

PM Formalization of Micro Food Processing Enterprises Scheme

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While agricultural production has witnessed a rise in recent years, value added in the sector has suffered due to lack of food processing and diversification of products. The scheme aims to promote food processing both to increase the value of agricultural output and promote employment in the sector.

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The Ministry of Food Processing Industries (MoFPI) has launched the scheme through a package of support and services. The objectives under the scheme include the following:

- **Capacity building of entrepreneurs** through technical knowledge, skill training and hand holding support services
- **Increased access to credit** to existing micro food processing entrepreneurs for technology upgradation
- **Support to Farmer Producer Organizations (FPOs), Self Help Groups (SHGs), Producers Cooperatives & Cooperative Societies** along their entire value chain to enable microenterprises to avail common services.
- Support for transition of existing enterprises into formal framework for registration under different regulatory framework and compliance
- Integration with organized supply chain by strengthening branding & marketing

It is an **All India Centrally Sponsored Scheme** with an Outlay of Rs.10,000 crore for coverage of 2,00,000 enterprises over 5 years from 2020-21 to 2024-25. The expenditure under the scheme would be shared in 60:40 ratio between Central and

State Governments, in 90:10 ratio with North Eastern and Himalayan States, 60:40 ratio with UTs with legislature and 100% by Center for other UTs.

Features of the Scheme

- The Scheme will adopt a **One District One Product approach to reap benefits of scale** in terms of procurement of inputs, availing common services and marketing of products.
- Support to food processing units would be provided through **credit linked grant, seed capital**, support for marketing and branding.
- FPOs/ SHGs/ producer cooperatives /state agencies or private enterprises would be supported for creation of **common infrastructure** including for common processing facility, incubation center, laboratory, warehouse, cold storage.
- The scheme lays special focus on SC/ST, women and aspirational districts and FPOs, SHGs and producer cooperatives.