



**STANDING COMMITTEE ON AGRICULTURE, ANIMAL  
HUSBANDRY AND FOOD PROCESSING  
(2024-25)**

**EIGHTEENTH LOK SABHA**

**MINISTRY OF FOOD PROCESSING INDUSTRIES**

**DEMANDS FOR GRANTS (2024-25)  
(DEMAND No. 45)**

**FIFTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**December, 2024 / Agrahayana, 1946 (Saka)**

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### **DEMANDS FOR GRANTS (2024-25) (DEMAND No. 45)**

*Presented to Lok Sabha on* 17.12.2024

*Laid on the Table of Rajya Sabha on* 17.12.2024



**LOK SABHA SECRETARIAT  
NEW DELHI**

**December, 2024 / Agrahayana, 1946 (Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE, ANIMAL  
HUSBANDRY AND FOOD PROCESSING  
18<sup>TH</sup> LOKSABHA (2024-25)**

**SHRI CHARANJIT SINGH CHANNI – CHAIRPERSON**

**MEMBERS**

**LOK SABHA**

2. Shri Patel Umeshbhai Babubhai
3. Smt. Harsimrat Kaur Badal
4. Shri Rajkumar Chahar
5. Smt. Anita Nagarsingh Chouhan
6. Shri Kuldeep Indora
7. Shri Rajpalsinh Mahendrasinh Jadav
8. Md. Abu Taher Khan
9. Shri Rahul Singh Lodhi
10. Shri Sukanta Kumar Panigrahi
11. Smt. Krishna Devi Shivshankar Patel
12. Shri Naresh Chandra Uttam Patel
13. Shri Narayan Tatu Rane
14. Shri Murasoli S
15. Shri Dharambir Singh
16. Shri Dushyant Singh
17. Shri Sudhakar Singh
18. Shri Kodikunnil Suresh
19. Shri Tejasvi Surya
20. Smt. Geniben Nagaji Thakor
21. Shri Bhausahab Rajaram Wakchaure

**RAJYA SABHA**

22. Smt. Ramilaben Becharbhai Bara
23. Dr. Anil Sukhdeorao Bonde
24. Shri Banshilal Gurjar
25. Shri S. Kalyanasundaram
26. Shri Nitin Laxmanrao Jadhav Patil
27. Shri Madan Rathore
28. Shri Ramji Lal Suman
29. Shri P. P. Suneer
30. Shri Randeep Singh Surjewala
31. *Vacant\**

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\* *Vacant vice Shri Krishan Lal Panwar resigned from Rajya Sabha on 14.10.2024.*

## **SECRETARIAT**

1. Shri Srinivasulu Gunda - Joint Secretary
2. Shri Khakhai Zou - Director
3. Smt. Paromita Kumar - Assistant Executive Officer

## **INTRODUCTION**

I, the Chairperson, Standing Committee on Agriculture, Animal Husbandry and Food Processing (2024-25), having been authorized by the Committee to submit the Report on their behalf, present this Fifth Report on Demands for Grants (2024-2025) of the Ministry of Food Processing Industries.

2. The Committee under Rule 331E(1)(a) of the Rules of Procedure and Conduct of Business in Lok Sabha considered the Demands for Grants (2024-25) of the Ministry of Food Processing Industries, which were laid on the table of the House on 1<sup>st</sup> August, 2024. The Committee took evidence of the representatives of the Ministry of Food Processing Industries at their Sitting held on 22<sup>nd</sup> November, 2024. The Report was considered and adopted by the Committee at their Sitting held on 14<sup>th</sup> December, 2024.

3. For facility of reference and convenience, the Observations /Recommendations of the Committee have been printed in bold letters in Part-II of the Report.

4. The Committee wish to express their thanks to the representatives of the Ministry of Food Processing Industries for appearing before the Committee and furnishing the information that they desired in connection with the examination of Demands for Grants of the Ministry.

5. The Committee would also like to place on records their deep sense of appreciation for the invaluable assistance rendered to them by the Officials of Lok Sabha Secretariat attached to the Committee.

**New Delhi;  
14 December, 2024  
23 Agrahayana, 1946 (Saka)**

**Charanjit Singh Channi  
Chairperson  
Standing Committee on Agriculture  
Animal Husbandry and Food Processing**

**PART – I**  
**CHAPTER –I**  
**INTRODUCTORY**

**NARRATION ANALYSIS**

**Role and Functioning of the Ministry**

The Ministry of Food Processing Industries (MOFPI) is a Ministry of the Government of India responsible for the formulation and administration of the rules, regulations, and laws related to food processing in India.

1.2 The Ministry was established in 1988, with the aims of developing a strong food processing industry, increasing employment in the rural sector, and enabling farmers with modern technology. Subsequently, vide notification No.DOC.CD-442/1999 dated 15.10.1999, this Ministry was made a Department and brought under the Ministry of Agriculture. It was again notified as the Ministry of Food Processing Industries vide Cabinet Secretariat's Note No.1/22/1/2001- Cab (1) dated 06.09.2001.

1.3 The subjects allocated to the Ministry under Government of India (Allocation of Business) Rules, 1961 are as under:

- a) Industries relating to:
  - (i) Processing and Refrigeration of certain agricultural products (milk powder, infant milk food, malted milk food, condensed milk, ghee and other dairy products), poultry and eggs, meat and meat products.
  - (ii) Processing of fish (including canning and freezing);
  - (iii) Establishment and servicing of development council for fish processing industry;
  - (iv) Technical assistance and advice to fish processing industry;
  - (v) Fruit and vegetable processing industry (including freezing and dehydration); and
  - (vi) Food grains milling industry.
- b) Planning, development and control of, and assistance to, industries relating to bread, oil seeds, meals (edible), breakfast foods, biscuits, confectionery (including cocoa processing and chocolate making), malt extract, protein isolate, high protein food, weaning food and extruded food products (including other ready to eat foods).
- c) Specialized packaging for food processing industry



- d) Beer including non-alcoholic beer
- e) Alcoholic drinks from non-molasses base
- f) Aerated water and soft drinks

1.4 The Goals of MoFPI are as follows:

- Better utilization and value addition of agricultural produce for enhancement of income of farmers.
- Minimizing wastage at all stages in the food processing chain by the development of infrastructure for storage, transportation and processing of agro-food produce.
- Induction of modern technology into the food processing industries from both domestic and external sources.
- Maximum utilization of agricultural residues and by-products of the primary agricultural produce as also of the processed industry.
- To encourage R&D in food processing for product and process development and improved packaging.
- To provide policy support, promotional initiatives and physical facilities to promote value added exports

1.5 The strategic role and functions of the Ministry fall under three categories:

- Policy support developmental & promotional
- Technical & advisory
- Regulatory.

1.6 MOFPI are concerned with the formulation & implementation of policies and plans for all the industries under its domain within the overall national priorities and objectives. Its main focus areas include—development of infrastructure, technological up gradation, and development of backward linkages, enforcement of quality standards and expanding domestic as well as export markets for processed food products.

1.7 As per the Ministry, their focus areas are:

- ❖ Reduce post-harvest losses of agri-horti produce
- ❖ Enhance processing and preservation capacities, Encourage Agro-processing cluster
- ❖ Identify gaps in infrastructure and assist in its creation.
- ❖ Creation of global food manufacturing champions
- ❖ Promote Millet Based Food Processing

1.8 The Ministry have two institutions under its aegis namely NIFTEM-K i.e. National Institute of Food Technology, Entrepreneurship and Management-Kundli, Haryana, and NIFTEM-T i.e. National Institute of Food Technology, Entrepreneurship and Management-Thanjavur, Tamil Nadu.

## CHAPTER –II

### ANALYSIS OF DEMAND FOR GRANTS

#### SUMMARY OF DEMANDS

The Demands for Grants of the Ministry of Food Processing Industries (Demand No. 45) was laid on 22<sup>nd</sup> August, 2024 in the House. The Demand No. 45 has only Voted components and no Charged components. The Demand has a total budgetary provision of Rs.4,019 crores, including Rs 4,016.46 in the Revenue Section and Rs. 2.54 crores in the Capital Section. However, there is a recovery of Rs. 729 crores under the head of AIDF, therefore the net budgetary provision is Rs.3,290 crores.

(in Rs. crore)

	Revenue	Capital	Gross Total
<b>Charged</b>	-	-	-
<b>Voted</b>	4016.46	2.54	4019.00
<b>Total</b>	4016.46	2.54	4019.00

2.2 The details of Budget Estimates (BE), Actual Expenditure(AE) and Revised Estimates proposed for the year 2024-25 as furnished by the Ministry are as under:

<b>MoFPI's Detailed Demands for Grants 2024-25</b>			
			<b>(Rs. in Cr.)</b>
Budget Allocation (BE)	BE 2024-25	Actual Expenditure as on 11.11.2024	RE Proposed 2024-25
PM Formalisation of Micro Food Processing Enterprises (PM FME) (CSS)	879.50	649.54	1700.00
Production Linked Incentive Scheme (PLIS)	1444.02	11.71	700.00
Pradhan Mantri Kisan Sampada Yojana (PMKSY)	729.00	247.11	720.06
Non-Scheme Expenditure	237.48	87.53	279.11
<b>Total</b>	<b>3290.00</b>	<b>995.89</b>	<b>3399.17</b>

2.3 Major head-wise details of budgetary allocation to the Ministry of Food Processing Industries for the financial year 2024-25 are as follows:

<b>(in thousands of Rupees)</b>	
<b>Major Head</b>	<b>Budget Estimates</b>
2408-Food	<b>22494800</b>
2552 - North Eastern Areas	1650000
3601-Grants-in-Aid to State Governments	7410000
3602-Grants-in-Aid to Union Territory Governments with Legislature	120000
Amount surrendered during the year	
<b>Revenue Section (I)</b>	<b>32874600</b>
4408-Capital Outlay on Food Storage and Warehousing	5400
5475-Capital Outlay on Other General Economic Services	20000
<b>Capital Section (II)</b>	25400
<b>Grand Total (I+II)</b>	<b>32900000</b>

2.4 The Scheme-wise details of Outlay and Expenditure for the period 2021-22 to 2024-25 of The Ministry of Food Processing Industries are given at Annexure - I of this Report. Scheme-wise details of achievement of physical targets during the last three financial years In respect of the Ministry of Food Processing Industries are given at Annexure - II.

## CHAPTER –III

### PAST FINANCIAL PERFORMANCE OF THE MINISTRY

The details of Budget Estimates, Revised Estimates and Actual Expenditure of the Ministry for the last five years are as follows:

Budget and Expenditure Last Five years				
Year	Budget Estimates	Revised Estimates	Actual Expenditure	% w.r.t. RE
2018-19	1400.00	1000.00	716.70	71.67
2019-20	1196.60	1042.79	830.00	79.59
2020-21	1232.94	1247.42	1145.52	91.83
2021-22	1308.66	1304.12	1146.40	87.91
2022-23	2941.99	1901.59	1409.95	74.15
2023-24	3287.65	2911.95	2199.52	75.53
2024-25	3290.00	--	995.89*	28.14 (w.r.t. BE)

\*(as on 11.11.2024)

3.2 When the Committee pointed out, the Ministry provided the reasons for underutilization of budget allocation, and the steps taken to address that which are as under:

“Difficulty in getting sufficient number of eligible proposals for release under SCSP, TSP and NER heads is the main reason for inability to fully utilize the funds under scheme heads. Ministry have mostly exhausted funds available under General Head of the schemes.

In order to address these issues, Ministry have made preferential provisions in the guidelines of schemes. Ministry is regularly conducting virtual/ physical meetings with promoters/investors to assess the implementation of sanctioned projects and to find out issues/problems being faced by them. Ministry also writes letters to State governments, if found necessary, to help promoters/Implementing Agencies in getting statutory approvals in a timely manner and to avoid unnecessary delay in implementation.”

## CHAPTER –IV

### ANALYSIS OF SCHEMES OF THE MINISTRY

The Ministry of Food Processing Industries has been implementing the following Central Sector/Centrally Sponsored Schemes:

Sl. No.	Name of the Scheme
<b>Central Sector Scheme</b>	
<b>a</b>	<b>Pradhan Mantri Kisan Sampada Yojana</b> (having below given 8 component schemes)
<b>a1</b>	Scheme for Mega Food Parks ( Discontinued w.e.f. 01.04.2021)
<b>a2</b>	Scheme for Creation of Infrastructure for Agro-processing Clusters
<b>a3</b>	Scheme for Integrated Cold Chain and Value Addition Infrastructure
<b>a4</b>	Scheme for Creation/ Expansion of Food Processing & Preservation Capacities
<b>a5</b>	Scheme for Creation of Backward and Forward Linkages ( Discontinued w.e.f. 01.04.2021)
<b>a6</b>	Scheme for Food Safety and Quality Assurance Infrastructure (erstwhile Scheme for Quality Assurance)
<b>a6(i)</b>	(i) Scheme for Setting up/ Upgradation of Food Testing Laboratories
<b>a6(ii)</b>	(ii) Scheme for Implementation of HACCP/ISO Certification
<b>a7</b>	Scheme for Human Resources and Institutions:
<b>a7(i)</b>	(i) Research & Development
<b>a7(ii)</b>	(ii) Skill Development
<b>a8</b>	Scheme for Operation Greens
<b>b</b>	<b>Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)</b>
<b>Centrally Sponsored Scheme</b>	
<b>c</b>	<b>Pradhan Mantri Formalisation of Micro food Processing Enterprises Scheme (PMFME)</b>

4.2 The details of implementation period, target segment and approved outlay of the Schemes implemented by the Ministry are as under:

<b>Schemes implemented by Ministry</b>		
Scheme	Target Segment	Approved Outlay (In Rs. Cr)
Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) Implementation Period: 2021-2026	Small and Medium Enterprises	5,520
Prime Minister Formalisation of Micro Food Enterprises	Micro Enterprises	10,000

(PMFME) Implementation Period: 2020-2026		
Production Linked Incentive for Food Processing Industries (PLISFPI) Implementation Period: 2021-2026	Primarily Large Units	10,900

4.3 Below are the details related to the allocation and utilization of funds meant for two Central Sector Schemes namely, Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) and Production Linked Incentive for Food Processing Industries (PLISFPI) and one Centrally Sponsored Scheme viz. Pradhan Mantri Formalisation of Micro food Processing Enterprises Scheme (PMFME) :

(Rs. in crore)

Year	BE	RE	Actuals	Underutilised amount vis- a-vis RE	Utilisation in % terms vis- a-vis RE
2021-22	1200.00	1200.00	1049.22	150.78	87.43
2022-23	2822.00	1764.00	1326.51	437.49	75.19
2023-24	3092.29	2695.00	2035.55	659.45	75.53
2024-25	3052.00		819.57*	NA	

\*as on 11.10.24

## **CENTRAL SECTOR SCHEMES**

### **a. Pradhan Mantri Kisan Sampada Yojana (PMKSY)**

4.4 The *Pradhan Mantri Kisan Sampada Yojana (PMKSY)* is a comprehensive package resulting in the creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet. As per the Ministry, not only does it provide a big boost to the growth of the food processing sector in the country but also helps in providing better returns to farmers and is a big step towards doubling farmers' income, creating huge employment opportunities, especially in rural areas, reducing wastage of agricultural produce, increasing the level of processing, and enhancing the export of the processed foods.

4.5 The main features of PMKSY Scheme as furnished by the Ministry as follows:

- New Central Sector Scheme launched on 03.05.2017
- Total outlay of Rs. 6,000 crores for 14<sup>th</sup> FC and Rs. 5520 crores for 15<sup>th</sup> FC
- Eligible organizations: Farmer Producer Organisations (FPOs)/ Cooperatives / Farmer Producer Companies (FPCs) / Self Help Groups (SHGs) / Government. & Private Sector companies, processors, retailers etc.

4.6 The Ministry have stated the following objectives of the PMKSY:

- Creation of modern infrastructure for food processing mega food parks/ clusters and individual units
- To create effective backward and forward linkages - linking farmers, processors and markets
- To create robust supply chain infrastructure for perishables

4.7 The details of budgetary allocation and utilization under the Central Sector Scheme- PMKSY since 2021- 22 are as follows:

<b>(Rs. in crore)</b>					
<b>Year</b>	<b>BE</b>	<b>RE</b>	<b>Actuals</b>	<b>Amount of under utilization vis-à-vis RE</b>	<b>utilization in % terms vis-a- vis RE</b>
2021-22	690.00	791.00	713.49	77.51	90.20%
2022-23	900.00	673.00	561.92	111.08	83.49%
2023-24	923.24	745.00	666.21	78.79	89.42%
2024-25	729.00		247.11*	NA	

\*as on 11.11.2024

4.8 When the Committee pointed out the trend of allocation and expenditure shows an under-utilization of resources allocated even at RE stage from 2021-22 to 2023-24 and desired to know the reasons for such underutilisation year after year and the measures taken or proposed to be taken to address the issue, the Ministry stated as under:

- “(a) One of the reasons for underutilisation of allocated funds is mandatory budgetary allocation under the Head SCSP/TSP/NER against lower budget demand by the sub-schemes of PMKSY as there are fewer projects for which funds have to be released under these heads. Therefore, 100% utilisation of allocated funds at the RE stage could not be achieved.
- (b) The gestation period for submission of documents in respect of sub-schemes of PMKSY varies from 18 to 30 months. Funds are released on submission of documents by the implementing agencies on fulfilment of all

the criteria laid down in the guidelines of the concerned sub-scheme. Hence, 100% utilisation could not be achieved.

(c) Delays in implementation of the project on account of delay in securing statutory clearances from the respective agencies (like the Revenue Authority, Town Planning, Electricity Authority, Water Authority, Pollution Control Board, Licensing Authority, etc.).

(d) Utilisation/releasing of funds depend upon the submission of documents for each instalment by the PIA on fulfilment of laid down criteria as per scheme guidelines. Hence, the variation.”

4.9 When the Committee desired to know whether such underutilization had any adverse impact on the output and outcomes of the allocations made, the Ministry replied as under:

“Excess allocation of funds over and above the demand under SC/ST/NER Heads; have affected the overall achievement (including output and outcomes of the allocations made) in the sub-schemes of PMKSY.”

4.10 The scrutiny of the Committee revealed that under the PMKSY Scheme, the BE was reduced by Rs. 200 crore to Rs. 729.00 crore in 2024-25 as compared to the BE of Rs. 923 crore in 2023-24. On being asked for the reasons, the Ministry explained as under:

“As no sufficient number of release proposals have been expected during the FY 2024-25, it has been demanded for lower allocation of under BE 2024-25. Further, no fresh EOI has been issued in most of the sub-schemes of PMKSY except present EOI issued for inviting proposals for Irradiation units under Cold Chain Scheme.”

4.11 On being asked by the Committee, what specific policies are being put in place to give Farmer Producer Organisations (FPOs) and cooperatives a competitive edge:

“As per the present guidelines, Farmer Producer Organisations (FPOs)/SHG are given the following advantages during the process of evaluation:-

- The net worth required for eligibility in the case of FPOs is equal to grants-in-aid sought against 1.5 times in the case of general category applicants.
- The infusion of promoter’s equity and term loans on the project is 10% of the total project cost for FPOs, against 20% in the case of general category applicants.
- Grants-in-aid will be 50% of eligible project cost for projects in difficult areas as well as for projects of SC/ST, FPOs, and SHGs, subject to a maximum of Rs. 5 crore.

However, applicants from cooperatives (except SC/ST applicants and proposals from difficult areas) would be considered as general category applicants.”



4.12 The details of approved and completed projects of PMKSY as furnished by the Ministry are as follows:

Name of Scheme	Total Project Sanctioned/ Completed	Total Project Cost of Sanctioned /Completed Projects (Rs. in Cr)	Total Grant Approved of Sanctioned/ Completed Projects (Rs. in Cr)	Total Grant released to Sanctioned /Completed Projects (Rs. in Cr)	Processing & Preservation Capacity of Sanctioned /Completed Projects (LMT)	Farmers Benefitted (Sanctioned)/ Completed	Employment (Sanctioned)/ Completed	Investment Leveraged Sanctioned/ Completed (Rs. in Cr)
MFP	41/24	4631.13/ 2754.33	1958.86/ 1175.6	1492.73/ 1072.55	43.98/28.42	79802/ 60277	694384/ 667116	2672.60/ 1579.06
CC	399/284	11682.83/ 7617.45	3001.77/ 2091.94	2361.40/ 2079.65	210.66/131. 33	3811248/ 2712768	239400/ 169800	8681.06/ 5525.51
APC	76/23	2460.41/ 616.55	658.83/ 194.03	252.29/ 149.67	26.66/7.11	304000/ 76000	81194/ 15939	1801.58/ 422.52
UNIT	559/277	8964.77/ 4115.81	2161.14/ 1032.53	1174.92/ 976.80	125.14/58.8 0	204578/ 41683	191694/ 109121	6803.63/ 3083.28
BFL	61/54	693.3/ 629.78	165.92/ 146.48	150.45/ 141.27	8.82/7.92	413420/ 376120	30794/ 29597	527.38/ 483.3
OG	51/5	2373.13/ 319.98	609.66/ 74.79	185.68/ 67.53	14.22/2.01	336574/ 16780	106123/ 12466	1763.47/ 245.19
FTL	205/162	1176.62/ 692.43	503.61/ 302.88	311.91/ 292.83	N.A.	N.A.	7585/ 5883	673.01/ 389.55
HRI-R&D	236/225	97.31/ 92.38	95.10/ 91.41	82.24/ 81.17	N.A.	N.A.	N.A.	2.21/1.97
HRI-Skill	26/25	18.83/ 18.55	9.06/ 9	9.03/ 9	N.A.	N.A.	N.A.	9.77/9.55
Total	1654/10 79	32098.33/ 16858.26	9163.62/ 5118.33	6023.65/ 4870.47	429.48/ 235.59	5149622/ 3283628	134677 1/ 100992 2	22934.71/ 11739.93

#### a1. Scheme for Mega Food Parks

4.13 The Mega Food Park (MFP) Scheme aims at providing modern infrastructure facilities for food processing along the value chain from farm to market. The scheme functions on a hub and spoke model. It includes the creation of infrastructure for primary processing and storage near the farm gate at primary processing centres (PPCs), collection centres (CCs), and common facilities and enabling infrastructure at the central processing center. The food processing units, under the scheme, would be located at the Central Processing Centre (CPC), with need-based common infrastructure required for processing, packaging, environmental protection systems, quality control labs, trade facilitation centres, etc. The Scheme has been

discontinued w.e.f. 01.04.2021 with committed liabilities for the approved project.

4.14 The salient features of the Scheme as furnished by the Ministry are as follows:

- Provides modern infrastructure for food processing units based on a cluster approach, hub and spoke model
- Capital grant @ 50% of eligible project cost in general areas and @ 75% in NE/difficult/ITDP areas; max. support Rs. 50 crore per project;
- Components of Scheme: Core processing facilities, basic enabling & noncore infrastructure, SDF sheds, Primary Processing/Collection Centre;
- Min. Land area: Atleast 50 acres of contiguous land;
- Implemented through Special Purpose Vehicle (SPV) and State PSUs.

4.15 The details of allocation and expenditure under the Mega Food Park Scheme since 2015-16 are as follows:

Year	BE	RE	Actuals	Amount of under utilization vis-a-vis RE	utilization in % terms vis-a- vis RE
2015-16	120.00	119.50	125.17	NA	104.74
2016-17	222.30	300.15	300.08	0.65	99.97
2017-18	300.00	298.86	296.71	2.15	99.28
2018-19	390.00	182.86	181.46	1.40	99.23
2019-20	200.00	140.00	106.73	33.27	76.23
2021-22	47.60	54.37	52.59	01.78	96.72%
2022-23	55.80	24.80	22.14	02.66	89.27%
2023-24	54.80	17.88	20.64	02.76	115.43%
2024-25	24.80	-	08.14*		

\*as on 11.10.2024)

4.16 In regard to implementation of the Mega Food Park Scheme the Ministry have stated:

“The detailed analysis of the scheme implementation over the past 12 years has shown that the majority of the objectives were not achieved fully. Some of the basic objectives, like having 25–30 food processing units fully functional inside the Mega Food Park, became a distant dream. Barring one or two MFPs, none of the projects could attract investments. While there were several, it is imperative for the Government to take a pause and revisit the entire MFP scheme with a renewed perspective and objective. Another important objective for this scheme is to help the farmers connect with the processing sector directly and help them with optimal price realization for the raw material supply. Primary field observations show that this objective too is

not fully achieved barring a few MFP projects (ex: seafood, green peas, sweet corn, and vegetable contract farming implemented by a few MFPs). Hence, it may be suggested to keep the present MFP program on hold and re-design a new scheme (in consultation with industry and other stakeholders) that complements the existing Mega Food Park projects and accelerates the promotion of the food processing sector in the country.”

4.17 In regard to slow progress and challenges being faced by the Mega Food Park, the Ministry have stated as follows:

“The study reveals that the overall performance of Mega Food Parks till date, promoted under the Mega Food Park Scheme, has been quite slow, as compared with the expectations, scheme objectives, and ecosystem support. The slow progress of MFP projects has not only impacted the revenue models as envisaged by MFP promoters but also impacted the overall vision of the Ministry of Food Processing Industries of increasing processing of perishables, value addition, and share in global food trade. The scheme of such massive scale where execution partnership with the private sector is envisaged has faced several challenges, like the coordination between all stakeholders, adhering to completion timelines of projects, attracting investments from other food processors, making the projects economically feasible business units, leveraging other schemes for investors, and realizing the scheme objectives. Indications of success on other aspects like procurement of raw materials from catchment, engagement with farmers and producers, gender mainstreaming, value addition, and reduction in post-harvest losses have been sporadic.”

4.18 When the Committee asked what remedial measures have been taken /proposed to be taken to address the shortcomings, the Ministry have replied as under:

“The scheme has been operational since 2008-09 and has a requirement of at least 50 acres of land, often a deterrent in hilly and difficult areas. After taking into account the recommendations of many State Governments and working groups constituted under the 12<sup>th</sup>FC, a new scheme of APC was launched under PMKSY to develop common infrastructure in a relatively smaller geographical area of 10 acres. Accordingly, the Mega Food Park scheme has been discontinued w.e.f. 01.04.2021 with committed liabilities for the approved projects.”

4.19 When the Committee asked whether there is any system of carrying out assessment to ascertain the attainability of the objectives under the scheme and how frequently the output and outcomes of the schemes are assessed and a view is taken to continue in the same form or to alter/modify the scheme and devise new strategies to achieve its objectives, the Ministry, in their written reply, stated as

under:

“The MFP Scheme was launched in September 2008, and the first guidelines were issued in October 2008. Since then, based on assessments of output and outcomes of the schemes, numerous amendments have been made to the scheme guidelines in 2009, 2010, 2011, 2012, and 2014 to achieve their objectives. The latest revised set of guidelines was issued in July 2016. Also, the Ministry periodically reviewed the progress of the projects approved under the Scheme. The SPVs/IAs are required to submit monthly reports to the Ministry on the progress of the approved projects.”

4.20 When the Committee asked whether the admission of the failure of the scheme means - the very high percentage of utilization of the funds allocated for the scheme have not been spent in an ineffective manner, and also what was the basis of allocating and utilizing amounts for many years, the Ministry stated as under:

“Mega Food Park was launched in 2008 to boost food processing in the country with aim of establishing world-class infrastructure and common user facilities adopting cluster approach based on hub and spoke model. Despite the Ministry’s efforts to streamline the scheme through appropriate amendments in the guidelines to remove bottlenecks and periodic review meeting with the stakeholders, the pace of implementation of the scheme is slow. Out of 41 approved projects, 24 projects are operational and running successfully. These 24 projects have created 10.69 Lakh MT of processing capacities, 17.95 Lakh MT of preservation capacity and generated 667236 direct & indirect employment benefiting 60277 farmers. As per the impact evaluation study conducted in 2020 more than 300 food processing units are being established and there has been a cumulative investment of more than Rs. 5000 Cr. in the sector. The scheme has been operational since 2008-09 and has requirement of at least 50 acres of land which often is a deterrent in hilly and difficult areas. After taking into account recommendations of many State Governments & Working Group constituted under 12th FC, a new scheme of APC was launched under PMKSY to develop common infrastructure in relatively smaller geographical area of 10 acres. Accordingly, Mega Food Park scheme has been discontinued w.e.f. 01.04.2021 with committed liabilities for the approved projects.”

4.21 The details of progress made by the Scheme as furnished by the Ministry are as under:

Particulars	Total Project Sanctioned/ Completed	Total Project Cost of Sanctioned /Completed Projects (Rs. in Cr)	Total Grant Approved of Sanctioned/ Completed Projects (Rs. in Cr)	Total Grant released to Sanctioned /Completed Projects (Rs. in Cr)	Processing & Preservation Capacity of Sanctioned /Completed Projects (LMT)	Farmers Benefitted (Sanctioned) / Completed	Employment (Sanctioned)/ Completed	Investment Leveraged Sanctioned/ Completed (Rs. in Cr)
Sanctioned	41	4631.13	1958.86	1492.73	43.98	79802	694384	2672.60
Completed	24	2754.33	1175.60	1072.55	28.42	60277	667116	1579.06

**a2. Scheme for Creation of Infrastructure for Agro Processing Clusters**

4.22 The Scheme for Creation of Infrastructure for Agro Processing Clusters has two basic components i.e. Basic Enabling Infrastructure (roads, water supply, power supply, drainage, ETP etc.) and Core Infrastructure/Common facilities (ware houses, cold storages, IQF, tetra pack, sorting, grading etc). Creation of common facilities in a cluster may vary depending upon requirements of food processing units existing outside the cluster or to be set up in a cluster. Minimum 5 food processing units with minimum investment of Rs. 25 crores are to be set up in the cluster.

4.23 The details of the Scheme for Creation of Infrastructure for Agro Processing Clusters, furnished by the Ministry are as under:

- Aims at development of modern infrastructure and common facilities to encourage group of entrepreneurs to set up food processing units based on cluster approach by linking groups of producers/farmers to the processors and markets through well-equipped supply chain with modern infrastructure.
- Envisages a cluster of minimum 5 processing units with an investment of Rs. 25 Cr.;
- Grant @ 35%/50% in general/difficult areas as well as for projects of SC, ST, FPO & SHGs, of eligible project cost upto max of Rs. 10 Crore per project;
- Minimum 10 acres land is required either by purchase or on lease of 50 years;
- Eligible organizations: Farmer Producer Organisations/Cooperatives/ FPCs/SHGs/Government & private sector companies, processors,

retailers etc.

4.24 The details of BE, RE and Actuals utilization under the scheme since 2021-22 are as follows:

Year	BE	RE	Actuals	Amount of under utilization vis-à-vis RE	Percent of utilization vis-à-vis RE
2021-22	37.50	53.90	49.08	04.82	92.46%
2022-23	48.45	56.55	46.82	09.73	82.79%
2023-24	81.30	63.52	39.35	24.17	61.94%
2024-25	38.90	---	09.72*	-	-

\*as on 08.10.24

4.25 On being asked by the Committee for the reasons for underutilization of funds that was allocated for 2021-22, 2022-23 and 2023-24 and the steps that have been taken or are being taken for utilization of funds, the Ministry in their written reply have stated as under:

“Gestation period for submission of documents in Agro Processing Cluster (APC) varies from 24 to 30 months. Projects under APC scheme needs to take various statutory clearances as well as have to populate the cluster with at least 5 food processing units with a minimum aggregate investment of Rs.25 crore. Funds are released on submission of documents by the implementing agencies on fulfilment of the criteria as laid down in the scheme guidelines for release of instalments. Due to non-receipt of documents from the Project Implementing Agencies, projected target could not be achieved. Further, there is mandatory budgetary allocation (both in BE & RE) under the Head SCSP/TSP/NER though not demanded by APC scheme under RE for not having proposals for release of funds under these Heads.

Ministry and Project Management Agency (PMA) has been, telephonically and through email, directing the implementing agencies to adhere to the timeline and submit documents as per the terms and conditions laid down in the approval letter as well as applicable guidelines. Regular show cause notices are also issued to the implementing agencies.”

4.26 **The details of progress made by the Scheme as furnished by the Ministry:**

Particulars	Nos.	Total Project Cost	Total Grant Approved (Rs. in Cr)	Total Grant Released (Rs. in Cr.)	Processing & Preservation Capacity (LMT)	Farmers Benefitted	Employment	Investment Leverage (Rs. in Cr)
Sanctioned	76	2460.41	658.83	252.29	26.66	304000	81194	1801.58
Completed	23	616.55	194.03	149.67	7.11	76000	15939	422.52

**a3. Scheme for Integrated Cold Chain and Value Addition Infrastructure**

4.27 The Ministry have stated that 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. The projects under the scheme can be set up by Individuals as well as entities/organizations such as Farmer Producer Organizations (FPOs, FPCs, NGOs, PSUs, Firms, Companies, etc. The scheme has been operational since the 11th Plan Period.

4.28 The details of Scheme for Integrated Cold Chain & Value Addition Infrastructure given by the Ministry are as under:

- Objective of the scheme is to provide integrated cold chain and preservation infrastructure facilities, without any break, from the farm gate to the consumer;
- To support setting up of standalone irradiation units.
- Financial assistance:
- Grant@ 35%/50% in general/difficult areas (SC/ST, FPO & SHGs) of eligible project cost upto Max. Rs. 10 crore per project;
- Eligible organizations: Farmer Producer Organizations/ Cooperatives/ FPCs/ SHGs/ Government & private sector companies, processors, retailers etc.

4.29 The details of BE, RE and actual utilization under the 'Scheme for Integrated Cold Chain and Value Addition Infrastructure' are as follows:

(Rs.in crore)				
Year	BE	RE	Actuals	Percent of utilization vis-a-vis RE
2021-22	227.60	263.00	225.31	85.67%
2022-23	230.50	222.34	203.06	91.57%
2023-24	196.50	196.50	175.40	89.26%
2024-25	179.80	-	41.17*	-

\*as on 11.11.2024

4.30 The Ministry have stated that as on 30.09.2024, 399 integrated cold chain projects have been taken up for implementation. Of these 283 projects have been completed and 116 are at various stages of implementation.

4.31 When the Committee desired to know why there have been underutilization of allocated funds, particularly in comparison to the reduced Revised Estimates (RE) over the past three years, the reply furnished by the Ministry, is as under:

“As per ICC & VAI scheme guidelines, Project Implementation Agency (PIA) implements projects and they are required to complete the project within the time period 24 or 30 months (as per category) under the ICC & VAI Scheme. During the implementation of the project, PIA faces various issues to submit the documents depending upon the business model. Some statutory documents like-CLU, CTO, FSSAI which takes more time to get these certificates. Moreover, sometimes PIA has to change banks as per their requirement which is further approved by the ministry. Without submission of complete documents by PIA, the ministry does not process to release the Grant-in- aid as per stipulated time frame which is beyond the control of the Ministry. Accordingly, MoFPI cannot assess and foresee these events in advance which are on a case to case basis. Hence, the set pattern/trend of allocation of budget could not be specified within the time period.”

4.32 On being asked by the Committee whether any third-party assessment of the scheme has been conducted, the Ministry furnished the following information:

“Third party assessment of the scheme has been carried out by Nabard Consultancy Services (NABCONS) vide report dated 14.08.2015, 29.11.2017 & 30.03.2020. The suggestions and recommendation as per report dated 30.03.2020 are as under:-

Suggestion:

- Central and State Government may create awareness among the general public to enhance the domestic.
- Irradiated spices have good market demand in international as well as domestic markets. However, the irradiation processing is time consuming for spices due to low capacity/ dose of the units. Therefore, enhancement of capacity and modernization of the existing units may be considered for grant.
- The grant may be considered for a second unit by the promoters.
- The cost of civil works for ancillary infrastructure may also be considered for grant Calculation.
- The grant component may be increased in consultation with other Ministries/Departments for irradiation facilities.

Recommendation:



- The grant component may be enhanced by collaborating with other ministries in order to make the irradiation facility viable and bankable.
- Implementation period of 18 months is quite inadequate, and a minimum time period of 36 months from the date of approval by AERB may be allowed for irradiation facilities.
- Concession in cost may be given by AERB for testing and validation for projects established for processing of food commodities.

4.33 The details of progress made by the Scheme as furnished by the Ministry are as under:

Particulars	Nos.	Total Project Cost	Total Grant Approved (Rs. in Cr)	Total Grant Released (Rs. in Cr.)	Processing & Preservation Capacity (LMT)	Farmers Benefitted	Employment	Investment Leveraged Rs. in Cr)
Sanctioned	399	11682.83	3001.77	2361.40	210.66	3811248	239400	8681.06
Completed	284	7617.45	2091.94	2079.65	131.33	2712768	169800	5525.51

4.34 When the Committee asked for the data on the grants-in-aid provided under the scheme to projects from North Eastern Region (NER), SC/ST communities, FPOs (Farmer Producer Organizations), and SHGs (Self-Help Groups) since the financial year 2021-22:

“The details of the projects approved and grant released till 11.11.2024 under the Scheme to projects from North Eastern Region (NER), SC/ST communities, FPOs & SHGs are as follows:

S. n o.	Name of Applicant	Sector	Project Category	Cluster/ District	Area (General/Difficult/NER)	State	Date of Approval Letter	Total Project Cost (Rs. Cr.)	Grant Released (Rs. Cr.)	Date of release/ Year
1	Double Seven Corporation (ST)	RTE/ RTC	ST	Papumpare	NER	Arunachal Pradesh	29-02-2024	26.75	0.00	-
2	Hamma Foods Private Limited (SC)	Dairy	SC	Aurangabad	General	Maharashtra	08-12-2022	32.13	0.00	-
3	K Kuppusamy(S C)	Dairy	SC	Trichy	General	Tamil Nadu	29-02-2024	10.00	1.24	21.10.2024 (2024-25)
4	Mathurapur Agro India Private Limited (SC)	Fishery	SC	South 24 Parganas	General	West Bengal	08-12-2022	19.95	1.53	18.03.2024 (2023-24)
							<b>Total</b>	<b>88.83</b>	<b>2.77</b>	

4.35 With regard to the finding in the impact evaluation of the Scheme conducted by M/s NABCONS, the Ministry have furnished the details for capacity utilization in fisheries, meat and dairy sector as follows:

“Capacity Utilization a. In fisheries sector, cold storage component has the highest capacity utilization of 61%. b. In meat sector, deep freezer component has the highest capacity utilization of 68%. c. In dairy sector, insulated vans has the highest capacity utilization of 78%.”

**a4. Scheme for Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC)**

4.36 The Scheme envisages the creation, expansion, and/or modernization of processing and preservation capacities, which will help in increasing the level of processing, value addition, and thereby reduction of waste. The setting up of new units and modernization/expansion of existing units are covered under the scheme. The scheme envisages financial assistance to food processing units in the form of grant-in-aid at 50% of eligible project cost for NER/SC/ST, FPOs, SHGs, and @35% of eligible project cost for others with a maximum of 5 crore.

4.37 The details of Scheme for CEFPPC as furnished by the Ministry are as follows:

- To promote food processing/preservation units for increasing level of processing, value addition & reduction in wastage;
- Grant @ 35%/50% in general /difficult areas as well as for projects of SC.ST, FPOs & SHGs of eligible project cost upto max. of Rs. 5 crore per project;
- Eligible organisations: Farmer Producer Organisations, Cooperatives, FPCs, SHGs, Government & private sector companies, processors, retailers etc.

4.38 The details of BE, RE, and actuals under the scheme since 2021-22 furnished by the Ministry are as follows:

Year	BE	RE	Actuals	(Rs. in crore)	
				Under utilisation vis-à-vis RE	%utilisation vis-à-vis RE
2021-22	162.00	242.50	238.08	04.42	98.17%
2022-23	282.80	219.68	170.10	49.58	77.43%
2023-24	320.00	275.12	254.87	20.25	92.63%
2024-25	271.00		73.75*	N.A.	

\*as on 08.10.2024

4.39 When the Committee asked for the reason for the underutilization of allocations in comparison to the Revised Estimates (RE) since the financial year 2021-22, the Ministry provided the following reply:

"The CEFPPC scheme has tried to achieve more than 90% utilization of funds. Utilization/releasing of funds depend upon the submission of documents for each instalment by the PIA on fulfilment of laid-down criteria as per scheme guidelines. The gestation period under the CEFPPC scheme is 18 months, and documents are submitted by the project implementing agencies (PIA) accordingly. Delays in implementation of the project on account of delay in securing statutory clearances from the respective agencies (like the Revenue Authority, Town Planning, Electricity Authority, Water Authority, Pollution Control Board, Licensing Authority, etc.) are one reason for lower utilization of funds. Further, mandatory budgetary allocation under the Head SCSP/TSP/NER against less budget demanded for projects in these areas is one of the reasons."

4.40 On being inquired by the Committee whether any third-party assessment of the scheme has been carried out, the Ministry stated as under:

"CEFPPC scheme was launched in 2017-18 and projects were approved in March 2018. Gestation period is 18 months to complete the projects. Due to Covid-19, third-party assessment of the scheme has not been carried out. Now, the third party impact evaluation has been awarded on 02.07.2024."

4.41 It was stated that the scheme envisages financial assistance to food processing units in the form of grant-in-aid at 50% of eligible project cost for NER/SC/ST, FPOs, SHGs, and @35% of eligible project cost for others, with a maximum of Rs. 5 crore. When the Committee asked for the data on the grants in aid given to the projects awarded/selected to NER/SC/ST/FPOs/SHGs (separately) along with the amount of grants in aid given since 2021-22 (year wise), the Ministry furnished the following information:

"The details on the grants-in-aid given to the projects awarded/selected to NER/SC/ST/FPOs/SHGs (separately) along with the amount of grants-in-aid given since 2021-22 (year-wise) are as follows:

<b>Year wise details of grant released to projects under SC category</b>		
<b>Financial Year</b>	<b>No. of Projects</b>	<b>Amount released (Rs. In lakh)</b>
2021-22	14	2157.98
2022-23	7	1468.12
2023-24	11	1901.02
2024-25 (as on 11.11.2024)	10	1782.02
<b>Total</b>		<b>7309.14</b>

Year wise details of grant released to projects under ST category		
Financial Year	No. of Projects	Amount released (Rs. In lakh)
2021-22	5	765.28
2022-23	2	156.342
2023-24	2	336.41
2024-25 (as on 11.11.2024)	0	0
<b>Total</b>		<b>1258.032</b>

Year wise details of grant released to projects under FPC category		
Financial Year	No. of Projects	Amount released (Rs. In lakh)
2021-22	7	975.11
2022-23	5	1100.2
2023-24	4	1000
2024-25 (as on 11.11.2024)	0	0
<b>Total</b>		<b>3075.31</b>

Year wise details of grant released to projects under NER category		
Financial Year	No. of Projects	Amount released (Rs. In lakh)
2021-22	22	3433.91
2022-23	12	1775.88
2023-24	18	3499.87
2024-25 (as on 11.11.2024)	13	2464.62
<b>Total</b>		<b>11174.28</b>

4.42 The details of physical targets under Scheme for Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC):

S . N	Name of the Scheme/ Project Programme	Unit	2021-22			2022-23			2023-24			2024-25		
			Target	Achievement	Short-fall, if any, with reasons	Target	Achievement	Short-fall, if any, with reasons	Target	Achievement	Short-fall, if any, with reasons	Target	Achievement	Short-fall, if any, with reasons
1	2.	3.	4.	5.	6.	7.	8.	9.	10.	11	12.	13	14.	15.
1	Scheme of Creation /Expansion of Food Processing and Preservation	Nos . of projects com	80	77	Delay in the part of implementing	80	70	Delay in the part of implementing agencies	80	45	Delay in the part of implementing agencies	100	17 (completed) till dat	

	Capacities	Completed			agencies								e	
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4.43 The details of progress made under the Scheme as furnished by the Ministry are as under:

(inRs. Crore)								
Particulars	Nos.	Total Project Cost (Rs. in Cr)	Total Grant Approved (Rs. in Cr)	Total Grant released (Rs. in Cr)	Processing & Preservation Capacity (LMT)	Farmers Benefitted	Employment	Investment Leveraged Rs. in Cr)
Sanctioned	559	8964.77	2161.14	1174.92	125.14	204578	191694	6803.63
Completed	277	4115.81	1032.53	976.80	58.80	41683	109121	3083.28

**a5. Scheme for Creation of Backward and Forward Linkages**

4.44 The objective of the scheme is to provide effective and seamless backward and forward integration for the processed food industry by plugging the gaps in supply chain in terms of availability of raw material and linkages with the market. The scheme enables linking of farmers to processors and the market thereby ensuring remunerative prices for their produce. The Scheme has been merged with Operation Green Scheme in 15th FC cycle with provision for committed liability for ongoing projects.

4.45 The details of the ‘Scheme for Creation of Backward and Forward Linkages’ are as follows:

- To plug gaps in the supply chain of perishables agri-horti produce;
- To connect farmers directly with processing and market;
- Support facilities like:
  - Primary processing centres/collection centres at farm gate;
  - Distribution hub and retail outlets at the front ends;
  - Reefer transport etc.
- Grant @ 35%/50% in general/difficult areas of max. Rs. 5.00 Cr. per project.

4.46 As per the Ministry the eligible organisations under the Scheme are:

State Agriculture Federations, State Marketing Federations, Farmer Producer Organisations, Cooperative, SHGs, companies, Food Processors, Logistic companies, supply chain operators, retail chains, wholesale chains, State/Central entities/organizations, etc. are eligible for financial assistance under the scheme.

4.47 Below are the details of BE, RE and actual utilization under the Scheme

since 2021-2022:

(in Rs. Crores)

Year	BE	RE	Actuals	Under utilisation vis-à-vis RE	%utilisation vis-à-vis RE
2021-22	51.70	40.70	32.98	07.72	80.85%
2022-23	22.20	18.78	09.35	09.43	49.78%
2023-24	05.39	10.83	04.19	06.64	38.68%
2024-25	06.20	---	000*	NA	

4.48 The details of progress made under this Scheme as stated by the Ministry are as follows:

Particulars	Nos.	Total Project Cost (Rs. in Cr)	Total Grant Approved (Rs. in Cr)	Total Grant released (Rs. in Cr)	Processing & Preservation Capacity (LMT)	Farmers Benefitted	Employment	Investment Leveraged Rs. in Cr)
Sanctioned	61	693.30	165.92	150.45	8.82	413420	30794	527.38
Completed	54	629.78	146.48	141.27	7.92	376120	29597	483.30

**a6. Scheme for food safety and quality assurance infrastructure**

**a6(i). Scheme for Setting up/Up-gradation of Food Testing Laboratories**

4.49 The Scheme for Setting Up/Up gradation of Food Testing Lab is implemented with the rationale to support the Food Safety regulatory activities of the Food Processing Sector and to help the food processing industry in regard to quality control measures.

4.50 The details regarding functions and grants of the Scheme for Setting up/Upgradation of Food Testing Laboratories are as under:

- To strengthen the food quality control infrastructure and to make it available to the food processing sector in order to ensure compliance to domestic and international food safety standards;
- These facilities so created under the scheme will be accessible to public at large and made available to the food processing units for testing their products;
- Make available modern commercial testing facilities for industry;
- Grant @ 50%70% of equipment in general/difficult areas for private projects

and 100% for public sector.

4.51 As per Ministry, under the Scheme, Government organizations are eligible for a grant-in-aid of 100% of the eligible cost of the approved equipment for Government organizations, 70% of the eligible cost of the approved equipment for private organizations for NER/SC/ST, and 50% of the eligible cost of the approved equipment for others.

4.52 The details of BE, RE and Actuals of the Scheme as furnished by the Ministry, year-wise are as under:

(Rs. in Crore)			
Year	BE	RE	AE*
2021-22	45.20	46.70	34.25
2022-23	51.80	33.80	18.73
2023-24	46.50	23.20	14.96
2024-25	30.00	-	9.21**

\*All expenditure in Scheme for Food Safety and Quality Assurance Infrastructure as on 11.10.2024

4.53 The details of physical targets under scheme for food safety and quality assurance infrastructure are as follows:

S · N	Name of the Scheme/ Project Programme	U n i t	2021-22			2022-23			2023-24			2024-25		
			T a r g e t	A c h i e v e m e n t	S h o r t - f a l l, i f a n y, w i t h r e a s o n s	T a r g e t	A c h i e v e m e n t	S h o r t - f a l l, i f a n y, w i t h r e a s o n s	T a r g e t	A c h i e v e m e n t	S h o r t - f a l l, i f a n y, w i t h r e a s o n s	T a r g e t	A c h i e v e m e n t	S h o r t - f a l l, i f a n y, w i t h r e a s o n s
1	2.	3.	4.	5.	6.	7.	8.	9.	10	11.	12.	13.	14.	15.
6	Scheme for Food Safety and Quality Assurance Infrastructure – Food Testing Labs	No s	1 8	4	(Pandemic has slowed down the execution of project)	1 0	12	-	5	10	-	15	0 4  ( A s o n d a t e)	No short fall likely as implementation is in progress

4.54 The Committee pointed out that despite underutilization of funds in the

previous year's higher amounts were allocated in the subsequent years. When the Committee asked to the justification for such allocation of resources and the steps taken to arrest the declining trends of utilization of amounts given even at RE stage, the Ministry submitted as under:

“The disbursement of grant to an applicant is linked to the physical progress of the setting-up/up gradation of the Food Testing Laboratory. Due to the reduced economic activities in the years affected by Covid-19 pandemic, the approved projects were delayed. The reasons for less utilization of funds under the Scheme of Setting-up/Up-gradation of Food testing Laboratory (FTL) are:

- (a) some of FTL projects have been withdrawn/cancelled due to non-implementation by the promoter(s) of such FTLs. Further, due to the decision to release funds only in reimbursement mode, many projects are delayed in claiming further instalments.
- (b) the projects are implemented by the entrepreneurs, and at times do not adhere to the timelines due to business reasons and delays encountered in obtaining the requisite approvals and clearances from the respective Agencies. The Guidelines prescribe penalty for delay in completion of the projects.
- (c) Due to Covid-19 related lock-down and arising situations, the claims submitted for reimbursement of expenditure done by applicant/entity decreased and accordingly less grants could be released.
- (d) In some cases, the entrepreneurs report completion of projects with reduced expenditure due to efficient cost management or on 'as-is-where-is' basis. The resultant outgo of grant is less in such cases.
- (e) Manufacturers for major high-end equipment of Food Testing Labs are from abroad and such imports got delayed during Covid-9 pandemic. Moreover, there are very few technicians to install such high end equipment. The delay in project implementation leads to less disbursement.
- (f) No EoI could be floated during 2022-23 for PMKSY Scheme as approval for the continuation of the scheme was awaited. The EoIs were released in FY 2023-24, for which the first instalment becomes due in FY 2024-25. No EoI has been floated in FY 2024-25 either.”

4.55 When the Committee desired to know the outcomes and output of these allocations in quantitative and qualitative terms, the Ministry submitted as under:

“The Scheme has resulted in creation of infrastructure for ensuring quality and safety of standards of processed food products to meet domestic and global standards. The infrastructure also provides support to regulatory authorities like FSSAI, APEDA and EIC for ensuring standards of processed food products.



As also submitted, since 2005, Ministry have supported 205 lab projects and disbursed grant in aid of Rs. 323.5091crore under this Scheme to various entrepreneurs. During the last four years, grant-in-aid of Rs. 109.891765 crore has been disbursed upon examination of the claims as per the Scheme Guidelines.

4.56 The details of progress for the Scheme as furnished by the Ministry are are under:

Particulars	Nos.	Total Project Cost (Rs. in Cr)	Total Grant Approved (Rs. in Cr)	Total Grant released to (Rs. in Cr)	Employment Generated	Investment Leveraged (Rs. in Cr)
Sanctioned	205	1176.62	503.61	311.91	7585	673.01
Completed	162	692.43	302.88	292.83	5883	389.55

**a7. Scheme for Human Resource and Institutions**

**a7(i) Research & Development in Processed Food Sector**

4.57 The Ministry of Food Processing Industries (MoFPI) is implementing Scheme for Research and Development (R&D) in processed food sector, which is a component of scheme for Human Resource an Institutions under the umbrella scheme of the Ministry i.e. Pradhan Mantri Kisan Sampada Yojana (PMKSY).

4.58 The salient features of the Scheme are as under:

- Objective is that the end product/outcome/findings of R&D work should benefit the food processing industry in terms of product and process development, efficient technologies, improved packaging, value addition etc.
- 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.
- Funding pattern:
  - For Government Organization: 100% of eligible project cost.
  - For Private Organization: 50% of eligible project cost in General areas & 70% of eligible cost in Difficult areas.
  -

4.59 The details of progress of the Scheme as furnished by the Ministry are as

under:

<b>Particulars</b>	<b>Total Project Sanctioned</b>	<b>Total Project Cost of (Rs. in Cr)</b>	<b>Total Grant Approved (Rs. in Cr)</b>	<b>Total Grant released to (Rs. in Cr)</b>	<b>Investment Leveraged</b>
Sanctioned	236	97.31	95.10	82.24	2.21
Completed	225	92.38	91.41	81.17	1.97

#### ***a7(ii) Skill Development***

4.60 The Ministry of Food Processing Industries (MoFPI) is implementing the 'Skill Development Scheme' with the aim 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 the food processing sector.

4.61 As per Ministry, under the scheme, Grant-in-Aid is provided to the eligible Institutions/ organizations up to a maximum of Rs.5.00 lakhs per QP for development of training modules 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 Multimedia for each job role. Grant-in-Aid is provided at the rate of 50% of cost of plant & machineries required for NSDA/NSDC validated training modules subject to a maximum of Rs.15 lakhs per training module limited to a maximum of 5 training modules per Training Centre. The Grant-in-Aid is released by the Ministry to eligible institutions/organizations in two equal instalments i.e. 50% advance and remaining 50% after the plant machinery has been purchased and installed by the Institute/organization.

4.62 The details of BE, RE and Actuals for the Scheme as furnished by the Ministry are as follows:

(Rs. in Crore)			
Year	BE	RE	Expenditure
2021-22	44.80	15.14	13.03
2022-23	23.69	22.36	20.49
2023-24	4.96	2.40	0.52
2024-25	4.10	-	0.08

\*as on 11.10.2024

**a8. Scheme for Operation Greens**

4.63 The Operation Greens Scheme was launched in November 2018 for integrated development of Tomato, Onion and Potato (TOP) value chain, extended to 22 Crops in 2021-22. The salient features of the Scheme are as follows:

- ❖ Long term-Value Chain Development project-
  - Grant in aid @ 35% for general area and @ 50% for difficult areas as well as for projects of SC/ST, FPOs and SHGs for setting up of project for 22 perishables.
  - Max. GIA-15 crore for Integrated Value Chain Development Projects & 10 crore for stand-alone Post Harvest infrastructure Projects.

4.64 The details of BE, RE and actual utilization under the Scheme since 2018-19 are as follows:

(in Rs. Crore)				
Year	BE	RE	Actuals	% of utilization vis-a vis RE
2018-19	0.00	200.00	5.50	2.75%
2019-20	200.00	30.03	2.85	9.49%
2020-21	127.50	38.22	38.21	99.97%
2021-22	73.40	74.50	68.15	91.47%
2022-23	184.56	74.40	71.05	95.38%
2023-24	213.59	155.35	156.21	100.55%
2024-25	173.40		59.44*	

\*as on 11.10.2024

4.65 On being asked by the Committee, the Ministry furnished the details of the projects awarded to various categories such as FPCs, SC/STs, cooperatives, companies, food processors, SHGs (separately) so far under the scheme along with the amount of grants in aid given as under:

<b>Details of projects approved under Operation Greens Scheme-Long Term Intervention</b>								
<b>Sl. No.</b>	<b>Name of Applicant</b>	<b>Cluster/District</b>	<b>State</b>	<b>Date of Approval Letter</b>	<b>Total Project Cost (Rs. Crores)</b>	<b>Eligible Grant (Rs. Crores)</b>	<b>Grant Released (Rs. Crores)</b>	<b>Status</b>
<b>FPC (Farmer Producer Company)</b>								
1.	Smart Agrovillage Producer Company Ltd	Nashik	Maharashtra	03-02-2021	35.97	12.88	9.98	Completed*
<b>FPC (Farmer Producer Company)-SC Category</b>								
2.	KhemanandDudh&Krishi Producer Company Ltd	Ahmednagar	Maharashtra	08-01-2020	31.33	14.60	11.32	Ongoing
<b>Cooperatives</b>								
3.	Andhra Pradesh Food Processing Society	Chittoor	Andhra Pradesh	20-03-2019	109.99	48.82	4.88	Ongoing
4.	Banaskantha District Cooperative Producer Union Ltd	Banaskantha	Gujarat	08-01-2020	103.87	28.41	28.41	Completed
<b>Companies</b>								
<b>LLP (Limited Liability Partnership)</b>								
5.	SMSEA Corporation LLP	Visakhapatnam	Andhra Pradesh	09-11-2022	52.27	10.00	3.33	Ongoing
6.	Nedspice Dehydration India LLP	Bhavnagar	Gujarat	20-03-2019	63.64	19.50	15.14	Completed*
<b>Partnership Firm</b>								
7.	ShriRadhe Agro Foods	Aligarh	Uttar Pradesh	09-11-2022	45.39	9.45		Ongoing
8.	Rajyalakshmi Marine Exports	Kakinada	Andhra Pradesh	09-11-2022	49.25	10.00	6.67	Ongoing
9.	Honey Ranjan Cool and Fresh	Solan	Himachal Pradesh	09-11-2022	26.34	9.53	3.18	Ongoing
10.	Royale Agro Processing Industries	Mohali	Punjab	09-11-2022	45.29	9.84		Ongoing
11.	RC Agro Foods	Budaun	Uttar Pradesh	09-11-2022	38.73	9.36	6.24	Ongoing
<b>Partnership Firm (ST Category)</b>								
12.	Apti Enterprises	Chittoor	Andhra Pradesh	21-11-2023	41.19	15.00	8.38	Ongoing
13.	Sri Veeramathiamman Agro Center	Erode	Tamil Nadu	21-11-2023	10.00	4.86	1.62	Ongoing
<b>Partnership Firm (SC Category)</b>								
14.	Lakshay Enterprises	Chittoor	Andhra Pradesh	09-11-2022	35.82	14.91	9.94	Ongoing
15.	Pyramid Farmopolis	Nagpur	Maharashtra	16-11-2022	35.09	10.00	6.66	Ongoing
16.	ShivaniAgriHorti Primary Processing	Coimbatore	Tamil Nadu	09-11-2022	18.00	8.35	5.56	Ongoing

	Centre							
17.	Angalamman Hi-Tech Agro Industry	Erode	Tamil Nadu	21-11-2023	30.00	14.93	9.94	Ongoing
<b>Proprietorship Firm</b>								
18.	Yashwinder Singh CA Store	Shimla	Himachal Pradesh	09-11-2022	14.25	5.49		Ongoing
19.	Bhoomi Agro Bio Foods	Pune	Maharashtra	09-11-2022	24.59	7.00	4.66	Ongoing
20.	Marg Sat Santok Agro Cold Store	Raigad	Maharashtra	09-11-2022	54.61	15.00		Ongoing
<b>Proprietorship Firm (SC Category)</b>								
21.	Karavan	Chikkaballapur	Karnataka	21-11-2023	26.87	9.95		Ongoing
22.	Magnus Farms	Nashik	Maharashtra	21-11-2023	27.15	9.50		Ongoing
<b>Public Limited Co.</b>								
23.	Devi Fisheries Limited	Kakinada	Andhra Pradesh	09-11-2022	105.50	15.00		Ongoing
24.	Alpha Marine Limited	Nellore	Andhra Pradesh	09-11-2022	98.00	9.62	9.62	Completed
25.	Falcon Marine Exports Limited	Nellore	Andhra Pradesh	16-11-2022	59.91	10.00		Ongoing
26.	Devi Sea Foods Limited	West Godavari	Andhra Pradesh	16-11-2022	75.18	10.00		Ongoing
27.	Sandhya Marines Limited	West Godavari	Andhra Pradesh	09-11-2022	72.10	10.00		Ongoing
28.	ADF Foods Limited	Surat	Gujarat	09-11-2022	65.37	10.00		Ongoing
29.	Grover Foods Limited	Bareilly	Uttar Pradesh	09-11-2022	40.86	10.00	3.33	Ongoing
<b>Private Limited Co.</b>								
30.	GCR Foods and Beverages Private Limited	Chittoor	Andhra Pradesh	09-11-2022	40.05	10.96	3.65	Ongoing
31.	Advishnu Marine Foods Private Limited	East Godavari	Andhra Pradesh	09-11-2022	35.00	10.00	3.33	Ongoing
32.	Avanti Frozen Foods Private Limited	Kakinada	Andhra Pradesh	16-11-2022	64.62	10.00		Ongoing
33.	Annam Marine Exports Private Limited	Guntur	Andhra Pradesh	09-11-2022	51.00	10.00		Ongoing
34.	Milesh Marine Exports Private Limited	Krishna	Andhra Pradesh	09-11-2022	34.85	10.00		Ongoing
35.	Summit Marine Exports Private Limited	West Godavari	Andhra Pradesh	09-11-2022	55.60	10.00	6.66	Ongoing
36.	Angami Foods Private Limited (NER)	Nalbari	Assam	16-11-2022	28.53	7.40		Ongoing
37.	Vangi Foods	Anand, Kheda	Gujarat	05-03-2020	18.50	4.38	4.38	Completed
38.	Pramukh Dehydration Private Limited	Amreli	Gujarat	09-11-2022	21.90	5.69	3.80	Ongoing

39.	Kings Dried Foods Private Limited	Bhavnagar	Gujarat	09-11-2022	73.53	10.00	6.67	Ongoing
40.	IsconBalaji Foods Pvt. Ltd.	Sabarkantha	Gujarat	10-03-2023	117.62	20.31		Ongoing
41.	Transgreen Agro and Logix Private Limited	Vadodara	Gujarat	09-11-2022	50.00	10.00	3.33	Ongoing
42.	Oddiville Foods Private Limited	Dhar	Madhya Pradesh	09-11-2022	36.70	15.00	5.00	Ongoing
43.	Master Merchants Private Limited	Khargaon	Madhya Pradesh	16-11-2022	29.30	7.32		Ongoing
44.	Kavalife Private Limited	Krishnagiri	Tamil Nadu	09-11-2022	10.50	2.80		Ongoing
45.	Doab Agro Foods Private Limited	Ballia	Uttar Pradesh	09-11-2022	46.52	7.10		Ongoing
46.	JCL Agro Products Private Limited	Meerut	Uttar Pradesh	09-11-2022	47.99	15.00		Ongoing
47.	Nutrishia Foods Producer Company Ltd	Jalgaon	Maharashtra	09-11-2022	54.67	14.86		Ongoing
<b>Private Limited Co. (SC Category)</b>								
48.	Regal Farmfresh Pvt Ltd	Satara	Maharashtra	10-03-2023	75.25	37.92		Ongoing
49.	Shanghar Valley Enterprises Private Limited	Kullu	Himachal Pradesh	21-11-2023	11.33	4.49		Ongoing
50.	Gherade Agro foods Pvt Ltd	Solapur	Maharashtra	21-11-2023	12.90	5.00		Ongoing
51.	RishirajNutra Foods Private Limited	Jodhpur	Rajasthan	16-11-2022	20.21	9.43		Ongoing

4.66 The details of progress of the Scheme as furnished by the Ministry are as follows:

Particulars	Nos.	Total Project Cost (Rs. in Cr)	Total Grant Approved (Rs. in Cr)	Total Grant released (Rs. in Cr)	Processing & Preservation Capacity(LMT)	Farmers benefited	Employment Generated	Investment Leveraged(Rs. in Cr)
Sanctioned	51	2373.13	609.66	185.68	14.22	336574	106123	1763.47
Completed	5	319.98	74.79	67.53	2.01	16780	12466	245.19

**b. Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)**

4.67 Union Cabinet in its meeting on 31.03.2021 approved the Central Sector Scheme- "Production Linked Incentive Scheme for Food Processing Industry

(PLISFPI)” 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 with an outlay of Rs.10,900crores.The PLISFPI has been formulated based on the Production Linked incentive scheme of NITI Aayog under “*Aatma Nirbhar Bharat Abhiyaan* for Enhancing India's Manufacturing Capabilities and Enhancing Exports”. The Scheme will be implemented over a six-year period from 2021-22 to 2026-27.

4.68 The details of the Scheme’s objectives as stated by the Ministry in their Power Point Presentation are as under:

- Creation of Global Food Manufacturing Champions
- Global Visibility of Indian Brands food products
- Employment opportunities for off farm jobs
- Remunerative prices to farm produce/income for farmers

4.69 The details of Scheme categories and fund allocation as furnished by the Ministry in its Power Point Presentation are as under:

<b>Categories</b>	<b>(Rs. in Crore)</b> <b>Funds for each category</b>
1. Incentive based on Sales and Committed Investment criteria	9040
2. Incentives on Innovative/Organic products	250
3. Branding and Marketing Support	1500
4. Administration Cost	110
<b>Total</b>	<b>10900</b>

4.70 The total investment of Rs. 7722 Crore expected under the scheme is likely to be completed by the end of 2022-23. However, any spill over Investment, which will be part of contract/tender already firmed up before 2022-23 end, if any, shall be completed in 2023-24. 1.2. A component for Production Linked Incentives Scheme for Millet Based Products (PLISMBP) has subsequently been carved out from the scheme, with an outlay of Rs.800 crore, to encourage the use of Millets in RTC/RTE products and incentivising them under the PLI Scheme to promote its value addition and sale. It is likely to facilitate production of millet based products valued about Rs.16,500 crore till the year 2026-27. 1.3 In the year 2023-24, disbursement of Incentives will be made under Category-III (Branding & Marketing expenditure

abroad) to the PLI Scheme beneficiaries and companies selected under PLISFPI Scheme for Millet Based Products (PLISMBP).

4.71 The details of eligibility criteria of companies in terms of minimum sale and minimum investment under this Scheme along with no. of approvals, category-covered under PLISFPI and PLISMBP, as stated by the Ministry are as under:

Sl.No.	Scheme	Segment	Minimum Sale (Rs. Crore)	Minimum Investment (Rs. Crore)	Min. CAGR% for Sales Incentives	No. of approvals	Total
1.	Category-I of PLISFPI	RTE/RTC	500	100	10	12	53
		F&V	250	50	10	27	
		Marine	600	75	5	10	
		Mozzarella Cheese	150	23 Cr-10 MTPD	15	4	
2.	Category-II of PLISFPI	Innovative	(a) Udyami Registered (b) Achieved Min. sale of Rs. 1 crore during 2019-20 for each of the Innovative/organic product proposed to be incentivized. (c) Applicant for Organic Product shall be registered with APEDA (NPOP Certification)			2	16
		Organic				14	
3.	Category-III of PLISFPI	B&M	<ul style="list-style-type: none"> <li>Only Indian Brands are covered for branding &amp; marketing abroad having products manufactured in India;</li> <li>Branding &amp; Marketing shall be undertaken either by the Applicant directly or through its subsidiary or any other agency India/Abroad</li> </ul>			73	73
4.	PLISMBP	Large Entities	250	-	-	8	29
	PLISMBP	MSME	2	-	-	21	
		Total				171	171

\*"The Scheme is applicable only for the sale of products whose entire chain of manufacturing process (including primary processing) takes place in India. This condition does not apply for additives. Flavours and edible oils used in the manufacturing process. The incentives under the scheme varies from 5%-10% in first 4 years and 4%-9% in subsequent years."

4.72 The Ministry have stated that implementation of the scheme would facilitate expansion of processing capacity to generate processed food output of over Rs. 33,000 crore and create employment for nearly 2.5 lakh persons by the year 2026-27.



4.73 The details of allocations made and expenditure incurred on PLISFPI scheme during the last three financial years is as under:

Year	BE	RE	Actuals	Shortfall/ underutilization	Utilization in% terms vis-à-vis RE
2021-22	10.00	10.00	09.27	00.73	92.70%
2022-23	1022.00	801.00	489.83	311.17	61.15%
2023-24	1530.00	1150.00	590.50	559.50	51.34%
2024-25	1444.02	---	11.71*		

\*as on 11.10.2024

4.74 The Committee pointed out that the utilization percent of allocated resources at the RE stage at 61.15% is far lower than the utilization rates of 2021-22 and 2023-24. When they asked for the specific reasons for underutilizing 39% of RE in 2022-23, the Ministry explained as under:

“The Production Linked Incentive Scheme for Food Processing Industries (PLISFPI) follows a one-time selection process for applicants, with a fixed pool of approved applicants. These selected applicants submit their incentive claims through the PLI portal each year, between 1st April and 31st December, for the previous financial year. The claims and supporting documents are then reviewed by the Project Management Agency (PMA) in accordance with the Scheme Guidelines, after which the PMA submits its recommendations to the Ministry for disbursement. It has been observed from previous year’s disbursements that a significant number of applicants were not eligible for incentive disbursement due to the absence of crucial documents, as required by the Scheme Guidelines. In FY 2022-23, out of 174 live applications for FY 2021-22, only 45 applications were found eligible for disbursement. As a result, Rs. 486.79 Cr was disbursed across 29 cases. The remaining 16 cases, which did not meet the eligibility criteria or lacked required documentation, were carried forward to FY 2023-24 for disbursement, totalling Rs. 123.43 crore.”

4.75 When the Committee desired to know the reasons for reducing BE allocations at RE, the Ministry submitted as under:

“Some applicants have voluntarily withdrawn from the Scheme, while others have failed to meet their committed investment targets and are likely to be exited from the Scheme due to non-compliance with the Scheme Guidelines. As a result, these applicants are no longer eligible to receive incentives in the future. Consequently, at the Revised Estimate (RE) level, the allocation under the Budget Estimate (BE) was reduced accordingly.”

4.76 On being asked by the Committee as to why there has been continuous decline in utilization of even REs and the remedial measures taken to improve the utilization, the Ministry stated as under:

“The decline in utilization is primarily due to a lower number of claims received than anticipated. For FY 2022-23, out of 173 applications, only 108 claims were submitted. Of these, only 41 claims were disbursed by 31st March 2024, as the remaining claims were incomplete and lacked essential documentation. Additionally, some applicants were unable to meet the minimum Compound Annual Growth Rate (CAGR) of 10% as required by the scheme, due to their use of imported raw materials, which became ineligible under the scheme guidelines starting FY 2022-23. Out of the pending claims, 39 cases mostly related to Branding & Marking and a few from other categories were carried forward to FY 2024-25 due to the absence of key documents by 31st March 2024. The remaining cases were found ineligible for disbursement. Furthermore, the scheme was extended to cover Millet-Based Products with an outlay of Rs. 800 crores over five years, utilizing savings from the PLISFPI. However, only Rs. 3.897 crores was disbursed in Year 1 (FY 2022-23).”

4.77 On being asked by the Committee to furnish the actuals for 2024-25 (as on date), the Ministry furnished the following information:

“For FY 2024-25, the Division has proposed a Revised Estimate (RE) of Rs. 700 Cr, based on the past performance of the scheme. This amount includes spill over claims of Rs. 114.56 Cr from FY 2022-23. As of now, only seven claims, totalling Rs. 133 Cr, have been received for FY 2023-24 via the PLI Portal. However, it is expected that the majority of the claims will be submitted by the deadline of 31st December 2024, which may impact the final disbursement figures.”

4.78 On being asked by the Committee, the Ministry furnished details of the ‘output’ and ‘outcome’ of the scheme since its inception as given below:

<b>Segment</b>	<b>Incentive Disbursed (Rs. Crore)</b>
Processed Fruits & Vegetables	293.417
Ready to Cook/ Ready to Eat	647.423
Marine Products	114.11
Mozzarella Cheese	20.9
Organic Products	4.244
Millet-based products	3.917
<b>Total</b>	<b>1084.011</b>

## **Centrally Sponsored Scheme**

### **C. Pradhan Mantri Formalization of Micro Food Processing Enterprises Scheme (PMFME)**

4.79 As part of Aatmanirbhar Bharat Abhiyan, Ministry of Food Processing Industries (MoFPI) has launched an all India centrally sponsored "PM Formalisation of Micro food processing Enterprises (PMFME) Scheme" for providing financial, technical and business support for upgradation of existing micro food processing enterprises. The scheme was approved by the Union Cabinet on 20<sup>th</sup> May,2020 and Guidelines for the scheme was issued on 19<sup>th</sup> June,2020. 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. For providing credit linked subsidy to 2,00,000 (Two lakh) micro food processing units across the country.

4.80 The background and aims of the Scheme as provided by the Ministry in their PowerPoint Presentation are as follows:

- "Scheme approved by the Union Cabinet on 20<sup>th</sup> May, 2020
- Scheme Guidelines issued on 19<sup>th</sup> June, 2020
- A Centrally Sponsored Scheme-launched on 29<sup>th</sup> June, 2020
- Scheme Outlay Rs. 10,000 crore to be implemented over a period 2020-21 to 2024-25(extended upto 2025-26)
- Envisages credit linked grant to 2 lakh micro food processing units

#### **Aims of the Scheme:**

- To enhance competitiveness of individual micro-enterprises in the unorganized segment;
- To promote formalization of the sector;
- To support individual enterprises/FPOs/SHGs/Cooperatives along the entire value chain;
- To adopt One District One Product (ODOP) approach."

4.81 The components of support for the Scheme as mentioned by the Ministry in its Power Point Presentation are as follows:

- Individual Units
- Credit linked Grant @ 35% with max. ceiling of Rs. 10 lakh to all eligible organisations including FPOs/ SHGs/ Cooperatives (Sanctioned credit linked subsidy of Rs. 3053.57 Cr. to 107752 micro enterprises)
- **Seed Capital:**
- SHGs – Seed capital @Rs. 40,000 per member at SHG Federation level for working capital and purchase of small tools (Sanctioned seed capital support of Rs. 1016.12 Cr. to 3,06,704 SHG members)

**Common Infrastructure:**

- Credit linked Grant @ 35% for common infrastructure with max. ceiling of Rs. 3.0 crores
- Support to Common processing facility, labs, incubation center, warehouse, cold storage, etc.
- 100 % funding support as per norms to Government Agencies for Incubation Centres with maximum limit of Rs. 2.75 Cr.  
(Approved 76 incubation centers with grants-in-aid of Rs. 206.95 Cr.)”

4.82 In view of the fact that most of the Schemes of Food Processing Industries are a demand driven scheme, when the Committee desired to know how States and Central Government collaborate to address the local needs and customize demand driven schemes for regional challenges, the Ministry stated as under:

“Ministry of Food Processing Industries (MoFPI) is implementing a centrally sponsored "PM Formalisation of Micro food processing Enterprises (PMFME) 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. for providing credit linked subsidy to 2, 00, 000 (two lakh) micro food processing units across the country. The scheme has been extended for a period of one year upto 2025-26. The scheme has the following sharing of resources between the Centre and the States:

- i) Centre-State share at 60:40;
- ii) 90:10 sharing between center and Himalayan and North Eastern States;
- iii) UTs with legislature sharing would be 60:40 between the Centre and the States;
- iv) UTs without legislature 100% funds would be provided by the Central Government.”

4.83 The details of allocations made and expenditure incurred on PLISFPI scheme during the last three financial years are as under:

Year	BE	RE	Actuals
2021-22	500.00	399.00	328.70/ <b>272.53</b>
2022-23	900.00	290.00	275.06/ <b>92.25</b>
2023-24	639.05	800.00	779.06/ <b>765.30</b>
2024-25	879.50	1700.00	700.88*/ <b>699.50</b>

\* as on 10<sup>th</sup> November, 2024

*The figures shown in bold is the funds released to the States/ UTs through the State treasury and directly in the SNA account for the expenditure on various components of PMFME scheme. However, the figures shown in unbold (year-wise) are the actual expenditure includes expenditure on various other components of the PMFME Scheme viz. Center share of credit linked subsidy released through nodal bank, Capacity building administrative expenditure, advertisement publicity etc., and also includes the figures shown in bold.*

4.84 The Ministry have submitted that under the PMFME Scheme, 3,78,004 beneficiaries have been provided with employment till 31<sup>st</sup> October, 2024. The State-wise and year-wise employment generated under the PMFME Scheme is at Annexure-III. However, the scheme does not capture the information regarding skilled and semi-skilled jobs created.

4.85 The Ministry have stated that under the PMFME Scheme, 1,08,580 loans for Micro food processing units have been sanctioned under Credit Linked Subsidy till 31<sup>st</sup> October, 2024. The year-wise details are mentioned below:

<b>Particulars</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025</b>	<b>Total</b>
<b>Loan Sanctioned</b>	3,043	28,944	54,594	21,999	1,08,580

#### ***One district One Product***

4.86 The PMFME Scheme adopts One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement inputs, availing common services and marketing of products. ODOP for the scheme will provide the framework for value chain development and alignment of support infrastructure. The ODOP product selected are either a perishable agri-produce, cereal-based product or a food product widely produced, Minor Forest Produce or traditional food products in a district and their allied sectors. The ODOPs are recommended by the States/UTs on the basis of agriculture production, number of micro food enterprises and SHGs/Cooperatives/Producer group engaged in processing of food product. The list of ODOP has been reconciled with the ODOFP list of MOA&FW. PMFME Scheme provides support to existing individual micro units for capital investment. New units, for both individual and groups would be supported for ODOP products. The scheme also envisages strengthening backward and forward linkages, provision of common facilities, incubation centres, training, R&D, marketing & branding, provision of which would primarily be for ODOP products.

4.87 The Committee raised the issue as to how the 'One District One Product' initiative spans a large area, while existing specialized food processing clusters operate on a much smaller scale. Additionally, the issues of labour and livelihoods seem to be given minimal attention. When they desired to know how can the Ministry balance the focus on competitiveness with the need to prioritize labor and livelihood concerns in this initiative, the Ministry stated as under:

“As part of Aatmanirbhar Bharat Abhiyan, Ministry of Food Processing Industries (MoFPI) has launched an all India centrally sponsored "PM Formalisation of Micro food processing Enterprises (PMFME) Scheme" for providing financial, technical and business support for upgradation of existing micro food processing enterprises. The Scheme aims to enhance the competitiveness of new and existing individual micro-enterprises in the unorganized segment of the food processing industry and promote formalization of the sector and support Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives along their entire value chain. The One District One Product (ODOP) concept is followed to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. ODOP for the scheme provides the framework for value chain development and alignment of support infrastructure. Through the provision of credit linked grant @35% upto 10 lakhs to micro food processing unit and seed capital assistance @ Rs. 40000 per SHG member along with capacity building of beneficiaries it is aimed to create livelihood through processing of local available products and generate employment locally.

Two lakh micro food processing units are proposed to be directly assisted with credit linked subsidy. Under the Scheme, a total of 1,08,580 loans have been sanctioned for micro food processing units through the Credit Linked Subsidy program, as on 31st October 2024. This initiative has successfully provided employment to 378,004 individuals. Additionally, seed capital assistance has been sanctioned for 310,121 Self-Help Group (SHG) members.”

4.88 The Committee pointed out that expenditure incurred on the scheme shows that 22, 04, and 14 States/UTs in 2022-23, 2023-24 and 2024-25 respectively have not incurred any amounts under the scheme. When the Committee desired to know whether it is because the scheme is not beneficial to the entrepreneurs, the Ministry in their written reply have submitted as under:

“For the FY 2022-23, since the scheme was in its initial phase, less number of applications were received against the target. The major period of Scheme implementation was impacted due to COVID. Delay in withdrawal of fund from State Treasury and contribution of matching State share were

the main reasons due to which the utilization of funds was less. Out of 22 States and UTs, 10 are from NER and UTs. The progress in the NER (North Eastern Region) states and Union Territories (UT) without legislature has been slow due to several challenges. These include delays in administrative approvals, the need for cabinet approval for expenditure under the scheme, requirement for micro food processing units to obtain a trade license before loan sanctions by lending banks and the higher grants offered under various State and Central schemes created competition to the scheme implementation have impacted the overall expenditure.

For the FY 2023-24, funds were not released to 2 states each in NER (Manipur & Mizoram) and UTs without legislature (D & N Haveli and Daman & Diu & Lakshadweep) due to less application received majorly due to geographical challenges.

For FY 2024-25, funds are released to the 24 States and UTs as on 31st October 2024. The funds are yet to be released to 14 States/ UTs with major inclusion of NER States and UTs. Furthermore, the states are also required to adapt to the changing expenditure guidelines each year and the implementation of the SNA Sparsh module, which has led to delays as they engage in the process of on-boarding the module for effective fund flow management and program implementation resulting into low expenditure.”

4.89 When the Committee asked whether the Ministry have implemented any projects to ensure that small and cottage industries also receive the necessary support and incentives, as these groups appear to be overlooked in the current allocation of projects, and also what was the scope of employment generation through it, the Minister in their written reply submitted as under:

“In order to ensure development of small and cottage industries, Ministry of Food Processing Industries (MoFPI) is implementing centrally sponsored "PM Formalisation of Micro food processing Enterprises (PMFME) 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. for providing credit linked subsidy to 2, 00, 000 (two lakh) micro food processing units across the country. The scheme has been extended for a period of one-year upto 2025-26. The objectives of the scheme are as under:

- i) Increased access to credit by existing micro food processing entrepreneurs, FPOs, Self Help Groups and Co-operatives;
- ii) Integration with organized 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 facility, 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 unorganized segment of the food processing industry and promote formalization of the sector; and
- ii) Support Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives along their entire value chain

**The details of assistance available to Micro Food Processing Enterprises under PMFME Scheme:**

- i) *Support to Individual / Group Category Micro Enterprises:* Credit-linked capital subsidy @35% of the eligible project cost, maximum ceiling Rs.10 lakh per unit;
- ii) *Support to SHGs for seed capital:* Seed capital @ Rs. 40,000/- per member of SHG engaged in food processing for working capital and purchase of small tools subject to maximum of Rs. 4 lakh per SHG Federation.
- iii) *Support for Common Infrastructure:* Credit linked capital subsidy @35% subject to maximum of Rs. 3 crore to support FPOs, SHGs, Cooperatives and any Government agency for setting up of common infrastructure. The common infrastructure will also be available for other units and public to utilize on hiring basis for substantial part of the capacity.
- iv) *Branding and Marketing Support:* Grant upto 50% for Branding and Marketing to groups of FPOs/ SHGs/ Cooperatives or an SPV of micro food processing enterprises.
- v) *Capacity Building:* The scheme envisages training for Entrepreneurship Development Skilling (EDP+): program modified to meet the requirement of food processing industry and product specific skilling.”

4.90 The Ministry have furnished the points related to progress in implementation of the PMFME Scheme which are attached as Annexure - IV.

4.91 Below are the details related to progress made in the implementation of PMFME Scheme as furnished by the Ministry:

S.No	Components	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Overall Achievement (as on 31.10.2024)
1	Credit Linked Subsidy- Individual Enterprises	0	3,218	28,506	54,763	21,265	1,07,752
2	Credit Linked Subsidy-	0	0	16	41	11	68



	<b>Common Infrastructure</b>						
<b>3</b>	<b>Seed Capital (No. of SHG Members approved with Amount Released)</b>	<b>103 members for Rs 0.27 Cr.</b>	41,836 members for Rs 118.31 Cr.	79,741 members for Rs 267.80 Cr.	1,15,024 members for Rs 384.72 Cr.	70,000 members for Rs. 245.02 Cr	3,06,704 members for Rs. 1016.12 Cr.
<b>4</b>	<b>Capacity Building</b>	<b>549</b>	3504	30,563	39,634	17,279	91,529
<b>5</b>	<b>Incubation Centre Approved</b>	<b>50</b>	21	3	2	0	76 Incubation Centers with an outlay of Rs. 206.95 Cr in 24 States/UTs approved.
	<b>Commissioned</b>	<b>0</b>	0	2	3	10	15
<b>6</b>	<b>Branding &amp; Marketing</b>	<b>1</b>	3	4	9	0	17

## CHAPTER-V

### INSTITUTIONS UNDER FOOD PROCESSING INDUSTRIES

5.1 The Ministry have stated that they have the following two Institutions under their aegis:

- a. **NIFTEM-K** i.e. National Institute of Food Technology, Entrepreneurship and Management, Kundli, Haryana
- b. **NIFTEM-T** i.e. National Institute of Food Technology, Entrepreneurship and Management, Thanjavur, Tamil Nadu.

5.2 It was further stated that both the Institutions have gained the INI (Institute of National Importance) status after the enforcement of NIFTEM Act 2021 w.e.f. 01.10.2021. Below are the details of the Academic courses offered by these institutes:

- a. "B.Tech (Food Technology and Management) through JEE/CUET/NEET at NIFTEM-K and B.Tech (Food Technology) through JEE at NIFTEM-T
- b. M.Tech through GATE (Graduate Aptitude Test in Engineering) and Internal Examination
- c. MBA through CAT/MAT/CMAT and Institute level entrance test for non CAT/MAT/ CMAT students (Only at NIFTEM-K)
- d. Ph.D through UGC NET/JRF and Institute level entrance test for non-NET and JRF students."

5.3 The details of budgetary allocations for NIFTEM are as under:

Particulars	Proposed BE 2024-25	BE 2024-25
Assistance to NIFTEM, Kundli, Haryana	88.98	65.00
Assistance to NIFTEM, Thanjavur, Tamil Nadu	88.77	50.00

5.4 The Ministry have furnished the details of courses offered and achievements made by the NIFTEM as per the following table:

Sl. No.	Particulars	NIFTEM-K	NIFTEM-T
1.	Annual student intake	B.Tech- 200 M.Tech- 100 MBA- 30	B.Tech- 90 M.Tech- 51 Ph.D- 34

		Ph.D- 35	
2.	Total student strength at any point of time	1165	564
3.	Centres of Excellence	2	2
4.	NABL Accredited Food Testing Lab recognized by FSSAI	Yes	Yes
5.	NIRF Ranking for the year 2024 (for Agriculture and allied Sector Category)	21 <sup>st</sup>	12 <sup>th</sup>
6.	MoUs/Agreements signed for Technology Transfer	30	49
7.	Patent granted	10	7
8.	Copyrights	4	-

5.5 When the Committee asked about the role of NIFTEM in developing a skilled workforce for this sector, and what are the employment targets projected for the food processing industries over the next five years and the contribution of the Central Sector Schemes and Centrally Sponsored Schemes of the Food Processing Industries in job creation, the Ministry furnished the following reply:

“Ministry of Food Processing Industries (MoFPI) has been implementing Central Sector Umbrella Scheme Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) and Centrally sponsored PM Formalization of Micro Food Processing Enterprises (PMFME) scheme across the country and thus creating employment opportunities in the country.

Ministry, through its PMKSY Scheme, has so far, sanctioned a total of 1657 projects under different sub-schemes of PMKSY which will create direct/indirect employment opportunities of about 13.59 lakh.

A total of 171 proposals under different categories have been approved under PLSIFPI Scheme, which will generate direct/indirect employment opportunities of 2.50 Lakh till Year 2026-27.

Credit linked incentive has been approved for more than 1,07,752 micro food processing enterprises under PMFME Scheme, which will create direct/indirect employment opportunities of about 3.23 Lakh.”

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## PART II

### OBSERVATIONS/RECOMMENDATIONS

#### Under utilization of allocated resources

##### Recommendation No. 1

The allocations and expenditure pattern of the Ministry since 2018-19 shows that despite reduction of funds at RE *vis-a-vis* BE (except in 2020-21), the actuals fell short of REs of the respective years. The average utilization of funds allocated at RE stage stood at 80.11% since 2018-19. For the year 2024-25, the Ministry allocated a total of Rs. 4,019 crore including Rs. 4,016 crore in the Revenue Section and Rs. 2.54 crore in the Capital Section. However, there is a recovery of Rs. 729 crore under the head of AIDF, therefore, the net budgetary provision is of Rs. 3,290 crore. The Committee also note that against the Budget Estimate (BE) of Rs. 3,290 crore the actual expenditure (as on 11<sup>th</sup> November, 2024) is Rs. 995.89 crore. The Ministry, however, have proposed a Revised Estimate (RE) of Rs. 3,399.17 crore for 2024-25 which is Rs. 109.17 crore more than the BE. Out of RE, the utilization stood at Rs. 995.89 crore, as on 11/11/2024, which stands at Rs. 995.89 crore, representing only 30% (approx.) of the RE. Rest 70% of RE will have to be spent in the next 4/5 months. This in turn means the Ministry has to spend amounts higher than the amounts in percentage terms prescribed by the Department of Expenditure in the last two quarter of the financial years. The Committee, therefore suggest that provisions be made at least at RE stage taking into consideration the ground realities so that funds given at RE are not surrendered.

## PradhanMantriKisan SAMPADA Yojana(PMKSY)

### Recommendation No.2

The Committee note that *Pradhan Mantri Kisan SAMPADA Yojana* (PMKSY) is a comprehensive scheme launched by the Government of India with an approved outlay of Rs. 5,520 crore aimed at boosting the food processing sector. The Scheme is designed to create modern infrastructure and enhance supply chain management from farm gate to retail outlet. The scheme aims to benefit FPOs, Cooperatives/FPCs/SHGs/Government & Private Sector Companies, processors and retailers. The Committee observe that the actual expenditure during the last two financial years, 2022-23 and 2023-24, was 83.49% and 89.42 % of respective RE allocation. The Committee also note that the budgetary allocation for the Scheme has been reduced by Rs. 200 to Rs. 729 crore for 2024-25 from Rs. 923 crore in 2023-24. Against this reduced Budget Estimate, only about 34% of it has been utilized, as on 11.11.2024, during the current financial year. The remaining 66% of RE has to be spent in the last half of the financial year which may amount to violation of Department of Expenditure Guidelines prescribing quarterly expenditure ceilings, probably by obtaining exemption from DoE.

In regard to the reasons for the underutilization of funds, the Ministry have stated that PMKSY is a demand-driven scheme, and fewer projects have been received under the SCSP/TSP/NER heads, limiting fund disbursement under these categories. The Ministry have also mentioned that funds are released only after the submission of necessary documents, and due to the gestation period of 18 to 30 months for projects, combined with delays in obtaining statutory clearances, full utilization of funds has not been achieved. For the reduction of the Budget Estimate for 2024-25, the Ministry have stated that no sufficient number of release proposals have been expected during 2024-25. They have also stated that no fresh Expressions of Interest (Eoi) issued in most of the sub-schemes of PMKSY, except the present EOI issued for inviting proposals for Irradiation units under the Cold Chain Scheme, has also been a reason.

The Committee express their concern over the underutilization of the allocated funds under the Scheme. They are also surprised over the reduction of the Budget Estimate for 2024-25 as they were expecting that the Ministry would come up with solution for better utilization of funds. Though PMKSY is a good initiative with novel objectives, considering the reduction in the Budget Estimate for 2024-25 as well as its low utilization so far, the Committee feel that the budgetary forecasting of the Scheme needs a revisit. The Committee, therefore, recommend that the Ministry should examine all the aspects of this Scheme, hold discussions with the stakeholders, and make a fair assessment of the needs and requirements of the sector to reinvigorate this important Scheme. The Committee suggest that the reasons for lack of response from the intended beneficiaries under SCSP/STP/NER heads be obtained, analysed and the appropriate action including the change in Terms and Conditions (T&Cs) applicable under these heads be revisited, if required, to utilize fully the budgeted funds for these disadvantaged sections and intended beneficiaries.

### **Scheme for Creation of Infrastructure for Agro Processing Clusters (APC)**

#### **Recommendation No.3**

The Committee note that the Agro Processing Cluster Scheme is under the umbrella Scheme of *Pradhan Mantri Kisan Sampada Yojana* (PMKSY). The Scheme aims at the development of modern infrastructure to encourage entrepreneurs to set up food processing units based on the cluster approach. The Committee observe that the fund utilization under the Scheme has not been satisfactory, as it was 82.79% and 61.94% of the RE for the years 2022-23 and 2023-24, respectively. The Committee also note that the BE for 2024-25 has been kept at Rs. 38.90 crore, which is less than half of the previous year's BE. Moreover, the actual utilization so far is Rs. 9.72 crore (as on 11.10.2024), which is about 25% of the BE. Regarding the reasons for the underutilization of the budget, the Ministry have attributed it to various issues faced in submission of documents for statutory clearances by the Project Implementation Agency (PIA) and settling of atleast five food processing units

with minimum investment of Rs. 25 crore. Without the submission of complete documents by the PIA, the Ministry cannot process the release of the grant-in-aid within the stipulated time frame, which is beyond the control of the Ministry. Considering the importance of the Scheme, the Committee recommend that the Ministry should pursue this matter with the concerned authorities to streamline the documentation process, improve coordination with implementing agencies, and accelerate the approval of statutory clearances. The Committee also recommend that the Ministry make efforts to generate proposals under the SCSP/TSP, NER heads by publicizing the benefits of the APC Scheme in these underserved social groups and regions and incentivizing private sector investments, which can help in raising fund utilization. The Committee believe that these efforts would give impetus to the Scheme and ensure better utilization of the budgetary allocation. The size of the districts varies from State to State it is suggested to consider the possibility of reducing to further lower levels to enable the setting up of specialized clusters in those units which are below the districts.

#### **Scheme for Integrated Cold Chain and Value Addition Infrastructure**

##### **Recommendation No.4**

The Committee note that the Ministry of Food Processing Industries is implementing the Scheme for Integrated Cold Chain and Value Addition Infrastructure under the umbrella scheme – *Pradhan Mantri Kisan Sampada Yojana* (PMKSY). The Scheme is demand-driven in nature. The Scheme supports the creation of Irradiation Facilities as standalone components. The Scheme allows flexibility in project planning with special emphasis on the creation of cold chain infrastructure at the farm level. Regarding the budgetary performance of the Scheme, the Committee note that the budgetary allocations for the Scheme are showing a downward trend. The allocation in BE for FY 2022-23 for the Scheme was Rs. 230.50 crore which was reduced to Rs. 222.34 crore in RE for 2022-23. The allocation in BE and RE 2023-24 was Rs. 196.50 crore only. The Actual Utilisation for two years was 91.32% and 89.26% respectively vis-à-vis RE allocation. For the current financial year, 2024-25

against the BE of Rs. 179.80 crore, the actual utilization (as on 11.10.2024) is Rs. 41.17 crore, which stands at 22.9% of the BE. The Committee express their concern over the falling budgetary allocation as well as its underutilization. The Ministry have submitted various reasons for the same. The Committee understand that a Third Party Assessment of the Scheme by NABARD Consultancy Services on 30.03.2020, has given various suggestions and would like to be apprised of their acceptance or otherwise, their implementation , it's impact on the implementations and outcomes in terms of fund utilization.

**Scheme for Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC)**

**Recommendation No.5**

The Scheme for Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC) is a component scheme under the umbrella Scheme Pradhan Mantri Sampada Yojana (PMKSY). The main objectives of the Scheme are the creation, expansion, and/or modernization of processing and preservation capacities, which will help in increasing the level of processing, value addition, and thereby reduction of waste and results in enhancement of farmer's income. The Committee observe that there has been an erratic fund allocation and utilization under the Scheme. The Committee note that for FY 2022-23, the BE was Rs. 282.80 crore which was reduced to Rs. 219.68 crore at RE and the actual utilization was Rs. 170.10 crore only. Whereas, during FY 2023-24 the BE of Rs. 320 crore was reduced to Rs. 275.12 crore at RE and only Rs. 254.87 crore could actually be utilized. The Committee note that the BE for 2024-25 has been kept at Rs. 271.60 crore, which is Rs. 48.40 crore and Rs. 3.52 crore less than the previous year's BE and RE respectively. The Committee note that in 2023-24, out of the sanctioning 80 projects, 45 projects only could be completed. Also, in the current financial year 2024-25, 100 projects sanctioned, 17 only have been completed so far. The Committee, therefore, recommend that the Ministry may take remedial measures for addressing the reasons for under achievement in terms of completion of



projects under the Scheme and if the existing Terms & Conditions (T&Cs) is coming in the way of quicker sanctioning, these may be discussed with the stakeholders and explore the possibility of changing such T&Cs. The Committee would like to be apprised of the status of Third Party Assessment for impact evaluation of the Scheme granted on 02.07.2024 and also the outcome of such assessment.

### **Scheme for Operation Greens**

#### **Recommendation No.6**

The Committee notes that the objective of the Scheme for Operation Greens (OG) under *Pradhan Mantri Kisan Sampada Yojana* (PMKSY) is to enhance the value realization of farmers and minimize post-harvest losses. The scope of the Operation Greens Scheme has been expanded from three crops, namely Tomato, Onion, and Potato (TOP), to 22 perishable crops. The Committee also notes that the actual fund utilization under the Scheme against the Revised Estimate has been satisfactory, as it was 95.38% in 2022-23, which increased to 100.55% in 2023-24. The Budget Estimate for 2024-25 is Rs. 173.40 crore, whereas the actual expenditure, as on 11.10.2024, is Rs. 59.44 crore, which is 34.27% of the BE. The remaining 65.73% of RE has to be spent in the last half of the financial year which may amount to violation of Dept. of Expenditure Guidelines prescribing quarterly expenditure ceilings, probably by obtaining exemption from DoE.

The Committee, while acknowledging the importance and usefulness of this Scheme for small farmers, desires that the Scheme should be further expanded to encompass more farmers by taking measures such as broadening the scope of crops under the Scheme, enhancing awareness and outreach, simplifying application processes, and regular monitoring and evaluation to gather feedback and take corrective steps.

## **Scheme for Setting up/Up-gradation of Food Testing Laboratories**

### **Recommendation No. 7**

The Scheme for Setting up/Upgradation of Food Testing Laboratories is a sub-scheme of the Scheme for Food Safety and Quality Assurance Infrastructure under (PMKSY). The Committee observe that the Scheme for Setting up/Up-gradation of Food Testing Laboratories has resulted in creation of infrastructure for ensuring quality and safety standards of processed food products to most domestic and global standards. The Committee also note that out of 205 lab projects 162 lab projects have been completed. While appreciating the Ministry for initiating such Scheme that ensures quality control measures in food processing industry, the Committee, desire that the Ministry should take necessary steps/facilitate these labs in obtaining National Accreditation Board for Testing and Calibration Laboratories (NABL) accreditation which not only enhances the credibility of the laboratories but also ensures that the testing processes and results are in line with international standards. This accreditation can significantly boost the confidence of both domestic and international stakeholders in the quality and safety of Indian processed food products.

## **Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)**

### **Recommendation No.8**

The Committee note that the Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) was launched 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 with an outlay of Rs.10,900 crore. The Scheme would be implemented over a six-year period from 2021-22 to 2026-27. The BE for 2023-24 was Rs. 1530 crore which was reduced to Rs. 1150 crore at RE and the actual utilization was Rs. 590.50 crore which was only 51.34% of the RE. The scrutiny of the utilization of the allocated resources reveals that against the

total outlay of Rs. 10,900 crore, Rs. 1,101.31 crore only i.e. 12% of the total outlay only could be utilized during the last three year. The Ministry have stated that the under utilization is primarily due to a lower number of claims received than anticipated. Also, a number of claims were not entertained as they were incomplete and lacked essential documentation. Additionally, some applicants were unable to meet the minimum Compound Annual Growth Rate of 10%. As suggested elsewhere in the other schemes, the Committee are of the view that if any of the T&Cs are hampering the progress, the Ministry in consultation with the stakeholders may explore the possibility of changing them to ensure the allocated funds are used for the purpose. The Committee further feel that, there is a need to simplify and streamline the entire procedure of applying the Scheme. Further, appreciating the Ministry for extending the Scheme to cover Millet-based products, the Committee desire that more such initiatives may be explored under the Scheme. The Committee suggest that the export policies that favour small and micro food processing industries be encouraged.

**PradhanMantri Formalization of Micro Food Processing Enterprises Scheme (PMFME)**

**Recommendation No. 9**

The Committee note that the *Pradhan Mantri* Formalisation of Micro Food Processing Enterprises (PMFME) Scheme is pivotal for fostering the growth and development of the micro food processing sector in India. This sector, predominantly unorganized, plays a crucial role in rural economies by providing employment and livelihoods to millions. The Committee also note that this sector not only contributes to reducing poverty and boosting rural development but also enhances food safety standards and promotes entrepreneurship, thereby playing a significant role in achieving the broader economic and social goals of the country. The Committee, however, note that the fund utilization under PMFME was not very impressive during 2021-22 and 2022-23 as the Budget Estimate was considerably revised downward at the RE

stage and that too could not be fully utilized at the end of the respective financial years. However, the Committee also note that the financial performance of the Scheme improved considerably during 2023-24 as the Budget Estimate of Rs. 639.05 crore was enhanced to Rs. 800 crore at the RE stage and the actual utilization was Rs. 779.09 crore which was more than 97% of RE. Similarly, out of the Budget Estimate of Rs. 879.5 crore for 2024-25, Rs. 700.88 crore has been utilized till 10.11.2024. The Committee express their satisfaction over the considerable improvement in utilisation of the funds meant for the scheme. The Committee also feel that there is still vast scope for the growth of this Scheme as our country has a large and diverse agricultural base, which provides a rich supply of raw materials. The Committee, therefore, recommend that measures such as the organization of localized outreach and awareness campaigns in local languages, the simplification of application procedures and documentation requirements, and the strengthening of partnerships with local banks and microfinance institutions to provide easier access to credit, should be taken sincerely for the further growth of this Scheme.

### **Institutions under Food Processing Industries**

#### **Recommendation No.10**

The Committee note that the Ministry of Food Processing Industries has two Institutes of National Importance (INI) under their aegis - NIFTEM-K (Kundli) and NIFTEM-T (Thanjavur). The Committee further note that these two institutes offer Bachelor of Technology (B.Tech.), Master of Technology (M.Tech.), and Ph.D. degrees in various areas of food technology and supply. These Institutes offer Master of Business Administration (MBA). Admission to the B.Tech.program is based on the Joint Entrance Examination – Main (JEE Mains), while admission to the M.Tech. program is based on the Graduate Aptitude Test in Engineering (GATE). The Committee, however, find that the annual student intake in both these institutes of such importance is low. There are only 365 seats for NIFTEM-K and 175 seats for NIFTEM-T. This number of

intakes does not justify the good infrastructure in both institutes, such as NABL-accredited food testing labs, and their reputation. The Committee, therefore, recommend that the Ministry take necessary measures to increase the student intake in both institutes to cater to the growing demands of students as well as the food processing industries. Simultaneously, the Ministry may also enhance the required infrastructure, such as lab facilities, to support the increased intake and ensure high-quality education and research opportunities.

**Enhancing Accessibility and Simplifying Implementation of Schemes in the Food Processing Sector**

**Recommendation No. 11**

The Committee note that the Schemes of the Ministry of Food Processing Industries are excellent initiative taken by the Government with good objectives and vision. The common man, however, often faces significant hardships/challenges in accessing the benefits of these Schemes. These challenges include complex application processes, lack of awareness about the Schemes, and bureaucratic hurdles that can be daunting for small farmers and small-scale entrepreneurs/enterprises. Many potential beneficiaries struggle with the complex paperwork and the need for multiple approvals, which can be time-consuming and discouraging. Additionally, the lack of adequate support and guidance further adds to these difficulties, leaving many eligible individuals unable to take full advantage of the available Schemes. The Committee, with a view to addressing these issues, recommend for simplifying the application process, making it more user-friendly and accessible. These can be achieved by reducing bureaucratic red tape, providing clear and concise guidelines, and offering assistance through dedicated helpdesks or online platforms. Increasing awareness about the Schemes through targeted outreach programs and workshops can also help to ensure that more people are informed about the benefits they are entitled to in simple terms. Furthermore, leveraging technology to streamline processes

and enhance transparency can significantly reduce the compliance burden on applicants. The Committee may be apprised of the action taken in this regard.

**Measures to reduce wastage of agriculture produce**

**Recommendation No. 12**

The Committee note that one of the objectives of *Pradhan Mantri Kisan Sampada Yojana* (PMKSY) is reducing wastage of agricultural produce. They may be apprised of the specific measures/strategies put in place to reduce system wide wastages in agricultural/horticulture produce.

New Delhi  
14 December, 2024,  
23 Agrahayana, 1946 (Saka)

CHARANJIT SINGH CHANNI  
Chairperson,  
Standing Committee on Agriculture, Animal  
Husbandry and Food Processing

**Annexure-I**

**STATEMENT No. 1  
SCHEMewise OUTLAY AND EXPENDITURE DURING BUDGET ESTIMATES FOR 2021-22 to 2024-25 OF THE MINISTRY OF FOOD  
PROCESSING INDUSTRIES**

(₹ In Crore)

SI No.	Name of the Scheme	2021-22				Shortfall Excess, if any, with reasons	2022-23				Shortfall Excess, if any, with reasons	2023-24				Shortfall Excess, if any, with reasons	2024-25		
		PROPOSED ALLOCATION	BE	RE	AE		PROPOSED ALLOCATION	BE	RE	AE		PROPOSED ALLOCATION	BE	RE	AE		PROPOSED ALLOCATION	BE	AE as on (08.10.24)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
<b>A</b>	<b>CENTRAL SECTOR SCHEME</b>																		
I	<b>PradhanMantri KisanSampada Yojana</b>					The status of Implementation of various schemes has been detailed in reply to in point F					The status of Implementation of various schemes has been detailed in reply to in point F					The status of Implementation of various schemes has been detailed in reply to in point F			
1	Scheme for Mega Food Parks	80.00	47.60	54.37	52.59		66.80	55.80	24.80	22.14		55.80	54.80	17.88	20.64		66.80	24.80	8.14
2	Scheme for Infrastructure for Agro-processing Clusters	70.00	37.50	53.90	49.08		54.50	48.45	56.55	46.82		81.00	81.30	63.52	39.35		54.50	38.90	8.64
3	Committed Liabilities for Infrastructure related Schemes	13.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00
4	Scheme for Integrated Cold Chain and Value Addition Infrastructure	347.82	227.60	263.00	225.31		282.50	230.50	222.34	203.06		195.00	196.50	196.50	175.40		282.50	179.80	35.90
5	Scheme for Creation/ Expansion of Food Processing and Preservation Capacities	284.00	162.00	242.50	238.08		301.79	282.80	219.68	170.10		320.00	320.00	275.12	254.87		301.79	271.60	57.31
6	Scheme for Creation of Backward and Forward Linkages	55.00	51.70	40.79	32.98		27.50	22.20	18.78	9.35		3.19	5.39	10.83	4.19		27.50	6.20	0.00
7	Scheme for Food Safety and Quality Assurance Infrastructure	45.15	45.20	46.70	34.25		56.00	51.80	33.80	18.73		48.56	46.50	23.20	14.96		56.00	30.00	9.21
8	Scheme for Human Resource and Institutions	38.68	44.80	15.14	13.03		28.14	23.69	22.36	20.49		3.44	4.96	2.40	0.52		28.14	4.10	0.08
9	Scheme for Operation Greens	112.00	73.40	74.50	68.15		188.58	184.56	74.49	71.05		216.75	213.59	155.35	156.21		188.58	173.40	59.39
10	Swacchta Action Plan(SAP)	0.20	0.20	0.10	0.02	0.20	0.20	0.20	0.18	0.20	0.20	0.20	0.07	0.20	0.20	0.00			
II	<b>Production Linked Incentives Scheme</b>	0.00	10.00	10.00	9.27	1022.00	1022.00	801.00	489.83	1530.00	1530.00	1150.00	590.50	1022.00	1444.02	11.71			
<b>B</b>	<b>Centrally Sponsored Scheme</b>																		

III	Prime Minister Formalization of Micro Food Processing Enterprises (PMFME) Scheme	2300.00	500.00	399.00	326.46		1372.61	900.00	290.00	274.76		750.00	639.05	800.00	778.84		1372.61	879.50	629.19
	TOTAL SCHEME	- 3345.85	1200.00	1200.00	1049.22		3400.62	2822.00	1764.00	1326.51		3203.94	3092.29	2695.00	2035.55		3400.62	3052.52	819.57
	Non Scheme	144.22	108.66	104.12	98.17		164.30	119.99	137.59	128.62		270.03	195.36	216.95	163.97		164.30	237.48	82.35
	Grand Total (Scheme+ Non Scheme)	3490.07	1308.66	1304.12	1147.39		3564.92	2941.99	1901.59	1455.13		3473.97	3287.65	2911.95	2199.52		3564.92	3290.00	901.92



## STATEMENT No.2

SCHEME-WISE DETAILS OF ACHIEVEMENT OF PHYSICAL TARGETS DURING THE LAST THREE FINANCIAL YEARS IN RESPECT OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES

S I. N o.	Name of the Scheme / Project Programme	Unit	2021-22			2022-23			2023-24			2024-25		
			Target	Achievement	Short-fall, if any, with reasons	Target	Achievement	Short-fall, if any, with reasons	Target	Achievement	Short-fall, if any, with reasons	Target	Achievement	Short-fall, if any, with reasons
1	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.
A	CENTRAL SECTOR SCHEME													
	NATIONAL MISSION ON FOOD PROCESSING (SAMPADA)/ PRADHAN MANTRI KISAN SAMPAD A YOJANA (PMKSY)													
1	Scheme for Mega Food Parks	Number of operational projects.	4	-	2 parks are almost ready for operation. However implementation has been affected due to pandemic and time taken in mobilisation of funds/possession of land, want of statutory clearances etc.	4	1	3 (One project has been operationalized, however allotment of land has been cancelled by BIADA, hence not counted under operationalised list. Further, Implementation of projects is delayed due to time taken in mobilisation of funds/possession of land, want of statutory clearances etc.	2	1	1*	1		
2	Scheme for Creation of Infrastructure for Agro	Nos. of projects completed	8	7	Delay in the part of implementing agencies	8	2	Delay in the part of implementing agencies	12	0	Delay in the part of implementing agencies	05	03 (completed) till date	-

	Processing Clusters										es			
3	Scheme for Integrated Cold Chain and Value Addition Infrastructure	Number of operational projects	44	30	**	47	31	**	40	30	**	39	3 (Achievement made till 14.09.2024)	
4	Scheme of Creation/Expansion of Food Processing and Preservation Capacities	Nos. of projects completed	80	77	Delay in the part of implementing agencies	80	70	Delay in the part of implementing agencies	80	45	Delay in the part of implementing agencies	100	17 (completed) till date	-
5	Scheme for Creation of Backward and Forward Linkages	Number of operational projects.	25	29		15	5	***	Scheme has been discontinued w.e.f. 01.04.2021	-	-	-	-	-
6	Scheme for Food Safety and Quality Assurance Infrastructure - Food Testing Labs	Nos	18	4	(Pandemic has slowed down the execution of project)	10	12	-	5	10	-	15	04 (As on date)	No shortfall likely as implementation is in progress
7	Operation Greens	Number of operational projects.	5	-	(Pandemic has slowed down the execution of project. Also there were implementation issues)	3	2	1 (Due to delay in installation of imported machinery)	3	1	2 (Due to delay in submission of documents by PIA)	10	3 (As on 14.10.2024)	Likely to be achieved by end of FY
8	PM Formalization of Micro Food Processing Enterprises Scheme (PM FME Scheme)	Number of existing Individual Micro Food Processing Enterprises assisted with credit linked subsidy during the FY	29,000	3043	Due to Corona Pandemic, there was delay in setting up of implementation mechanism in States / UTs and also mobilization of applications.	25,000	28,944	It is expected to reach 20,000 loan sanctions in the FY 2022-23.	22,000	54594	-	25,000	18334	-

9	Production Linked Scheme for FPI Scheme (PLIS Scheme)	Investment (Rs in cr)	3704	4165	NA	7722	6514.11	Applicants were given one more year due to some miscellaneous hurdles faced by them.	7722	7697	Investment (Rs in cr)	3704	After extension of one more year for investment the applicant were	NA
		Sales (Rs in cr)	91913	86358	Low Demand due to COVID 19 Pandemic	199690	20707.38		306337	246926	Sales (Rs in cr)	91913	allowed to make investment till the end of FY 2023-24. Due to withdrawal of application by some companies from the scheme, the achievement has been impacted	274501 as on August, 2024

\*The stipulated timelines for completion of projects approved under MFP is 30 months. One project, namely BIADA, could not be operationalize due to court case.

\*\* Besides delays in implementation on account of securing statutory clearances from the respective Agencies (like Revenue Authority, Town Planning, Electricity Authority, Water Authority, Pollution Control Board, Licensing Authority, etc.), cold Chain projects are dependent on import of plant & machinery from Europe & South-East Asia and their transportation was severely impacted due to travel restrictions imposed by the respective countries in the wake of Covid pandemic. Also, some of the States having large share of such projects, like Maharashtra, Andhra Pradesh, Gujarat, etc. were badly affected due to Corona Virus. There have been travel restrictions and non-availability of required manpower. & Implementation issues.

\*\*\* Achievement and Target in PLI Scheme of cumulative of 2021-22 and 2022-23.

\*\*\*\* Achievement in PLI Scheme of Cumulative of 2021-22, 2022-23 and 2023-24.

**ANNEXURE - III****State-wise & Year-wise employment generated under PMFME Scheme till 31<sup>st</sup> October 2024**

S. No.	States and UTs	Employment FY 2021-2022	Employment FY 2022-2023	Employment FY 2022-2023	Employment FY 2024-2025	Total employment generated
1	A&N	53	21	64	0	138
2	Andhra Pradesh	1086	3870	5077	1125	11158
3	Arunachal Pradesh	4	114	173	70	361
4	Assam	134	1241	1411	583	3368
5	Bihar	57	6815	27460	11734	46066
6	Chandigarh	22	0	0	0	22
7	Chhattisgarh	64	1077	3103	789	5032
8	D&D	0	15	24	3	41
9	Delhi	27	235	334	177	773
10	Goa	19	207	92	60	378
11	Gujarat	47	1105	3163	1565	5879
12	Haryana	530	2732	8817	2833	14913
13	Himachal Pradesh	428	1328	1480	1022	4258
14	J&K	175	545	989	674	2383
15	Jharkhand	0	391	2924	2682	5997
16	Karnataka	1430	7700	8476	4246	21852
17	Kerala	283	2317	7490	3698	13787
18	Ladakh	36	146	153	31	366
19	Madhya Pradesh	1531	4686	10459	8014	24690
20	Maharashtra	2359	16722	30895	14692	64668
21	Manipur	1669	356	38	80	2144
22	Meghalaya	6	88	72	113	280
23	Mizoram	0	32	48	65	145
24	Nagaland	0	127	239	161	528
25	Odisha	341	1759	2527	1088	5714
26	Puducherry	1	91	128	89	310
27	Punjab	1172	12126	18786	3619	35703
28	Rajasthan	699	1737	1838	1743	6017
29	Sikkim	7	78	53	13	150
30	Tamil Nadu	772	9370	16621	5683	32447
31	Telangana	179	3400	5904	2083	11566
32	Tripura	23	85	163	72	342
33	Uttar Pradesh	949	9069	28244	15202	53465
34	Uttarakhand	95	602	1283	477	2457
35	West Bengal	5	0	275	328	609
	<b>Total</b>	<b>14201</b>	<b>90188</b>	<b>188802</b>	<b>84814</b>	<b>378004</b>

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**Salient features and status of implementation of the "PM Formalisation of Micro food processing Enterprises (PMFME) Scheme"**

As part of Aatmanirbhar Bharat Abhiyan, Ministry of Food Processing Industries (MoFPI) has launched an all India centrally sponsored "PM Formalisation of Micro food processing Enterprises (PMFME) Scheme" for providing financial, technical and business support for upgradation of existing micro food processing enterprises. The scheme was approved by the Union Cabinet on 20<sup>th</sup> May, 2020 and Guidelines for the scheme was issued on 19<sup>th</sup> June, 2020. 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. for providing credit linked subsidy to 2,00,000(two lakh) micro food processing units across the country.

**Objectives:** The objectives of the scheme are as under:

- i) Increased access to credit by existing micro food processing entrepreneurs, FPOs, Self Help Groups and Co-operatives;
- ii) Integration with organized 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 facility, 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 unorganized segment of the food processing industry and promote formalization of the sector; and
- ii) Support Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives along their entire value chain.

**One District One Product:**

PMFME Scheme adopts One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. ODOP for the scheme will provide the framework for value chain development and alignment of support infrastructure. The ODOP product selected are either a perishable agri-produce, cereal-based product or a food product widely produced, Minor Forest Produce or traditional food products in a district and their allied sectors. The ODOPs are recommended by the States/UTs on the basis of agriculture production, number of micro food enterprises and SHGs/Cooperatives/Producer group engaged in processing of food product. The list of ODOP has been reconciled with the ODOP list of MoA&FW. PMFME Scheme provides support to existing individual micro units for capital investment. New units, for both individual and groups would be supported for ODOP products. The scheme also envisages strengthening backward and forward linkages, provision of common facilities, incubation centres, training, R&D, marketing & branding, provision of which would primarily be for ODOP products.

**Support to Individual Micro Enterprises:**

- i. Credit-linked capital subsidy @35% of the eligible project cost, maximum ceiling Rs.10 lakh per unit
- ii. Beneficiary contribution - minimum of 10% of the project cost, balance loan from Bank.

**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, packaging, marketing, testing etc.

### **Support to SHGs:**

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

**Support to individual SHG member** as a single unit of food processing industry with credit linked grant @35% of the project cost, maximum ceiling Rs.10 lakh.

**Support for capital investment** at Federation of SHG level with credit linked grant @35%.

### **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 utilize on hiring basis for substantial part of the capacity.

### **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.
- iv. The Incubation Centre may partly be used for training purpose.
- v. It should be run on commercial basis.

Scheme also provisions for establishment of Mini-Incubation Centres in ODOP and perishable products except Milk and Milk Based Products with maximum grant of Rs.60 lakhs. SHGs, Cooperatives, Producer Groups etc. would be supported with 100% grant.

### **Branding and Marketing Support:**

Grant up to 50% for Branding and Marketing support to groups of FPOs/ SHGs/ Cooperatives or an SPV of micro food processing enterprises. It would only be provided for ODOP product at the State or regional level.

### **Progress in implementation**

- All the 36 States/ UTs have appointed State Nodal Agency, constituted State level Approval committee & District level Committee for implementation of the scheme. Government of West Bengal is not participating in the scheme.
- 36 States/ UTs have nominated State Level Technical Institutions (SLTI) which has been approved by the Ministry.
- 35 States/ UTs recommended ODOPs for 137 unique products in 726 districts which has been approved by the Ministry.
- A National Project Management Unit (NPMU) has been established.
- Rs. 1016.12 crores sanctioned for 3,06,704 Self Help Group (SHG) members. Out of this, during the year of 2024, 70,000 SHG members have been sanctioned with amount of Rs. 245 Crore.
- 76 Incubation Centers with an outlay of Rs. 206.95 Cr in 24 States/UTs approved. Out of this, during year 2024, 2 Incubation Centres has been approved with an outlay of 5.50 Cr. Incubation Centres are being established in ODOP processing lines and allied product lines.
- Under support to Individual Enterprises for credit linked subsidy, 2,94,170 applications received so far from applicants of 36 States/ UTs which are being processed for sanction of loans by banks/ release of subsidy. 2,65,576 applications have been sent to the lending banks. Out of which 1,05,747 loans have been sanctioned. Out of which, during the year of 61,590 applications received, 70,631 applications

have been sent to banks and 19,445 loans have been sanctioned. Grant in Aid (Total) amounting to Rs. 2968.67 crores approved.

- 2069, 447, 113 applications submitted by SHGs, FPOs & Cooperatives respectively and 335 applications submitted for Common Infrastructure in the Group category which are being processed for sanction of loans by banks/ release of subsidy. Out of which, during the year 2024, 272, 114, 11 applications submitted by SHGs, FPOs & Cooperatives respectively and 60 applications submitted for Common Infrastructure in Group Category. 79, 30, 4 Loans have been sanctioned by SHGs, FPOs & Cooperatives respectively and 12 applications sanction for Common Infrastructure during the year of 2024.
- Under the component of Branding and Marketing of the PMFME Scheme, 16 ODOP Brands and 200 products have been successfully launched so far. The products include a unique variety of Millet based products, Makhana-based products, Pickles, Murabba, Amla, jaggery, Pulse based products, GI Tagged products, spices, and bakery-related products. 17 Proposals have been approved so far, these include 2 National Level Proposals (NAFED Phase 1 and Phase 2) and 15 State Level Proposals.
- 672 Master Trainers of 36 States/UTs and 1120 District Level Trainers of 26 States/UTs trained on Food Processing and EDP, out of this 86 MTs have been trained during the year 2024.
- Food Processing EDP Training are being provided to the beneficiaries, Training of beneficiaries initiated in 31 States/ UTs. 85,671 Beneficiaries trained so far, out of these 26,573 beneficiaries have been trained during the year 2024.
- 5771 District Resource Persons (DRPs) appointed in 36 States/UTs and 2203 DRPs trained in 33 States/UTs under Food Processing and EDP. Out of this, 250 DRPs have been trained during the year 2024.
- NIFTEMs have prepared training modules (ODOP) which have been published on MOFPI and NIFTEMs website. These include 779 training modules (ODOP) which include 199 Presentations, 192 Videos, 190 DPRs and 198 Course Content/Handbooks.
- PMFME Scheme E-Newsletter: So far 33 editions of the e-newsletter have been successfully published. The E-Newsletter is being sent to more than 7 lakh relevant stakeholders.
- Press Release: Total 18 press releases distributed: Press releases have been distributed highlighting the key updates, brand launch and flagship events of the PMFME Scheme to the Press Information Bureau.
- 21 Short A/V Films Created under the Scheme covering key events of the Ministry and PMFME Beneficiaries success stories.
- Kahaani Sukshma Khaadya Udyomoki (India @75) - Online weekly series of 75 Success Stories of existing Food Processing Enterprises launched on 12th March, 2021. 83 Success Stories have been successfully published so far.
- During the World Food India 2024 event the Hon'ble Minister of Food Processing Industries, Hon'ble Minister of Consumer Affairs, Food & Public Distribution & New and Renewable Energy and Hon'ble Minister of State, FPI, sanctioned an amount of Rs. 245 Cr. for 70,000 SHG members. Credit linked subsidy released to 25,000 PMFME beneficiaries amounting Rs. 701 Cr. Around 1100 Pickle varieties from across the country were showcased along with an interactive display of the map of India elaborating the details of the pickle manufacturers. The 1100 pickles were QR Coded through which the product information was accessed by the visitors. Around 550 ODOP products and 200 non-ODOP products were showcased at the PMFME product display wall along with the QR code integration, displaying the enterprise and product information for the interested buyers. The Hon'ble Minister, FPI & Hon'ble Minister of State, FPI visited the stalls and interacted with the PMFME beneficiaries.
- A statement showing financial progress during the last two financial years is as under:

FY	BE (₹ in Crore)	RE (₹ in Crore)	Expenditure (₹ in Crore)
2021-22	500	399	326.46
2022-23	900	290	274.76
2023-24	639.05	800	778.84
2024-25	879.50	-	645.88

\* as on 14.10.2024.

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**STANDING COMMITTEE ON AGRICULTURE, ANIMAL HUSBANDRY AND FOOD  
PROCESSING BRANCH**

**MINUTES OF THE THIRTEENTH SITTING OF THE COMMITTEE ON  
AGRICULTURE, ANIMAL HUSBANDRY AND FOOD PROCESSING (2024-25)**

The Committee sat on Friday, the 22<sup>nd</sup> November, 2024 from 1615 hours to 1718 hours in Committee Room 1, Extension to Parliament House Annexe (EPHA), New Delhi.

**Present**

**Shri Sudhakar Singh- In the Chair**

**Members  
Lok Sabha**

2. Shri Rajkumar Chahar
3. Shri Sukanta Kumar Panigrahi
4. Shri Dharambir Singh
5. Shri Dushyant Singh
6. Smt. Geniben Nagaji Thakor
7. Shri Bhausahab Rajaram Wakchaure

**Rajya Sabha**

8. Smt. Ramilaben Becharbhai Bara
9. Dr. Anil Sukhdeorao Bonde
10. Shri Banshila IGurjar
11. Shri Ramji Lal Suman

**Secretariat**

- |    |                        |   |                 |
|----|------------------------|---|-----------------|
| 1. | Shri Srinivasulu Gunda | - | Joint Secretary |
| 2. | Shri Khakhai Zou       | - | Director        |



## List of Witnesses

### **Ministry of Food Processing Industries (MoFPI)**

<b>Sl. No.</b>	<b>Name</b>	<b>Designation</b>
1.	Ms. Anita Praveen	Secretary
2.	Shri Asit Gopal	AS & FA
3.	Shri Minhaj Alam	Additional Secretary
4.	Shri Shyam Singh Negi	Sr. Economic Advisor
5.	Shri Binod Kumar	CCA
6.	Shri Preet Pal Singh	Joint Secretary
7.	Shri Ranjit Singh	Joint Secretary
8.	Shri D. Praveen	Joint Secretary

2. As the Chairperson could not attend the Sitting, the Committee under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha, chose Shri Sudhakar Singh to act as Chairperson for the Sitting.

3. The Chairperson then welcomed the Members to the Sitting of the Committee convened for taking oral evidence of the representatives of the Ministry of Food Processing Industries in connection with the examination of the Demands for Grants (2024-25)-Demand No. 45. Thereafter, the representatives of the Ministry of Food Processing Industries were called in. After welcoming the representatives of the Ministry, the Chairperson apprised them about the confidentiality of the Proceedings of the Sitting.

4. After introduction, a Power-Point Presentation was made by the representatives of the Ministry of Food Processing Industries which *inter alia* included topics such as, Focus of the Ministry, Schemes implemented by MoFPI and their details, Human Resources and Institutions, Institutes under MoFPI: NIFTEM, Kundli and NIFTEM, Thanjavur, Budget and Expenditure of Last Five Years, etc. The Committee were also briefed about the Budgetary Provisions of the Ministry for 2024-25.

5. The Committee raised several issues/points which are briefly mentioned below and sought clarification(s)/information thereon from the Ministry:

- (i) Issue of under-utilization of allocated funds to the Ministry and measures required for optimum and effective utilization of the fund.

- (ii) Need to give wide publicity about the Schemes of the Ministry so that the benefits of the Schemes can be availed by the large section of the people;
- (iii) Relaxation of conditions/provisions particularly requirement of land etc. for SC/ST for availing the benefits of the Schemes of the Ministry;
- (iv) Simplification of provisions/conditions as well as procedure for availing the benefit of the Schemes;
- (v) Need to enhance the quality of packaging of processed products;
- (vi) Need to strengthen the NABL accredited labs in Food Processing Sector throughout the country;
- (vii) Need to ensure export of only duly certified processed food products;
- (viii) Relaxation in restriction imposed in giving advance in respect of micro and small enterprises;
- (ix) Strengthening of branding of processed food products;
- (x) Strengthening of NIFTEM to increase the students intake capacity etc.

6. The representatives of the Ministry of Food Processing Industries responded to some of the queries raised by the Members. The Chairperson thereafter thanked the witnesses for sharing valuable information with the Committee on the subject and directed them to furnish the requisite information on points / items, which were not readily available with them, to the Committee Secretariat by 29<sup>th</sup> November, 2024, positively.

**The Committee then adjourned.**

*(A copy of the verbatim proceedings of the Sitting has been kept separately.)*

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**MINUTES OF THE FOURTEENTH SITTING OF THE COMMITTEE ON  
AGRICULTURE, ANIMAL HUSBANDRY AND FOOD PROCESSING (2024-25)**

The Committee sat on Saturday, the 14<sup>th</sup> December, 2024 from 1005 hours to 1050 hours in Committee Room 'D', Parliament House Annexe, New Delhi.

***Present***

**Shri Charanjit Singh Channi – Chairperson  
Members**

**Lok Sabha**

2. Shri Patel Umeshbhai Babubhai
3. Shri Rajkumar Chahar
4. Smt. Anita Nagarsingh Chouhan
5. Shri Kuldeep Indora
6. Shri Rajpalsinh Mahendrasinh Jadav
7. Md. Abu Taher Khan
8. Shri Sukanta Kumar Panigrahi
9. Smt. Krishna Devi Shivshankar Patel
10. Shri Naresh Chandra Uttam Patel
11. Shri Murasoli S.
12. Shri Dharambir Singh
13. ShriDushyant Singh
14. Shri Sudhakar Singh
15. Shri Kodikunnil Suresh
16. Shri Bhausabeb Rajaram Wakchaure

**Rajya Sabha**

17. Smt. Ramilaben Becharbhai Bara
18. Shri S. Kalyanasundaram

**Secretariat**

- |    |                          |   |                  |
|----|--------------------------|---|------------------|
| 1. | Shri Srinivasulu Gunda   | – | Joint Secretary  |
| 2. | Shri Khakhai Zou         | – | Director         |
| 3. | Shri Prem Ranjan         | – | Deputy Secretary |
| 4. | Shri Anil Kumar Sanwaria | - | Deputy Secretary |

2. At the outset, the Chairperson welcomed the Members to the Sitting of the Committee. Thereafter, the Committee took up for consideration the following Reports:

\*(i) XXXX XXXX XXXX XXXX

\*(ii) XXXX XXXX XXXX XXXX

\*(iii) XXXX XXXX XXXX XXXX

\*(iv) XXXX XXXX XXXX XXXX

(v) Draft Report on Demands for Grants (2024-25) pertaining to Ministry of Food Processing Industries; and

\*(vi) XXXX XXXX XXXX XXXX

3. After some deliberations, the Committee adopted the Draft Reports without any modifications and the Committee authorized the Chairperson to finalize and present these Reports to Parliament.

4. The Committee also decided to undertake a tour in the second week of January, 2025.

***The Committee then adjourned.***

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\*Matter not related to this report.