

# Production Linked Incentive Scheme for Food Processing Industry

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**In News:** Recently, The Union cabinet headed by the Prime Minister on Wednesday approved a ₹10,900 crore-production linked incentive (PLI) scheme for its food processing industry.

## About Production Linked Incentive Scheme for Food Processing Industry

- The scheme will run over six years through 2026-27.
- Aimed at helping farmers earn better prices and reduce crop wastage.
- To support creation of global food manufacturing champions commensurate with India's natural resource endowment and support Indian brands of food products in the international markets.

## Objectives of the Scheme

- The objectives of the Scheme are to support food manufacturing entities with stipulated minimum Sales and willing to make minimum stipulated investment for expansion of processing capacity and Branding abroad to incentivise emergence of strong Indian brands.:
  - Support creation of global food manufacturing champions;
  - Strengthen select Indian brand of food products for global visibility and wider acceptance in the international markets;
  - Increase employment opportunities of off-farm jobs,
  - Ensuring remunerative prices of farm produce and

higher income to farmers.

### **Salient features of the Scheme**

- To incentivising manufacturing of four major food product segments viz. Ready to Cook/ Ready to Eat (RTC/ RTE) foods, Processed Fruits & Vegetables, Marine Products, Mozzarella Cheese.
- Innovative/ Organic products of SMEs including Free Range -Eggs, Poultry Meat, Egg Products in these segments are also covered under the above component.
- The selected applicant will be required to undertake investment, as quoted in their Application (Subject to the prescribed minimum) in Plant & Machinery in the first two years i.e. in 2021-22 & 2022-23.
- Investment made in 2020-21 also to be counted for meeting the mandated investment.
- The conditions of stipulated Minimum Sales and mandated investment will not be applicable for entities selected for making innovative/ organic products.
- The second component relates to support for branding and marketing abroad to incentivise emergence of strong Indian brands.
- For promotion of Indian Brand abroad, the scheme envisages grant to the applicant entities for – in store Branding, shelf space renting and marketing.
- Scheme will be implemented over a six year period from 2021-22 to 2026-27.