

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
STARRED QUESTION No. *185
ANSWERED ON 12TH FEBRUARY, 2026

FARMER-OWNED FOOD PROCESSING STARTUPS

***185. SHRI DHARAMBIR SINGH:**

Will the Minister of *FOOD PROCESSING INDUSTRIES* be pleased to state:

- (a) whether the Government is promoting/proposes to promote farmer-owned food processing startups and if so, the details thereof;
- (b) whether rural entrepreneurs face access gaps in branding and marketing of their products and if so, the details thereof;
- (c) whether incubation support is available at the district level and if so, the details thereof;
- (d) whether cluster-based food processing models are being encouraged and if so, the details thereof;
- (e) whether packaging and quality certification support exists and if so, the details thereof; and
- (f) whether Bhiwani–Mahendergarh Lok Sabha Constituency would be selected for a farmer- led food-processing entrepreneurship cluster and if so, the details thereof?

ANSWER

THE MINISTER OF FOOD PROCESSING INDUSTRIES
(SHRI CHIRAG PASWAN)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (f) OF LOK SABHA STARRED QUESTION NO. *185 ANSWERED ON 12.02.2026 REGARDING “FARMER-OWNED FOOD PROCESSING STARTUPS”

(a) Ministry of Food Processing Industries (MoFPI) is implementing various schemes aimed at enhancing food processing capacities, promoting value-added products, fostering innovation, and improving returns to farmers and entrepreneurs. These include Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME) Scheme, Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) and the Production Linked Incentive Scheme for Food Processing Industry (PLISFPI). Under these schemes, subsidies, incentives and credit support are available to eligible entities including startups, micro enterprises, Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and individual entrepreneurs in food processing. Under the PMFME scheme, support for setting up of Incubation Centre is provided to Government Institutes/Organizations and Private Agencies. These Incubation Centres provide support for product development, Lab testing, and training support to micro food processing entrepreneurs, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs) and Start-ups.

NIFTEM Technology Innovation and Business Incubation Foundation (NTIBIF) of National Institute of Food Technology Entrepreneurship & Management, Kundli, Haryana (NIFTEM-K) and NIFTEM, Thanjavur, Tamil Nadu (NIFTEM-T) offers incubation facilities and supports startups in the food and agri sectors, as well as Micro, Small and Medium Enterprises, student entrepreneurs, research-based ventures, and FPOs.

Till date, NTIBIF has incubated 55 startups across the country, disbursing seed grants worth nearly ₹1.19 crore. These ventures span areas such as Ready to Eat/ Ready to Cook products, functional foods, alternative proteins, and supply chain innovation. Besides, NIFTEM-T has also supported / handholded 40 MSMEs startups.

MoFPI has also organised a Startup Conclave titled SUFALAM (Startup Forum for Aspiring Leaders and Mentors) through its autonomous institution, National Institute of Food Technology Entrepreneurship & Management, Kundli, Haryana (NIFTEM-K) to promote startups in the food processing sector. Further, MoFPI during its flagship event World Food India has organised Startup Grand Challenge during 2023, 2024 and 2025 editions in association with NIFTEMs. The winners of Start-up Grand Challenge are provided with cash awards and incubation support through NIFTEM.

(b) To support rural entrepreneurs in branding, packaging, and market access, the PMFME Scheme provides support for branding and marketing to the groups of FPOs/ SHGs/ Cooperatives or Special Purpose Vehicle (SPV) of micro food processing enterprises with a grant of upto 50% of the eligible project cost following the cluster approach for developing a common brand with provision for quality control, standardisation, packaging and adhering to food safety parameters for consumer retail sale.

In addition to this, Ministry of Rural Development (MoRD) has registered three trademarks as "Saras", "Saras Aajeevika" and "Aajeevika" for branding and marketing of products of SHGs. Further, marketing platforms such as periodic SARAS Fairs at the National and State levels, the SARAS Gallery and the e-commerce portal (www.esaras.in) have been established to enhance market access and visibility of SHG products.

(c) The PMFME Scheme supports establishment and strengthening of Common Incubation Centre, which function as local hubs for processing, training, testing, and entrepreneurship development. Each incubation centre has atleast one processing line in One District One Product (ODOP) and 3-5 processing lines for allied products and operates on a custom-hiring basis. As on date, 80 Incubation centres have been approved across 27 States/ UTs.

Also, the Ministry through NIFTEMs provide incubation support to food processing start-ups, FPOs, MSMEs, and rural entrepreneurs, with a strong focus on value addition, entrepreneurship development, and commercialization.

The Ministry of Rural Development through Small Village Entrepreneurship Programme (SVEP) which is an umbrella scheme of Deendayal Antyodaya Yojana – National Rural Livelihoods Mission is providing demand-based incubator program for supporting SHG enterprises.

(d) The Ministry of Food Processing Industries (MoFPI) has been implementing a Scheme for Creation of Infrastructure for Agro Processing Clusters (APC), a component scheme of the Pradhan Mantri Kisan Sampada Yojana (PMKSY) for development of modern infrastructure to encourage entrepreneurs to set up food processing units based on cluster approach in the country. The Scheme envisages grants-in-aid @35% of eligible project cost for projects in general areas and @50% of eligible project cost of projects in Difficult Areas (North East States including Sikkim, State of Uttarakhand, State of Himachal Pradesh, Union Territories of J&K and Ladakh, State notified ITDP (Integrated Tribal Development Projects) areas and Islands (Union Territories of Andaman & Nicobar and Lakshadweep) as well as for projects of SC/ST, FPOs and SHGs entrepreneurs subject to maximum of Rs. 10.00 crore.

In addition to this, Horticulture Cluster Development Programme (CDP) is implemented by the National Horticulture Board (NHB), Ministry of Agriculture & Farmers Welfare (MoA&FW). The programme has been structured to promote integrated, end-to-end value-chain development with a strong focus on post-harvest management, food processing, and market integration.

(e) Under the branding and marketing component of the PMFME Scheme, support is offered for development of common brand. The on-boarded micro-enterprises receive comprehensive training in product development, quality assurance, ingredient standards, packaging, and labelling in compliance with Food Safety & Standards Authority of India (FSSAI) regulations. In addition to this, formalization of micro food processing enterprises is facilitated by District Resource Persons (DRPs) through Udyam Aadhaar registration, FSSAI registration, GST registration as per the applicability.

(f) The PMFME Scheme is demand driven and is implemented through State/ UT Governments. Any interested individual/entity may avail the benefit for upgradation of existing or setting up of new micro-food processing facility, in accordance with the scheme guidelines. Till 31st December 2025, loans for 97 micro food processing enterprises have been sanctioned in Bhiwani and Mahendergarh districts of Haryana.

The component schemes under PMKSY including APC are demand driven and proposals are invited by floating Expression of Interest (EoI) from time to time.
