

1. Introduction

1.1 With a view to promote value addition and better utilization of agricultural produce; minimise wastage/losses at all stages in the food processing value/supply chain through creation and development of infrastructure for storage, transportation and processing of agro produce; induction of modern technology into the food processing industries; encourage R&D in food processing for products and process development; promotional initiative and facilities to promote value added exports and create the critical infrastructure to fill the gaps in the entire supply farm to farm chain i.e. from farm to consumer and above all creating infrastructure for skilling the workforce in the food processing sector, the Ministry of Food Processing Industries (MoFPI) has been implementing various Schemes.

2. Schemes of MoFPI

2.1 The MoFPI has been implementing its flagship scheme Pradhan Mantri Kisan Samapda Yojana (PMKSY) with an outlay of Rs.6,000 crore for the period 2016-2020 i.e. coterminous with Fourteenth Finance Commission and now it has been extended to 2020-21 with a budgetary provision of Rs.1041 crore. The scheme PMKSY has the following vertical schemes to address the farm to farm supply chain without any break:

- (i) Mega Food Parks;
- (ii) Integrated Cold Chain and Value Addition Infrastructure;
- (iii) Creation/Expansion of Food Processing & Preservation Capacities
- (iv) Infrastructure for Agro-Processing Clusters,
- (v) Creation of Backward and Forward Linkages
- (vi) Operation Greens (exclusively for Tomato, Onion and Potato crops)
- (vii) Food Safety and Quality Assurance Infrastructure;

(viii) Human Resources and Institutions,

2.2 Under the AtmanirbharBhartAbhiyan (ABY) initiative of the Government, very recently (June 2020), the MoFPI launched a new Centrally Sponsored Scheme, Prime Minister-Formalisation of Micro Food Processing Enterprises (PM-FME) with a total outlay of Rs.10,000 crore over the period 2020-2025. Under these schemes financial support is provided for creation of modern infrastructure projects, food manufacturing units, value chain development, backward and forward linkages and food testing laboratories. Besides, assistance is provided for research & development and skilling infrastructure in the food processing sector.

2.3 Under various constituent component schemes of PMKSY, the MoFPI provides mostly credit-linked financial assistance (capital subsidy) in the form of grants-in-aid to the individuals, farmers, Farmer Producer Organizations (FPOs), Entrepreneurs, Cooperatives, Societies, Self Help Groups (SHGs), Private Companies and Central/ State PSUs etc. for setting up of food processing/preservation industries. The rate of subsidy ranges from 35% to 75% of the eligible project cost subject to a ceilingthat may vary from Rs. 5 crore to Rs.50 crore depending on the type of projects and location thereof. Financial assistance to the eligible applicant is provided as per the Scheme guidelines and against the Expression of Interest issued by the Ministry from time to time.

3. Major Constituent Component Schemes of PMKSY

3.1 Mega Food Park Scheme

3.1 Objectives

The primary objective of the MFPS is to provide common modern infrastructure facilities for the food processing. It will include creation of processing infrastructure near the farm, transportation, logistics and centralized processing centers. The main feature of the Scheme is a cluster based approach.

3.1.1 Eligible Organizations

The responsibility of execution, ownership and management of the Mega Food Park (MFP) vests with a Special Purpose Vehicle (SPV) in which financial Institutions/banks, organized retailers, processors, service providers, producers, farmer organizations and other related stakeholders would be the shareholders. However, State Government/ State Government entities/Cooperatives applying for the project under the scheme will not be required to form a separate SPV.

3.1.2 Major Components

Central Processing Center: Cost of civil work & equipments for common facilities like testing laboratory, cleaning, grading, sorting and packing facilities, dry warehouses, specialized storage facilities, cold chain infrastructure, irradiation facilities, steam sterilization units, steam generating units, Food incubation cum development centers etc.

- **Primary Processing Centers and Farm Proximate Collection Centers:** These shall have components like cleaning, grading, sorting and packing facilities (including equipment), dry warehouses, specialized cold stores including pre-cooling chambers, ripening chambers (including equipment), reefer vans, mobile pre-coolers, mobile collection vans etc.
- **Factory buildings:** Standard factory sheds for Micro and Small Enterprises (MSEs) which are to be built in CPC as part of plug and play facilities for MSEs.
- **Enabling Basic Infrastructure:** Site development, boundary wall, roads, drainage, water supply, electricity supply, effluent treatment plant, weighbridges etc. at the PPC and CPC level.
- **Non-Core Infrastructure:** Support infrastructure such as administrative buildings, training center, crèche, canteen, workers' hostel etc.

3.1.3 Pattern of Assistance

The scheme provides for a capital grant at the rate of 50 percent of the eligible project cost in general areas and at the rate of 75 percent of the 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 crores per project.

3.2 Integrated Cold Chain and Value Addition Infrastructure

3.2.1 Objectives

The objective of the scheme is to provide integrated cold chain, preservation and value addition infrastructure facilities without any break, from the farm gate to the consumer in order to reduce post-harvest losses of horticulture and non-horticulture agri-produce. This enables linking groups of producers to processors and market through a well-equipped supply chain and cold chain, thereby ensuring remunerative prices to farmers and year-round availability of food products to consumers.

3.2.2 Eligible organizations/entities

Integrated cold chain and value addition infrastructure projects can be set up by Partnership/ Proprietorship Firms, Companies, Corporations, Cooperatives, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs), NGOs, Central/State PSUs, etc. with business interest in cold chain solutions and also by those who manage supply chain.

3.2.3 Components of the Scheme

Scheme guidelines have been revised on 18.01.2019. The scheme allows flexibility in project planning with special emphasis on creation of cold chain infrastructure at farm level. The scheme has the following project components: -

- (i) Farm Level Infrastructure, situated in the catchment area of the targeted produce,

- (ii) Distribution Hub,
- (iii) Refrigerated/Insulated transport,

To avail financial assistance, the applicant has to set up farm level infrastructure as a mandatory component and any one or both of the components from (b) and (c) above. Standalone cold storage is not covered under the Scheme.

For projects approved till 19.08.2019, financial assistance (grant-in-aid) is being provided for 50% the total cost of plant and machinery and technical civil works in General areas and 75% for NE region and difficult areas (North Eastern States, Sikkim and J&K, Himachal Pradesh and Uttarakhand) subject to a maximum of Rs. 10 crore per project.

3.2.4 Pattern of Assistance

The pattern of assistance is as follows: -

- a. For storage infrastructure including pack house and pre cooling unit, ripening chamber and transport infrastructure, grant-in-aid @ 35% for General Areas and @ 50% for North East States, Himalayan States, ITDP Areas & Islands, of the total cost of plant & machinery and technical civil works will be provided.
- b. For value addition and processing infrastructure including frozen storage/ deep freezers associated and integral to the processing, grant-in-aid @ 50% for General Areas and @ 75% for North East States, Himalayan States, ITDP Areas & Islands, will be provided.

3.3 Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC)

3.3.1 Objectives

The main objective of the Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC) Scheme is for promotion of processing / preservation of agro food products and modernization /capacity enhancement of food processing units which will help in increasing the level of processing, value addition thereby reduction of wastage. The processing activities to be undertaken by the individual units will cover a wide range of post-harvest processes resulting in value addition and/or enhancing shelf life with specialized facilities

required for preservation of perishables. Induction of modern technology will make a clear difference in both process efficiencies as well as quality of the end product.

3.3.2 Eligible Organizations/Entities

Organizations such as Govt. / PSUs / Joint Ventures / NGOs / Cooperatives / Self Help Groups (SHGs) / Farmer Producer Organizations (FPOs) / Farmer Producer Companies (FPCs) / Private Sector / partnership firm / individuals etc. are eligible for financial assistance under the scheme.

3.3.3 Pattern of Assistance

The Scheme envisages grants-in-aid@ 35% of eligible project cost in general areas and @50% of eligible project cost in the North East States including Sikkim and difficult areas namely Himalayan States (i.e. Himachal Pradesh, Jammu & Kashmir and Uttarakhand), State notified ITDP areas & Islands subject to maximum of Rs. 5.00 crore per project.

Proposal having eligible project cost more than Rs. 3 (three) crore in general areas and more than Rs. 1 (one) crore in case of SC/ST, North Eastern States including Sikkim and Difficult areas including Himalayan States (Himachal Pradesh, J&K &Uttarakhand), State Notified ITDP areas and Islands are considered in Mega Food Parks (MFPs), Agro-processing Clusters assisted by the Ministry and in designated food parks notified by the Ministry from time to time. The proposals having 100% stake from SC/ST promotes and having eligible project cost of Rs. 1 (one) crore or more are considered irrespective of their locations in the country subject to meeting the other terms & conditions of the scheme guidelines.

3.4. Creation of Infrastructure for Agro Processing Clusters

3.4.1 Objectives

The objective of the scheme is to create modern common infrastructure for food processing closer to production areas and to provide integrated and complete preservation infrastructure facilities near the farm gate.

3.4.2 Components

The scheme has two basic components i.e basic enabling infrastructure and core infrastructure facilities. A minimum 5 food processing units with minimum investment of Rs. 25 crore are to be setup in the cluster.

3.4.3 Eligible Organization/ Entities

Project Execution Agency (PEA) / organizations such as Govt. / PSUs / Joint Ventures / NGOs / Cooperatives / Self Help Groups (SHGs) / Farmer Producer Organizations (FPOs) / Farmer Producer Companies (FPCs) / Private Sector / partnership firm / individuals etc. are eligible for financial assistance under the scheme.

3.4.4 Pattern of Assistance

The Scheme envisages grants-in-aid@ 35% of eligible project cost in general areas and @50% of eligible project cost in the North East States including Sikkim and difficult areas namely Himalayan States (i.e. Himachal Pradesh, Jammu & Kashmir and Uttarakhand), State notified ITDP areas & Islands, SC/ST promoters subject to max. ofRs. 10.00 crore per project. The grant-in-aid is credit linked but not back ended.

3.5 Creation of Backward and Forward Linkages

3.5.1 Objective of the Scheme

To provide effective and seamless backward and forward integration for processed food industry by plugging the gaps in supply chain in terms of availability of raw material and linkages with the market. The scheme will enable linking of farmers to processors and the market thereby ensuring remunerative prices for their produce.

3.5.2 Eligible Sectors

Following food processing sectors are eligible to avail the assistance under the scheme: -

- a) Horticulture
- b) Milk & Milk products
- c) Meat, Poultry, Fishery, Marine, Piggery
- d) Ready to Eat/ Ready to Cook Food Products
- e) Honey, Coconut, Spices, Mushroom
- f) Retail Shops for Perishable Food Products

3.5.3 Eligible Components

Following are the eligible components and facilities in food processing Industry for which assistance may be availed (Table): -

Table

Backward Linkage	Forward Linkage
<ol style="list-style-type: none"> i. Integrated Pack-house(s) (with mechanized sorting & grading line/ packing line/ waxing line/ staging cold rooms/cold storage, etc.) ii. Milk Chilling Centre(s) /Bulk Milk Cooler(s) iii. Pre Cooling Unit(s)/ Chillers iv. Machinery & equipment for minimal processing and/or value addition such as cutting, dicing, slicing, pickling, drying, pulping, canning, waxing, etc. v. Machinery & equipment for packing/ packaging. 	<ol style="list-style-type: none"> i. Retail chain of outlets to be set up by processors or organizations with farm level infrastructure. These would have facilities such as frozen storage/ deep freezers/ refrigerated display cabinets/cold room/ chillers/ packing/ packaging, etc. ii. Distribution center associated with the retail chain of outlets as above with facilities like cold room/ cold storage/ ripening chamber.
<p>Transport: -Refrigerated/ Insulated transport / Reefer Vans in conjunction with components at above.</p>	

The exact nature of infrastructure to be supported under the scheme is decided on the basis of agriculture/horticulture produce in the catchment area of the project.

3.5.4 Eligible Organisation/Entities

- a. Promoters of food processing units.
- b. Entrepreneurs desirous of entering into food processing supply chain.

- c. Organizations such as Central and State PSUs / Joint Ventures /Farmer Producer Organization (FPOs)/ Farmer Producer Companies (FPCs)/NGOs / Co-operatives / Self Help Groups (SHGs)/ Public & Private Companies / Limited Liability Partnerships, Corporate Entity / Proprietorship Firms / Partnership Firms, etc. linked to food processing units or desirous of setting up minimal processing/ value addition centers
- d. Retailers having linkages with farm level and/or with processors.

3.5.5 Pattern of assistance

The maximum admissible grant for each project would be @ 35% of the eligible project cost for general areas and @ 50% for North East States, Himalayan States, ITDP Areas and Islands respectively, subject to maximum of Rs. 5.0 crore per project. The Grant is calculated based on Mission for Integrated Development of Horticulture (MIDH), DoAC&FW cost norms and MoFPI cost norms.

The promoters of SC and ST category holding 100% are considered as SC and ST category and treated at par with difficult area i.e. grant will be 50% of eligible cost, infusion of equity only 10% and project completion time will be 20 months.

3.6 Operation Greens-Integrated Value Chain Development of Tomato-Onion-Potato (TOP) Crops

3.6.1 Objectives

- i. Enhancing value realisation of TOP farmers by targeted interventions to strengthen TOP production clusters and their FPOs, and linking/connecting them with the market.
- ii. Price stabilisation for producers and consumers by proper production planning in the TOP clusters and introduction of dual use varieties through convergence with the scheme implemented by Mission for Integrated Development of Horticulture (MIDH) and State Governments.

- iii. Reduction in post-harvest losses by creation of farm gate infrastructure, development of suitable agri-logistics, creation of appropriate storage capacity linking consumption centres.
- iv. Increase in food processing capacities and value addition in TOP value chain with firm linkages with production clusters.
- v. Setting up of a market intelligence network to collect and collate real time data on demand and supply and price on regional and seasonal basis to moderate and check localized gluts of TOP crops.

The scheme has both (a) Short term price stabilisation measures; and (b) Long term integrated value chain development projects.

(a) Price Stabilisation Measures

At the time of glut situation, MoFPI provides 50% of the subsidy on the following two components:

- (i) Transportation of TOP Crops from production to storage;
- (ii) Hiring of appropriate storage facilities for TOP Crops;

This price stabilisation measures have now been extended to other perishable crops for a period of six months on pilot basis under the ABY initiatives called TOP to Total with effect from 11.06.2020. This may be extended further.

(b) Integrated value chain development projects

- a) Pilot projects are implemented in *identified clusters* for each TOP crops in major producing States for development of integrated value chain.
- b) The production clusters is mapped in terms of their productivity, varieties, existing infrastructure, linkages with market and existing value chain and their potential for future development.

- c) Farmers in the production clusters is organized into FPOs to manage production, post-harvest activities, value addition and marketing of the TOP produce. The capacity of the existing FPOs will also be enhanced through appropriate training and professional management support.
- d) Contract and contact farming by food processors, supply chain operators, retail chain etc. is encouraged by supporting farm-gate infrastructure.
- e) Market for TOP crops is to be developed by brand building, setting up retail outlets and distribution channel.
- f) The food processing and value addition industry is to be involved in integrating their activity with production through input supplies, mechanization, introducing new technologies of production and setting up of processing facilities at primary, secondary, tertiary level and linking supply of these commodities to the consumption areas by creating infrastructure and storage facilities.
- g) Creation of large infrastructure is to be encouraged for seasonal storage near major cities to check sudden spike in the prices.

3.6.2 Eligible project components

- i. Capacity Building of FPOs & their consortium
- ii. Quality production (Nodal- MIDH)
- iii. Post-harvest processing facilities
- iv. Agri-Logistics
- v. Marketing / Consumption Points

3.6.3 Eligible Organizations/ Entities

Organizations such as State Agriculture and other Marketing Federations, Farmer Producer Organizations (FPO), cooperatives, Self-help groups, companies, food processors, logistic operators, service providers, supply chain operators, retail and wholesale chains and central and state governments and their entities/organizations etc. are eligible for financial assistance under the scheme

3.6.4 Pattern of Assistance

For Integrated value chain development projects, the Scheme envisages grants-in-aid@ 50% of eligible project cost in all areas, subject to maximum 50 crore per project and @70% of eligible project cost in case where PIA is/are FPOs(s) or the proposals having 100% stake from SC/ST promoters subject to maximum of Rs. 50.00 crore per project.

3.7 Other Minor Scheme Components of PMKSY

3.7.1 Scheme for Food Safety & Quality Assurance Infrastructure

3.7.1.1 Objectives of the Scheme

The major objectives of the Scheme are:

- a. To establish a surveillance system for monitoring the quality and composition of food
- b. To analyze the samples received from processing industries and other stakeholders.
- c. To reduce the time for analysis of samples by reducing transportation time of samples.
- d. To ensure compliance with international and domestic standards on food in case of exports as well as imports.

3.7.1.2 Components

The Scheme for Food Safety & Quality Assurance Infrastructure has two components:

- a. Setting up /Up-gradation of Quality Control/Food Testing Laboratories.
- b. Implementation of Food Safety and Quality Management System through HACCP/ISO22000/ FSSC 22000/ BRC/ SQF or any other Global Food Safety Initiative (GFSI) approved certification scheme/ standard in food processing units

3.7.1.3 Eligible Organizations/ Entities& Pattern of Assistance for Food Testing Laboratories

Under the Scheme, Central/State Government and their organizations/ Government universities (including deemed universities) are eligible for grant ó in - aid for entire cost of the laboratory equipment. In addition, they are also eligible for 25% of the cost of technical civil work to house the equipment and furniture & fixtures associated with the equipment for general areas and 33% of the cost for difficult areas. They are also eligible for 80% of the monthly emoluments of two technical staff for two years from the date of completion of the laboratory i.e. on procurement and installation of all the equipment and completion of civil work of Food Testing Laboratory, provided this does not exceed the emoluments prescribed for Junior Research Fellow (JRF) under ICAR.

All other implementing agencies/private sector organizations/universities (including deemed universities) are eligible for grant-in-aid of 50% of cost of laboratory equipment and 25% of the cost of technical civil works to house the equipment and furniture and fixtures associated with the equipment for general areas and 70% of cost of laboratory equipment and 33% of cost of technical civil work and furniture & fixtures associated with the equipment for difficult areas. When the Ministry establishes/sponsors such food testing laboratories, there would be no ceiling on financial assistance and the amount to be approved will be decided on case to case basis with the approval of Competent Authority.

The SC or ST promoter(s), as the case may be, holding majority stake in the implementation agency / applicant organization / firm, will be treated as SC / ST proposals and will be treated at par with the difficult areas for the purpose of extending benefits under the scheme including the project period. For any change in the constitution / composition of such implementation agency / applicant organization / firm, prior permission of Ministry shall be required.

(Difficult areas include J&K, Himachal Pradesh, Uttarakhand, Sikkim, North-Eastern States, Andaman & Nicobar Islands, Lakshadweep, and Integrated Tribal Development Project (ITDP) areas).

3.7.1.4 Objectives of HACCP/ISO 22000, ISO 9000/GHP/GMP

- i. To motivate the food processing industry for adoption of food safety and quality assurance mechanisms such as Total Quality Management (TQM) including ISO 9000, ISO 22000, Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP), Good Hygienic Practices (GHP).
- ii. To prepare them to face global competition in post - WTO regime.
- iii. To enable adherence to stringent quality and hygiene norms.
- iv. To enhance product acceptance by overseas buyers.
- v. To keep Indian industry technologically abreast of international best practices.

3.7.1.5 Eligible Organizations/ Entities & Pattern of Assistance for HACCP Projects and other Projects

Assistance in the form of re-imbursment of expenditure is provided to Central/State Government Organizations, IITs and Universities and private sector units to the extent of 50% of the cost of consultant's fee, fee charged by certification agency, cost of plant and machinery, technical civil work and other expenditure towards implementation of Total Quality Management System including ISO 9000, ISO 22000, HACCP, GMP & GHP subject to maximum of 17 lakh in general areas and to the extent of 75% of the cost in difficult areas subject to a maximum of 22 lakh. The revised guidelines, which are effective from 01.04.2014, are available on Ministry's website.

All implementing agencies with Scheduled Caste (SC)/ Scheduled Tribe (ST) promoter(s), holding majority stake will be treated at par with the difficult areas for the purpose of extending benefits under the scheme. For any change in the constitution/composition of such implementing agencies, prior permission of Ministry shall be required. Subject to matching the basic eligibility criteria, SC/ST beneficiaries will be given preference in sanction of the projects under the scheme to the extent of earmarked fund allocation for each category.

(Difficult areas include J&K, Himachal Pradesh, Uttarakhand, Sikkim, North-Eastern States, Andaman & Nicobar Islands, Lakshadweep, Integrated Tribal Development Project (ITDP) Areas of States.)

3.7.2 Human Resources and Institution

3.7.2.1 Research& Development Scheme

3.7.2.1.1 Objectives of the scheme

The Objective of the scheme is that end product/outcome/findings of R&D work should benefit food processing industry in terms of product and process development, efficient technologies, improved packaging, value addition etc. with commercial value along with standardization of various factors viz. additives, colouring agents, preservatives, pesticide residues, chemical contaminants, microbiological contaminants and naturally occurring toxic substances within permissible limits.

3.7.2.1.2 Eligible Institutions for assistance

All Universities, IITs, Central/ State Government Institutions, Government Funded Organizations, R&D laboratories and CSIR recognized R&D Units in private sector are eligible to receive financial assistance for R&D projects under this scheme so as to improve the food processing sector.

3.7.2.1.3 Pattern of Assistance & release of grant-in-aid

A. Release of funds for Government/ Public Funded Organizations

1. After fulfilment of all the required criteria first instalment of grant comprising (a) 100% of the approved cost of equipment (or as required by the applicant research organization), (b) 50% of the approved cost towards JRF / SRF / RA / Research Assistant / Project Assistant, (c) 50% of the approved cost towards consumables, (d) 50% of the approved cost towards TA/DA, and (e) 50% of the approved institutional charges will be released.
2. After fulfilment of all the required criteria second instalment of grant comprising (a) 40% of the approved cost towards JRF/SRF/RA/ Research Assistant / Project Assistant, (b) 40% of the approved cost towards consumables, (c) 40% of the approved cost towards TA/DA and (d) 40% of the approved institutional charges will be released.

3. After fulfilment of all the required criteria third/ final instalment of grant comprising (a) 10% of the approved cost towards JRF/SRF/RA /Research Assistant / Project Assistant, (b) 10% of the approved cost towards consumables, (c) 10% of the approved cost towards TA/DA and (d) 10% of the approved institutional charges will be released.

B. Release of funds for Private Organizations

1. After fulfilment of all the required criteria first instalment of grant comprising 50% of total grant approved for equipment will be released.
2. After fulfilment of all the required criteria second instalment of grant comprising of 40% of the total grant approved for equipment will be released.
3. After fulfilment of all the required criteria for final instalment of grant comprising 10% of the approved grant for equipment will be released.

3.7.2.2 Scheme for Promotional Activities, Advertisement, Publicity, Studies and Surveys

3.7.2.2.1 Objectives

Financial assistance is provided for organizing / co-sponsoring / sponsoring / participating in an event viz., seminar, workshop, conference, campaign, symposium in India and National / International Fair / Exhibition / Roadshow / Mela / Business Summit & Investors Meet / World Food India (WFI) / Food India on the objectives to create awareness among various stakeholders on plan, policy & programmes of the Ministry and the various schemes of Pradhan MantriKisan SAMPADA Yojana and PM-FME to encourage investment for the development of food processing sector etc.

7.7.2.2.2 Eligible Organizations

Apex Industry Bodies / Associations / Chambers like CII, FICCI, ASSOCHAM, PHDCCI, AIFPA, ICC, DICCI, FINER and State Chambers, Central / State Government and their Institutions like Agricultural and Processed Food Products Export Development Authority (APEDA), Central Food Technological Research Institute (CFTRI), India Trade Promotion Organization (ITPO) and Central / State University.

7.7.2.2.3 Pattern of Assistance

(i) Ministry provides financial assistance for seminar, workshop, conference, campaign, symposium organized in India on the following manner: -

- a) Maximum of Rs. 5 lakhs or up to 50 % of the actual event cost, whichever is less in general areas and 100% of the event cost in NE Region;
- b) When Ministry sponsors / co-sponsors an event organized by Central / State Government and their institutions like APEDA, CFTRI, ITPO and Apex Industry Bodies / Associations / Chambers, Ministry will extend 100 % of the actual event cost or maximum of Rs. 10 lakhs per event, whichever is less; and
- c) Ministry also extend financial support to Central / State Government and their Institutions for organizing an event, subject to participation of Ministry.

(ii) Ministry provides financial assistance for National / International Fair / Exhibition / Roadshow / Mela / Business Summit & Investors Meet / World Food India (WFI) on the following manner: -

- a) Maximum of Rs. 10 lakhs per event or up to 50 % of the actual event cost, whichever is less;
- b) When Ministry organizes World Food India (WFI) and its allied event(s), there will be no ceiling on the expenditure to be incurred unless otherwise restricted by Government of India;
- c) When Ministry in close association with Central / State Government and their institutions like APEDA, CFTRI, ITPO and Apex Industry Bodies / Associations / Chambers, organize any of the above event in India, Ministry will extend up to 25 % of the actual event cost or maximum of Rs. 10 lakhs per event, whichever is less;
- d) When Ministry sponsors / co-sponsors any of the above event organized by Central / State Government and their institutions like APEDA, CFTRI, ITPO and Apex Industry Bodies / Associations / Chambers, Ministry will extend 100 % of the actual event cost or maximum of Rs. 10 lakhs per event, whichever is less; and
- e) When Central / State Government and their Institutions organize any of the above international event or participate in such international event, Ministry will extend up to 25 % of the actual event cost or maximum of Rs. 20 lakhs per event, whichever is less.

(iii) Ministry provides financial assistance for participation in seminar, workshop, conference, campaign, symposium and national fair, exhibition, mela by seeking nominations from the Apex Industry Bodies / Associations / Chambers, of entrepreneurs belonging to SC / ST / NER category and women entrepreneurs, who would be interested in participating in such events and display their products. The stall space in such events would be hired on behalf of the nominated entrepreneurs by the Apex Industry Bodies / Associations / Chambers and reimbursed by Ministry.

(iv) Ministry provides 100 % financial assistance, subject to maximum of Rs. 5 lakhs for an event once in every constituency or actual event cost, whichever is less for promotion of food processing sector in every Constituency of India subject to receipt of recommendation from the Member of Parliament (Lok Sabha) in their tenure for organising such event in association with Apex Industry Bodies / Associations / Chambers and involving State Industries Department / State Chambers, wherever possible.

(v) Ministry provides 100 % financial assistance, subject to maximum of Rs. 4 lakhs per event including advertisement or actual event cost, whichever is less to IIFPT for organizing an event on "Food Processing Industry on wheels", in Tomato / Onion / Garlic / Ginger producing clusters to aid farmers and small processors to process these farm produce in the Mobile Processing Unit (MPU) at field level.

(vi) Ministry provides financial assistance of 50% of the actual event cost or maximum of Rs. 50 lakh per event, whichever is less to State Government for organising a State event "Food India" in association with one of the Apex Industry Body / Association / Chamber. Ministry also meet the entire expenditure if the State Government does not come forward to fund such an event, subject to condition that State Government shall provide logistical support for the event.

(vii) Advertisement and Publicity - Ministry publishes various advertisements for promotion of various schemes and allied activities of Ministry to promote Food Processing sector and also

create various print materials through a professional agency selected through competitive bidding process among the agencies empaneled with Directorate of Audio-Visual Publicity (DAVP) [re-designated as Bureau of Outreach & Communication (BoC)] as per media policy / guidelines laid down by Ministry of Information and Broadcasting and BoC, as per DAVP rates wherever available.

3.7.2.3 Scheme for Human Resources and Institution-Skill Development (SHRISD)

3.7.2.3.1 Objectives of the scheme

To provide sector specific skilled workforce from floor level workers, operators, packaging and assembly line workers to quality control supervisor etc. and to meet the skilled Human Resources requirement in food processing sector.

3.7.2.3.2 Component of the Scheme

- (a) Development of Course curriculum for training modules and its translation in English Hindi and regional languages.
- (b) Assistance for creation of infrastructure facilities for Skill Training Centres.

3.7.2.3.3 Pattern of financial assistance

(a) Assistance is provided for the development of course curriculum for training modules and its translation in English, Hindi and regional languages based on the qualification packs (QPs) validated by the NSDC as National Occupational Standards for different job roles in various sectors of food processing industries. Grant-in-aid is provided to the eligible Institutions/organizations upto a maximum of Rs. 5.00 lakhs per QP for development of training module both in print Multi-media for each job role. Up to a maximum of Rs.0.50 lakh per QP is available for the translation of already developed training modules in recognized regional languages as per 8th schedule both in print and Multi-media for each job role.

(b) Assistance is also provided for creation of infrastructure facilities for establishment of skill training centers/ expansion of existing skill training centers to impart skill/ training on various job roles in food processing. Grant in aid is provided at the rate of 50% of cost of plant & machineries required for a NSDA/NSDC validated training module subject to a maximum of Rs. 15 lakhs per training module limited to a maximum of 5 training modules per Training Center. The Grants-in-Aid is released by the Ministry to eligible institutions/ organizations in two equal installments i.e. 50% advance and remaining 50% after the plant machinery has been purchased and installed by the Institute/organization.

4. Prime Minister- Formalisation of Micro Food Processing Enterprises (PM-FME)

4.1 Since the micro food processing units in unorganised sector with about 25 lakh in number face a number of challenges including the inability of the entrepreneurs to access to credit, lack of access to modern technology and inability to integrate with the food supply chain and compliance with the health and safety standards, Ministry has launched an all India Centrally Sponsored Scheme “**Prime Minister- Formalisation of Micro food processing Enterprises (FME)**” to address these problems through a comprehensive package of interventions with the aim (a) to modernize and enhance the competitiveness of the existing individual micro enterprises and ensure their transition to formal sector and (b) to support FPOs/ SHGs/ Cooperatives for delivery of package of services, creation of common infrastructure along the value chain, ensure backward & forward linkages, branding & marketing. The scheme has an Outlay of Rs.10,000 crore for 5 years from 2020-21 to 2024-25 to cover 2,00,000 enterprises for direct financial assistance and other indirect support to 8,00,000 micro enterprises. Expenditure to be shared @ 60:40 by GoI and States, @ 90:10 by GOI and 8 North Eastern & Himalayan States and funded by GOI to UTs.

4.2 Objectives

4.2.1 The broad objectives of PM-FME is to enable the micro food processing enterprises to integrate them with main supply chain and thus compete with small and medium units in the formal sector for which efforts to be made to

- (i) Increase access to finance
- (ii) Increase in revenues of target enterprises
- (iii) Enhanced compliance with food quality and safety standards
- (iv) Strengthening capacities of support systems
- (v) Special focus on Women entrepreneurs and Aspirational Districts
- (vi) Encourage Waste to Wealth activities
- (vii) Focus on minor forest produce in Tribal Districts
- (viii) promoting local food products for catering to both domestic and export markets.
- (ix) Transition from the unorganized sector to the formal sector

4.3 Supportand Pattern of Financial Assistance

- (i) Micro enterprises will be supported with credit linked subsidy @ 35% of the eligible project cost with a ceiling of Rs.10 lakh.
- (ii) Beneficiary contribution will be minimum 10% and balance through loan.
- (iii) Handholding support for farm level upgradation plan, DPR preparation, Skill training, obtaining bank credit, FSSAI/ local body license, UdyogAadhaar etc.

4.4 Support for FPOs/ SHGs/ Cooperatives: The Scheme for FME envisages participation of State Rural Livelihood Mission (SRLM), NABARD/ SFAC and NCDC respectively for organizing micro food processing units for their modernization and setting up of Common Facility Centres. These partner agencies will avail the following support under the schemes

- (i) Seed capital to SHGs (@ Rs.4 lakhper SHG) for loan to members for working capital and small tools
- (ii) Grant for backward/ forward linkages, common infrastructure, packaging, marketing & branding

- (iii) Skill training and Handholding support for DPR, technical upgradation etc.
- (iv) Credit linked capital subsidy

4.5 Brand Building & Marketing

- (i) Support to SHGs/ FPOs/ Co-operatives in brand building and marketing for the micro-enterprises
- (ii) Linkage of clusters with lead buyers
- (iii) Support to micro-enterprises coming together for brand-building and marketing as in the case of LijjatPapad brand.
- (iv) SHGs/ FPOs would be encouraged to tie-up with the State Governments for providing food products under the Mid-day Meal Scheme for the schools and Anganwadis.
- (v) SHGs would be encouraged to tie-up with the CPSEs for supply of food products in accordance to existing Government guidelines.

4.6 Strengthening capacities of institutions

- (i) The Scheme envisages strengthening of the existing National and State level institutions to support the micro enterprises in technology upgradation, entrepreneurship development and food safety.
- (ii) NIFTEM and IIFPT along with their Branches/ outreach Centers would be strengthened further as Apex Institutions.
- (iii) These institutions would prepare training curricula, training of trainers at State level and Nodal institutions, prepare standard DPRs, support Nodal agencies in DPR preparation, develop new products and processes for micro units etc.

4.7 Convergence Framework

- (i) The State Governments will be required to enlist support of State Rural Livelihood Mission (SRLM), NABARD/SFAC, NCDC and other State level Agencies to address the problem of this highly dispersed unorganised food processing segment.

- (ii) Support from the existing schemes under implementation by the Government of India and State Governments would be availed under the scheme.
- (iii) The Scheme would attempt to fill in the gaps, where support is not available from other sources, especially for capital investment, handholding support, training and common infrastructure

5. Role of the Panchayats in Implementation of the Schemes of MoFPI

5.1 The central sector scheme of PMKSY is implemented directly by the Ministry. The schemes are demand driven and mostly availed by private sector with matching equity contribution and bank credit. The proposals are invited through expression of interests (EoI) from time to time depending on the availability of funds and vacant slots of projects under each scheme components. Panchayats have no role in implementation of the projects at present. However, Panchayat can apply for scheme benefits to set up different food processing/preservation projects as per the scheme guidelines.

6. Scope of Convergence at Panchayat Level

6.1 Various awareness campaign for popularization of schemes of MoFPI under promotional activities can be organised, particular for PM-FME scheme that is suitable for rural industrialization/entrepreneurship as 66% of the Micro Food Enterprises (MFEs) are in rural areas. Groups of farmers, self-help groups, women entrepreneurs can play a leading role in food processing activities in the rural areas by availing financial assistance and other assistance under the PM-FME scheme. Under the Skill Development scheme of PMKSY, the Panchayats can set up skill Centres that requires very little investment as assistance up to five job roles of Rs.15 lakh each (Rs.75 lakh) can be availed under the scheme.

6.2 Online free training/skilling Programmes for the SC/ST micro food processors entrepreneurs under the PM-FME scheme to be launched soon under the aegis of two Ministry controlled food technology institutes viz; National Institute of Food Technology, Entrepreneurship and Management (NIFTEM), Kundli, Haryana and Indian Institute of Food Processing Technology

(IIFPT), Thanjavur, Tamil Nadu. Panchayats through the Common Service Centres (CSCs) or dedicated skilling centre with minimum IT infrastructure and connectivity can avail the service to provide skilling/training opportunities.

7. Suggestions for Effective Implementation of PM-FME

7.1 Appropriate convergence with the schemes/activities of other Ministries/Departments may be explored to involve the Panchayats at all level to develop the data base on agricultural and allied sector surplus produced in the constituent villages, level of produce processed, farm gate infrastructure, level of wastage, number of micro enterprises run by SHGs/cooperatives/FPOs/individual units, demand for skilling so as to enable targeted outreach under PM FME.
