



**PHD Research Bureau**  
PHD Chamber of Commerce and Industry



## **Government consistently encouraging private sector investment in Food Processing Industries**

Government has been consistently encouraging and incentivizing increased private sector investment for overall development of Food Processing sector of the country to promote value addition in agricultural and allied sector and reduce wastage.

Ministry of Food Processing Industries (MoFPI) is implementing a Central Sector umbrella scheme- Pradhan Mantri Kisan Sampada Yojana (PMKSY) since 2016-17 for overall growth and development of food processing sector, mostly through private sector participation. Under the component schemes, MoFPI provides credit linked financial assistance (capital subsidy) in the form of grants-in-aid to entrepreneurs for setting up of food processing / preservation industries with farm level infrastructure like primary processing facilities, collection centers etc. So far, 792 projects out of a total of 818 projects have been approved for setting up food processing Industries by the private sector with approved Grants in Aid of Rs 5791.71 Crores.

In order to further increase private sector participation in this sector, the Government has taken three major initiatives this year are :

1. The Government has approved the introduction of “Production Linked Incentive scheme” for Food Processing Sector with an outlay of Rs 10,900 Crore to support creation of global food manufacturing champions and support Indian brands of food products in international market.
2. With a view to extend incentives to the private micro food enterprises, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs) and Cooperatives, spread all over the country, MoFPI is implementing centrally sponsored "PM Formalisation of Micro food processing Enterprises Scheme". The scheme aims to provide financial, technical and business support for upgradation/ setting up of two lakh micro food processing units based on One District One Product (ODOP) approach in a period of five years from 2020-21 to 2024-25 with an outlay of Rs. 10,000 crores.
3. In the budget speech for 2021-2022, Government has announced expansion of scope of “Operation Greens scheme” from Tomato, Onion & Potato (TOP) to 22 perishable products, so as to boost value addition in agriculture and allied products and their exports.

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Warm Regards,

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