

25

STANDING COMMITTEE ON AGRICULTURE, ANIMAL HUSBANDRY AND
FOOD PROCESSING

(2025-2026)

EIGHTEENTH LOKSABHA

MINISTRY OF FOOD PROCESSING INDUSTRIES

'DEMANDS FOR GRANTS (2024-25)'

{Action-taken by the Government on the Observations / Recommendations contained in the Fifth Report (Eighteenth Lok Sabha) of the Standing Committee on Agriculture, Animal Husbandry and Food Processing (2024-25)}

TWENTY FIFTH REPORT



LOKSABHASECRETARIAT
NEW DELHI

DECEMBER 2025 / AGRAHAYANA, 1947(SAKA)

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Presented to Lok Sabha on

18.12.2025

Laid on the Table of Rajya Sabha on **18.12.2025**



**LOKSABHASECRETARIAT
NEW DELHI**

DECEMBER 2025 / AGRAHAYANA, 1947(SAKA)

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**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE, ANIMAL
HUSBANDRY AND FOOD PROCESSING
(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 Bausaheb Rajaram Wakchaure

RAJYA SABHA

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

Shri Krishan Lal Panwar, Member resigned from Rajya Sabha on 14.10.2024.

**Shri Masthan Rao Yadav Beedha, Member, Rajya Sabha has been nominated to the Standing Committee on Agriculture, Animal Husbandry and Food Processing w.e.f on 8th August 2025, vide Lok Sabha Bulletin Part-II, Para No. 3117 dated 13.08.2025.*

**COMPOSITION OF THE STANDING COMMITTEE ON AGRICULTURE, ANIMAL
HUSBANDRY AND FOOD PROCESSING**
18th Lok Sabha (2025-26)

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
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26. Shri Nitin Laxmanrao Jadhav-Patil
27. Shri Madan Rathore
28. Shri S.R. Sivalingam
29. Shri Ramji Lal Suman
30. Shri P. P. Suneer
31. Shri Randeep Singh Surjewala

SECRETARIAT

1.	Shri Dhiraj Kumar	-	Joint Secretary
2.	Shri Maheshwar	-	Director
3.	Shri Ashwaghosh B. Lokhande	-	Under Secretary
4.	Smt. Paromita Kumar	-	Assistant Executive Officer

INTRODUCTION

I, the Chairperson, Standing Committee on Agriculture, Animal Husbandry and Food Processing (2025-26), having been authorized by the Committee to submit the Report on their behalf, present this Twenty Fifth Report on Action taken by the Government on the Observations/Recommendations contained in the Fifth Report (Eighteenth Lok Sabha) of the Standing Committee on Agriculture, Animal Husbandry and Food Processing (2024-25) on 'Demands for Grants (2024-25)' pertaining to the Ministry of Food Processing Industries.

2. The Fifth Report (Eighteenth Lok Sabha) of the Standing Committee on Agriculture, Animal Husbandry and Food Processing (2024-25) on Demands for Grants (2024-25) pertaining to the Ministry of Food Processing Industries was presented to Lok Sabha and laid on the Table of Rajya Sabha on 17.12.2024. The Action Taken Notes on the Report were received on 21st March, 2025.
3. The Report was considered and adopted by the Committee at their Sitting held on 19th September, 2025.
4. An Analysis of the action taken by the Government on the Observations/Recommendations contained in the Fifth Report (Eighteenth Lok Sabha) of the Committee is given in **Appendix**.

NEW DELHI;

15 December, 2025
24 Agrahayana, 1947 (Saka)

CHARANJIT SINGH CHANNI

***Chairperson,
Standing Committee on Agriculture
Animal Husbandry and Food Processing***

CHAPTER I

REPORT

This Report of the Standing Committee on Agriculture, Animal Husbandry and Food Processing deals with the Action Taken by the Government on the Observations/Recommendations contained in the Fifth Report (Eighteenth Lok Sabha) of the Standing Committee on Agriculture, Animal Husbandry and Food Processing (2024-25) on 'Demands for Grants (2024-25)' pertaining to the Ministry of Food Processing Industries which was presented to the Lok Sabha and Laid on the Table of Rajya Sabha on 17.12.2024.

1.2 The Ministry of Food Processing Industries has furnished Action Taken Replies in respect of all the 12 Observations/Recommendations contained in the Report. These have been categorized as under:

• Observations/Recommendations that have been accepted by the Government: Recommendation Nos. 3, 4, 5, 6, 7, 9, 10, 11, 12	Total – 09 Chapter II
• Observations/Recommendations in respect of which the Committee do not desire to pursue in view of the Government's Reply	Total – 00 Chapter-III
• Observations/Recommendations in respect of which Action Taken Replies of the Government have not been accepted by the Committee: Recommendation No. 1, 2, 8	Total – 03 Chapter-IV
• Observations/Recommendations in respect of which final replies of the Government are still awaited: Recommendation No. NIL	Total-NIL Chapter-V

1.3 The Committee desire that utmost importance would be given by the Ministry to implement the observations/recommendations accepted by the Government. In cases, where it is not possible for the Ministry to implement the Recommendations in letter and spirit for any reason, the matter may be reported to the Committee with the reasons for non-implementation. The Committee desire that further Action-Taken Notes on the Observations/Recommendations contained in Chapter - I of this Report be furnished to them at an early date.

1.4 The Committee will now deal with the action taken by the Government on some of the Recommendations in the succeeding paragraphs.

A. Underutilization of allocated resource

Recommendation No. 1

1.5 The Committee had observed/recommended as follows: —

“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 11th 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.”

1.6 In its Action taken reply, the Ministry has stated: -

“The recommendation of the Hon’ble Committee has been noted for making efforts for optimum utilization of funds.

The Ministry is closely monitoring implementation and expenditure for

improving level of utilization of allocated budget under various schemes of the Ministry viz. Pradhan Mantri Kisan Sampada Yojana (PMKSY), Prime Minister Formalization of Micro Food Processing Enterprises (PMFME) and Production-Linked Incentive Scheme for Food Processing Industry (PLIS)."

1.7 The Committee had noted that while the Ministry has stated that efforts are being made for optimum utilization of funds, the reply remains general and does not specifically address the issue concerning the formulation of Revised Estimates (RE) based on a realistic assessment of ground-level progress. The Committee had earlier suggested that the Ministry align the RE with actual fund utilization on the ground to avoid the surrender of unutilized funds at the end of the financial year. However, the Ministry's reply lacks clarity regarding the actionable steps being taken to ensure the judicious preparation of RE in future. The Committee, therefore, reiterate their recommendation that budgeting at the RE stage should be realistic and firmly grounded in actual fund utilization, and desire to be apprised of the concrete measures undertaken in this regard.

**B. Pradhan Mantri Kisan Sampada Yojana (PMKSY)
Recommendation No. 2**

1.8 The Committee had observed/recommended as follows: —

"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 has 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 has 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/TSP/NER heads be obtained, analyzed 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. “

1.9 In its Action taken reply, the Ministry has stated: -

“The implementation schedule for the food processing projects under PMKSY is as prescribed in the scheme guidelines of the respective component schemes. In exceptional circumstances, for the reasons beyond the control of the promoter(s), the implementation period may be extended with the approval of Project Approval Committee (PAC).

Delays in the implementation of the projects are due to various reasons, such as the non-receipt of statutory clearances/approvals from state and other concerned government authorities, including Consent to Establish (CTE), Consent to Operate (CTO), building/layout plans, Change of Land Use (CLU), FSSAI license, and the fulfilment of pre-disbursement conditions by lending banks for term loan disbursements. These factors have contributed to delays in project implementation, leading to lower-than-expected disbursements. Furthermore, the Ministry releases the final tranche of the grant only after the completion of the project.

Budget allocated under BE & RE 2024-25 is after realistic assessment of the projects expected to be completed during the Financial year. However, as against the RE of Rs. 629.8 Crore for 2024-25, as on date (06.03.2025), Rs. 421.96 Crore (67.19 % of RE) has already been utilized and Rs. 170 Crore is also in pipeline and may be utilized by the end of March 2025.

The Ministry is making incessant efforts to utilize the funds by efforts as mentioned below:

- a) Ministry and the Project Management Agencies (PMAs) engaged under component schemes of PMKSY are interacting regularly with the Project Implementing Agencies (PIAs) of approved projects and are assisting them in timely implementation.
- b) Regular review meetings, virtual verifications and physical site inspections of projects are being conducted by the Ministry and PMAs to ensure the

smooth and timely completion of the projects.

- c) Ministry on the request of PIAs, also takes up the matter with the concerned State/UT Governments and their agencies for smooth and timely implementation.
- d) Under the PMKSY scheme, project proposals are invited from time to time across the country including remote or underdeveloped areas by floating Expression of Interests (EoIs) on the Ministry's website. For wider publicity of the component schemes under PMKSY, it is also circulated through Press Information Bureau (PIB) and leading national and regional newspapers. Individuals including small farmers as well as entity/organization such as FPOs/FPCs/NGOs/PSUs/Firms/Companies, etc. are eligible to avail benefits under the scheme.

Under the scheme of Promotional Activities of MoFPI, Ministry has provided financial assistance to various eligible organizations for organizing 60 events such as seminar, workshop, conference, exhibitions etc. across the country during the year 2024 to create awareness among stakeholders including small farmers and Farmers Producers Organization (FPO) on various schemes of the Ministry.

In order to generate proposals under the SCSP/STP/NER heads, it is submitted that the Ministry on 27.07.2023 floated a special EOI for SC/ST/NER category. Ministry had received 179 proposals in the said EOI out of which 48 proposals were approved.

Third party assessment for impact evaluation study of component schemes of PMKSY i.e., APC & CEFPPC is under process.”

1.10 The Committee have noted the Ministry's reply outlining the reasons for delays in fund utilization under PMKSY and the steps taken to improve implementation through regular review meetings with Project Implementing Agencies (PIAs). While these efforts are acknowledged, the Committee are of the view that the Ministry has not provided specific details on the steps taken to assess the needs and requirements of the sector, nor on the review of

budget forecasting of the Scheme, as previously recommended. Additionally, although the Ministry has undertaken awareness activities for stakeholders, it has not provided any information regarding the feedback received from them to further strengthen the Scheme.

2. The Committee appreciate the Ministry's initiative to generate proposals under the SCSP/TSP/NER categories by floating a special EOI, however, they find the Ministry's response incomplete. The reply does not furnish the reasons for the low number of approvals out of the total applications received, and it is also silent on the Committee's recommendation to review the terms and conditions applicable under the SCSP/TSP/NER heads to address the issue of low participation.

3. The Committee, therefore, reiterate their recommendation that the Ministry needs to take more focused and result-oriented measures to enhance the implementation and impact of the PMKSY Scheme and ensure better utilization of funds for the disadvantaged sections and intended beneficiaries. The Committee would further desire to be apprised of the outcomes of the third-party assessment and impact evaluation study of the PMKSY Scheme.

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

Recommendation No. 8

1.11 The Committee had observed/recommended as follows: —

"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 years. The Ministry have stated that the underutilization 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.

1.12 In its Action taken reply, the Ministry has stated: -

“To ensure effective implementation of the PLI scheme, various steps have been taken as under:

- **User-Friendly Interface:** The PLISFPI Portal is designed as a one-stop solution for all information related to the scheme. The Portal is used to file Quarterly Returns and filing Incentive Claims by the applicants.
- **Efficient Communication:** Email communications for different categories has been established to facilitate information dissemination, quick responses, and issue resolution.
- **Accessibility:** The Ministry and PMA have dedicated teams to ensure easy access and prompt assistance. Additionally, PMA has assigned case officers to each selected applicant.
- **Technical Support:** A dedicated IT team is available at the PMA to address any technical issues with the PLISFPI Portal.

- **Comprehensive Information:** The Portal provides a wealth of information, including the selection process, applications received, selected applicants, investment locations, incentive claims, and bank guarantees.
- **Weekly Meetings:** Weekly Meetings are held with the PLI Beneficiaries to understand their concerns and resolve issues and dissemination of important updates regarding the Scheme.”

1.13 The Committee have noted the steps taken by the Ministry, as outlined in its reply, for the effective implementation of the Production Linked Incentive Scheme for Food Processing Industries (PLISFPI). While these measures are appreciable, the Committee are of the view that the Ministry's reply does not adequately address their recommendation regarding the revision of the Scheme's Terms and Conditions which may be hindering its progress, if any, it does not indicate whether any consultations with stakeholders have been held in this regard. Furthermore, the Committee observe that the Ministry's reply is silent on the suggestions made earlier to simplify and streamline the application process, inclusion of additional product categories beyond millets, and also promoting export policies that support small and micro food processing enterprises. In view of the above, the Committee reiterate their recommendation for a more policy-oriented and inclusive approach that comprehensively addresses all these aspects, in order to strengthen the implementation and overall impact of the PLISFPI Scheme.

D. Pradhan Mantri Formalization of Micro Food Processing Enterprises Scheme (PMFME)

Recommendation No. 9

1.14 The Committee had observed/recommended as follows: —

“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 utilization 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.”

1.15 In its Action Taken Reply, the Ministry has submitted: -

“To raise awareness about the PMFME Scheme at the grassroots level and effectively address regional diversity, the Ministry of Food Processing Industries, Government of India, has undertaken various initiatives. These efforts include nationwide radio campaigns in regional languages, broadcasted across national, community and private radio stations to ensure widespread coverage. Additionally, national print advertisement campaigns in regional languages have been launched, targeting publications from small to large-scale. The Ministry, in collaboration with State Governments, has also been

organizing district-level awareness workshops to engage key stakeholders such as potential micro-food processing enterprises, bank representatives, district officials, and resource persons, ensuring they are well informed about the PMFME Scheme.

PMFME MIS Portal has been designed for easy process for submission of applications. The portal is online for submission of all the applications and no physical documentation is required under the scheme. The Detailed Project Report is inbuilt in the system and is generated automatically upon filling and submission of all the details along with documents, by the applicants.

The Scheme also engages District Resource Persons (DRPs) at the district or regional level to provide hand-holding support to micro food processing enterprises which includes assisting micro enterprises in preparing Detailed Project Reports (DPRs), securing bank loans, providing training, upgradation of the units, obtaining necessary regulatory approvals, ensuring hygiene standards etc.

PMFME Scheme's benefits are applicable on the loans availed from all Scheduled Commercial Banks registered by Reserve Bank of India. In addition, Micro Finance Institutions such as National Cooperative Development Corporation (NCDC) and StreeNidhi have also been onboarded to provide support for easier access of credit to the beneficiaries. Regular follow-up/ review meetings with all the Lending Banks, State Level Bankers Committee (SLBC) Meetings and representatives at State and District level are being conducted to ensure smooth implementation of the scheme."

1.16 The Committee have noted the various steps taken by the Ministry to improve the implementation of the PMFME Scheme, as outlined in its reply, particularly the awareness campaigns and the simplification of the application process through the PMFME MIS Portal. The Committee also appreciate the engagement of District Resource Persons (DRPs) to provide hand-holding support to micro food processing enterprises. In addition, the Committee commend the Ministry's efforts to onboard microfinance institutions such as NCDC and StreeNidhi, as well as the conduct of regular review meetings with

lending institutions to facilitate access to credit.

2. However, the Committee are of the view that the reply lacks clarity on the actual effectiveness of these measures at the ground level, particularly with respect to digital accessibility for micro-entrepreneurs and the ease of availing credit in rural and remote areas. The Committee also observe that the Ministry has not articulated any forward looking strategy for scaling up the Scheme, despite earlier recommendations and in view of India's vast and diverse agricultural base. In the absence of a proactive plan for expansion, they believe that the Scheme will fail to achieve a substantial increase in capital investment outlay required for growth within the country's agricultural landscape. The Committee, therefore, urge the Ministry to adopt a comprehensive and forward-looking approach to upscale the Scheme, including stronger partnerships with local and cooperative banks, so as to unlock the full potential of the micro food processing sector. The Committee further desire to be apprised of the outcomes and impact of all measures undertaken by the Ministry at the ground level, as discussed above.

E. Measures to reduce wastage of agriculture produce

Recommendation No. 12

1.17 The Committee had observed/recommended as follows: —

“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”.

1.18 In its Action Taken Reply, the Ministry has submitted: -

“Implementation of PMKSY helps in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet across the country. The scheme not only provides a boost to the growth of food processing sector in the country but also helps in, inter-alia, reducing wastage of agricultural produce, increasing the processing level and enhancing the

export of the processed foods."

1.19 The Committee noted the Ministry's reply and recognize the role of PMKSY in creating infrastructure for the Food Processing Sector, thereby contributing to waste reduction at the processing level. The Committee, however, observe that the Ministry has not indicated in its reply any specific measures or strategies for reducing wastage in agricultural and horticultural produce, as earlier desired in the recommendation. In view of this, the Committee are of the opinion that the Ministry should outline a comprehensive action plan that can serve as a practical model for addressing food waste challenges and fostering sustainability in agricultural and horticultural produce. The Committee would further desire to be apprised of the concrete measures undertaken in this regard.

CHAPTER – II

OBSERVATIONS/RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT

1. Underutilization of allocated resources

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 11th 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.

Reply of the Government:

The recommendation of the Hon'ble Committee has been noted for making efforts for optimum utilization of funds.

The Ministry is closely monitoring implementation and expenditure for improving level of utilization of allocated budget under various schemes of the Ministry viz. Pradhan Mantri Kisan Sampada Yojana (PMKSY), Prime Minister Formalization of Micro Food Processing Enterprises (PMFME) and Production-Linked Incentive Scheme for Food Processing Industry (PLIS).

**MINISTRY OF FOOD PROCESSING INDUSTRIES
(OM. No. H-11012/1/2023-Parl. dated 21.03.2025)**

Comments of the Committee

For comments of the Committee please refer to Para No. 1.7 of Chapter-I of this Report.

2. Pradhan Mantri Kisan SAMPADA Yojana (PMKSY)

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.

Reply of the Government:

The implementation schedule for the food processing projects under PMKSY is as prescribed in the scheme guidelines of the respective component schemes. In exceptional circumstances, for the reasons beyond the control of the promoter(s), the implementation period may be extended with the approval of Project Approval Committee (PAC).

Delays in the implementation of the projects are due to various reasons, such as the non-receipt of statutory clearances/approvals from state and other concerned government authorities, including Consent to Establish (CTE), Consent to Operate (CTO), building/layout plans, Change of Land Use (CLU), FSSAI license, and the fulfilment of pre-disbursement conditions by lending banks for term loan disbursements. These factors have contributed to delays in project implementation, leading to lower-than-expected disbursements. Furthermore, the Ministry releases the final tranche of the grant only after the completion of the project.

Budget allocated under BE & RE 2024-25 is after realistic assessment of the projects expected to be completed during the Financial year. However, as against

the RE of Rs. 629.8 Crore for 2024-25, as on date (06.03.2025), Rs. 421.96 Crore (67.19 % of RE) has already been utilized and Rs. 170 Crore is also in pipeline and may be utilized by the end of March 2025.

The Ministry is making incessant efforts to utilize the funds by efforts as mentioned below:

- e) Ministry and the Project Management Agencies (PMAs) engaged under component schemes of PMKSY are interacting regularly with the Project Implementing Agencies (PIAs) of approved projects and are assisting them in timely implementation.
- f) Regular review meetings, virtual verifications and physical site inspections of projects are being conducted by the Ministry and PMAs to ensure the smooth and timely completion of the projects.
- g) Ministry on the request of PIAs, also takes up the matter with the concerned State/UT Governments and their agencies for smooth and timely implementation.
- h) Under the PMKSY scheme, project proposals are invited from time to time across the country including remote or underdeveloped areas by floating Expression of Interests (EoIs) on the Ministry's website. For wider publicity of the component schemes under PMKSY, it is also circulated through Press Information Bureau (PIB) and leading national and regional newspapers. Individuals including small farmers as well as entity/ organization such as FPOs/FPCs/NGOs/PSUs/Firms/Companies, etc. are eligible to avail benefits under the scheme.

Under the scheme of Promotional Activities of MoFPI, Ministry has provided financial assistance to various eligible organizations for organizing 60 events such as seminar, workshop, conference, exhibitions etc. across the country during the year 2024 to create awareness among stakeholders including small farmers and Farmers Producers Organization (FPO) on various schemes of the Ministry.

In order to generate proposals under the SCSP/STP/NER heads, it is submitted that the Ministry on 27.07.2023 floated a special EOI for SC/ST/NER category. Ministry

had received 179 proposals in the said EOI out of which 48 proposals were approved.

Third party assessment for impact evaluation study of component schemes of PMKSY i.e. APC & CEFPPC is under process.

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(OM. No. H-11012/1/2023-Parl. dated 21.03.2025)**

Comments of the Committee

For comments of the Committee please refer to Para No. 1.10 of Chapter-I of this Report.

3. Scheme for Creation of Infrastructure for Agro Processing Clusters (APC)

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 at least 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.

Reply of the Government:

The implementation schedule for the projects prescribed in the scheme guidelines of the Scheme for Creation of Infrastructure for Agro Processing Cluster (APC), which is 24 months for general category project, and 30 months for SC/ST, NER & ITDP Area projects from the date of issue of approval letter. In exceptional circumstances, for the reasons beyond the control of the promoter(s), the implementation period may be extended with the approval of Project Approval Committee (PAC).

Delays in the implementation of projects are due to various reasons, such as the non-receipt of statutory clearances/approvals from the State Government and other concerned government authorities including Consent to Establish (CTE), Consent to Operate (CTO), building/layout plans, change of land use (CLU), FSSAI license and the fulfilment of pre-disbursement conditions by lending banks for term loan disbursement, etc.

The Ministry is also making continuous efforts to utilize the funds, as outlined below:

- a) The Ministry and the Project Management Agencies (PMAs) engaged under the APC are in regular interaction with the Project Implementing Agencies (PIAs) of approved projects and are assisting them in the timely implementation of these projects.
- b) Regular review meetings, virtual verifications, and physical site inspections of APC projects are conducted by the Ministry and PMAs to ensure the smooth and timely completion of the projects.

- c) At the request of the PIAs, the Ministry also takes up matters with the concerned States/UTs and their agencies to ensure the smooth and timely implementation of the projects.
- d) Weather conditions pose a major hindrance to projects, especially in the NER and difficult areas.
- e) The budget allocated under BE & RE 2024-25 is based on a realistic assessment of the projects expected to be completed during the financial year. However, as of 28.01.2025, Rs. 23.874 crore (50.80% of the RE) has already been utilized, and Rs. 3.74 crore is in the pipeline and may be utilized by the end of January 2025. The remaining amount will be utilized by March 2025.

As of today, the Ministry has approved a total of 16 projects under the SC/ST & NER categories (7 SC, 1 ST, and 8 NER) with a total project cost of Rs. 402.59 crore, including a grant-in-aid of Rs. 154.00 crore.

Regarding the Committee's recommendation to generate proposals under the SCSP/TSP and NER heads, it is submitted that the Ministry, on 27.07.2023, floated a special

EOI for the SC/ST/NER category. The Ministry received 5 eligible applications under the SC category and 1 eligible application under the NER category. All eligible projects have been approved, with a total project cost of Rs. 177.605 crore, including a grant-in-aid of Rs. 58.64 crore. No eligible applications were received under the ST category.

Further, the Ministry floated another EOI on 04.10.2023 for all categories, against which only 1 eligible application under the SC category was received. This application was approved with a total project cost of Rs. 20.78 crore, including a grant-in-aid of Rs. 10 crore under the APC Scheme for FY 2023-24. The projects approved under the EOI dated 04.10.2023 (approved between November 2023 and February 2024) require time for completion and operationalization, as their gestation period is 24 months for general category projects and 30 months for SC/ST/NER category projects. Grants-in-aid are being released by the Ministry accordingly.

Further, it is submitted that the APC scheme is a demand-driven scheme and is not state- or district-specific. Previously, the Mega Food Park (MFP) scheme was implemented by the Ministry, with a minimum land requirement of 50 acres. The MFP scheme was discontinued effective 01.04.2021. The APC Scheme has now been introduced as a component of PMKSY. The minimum land required for establishing an agro-processing cluster is 10 acres, and for setting up vertical projects/units in urban areas, the minimum required land is 5 acres. This land is essential for creating modern infrastructure, including basic enabling infrastructure and core processing infrastructure, to enable and encourage entrepreneurs to establish food processing units based on the cluster approach.

Additionally, a third-party assessment for the impact evaluation study of the APC scheme is currently in process.

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4. Scheme for Integrated Cold Chain and Value Addition Infrastructure

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.

Reply of the Government:

The Ministry has been implementing the Integrated Cold Chain and Value Addition Infrastructure Scheme since 2008 to reduce post-harvest losses and enhance the value of agricultural produce. As per the suggestion of evaluation study report dated 30.03.2020 of NABARD Consultancy Services (NABCONS), the Ministry is focusing on several key measures to further enhance the scheme's effectiveness. To ensure the optimum utilization of funds during the remaining period of the fiscal year, the Ministry has been taking several steps:

- **Monitoring and Evaluation:** The Ministry ensures that funds are being used effectively by closely monitoring the progress of projects and programs. Regular assessments help identify any issues early, allowing timely interventions to keep expenditures on track.
- **Timely Release of Funds:** Ensuring that funds are released promptly, helps in the efficient execution of projects. Delays in disbursement can lead to project slowdowns.
- Identification of delays in obtaining necessary approvals from Central/State authorities for various project activities and follow-up with the relevant authorities to ensure timely action.
- Improved Monitoring and Project Tracking by the MoFPI as well as Project Management Agency(PMA)
- Regular Review of the progress of projects against targets.
- Periodical review of the projects through SAMPADA Portal.

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

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, only 45 projects 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 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.

Reply of the Government:

The implementation schedule for the projects prescribed in the **Creation/Expansion of Food Processing and Preservation Capacities (CEFPPC)** scheme guidelines is 18 months from the date of issue of approval letter. In exceptional circumstances, for the reasons beyond the control of the promoter(s), the implementation period may be extended with the approval of Project Approval Committee (PAC).

Delay in implementation of projects occur due to various reasons like not receiving various statutory clearances/approvals by the State Government / other concerned Govt authorities such as Consent to Establish (CTE), Consent to Operate (CTO), building/layout plans, change of land use (CLU), FSSAI license, meeting of pre-disbursement conditions of lending banks for term loan disbursement etc.

Ministry is also making incessant efforts to utilize the funds as mentioned below:

- a) Ministry and the Projects Management Agencies (PMA) engaged under CEFPPC Scheme are interacting regularly with the Project Implementing Agencies (PIAs) of approved projects and are assisting them in timely implementation of the projects.
- b) Regular review meetings, virtual verification and physical site inspection of CEFPPC projects are conducted by the Ministry and PMAs for smooth and timely completion of the projects.
- c) Ministry, on the request of PIAs, also takes up the matter with the concerned State Government and their agencies for smooth and timely implementation.
- d) Weather plays major hindrance for the projects especially in NER/difficult areas.
- e) Ministry has revised CEFPPC guidelines permitting only Final Term loan sanction order at the time of application so that bank related issues faced by implementing agencies may be minimized.
- f) Budget allocated under BE & RE 2024-25 is after realistic assessment of the projects to be completed during the financial year. However, as against the RE of Rs. 218.29 Crore for 2024-25, as on date (28.01.2025), Rs. 150.26 Crore (68.83% of RE) has already been utilized. Remaining amount will be utilized till March, 2025.
- g) Third Party Assessment for impact evaluation of the Scheme is under process.
- h) New guidelines dated 22.01.2025 have been issued.

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6. Scheme for Operation Greens

The Committee note 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 minimizing 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 note 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, desire 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.

Reply of the Government:

Under the Operation Greens scheme, the Ministry has utilized Rs. 77.09 crore against the RE of Rs. 161.41 crore as of 20.02.2025, which is 47.76% of the RE. The reason for the underutilization of funds is the cancellation/withdrawal of some approved projects and the non-sanctioning of fresh projects during the current financial year, as the funds allocated during the 15th FCC have already been exhausted, and no additional allocation has been made by the Government for the sanctioning of fresh projects. Further, the long-term interventions under Operation Greens are infrastructure projects, which require the involvement of multiple government agencies and logistical support for the speedy development of projects, which, in turn, also impacts fund utilization under the scheme.

This scheme is demand-driven in nature, and project proposals are invited

from interested individuals/entities across India through Expressions of Interest (EOI) for setting up food processing facilities. Proposals received are evaluated based on eligibility and assessment criteria.

The scheme was initially focused on Tomato, Onion, and Potato (TOP) but was later expanded to include 22 perishable crops, 10 fruits, and 11 vegetables (such as mango, banana, apple, carrot, cauliflower, gourd family, and more), as well as shrimp, for value chain development in designated clusters. Based on stakeholder feedback and market demand, additional crops may also be assessed for inclusion under the scheme.

A key component of enhancing awareness and farmer participation under the scheme is the formation of Farmer Producer Organizations (FPOs) through designated Project Implementing Agencies. PIA plays a crucial role in:

- a) Mobilizing small and marginal farmers to form FPOs.
- b) Providing training through agricultural universities and capacity-building programs on aggregation, value addition, and direct market linkages.
- c) Targeted outreach programs through promoters have resulted in increased farmer participation and better post-harvest management practices.

Further, in order to simplify application processes and regular monitoring & evaluation, a single-window digital platform (SAMPADA) is developed for easy access to information, application tracking and fulfil the objectives of the Scheme, the Ministry is committed to participate and engage with State Government officials on a regular basis in such meetings in the future.

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7. Scheme for Setting up / Up-gradation of Food Testing Laboratories

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.

Reply of the Government:

The Ministry already consider NABL mandatory in cases of upgradation and the recommendation of the Committee will be incorporated suitably in the upcoming Scheme Guidelines.

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

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 underutilization 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.

Reply of the Government:

To ensure effective implementation of the PLI scheme, various steps have been taken as under:

- **User-Friendly Interface:** The PLISFPI Portal is designed as a one-stop solution for all information related to the scheme. The Portal is used to file Quarterly Returns and filing Incentive Claims by the applicants.
- **Efficient Communication:** Email communications for different categories has been established to facilitate information dissemination, quick responses, and issue resolution.
- **Accessibility:** The Ministry and PMA have dedicated teams to ensure easy access and prompt assistance. Additionally, PMA has assigned case officers to each selected applicant.
- **Technical Support:** A dedicated IT team is available at the PMA to address any technical issues with the PLISFPI Portal.
- **Comprehensive Information:** The Portal provides a wealth of information, including the selection process, applications received, selected applicants, investment locations, incentive claims, and bank guarantees.

- **Weekly Meetings:** Weekly Meetings are held with the PLI Beneficiaries to understand their concerns and resolve issues and dissemination of important updates regarding the Scheme.

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Comments of the Committee

For comments of the Committee please refer to Para No. 1.13 of Chapter-I of this Report.

9. Pradhan Mantri Formalization of Micro Food Processing Enterprises Scheme (PMFME)

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.

Reply of the Government:

To raise awareness about the PMFME Scheme at the grassroots level and effectively address regional diversity, the Ministry of Food Processing Industries, Government of India, has undertaken various initiatives. These efforts include nationwide radio campaigns in regional languages, broadcasted across national, community and private radio stations to ensure widespread coverage. Additionally, national print advertisement campaigns in regional languages have been launched, targeting publications from small to large-scale. The Ministry, in collaboration with State Governments, has also been organizing district-level awareness workshops to engage key stakeholders such as potential micro-food processing enterprises, bank representatives, district officials, and resource persons, ensuring they are well informed about the PMFME Scheme.

PMFME MIS Portal has been designed for easy process for submission of applications. The portal is online for submission of all the applications and no physical documentation is required under the scheme. The Detailed Project Report is inbuilt in the system and is generated automatically upon filling and submission of all the details along with documents, by the applicants.

The Scheme also engages District Resource Persons (DRPs) at the district or regional level to provide hand-holding support to micro food processing enterprises which includes assisting micro enterprises in preparing Detailed Project Reports (DPRs), securing bank loans, providing training, upgradation of the units, obtaining necessary regulatory approvals, ensuring hygiene standards etc.

PMFME Scheme's benefits are applicable on the loans availed from all Scheduled Commercial Banks registered by Reserve Bank of India. In addition, Micro Finance Institutions such as National Cooperative Development Corporation (NCDC) and StreeNidhi have also been onboarded to provide support for easier

access of credit to the beneficiaries. Regular follow-up/ review meetings with all the Lending Banks, State Level Bankers Committee (SLBC) Meetings and representatives at State and District level are being conducted to ensure smooth implementation of the scheme.

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Comments of the Committee

For comments of the Committee please refer to Para No. 1.16 of Chapter-I of this Report.

10. Institutions under Food Processing Industries

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.

Reply of the Government:

Both NIFTEMs are undergoing infrastructure expansion with financial

assistance from the Ministry. The expansion project at NIFTEM-K is nearing completion, while NIFTEM-T's infrastructure project has recently received approval from the Ministry. These infrastructure expansion projects will undoubtedly enhance the student intake at both institutes.

Additionally, the Ministry continues to support both institutions through annual grants under various GIA Heads, including salaries, creation of capital assets, general expenses, and scholarships in order to ensure that existing infrastructure facilities are enhanced to meet the increased demand and maintain the highest standards of education and research excellence.

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(OM. No. H-11012/1/2023-Parl. dated 21.03.2025)**

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

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.

Reply of the Government:

In order to promote and ensure overall development of the Food Processing Sector, Ministry has been incentivizing setting up/expansion of related infrastructure through its Central Sector Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) Scheme, Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) and centrally sponsored PM Formalization of Micro Food Processing Enterprises (PMFME) scheme across the country.

With an aim to encourage wider participation of stakeholders, guidelines of schemes revised keeping in mind the ease of doing business and following measures were taken into account:

- Approval Process simplified by a single Technical Committee and Project Approval Committee
- List of eligible and ineligible components incorporated
- Eligibility criteria are clearly defined
- Document submission during online application and for release of installments simplified
- Timelines for completion of project increased
- Condonation for delay in completion of the project simplified.
- ‘Penalty’ word removed from guidelines (Decriminalization)
- Need for documents at frequent intervals done away with

Since the schemes are demand driven, Ministry invites project proposals from interested individuals/entities by floating an Expression of Interest (EoI). In order to give wide publicity about the opportunity available under MoFPI schemes, Notices about issuance of EoI also published in National/Regional/Local newspapers all across the country.

In addition, posts also released on Ministry's Social Media Handles - Twitter, Facebook, Instagram and Koo. These posts disseminate information about benefits available under MoFPI scheme for people in general, as well as about concessions

available for SC, ST, NER, Difficult Area people.

Separate Online portals have been developed for all its schemes PMKSY, PMFME and PLISFPI. The module facilitates online submission of application document and its status tracking on real time basis. Ministry has made all the processes related to release of grants simple, easy and transparent through online scheme management system. The system captures entire workflow starting from the stage of submission of proposals to project acceptance and thereafter facilitating grant release involving all the stakeholders namely Promoter, Project Execution Agencies, Project Management Agencies (PMAs) and Ministry and automates all the processes related to grant release. At every instance, email /SMS is being automatically sent to applicant about their status. A helpline number including email based queries & reply has also been provided to promoter for getting their resolutions, if any.

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(OM. No. H-11012/1/2023-Parl. dated 21.03.2025)**

12. Measures to reduce wastage of agriculture produce

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.

Reply of the Government:

Implementation of PMKSY helps in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet across the country. The scheme not only provides a boost to the growth of food processing sector in the country but also helps in, inter-alia, reducing wastage of agricultural produce, increasing the processing level and enhancing the export of the processed foods.

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Comments of the Committee

For comments of the Committee please refer to Para No. 1.19 of Chapter-I of this Report.

CHAPTER III

OBSERVATION/RECOMMENDATIONS IN RESPECT OF WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY

-NIL-

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH ACTION TAKEN REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Underutilization of allocated resources

Recommendation (Para 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 11th 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.

Reply of the Government:

The recommendation of the Hon'ble Committee has been noted for making efforts for optimum utilization of funds.

The Ministry is closely monitoring implementation and expenditure for improving level of utilization of allocated budget under various schemes of the Ministry viz. Pradhan Mantri Kisan Sampada Yojana (PMKSY), Prime Minister Formalization of

Micro Food Processing Enterprises (PMFME) and Production-Linked Incentive Scheme for Food Processing Industry (PLIS).

**MINISTRY OF FOOD PROCESSING INDUSTRIES
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Comments of the Committee

For comments of the Committee please refer to Para No. 1.7 of Chapter-I of this Report.

Pradhan Mantri Kisan SAMPADA Yojana (PMKSY)

Recommendation (Para 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.

Reply of the Government:

The implementation schedule for the food processing projects under PMKSY is as prescribed in the scheme guidelines of the respective component schemes. In exceptional circumstances, for the reasons beyond the control of the promoter(s), the implementation period may be extended with the approval of Project Approval Committee (PAC).

Delays in the implementation of the projects are due to various reasons, such as the non-receipt of statutory clearances/approvals from state and other concerned government authorities, including Consent to Establish (CTE), Consent to Operate

(CTO), building/layout plans, Change of Land Use (CLU), FSSAI license, and the fulfilment of pre-disbursement conditions by lending banks for term loan disbursements. These factors have contributed to delays in project implementation, leading to lower-than-expected disbursements. Furthermore, the Ministry releases the final tranche of the grant only after the completion of the project.

Budget allocated under BE & RE 2024-25 is after realistic assessment of the projects expected to be completed during the Financial year. However, as against the RE of Rs. 629.8 Crore for 2024-25, as on date (06.03.2025), Rs. 421.96 Crore (67.19 % of RE) has already been utilized and Rs. 170 Crore is also in pipeline and may be utilized by the end of March 2025.

The Ministry is making incessant efforts to utilize the funds by efforts as mentioned below:

- i) Ministry and the Project Management Agencies (PMAs) engaged under component schemes of PMKSY are interacting regularly with the Project Implementing Agencies (PIAs) of approved projects and are assisting them in timely implementation.
- j) Regular review meetings, virtual verifications and physical site inspections of projects are being conducted by the Ministry and PMAs to ensure the smooth and timely completion of the projects.
- k) Ministry on the request of PIAs, also takes up the matter with the concerned State/UT Governments and their agencies for smooth and timely implementation.
- l) Under the PMKSY scheme, project proposals are invited from time to time across the country including remote or underdeveloped areas by floating Expression of Interests (EoIs) on the Ministry's website. For wider publicity of the component schemes under PMKSY, it is also circulated through Press Information Bureau (PIB) and leading national and regional newspapers. Individuals including small farmers as well as entity/ organization such as FPOs/FPCs/NGOs/PSUs/Firms/ Companies, etc. are eligible to avail benefits under the scheme.

Under the scheme of Promotional Activities of MoFPI, Ministry has provided financial

assistance to various eligible organizations for organizing 60 events such as seminar, workshop, conference, exhibitions etc. across the country during the year 2024 to create awareness among stakeholders including small farmers and Farmers Producers Organization (FPO) on various schemes of the Ministry.

In order to generate proposals under the SCSP/STP/NER heads, it is submitted that the Ministry on 27.07.2023 floated a special EOI for SC/ST/NER category. Ministry had received 179 proposals in the said EOI out of which 48 proposals were approved.

Third party assessment for impact evaluation study of component schemes of PMKSY i.e. APC & CEFPPC is under process.

MINISTRY OF FOOD PROCESSING INDUSTRIES
(OM. No. H-11012/1/2023-Parl. dated 21.03.2025)

Comments of the Committee

For comments of the Committee please refer to Para No. 1.10 of Chapter-I of this Report.

Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)

Recommendation (Para 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 underutilization 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.

Reply of the Government:

To ensure effective implementation of the PLI scheme, various steps have been taken as under:

- **User-Friendly Interface:** The PLISFPI Portal is designed as a one-stop solution for all information related to the scheme. The Portal is used to file Quarterly Returns and filing Incentive Claims by the applicants.
- **Efficient Communication:** Email communications for different categories has been established to facilitate information dissemination, quick responses, and issue resolution.
- **Accessibility:** The Ministry and PMA have dedicated teams to ensure easy access and prompt assistance. Additionally, PMA has assigned case officers to each selected applicant.
- **Technical Support:** A dedicated IT team is available at the PMA to address any technical issues with the PLISFPI Portal.
- **Comprehensive Information:** The Portal provides a wealth of information, including the selection process, applications received, selected applicants, investment locations, incentive claims, and bank guarantees.
- **Weekly Meetings:** Weekly Meetings are held with the PLI Beneficiaries to

understand their concerns and resolve issues and dissemination of important updates regarding the Scheme.

MINISTRY OF FOOD PROCESSING INDUSTRIES
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Comments of the Committee

For comments of the Committee please refer to Para No. 1.13 of Chapter-I of this Report.

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT ARE STILL AWAITED

-NIL-

**New Delhi
15 December 2025,
24 Agrahayana 1947 (Saka)**

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

ANNEXURE

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

The Committee sat on Friday, the 19th September, 2025 from 1103 hrs. to 1335 hrs. in Committee Room No. 1, First Floor, Block-A, Extension to Parliament House Annexe (EPHA), New Delhi.

Present

Shri Charanjit Singh Channi – Chairperson

Members

Lok Sabha

2. Shri Patel Umeshbhai Babubhai
3. Smt. Anita Nagarsingh Chouhan
4. Shri Kuldeep Indora
5. Shri Sukanta Kumar Panigrahi
6. Smt. Krishna Devi Shivshankar Patel
7. Shri Naresh Chandra Uttam Patel
8. Shri Dharambir Singh
9. Shri Dushyant Singh

RAJYA SABHA

10. Smt. Ramilaben Becharbhai Bara
11. Dr. Anil Sukhdeorao Bonde
12. Shri Banshilal Gurjar
13. Shri S. Kalyanasundaram
14. Shri Madan Rathore
15. Shri Ramji Lal Suman
16. Shri P. P. Suneer

Secretariat

1.	Shri Dhiraj Kumar	–	Joint Secretary
2.	Shri Maheshwar	–	Director
3.	Shri Prem Ranjan	-	Deputy Secretary

2. At the outset, the Chairperson welcomed the Members to the Sitting of the

Committee. Thereafter, the Committee took up for consideration and adoption of the following Draft Subject Reports and Draft Action Taken Reports:

(i)	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx*;
(ii)	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx*;
(iii)	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx*;
(iv)	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx*;
(v)	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx*;
(vi)	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx*;
(vii)	Action-taken Report on the Action taken by the Government on the Observations/ Recommendations contained in the 5 th Report of the Committee on the Demands for Grants (2024-25) of the Ministry of Food Processing Industries, presented during 18 th Lok Sabha, and				
(viii)	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx*.

3. xxxxx xxxxx xxxxx xxxxx xxxxx*

4. The Committee also adopted xxxxx* 5th Report on DFG (2024-25) and xxxxx* with modifications as suggested in Annexure xxxxx* III xxxxx*. The Committee authorized the Chairperson to finalize and present the Reports to Parliament.

5. xxxxx xxxxx xxxxx xxxxx xxxxx*

The Committee then adjourned.

* Matter not related to this report.

Annexure-III

During the Sitting held on 19.09.2025, the Members made the following suggestions to be incorporated in the Report on Action taken by the Government on the Observations/Recommendations contained in the Fifth Report (Eighteenth Lok Sabha) of the Standing Committee on Agriculture, Animal Husbandry and Food Processing (2024-25) on 'Demands for Grants (2024-25)' pertaining to the Ministry of Food Processing Industries.

Page no. of the Draft Report	Comment Para No.	Original Comments	Modification incorporated
3	1.7	<p>The Committee had noted that while the Ministry has stated that efforts are being made for optimum utilization of funds, the reply remains general and does not specifically address the issue concerning the formulation of Revised Estimates (RE) based on a realistic assessment of ground-level progress.</p> <p>However, the Ministry's reply lacks clarity regarding the actionable steps being taken to ensure the judicious preparation of RE in future.</p>	<p>The Committee duly noted and appreciate the efforts indicated by the Ministry towards optimum utilization of funds, the reply remains broad and does not specifically address the issue of formulating Revised Estimates (RE) on the basis of the realistic assessment of ground-level progress.</p> <p>However, the Ministry's reply does not clearly outline the specific steps proposed for ensuring the judicious preparation of RE in the future.</p>
7	1.10	<p>While these efforts are acknowledged, the Committee are of the view that the Ministry has not provided specific details on the steps taken to assess the needs and requirements of the sector, nor on the review of budget forecasting of the Scheme, as previously recommended. Additionally, although the Ministry has undertaken awareness activities for stakeholders, it has not provided any information regarding the feedback received from them to further strengthen the Scheme.</p> <p>2. The Committee appreciate the Ministry's initiative to generate proposals under the SCSP/TSP/NER categories by floating a special EOI, however, they</p>	<p>While these efforts are commended, the Committee are of the view that the Ministry should provide more specific details on the steps taken to assess the needs and requirements of the sector, on the review of budget forecasting of the Scheme, as was previously recommended. Additionally, although the Ministry has undertaken awareness activities for stakeholders, it is yet to provide information regarding the feedback received from them to further strengthen the Scheme.</p> <p>2. The Committee appreciate the Ministry's initiative to generate proposals under the SCSP/TSP/NER categories by floating a special EOI. At the</p>

		<p>find the Ministry's response incomplete. The reply does not furnish the reasons for the low number of approvals out of the total applications received, and it is also silent on the Committee's recommendation to review the terms and conditions applicable under the SCSP/TSP/NER heads to address the issue of low participation.</p>	<p>same time, the response does not furnish details on the reasons for the relatively low number of approvals out of the total applications received and the information on the Committee's earlier recommendation to review the terms and conditions under SCSP/TSP/NER heads with a view to encouraging greater participation.</p>
9-10	1.13	<p>While these measures are appreciable, the Committee are of the view that the Ministry's reply does not adequately address their recommendation regarding the revision of the Scheme's Terms and Conditions which may be hindering its progress, if any, it does not indicate whether any consultations with stakeholders have been held in this regard. Furthermore, the Committee observe that the Ministry's reply is silent on the suggestions made earlier to simplify and streamline the application process, inclusion of additional product categories beyond millets, and also promoting export policies that support small and micro food processing enterprises.</p>	<p>While these measures are appreciable, the Committee note that the Ministry's reply does not furnish details on their earlier recommendation regarding a possible revision of the Scheme's Terms and Conditions, which may have a bearing on its progress. Additionally, it is not very clear from the reply whether any consultations with stakeholders have been held in this regard. Furthermore, the Committee observe that the Ministry's reply does not furnish enough information on the suggestions made earlier regarding simplifying and streamlining the application process, inclusion of additional product categories beyond millets, and promotion of export policies that support small and micro food processing enterprises.</p>
12-13	1.16	<p>2. However, the Committee are of the view that the reply lacks clarity on the actual effectiveness of these measures at the ground level, particularly with respect to digital accessibility for micro-entrepreneurs and the ease of availing credit in rural and remote areas. The Committee also observe that the Ministry has not articulated any forward looking strategy for scaling up the Scheme, despite earlier recommendations and in view of India's vast and diverse agricultural base. In the absence of a proactive plan for expansion, they believe that the Scheme will fail to achieve a substantial increase in capital</p>	<p>2. However, the Committee note that further clarity on the effectiveness of these measures at the ground level, particularly regarding digital accessibility for micro-entrepreneurs and the ease of availing credit in rural and remote areas would be useful. The Committee also feel that outlining a forward-looking strategy for scaling up the Scheme, in view of earlier recommendations and India's vast and diverse agricultural base, could help in achieving a substantial increase in capital investment outlay needed to support growth within the</p>

		investment outlay required for growth within the country's agricultural landscape.	country's agricultural landscape.
13-14	1.18	In view of this, the Committee are of the opinion that the Ministry should outline a comprehensive action plan that can serve as a practical model for addressing food waste challenges and fostering sustainability in agricultural and horticultural produce. The Committee would further desire to be apprised of the concrete measures undertaken in this regard.	The Committee suggest that it would be useful if the Ministry could provide details of specific measures or strategies for reducing wastage in agricultural and horticultural produce, in line with the earlier recommendation, as this would further strengthen the Scheme's overall impact. The Committee, further desire to be apprised of the concrete measures undertaken in this regard.

APPENDIX

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS / RECOMMENDATIONS CONTAINED IN THE FIFTH REPORT (EIGHTEENTH LOK SABHA) OF THE STANDING COMMITTEE ON AGRICULTURE, ANIMAL HUSBANDRY AND FOOD PROCESSING (2024-25).

(Vide Para 4 of Introduction of the Report)

(i)	Total Number of Recommendations	12
(ii)	Observations/Recommendations which have been accepted By the Government	
	Para Nos. 3, 4, 5, 6, 7, 9, 10, 11, 12.	Total 09
		Percentage 75%
(iii)	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies	
	Para No. . NIL	Total 00
		Percentage 0.00%
(iv)	Observations/Recommendations in respect of which Replies of the Government have not been accepted by the Committee	
	Para No 1, 2, 8	Total 03
		Percentage 25%
(iv)	Observations/Recommendations in respect of which final replies of the Government are still awaited	
	Para No. NIL	Total 00
		Percentage 0.00%