

PRADHAN MANTRI FORMALISATION OF MICRO FOOD PROCESSING ENTERPRISE (PM- FME) SCHEME

Under the Aatmanirbhar Bharat Abhiyan, the Ministry of Food Processing Industries (MoFPI) has launched a new Centrally Sponsored Scheme "Pradhan Mantri Formalization of Micro Food Processing Enterprise (PM- FME) Scheme" to promote unorganized food processing sector in the country.

- **Purpose** - It aims at enhancing the competitiveness of existing individual micro-enterprises in the unorganized segment of the food processing industry and promote formalization of the sector and to support Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives along with their entire value chain.

- **Objective-**

The objectives of scheme are to build capability of microenterprises to enable:

- a. Increased access to credit by existing micro food processing entrepreneurs, FPOs, Self Help Groups and Co-operatives;
- b. Integration with organized supply chain by strengthening branding & marketing;
- c. Support for transition of existing 2,00,000 enterprises into formal framework;
- d. Increased access to common services like common processing facility, laboratories, storage, packaging, marketing and incubation services;

- **Program Components**

The program has four broad components addressing the needs of the sector:

- a. Support to individual and groups of micro enterprises;
- b. Branding and Marketing support;
- c. Support for strengthening of institutions;
- d. Setting up robust project management framework.

- **One District One Product (ODOP)-**

The Scheme adopts One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. ODOP for the scheme will provide the framework for value chain development and alignment of support infrastructure.

- **Support to individual micro enterprises-**

Individual micro food processing units would be provided credit-linked capital subsidy @35% of the eligible project cost with a maximum ceiling of Rs.10.00 lakh per unit. Beneficiary contribution should be minimum 10% of the project cost with balance being loan from Bank.

- **Support to Group Category-**

The Scheme would support clusters and groups such as FPOs/SHGs/ producer cooperatives along their entire value chain for sorting, grading, assaying, storage, common processing, packaging, marketing, processing of agri-produce, and testing laboratories.

a. Farmer Producer Organizations (FPOs)/Producer Cooperatives would get following support:

- Grant @35% with credit linkage;
- Training support;

b. Self Help Groups (SHGs) undertaking food processing activities would be provided following support:

Seed capital @ Rs. 40,000/- per member of SHG for working capital and purchase of small tools would be provided under the scheme.

- **Support to individual SHG member as a single unit** of food processing industry with credit linked grant @35% with maximum amount being Rs 10 lakh.

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

- **Training & Handholding Support to SHGs**