

PM Formalisation of Micro food processing Enterprises (PMFME) Scheme

March 17, 2021

About Scheme for Formalisation of Micro food processing Enterprises (FME)

- A Centrally Sponsored Scheme.
- Scheme for Formalisation of Micro food processing Enterprises (FME is for the Unorganized Sector).
- All India basis with an outlay of Rs.10,000 crore.
- The expenditure will be shared by GOI and the States in a ratio of 60:40.

Objectives

- Increase in access to finance by micro food processing units.
- Increase in revenues of target enterprises.
- Enhanced compliance with food quality and safety standards.
- Strengthening capacities of support systems.
- Transition from the unorganized sector to the formal sector.
- Special focus on women entrepreneurs and Aspirational districts.
- Focus on minor forest produce in Tribal Districts.

Period of implementation

- Scheme will be implemented over a 5 year period from 2020-21 to 2024-25.
- 2,00,000 micro-enterprises are to be assisted with credit linked subsidies.

Eligibility

- All India basis.
- Support to Individual micro units:
 - Micro enterprises will get credit linked subsidy @ 35% of the eligible project cost with ceiling of Rs.10 lakh.
 - Beneficiary contribution will be minimum 10% and balance from loan.
 - On-site skill training & Handholding for DPR and technical upgradation.
- Support to FPOs/SHGs/Cooperatives:
 - Seed capital will be given to SHGs (@Rs. 4 lakh per SHG) for loan to members for working capital and small tools.
 - Grant for backward/ forward linkages, common infrastructure, packaging, marketing & branding.
 - Skill training & Handholding support.
 - Credit linked capital subsidy.