOP could also be included.
Eligible items for support:

i. Training relating to marketing to be fully funded
ii. Developing a common brand and packaging including standardisation to participate in common packaging;
iii. Marketing tie-up with national and regional retail chains and state level institutions;
iv. Quality control to ensure product quality meets required standards.

Eligibility criteria: The proposal should relate to ODOP:

i. Minimum turnover of product to be eligible for assistance should be Rs.5 cr;
ii. Final product should be the one to be sold to the consumer in retail pack;
iii. Applicant should be an FPO/ SHG/ Cooperative/ Regional-State level SPV to bring large number of producers together;

Procedure for applying:

Existing food processing units desirous of seeking assistance could apply online on PM FME portal. The Resource Persons (RPs) engaged for field level support would provide handholding support for preparation of DPR, availing bank loan, obtaining necessary registration and licences including food standards of FSSAI, Udyog Aadhar and GST. Applications for support for FPOs / SHGs / cooperatives, common infrastructure and marketing & branding could be submitted to the State Nodal Agency (SNA) along with a DPR. The SNA would appraise the project and recommend it for bank loan.

Visit: https://mofpi.nic.in/pmfme/
INVESTOR PORTAL
NIVESH BANDHU

for further information,
visit investor portal

(http://foodprocessingindia.co.in)