VOCAL FOR LOCAL

MAKING INDIA 'ATMANIRBHAR' IN FOOD PROCESSING

PMFME

PRADHAN MANTRI FORMALISATION OF MICRO FOOD PROCESSING ENTERPRISES SCHEME

This economic package is for our cottage industry, home based industry, our small-scale industry, our MSME, which is a source of livelihood for millions of people, which is the strong foundation of our resolve for a self-reliant India

- Prime Minister Narendra Modi

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INTRODUCTION

India's food economy, in many respects, mirrors the country's rich regional, cultural, and agricultural diversity. From sweets to cereals, from vegetables to fruits, from pickles to herbs, from traditional confectionaries to local drinks, from meat and poultry to aquatic products, the national food map of India is a resplendent microcosm of the country's rich civilisational history.

A well-developed food processing sector with a higher level of processing helps in the reduction of wastage, improves value addition, promotes crop diversification, ensures a better return to the farmers, promotes employment as well as increases export earnings. This sector is also capable of addressing critical issues of food security, food inflation, and providing wholesome, nutritious food to the masses.

The food processing sector is one of the important segments of the

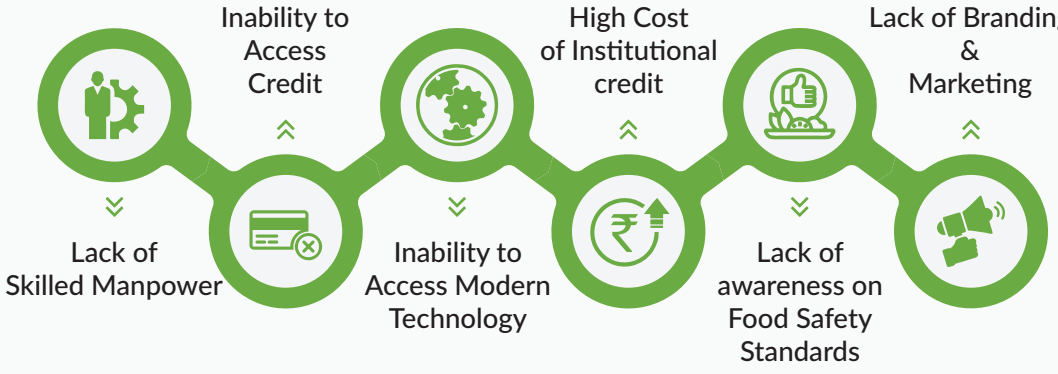
Indian economy in terms of its contribution to GDP, employment, and investment. During 5 years ending 2018-19, the Food Processing sector has been growing at an Average Annual Growth Rate (AAGR) of around 10.00%. The sector constituted as much as 8.98% and 11.11% of the GVA (Gross Value Added) in the Manufacturing and Agriculture sector respectively in 2018-19.

Micro Food Processing Enterprises in India

Number of food processing enterprises in unorganised sector	% Contribution of micro enterprises to Employment in food processing	% of microenterprises located in rural areas	% share of family-based micro enterprises
25 Lakh	74%	66%	80%

CHALLENGES AND OPPORTUNITIES

The micro food processing sector faces several challenges including the high cost of institutional credit, lack of access to modern technology, and value addition opportunities. Other challenges being faced by this segment are lack of awareness about food safety standards, lack of market knowledge, lack of branding and marketing for their produce. A large number of unskilled manpower also pose challenges to the micro-enterprises.



PROBLEMS FACED BY MICRO FOOD ENTERPRISES

However, the potential for growth of India's food processing industry is immense as the organised retail sector is growing, young demography, change in consumption pattern, rise in disposable Incomes, rapid Urbanisation, rise in the nuclear families with a growing demand for functional and nutraceutical foods.

PMFME SCHEME

The scheme seeks to support micro food processing enterprises through a package of support and services. These include:

- Training & financial support for technology upgradation
- Support for the transition of existing enterprises into formal frameworks
- Support to Farmer Producer Organizations (FPOs), Self Help Groups (SHGs), Producers Cooperatives along their entire value chain
- Marketing support for their integration with the organized supply chain
- For compliance and registration under different regulatory frameworks

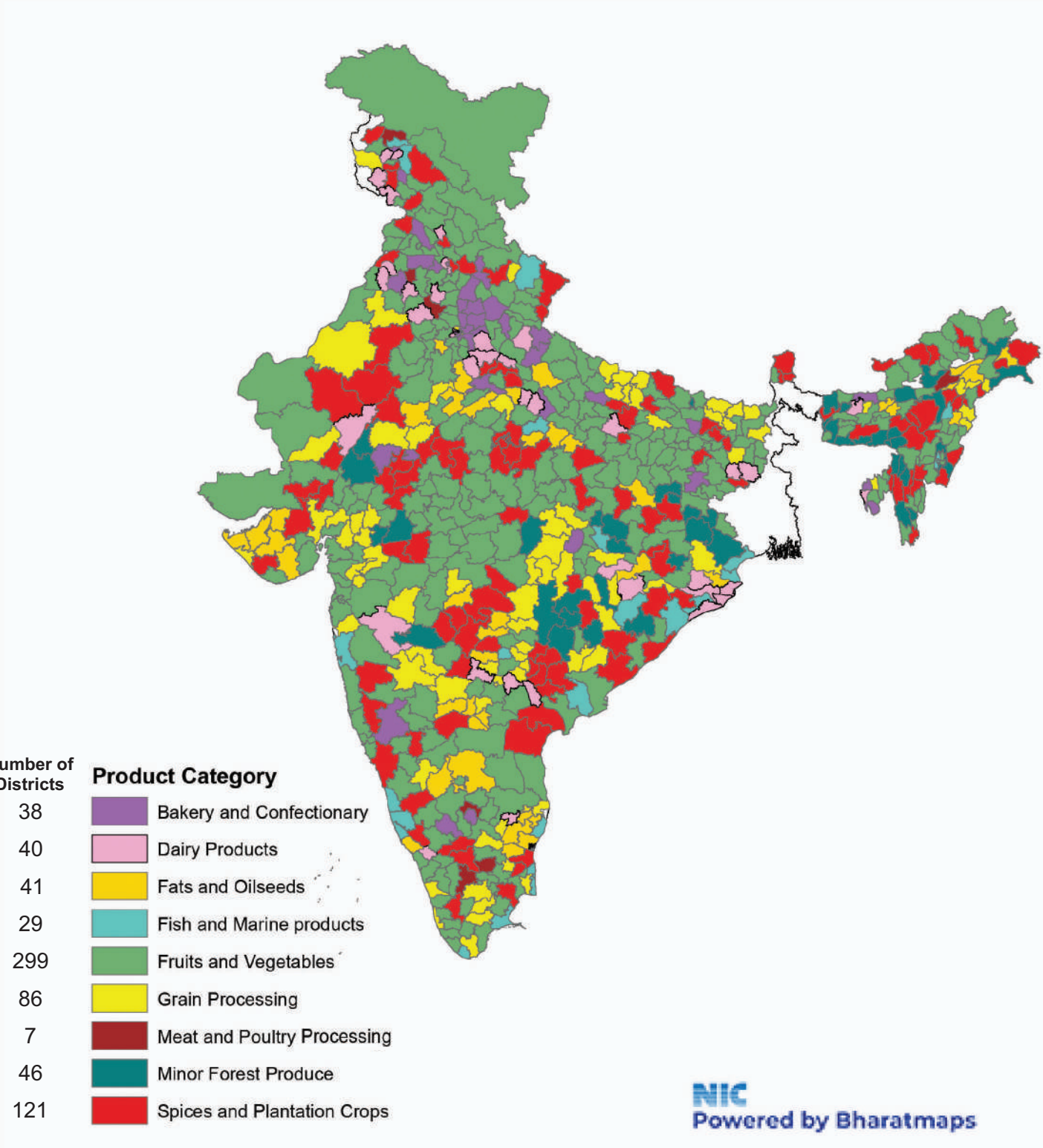
The Scheme is to be implemented for a period of five years from 2020-21 to 2024- 25 with an outlay of Rs. 10,000 Crore. The main theme of the Scheme is the One District One Product (ODOP) approach, a part of a broader strategy of concentrated agro and industrial development focused on each district, offering an array of fiscal incentives, credit, marketing, and policy support.

JOURNEY SO FAR

Setting up the Institutional Mechanism for Implementation of the scheme – PMFME is a centrally sponsored scheme and is implemented in close collaboration with State Nodal Agencies of respective States. All the States/UTs have appointed Nodal Agencies for implementation of the scheme. Applications for credit linked subsidies for individual enterprises are approved at the district level, while applications for groups are approved at the State Level/MOFPI. MIS portal for PMFME Scheme is receiving individual applications for credit linked subsidy for upgradation of food processing units. For monitoring & approvals, Committees at state and district level in the States/UTs have been constituted. For Collaboration and Convergence in the implementation of the scheme, Joint Letters and MoUs have been signed with Ministries of Tribal Affairs, Rural Development and TRIFED, ICAR, National Scheduled Caste Finance & Development Corporation, NAFED and NCDC. MoUs have been signed with Union Bank of India as Nodal Bank and with 11 banks as lending banks.

One District One Product (ODOP) Strategy – 707 districts of 35 States/UTs in the country have selected ODOPs consisting of 137 unique products ranging from fruits and vegetables, *makhana*, moringa, milk products, bakery items, jaggery, pickles, *papad*, etc. A GIS ODOP digital map of India has been prepared that provides details of ODOP products of all the States and UTs. It will enable stakeholders to identify resources and map their value chain.

Type of Products chosen as ODOPs across India



District specific products can be seen at the following site
https://odop.mofpi.gov.in/odop

State Level Up-gradation Plans – 23 States/ UTs have appointed agencies for conducting planning studies called **State Level Up-gradation Plans** for the upgradation of Micro-food processing enterprises.

Credit linked subsidies for capital investment to micro food processing enterprises: 4485 applications have been received in 32 States/ UTs so far and are being processed.

Seed Capital to SHG members – Seed Capital is being provided to members of SHGs engaged in food processing. So far 32,410 individual members of SHGs have been identified by respective State Rural Livelihood Missions.

54 Incubation Centres have been approved by MOFPI for providing production, processing, training, and demonstration services to micro food processing enterprises.

Capacity Building - Two National Level Technical Institutions of MOFPI - NIFTEM & IIFPT and 35 State Agriculture Universities (SLTIs) along with ICAR institutions are developing training content for capacity building. More than 300 model DPRs, Audio & Video tutorials have been prepared and uploaded on website. Training of 334 Master Trainers and 469 district level trainers (in 16 States) has been conducted and training for beneficiaries is being initiated through a network of RSETIs and RUDSETIs. Trainings in Fruits and Vegetable processing, Bakery & Confectionery Processing, Fats and Oilseed Processing, Milk & Milk products processing, Meat & Poultry products processing, Fish & Marine products Processing, Grain Processing have been completed for multiple batches of Master Trainers and District Level Trainers.

Marketing and Branding proposals from TRIFED & NAFED have been approved by the Ministry. Action Plan has also been finalized for the same.

PMFME- BENEFITS FOR ALL

1. Disbursement of credit linked subsidy to 2,00,000 existing micro-enterprises.
2. The transition of existing 2,00,000 enterprises into formal frameworks
3. Increased access to credit for existing micro food processing entrepreneurs, women entrepreneurs, and entrepreneurs in Aspirational Districts.
4. The Scheme is expected to generate skilled and semi-skilled jobs at the local level.
5. Increased access to common services like food testing, storage facilities, access to high-end machinery, technologies, and incubation services.

Junak Agro Producer Company, Assam

"PMFME scheme is bound to help the processors in the unorganized sector and in times like these, it will be of immense support"

Renu Mahanta

Kudambashree Mission, Kerala

"We expect that this scheme will have a unique impact on the majority of micro enterprises like ours in Kerala"

Ranjeena

Kheti Virasat Mission, Punjab

"Youth will now be able to process their crop in their own village which will increase their income, lead to more employment, reduce migration to urban cities thereby contributing towards the prosperity of the village"

Umender Dutt

Trade Promotion Council of India

"Those farmers are not industrial entrepreneurs by birth, and they need orientation and handholding to process in the direction of the industry demand"

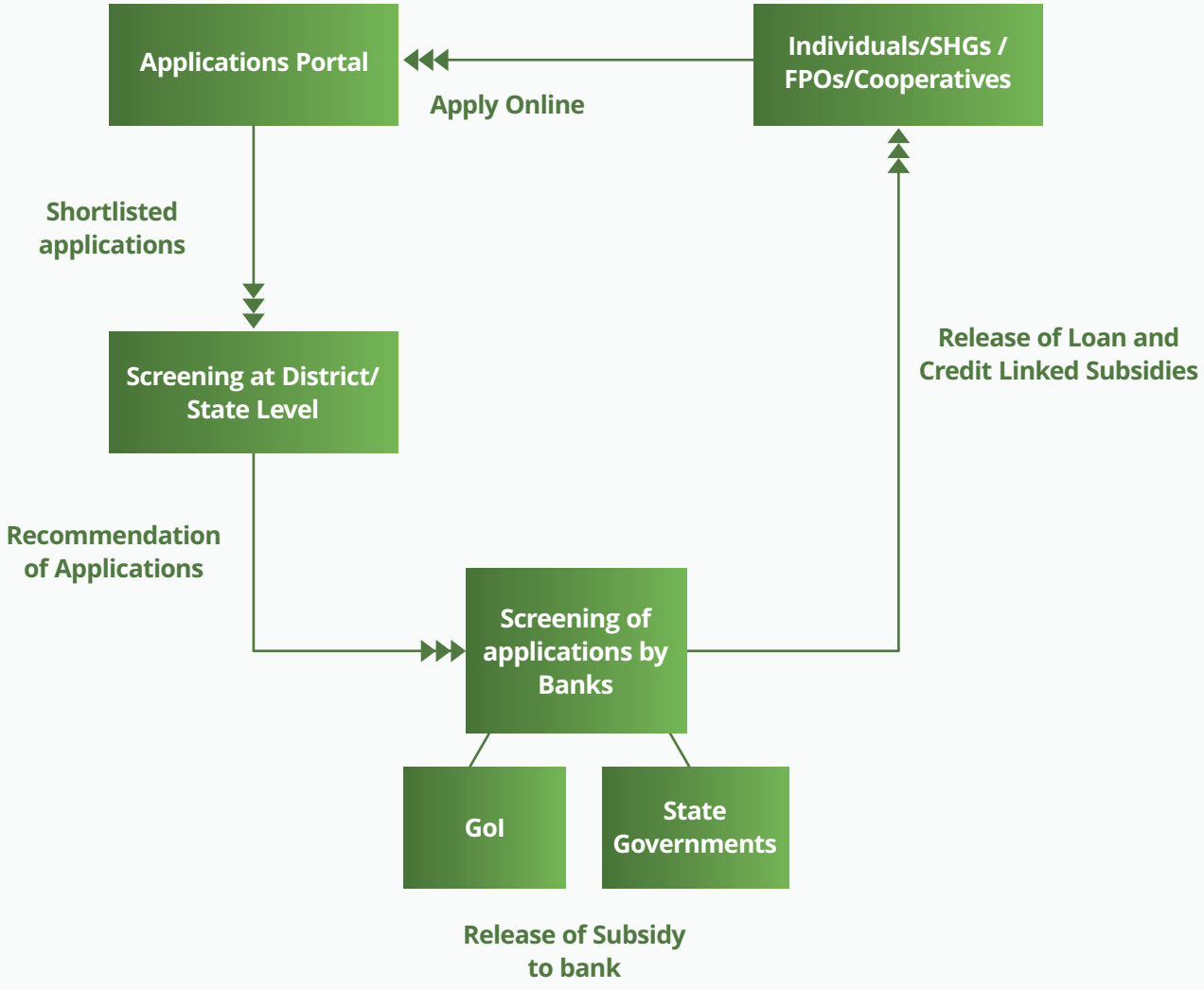
Mohit Singla

6.Increase in turnover of micro food processing enterprises.

7. Better integration of existing micro-enterprises with the organized markets.

8. SC, ST, and Women Entrepreneurs to be empowered as the scheme lays special focus on machinery, technologies and incubation services.

Process flow for providing credit linked subsidy to individual and group enterprises



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