

Role of PMFME Scheme on Food Processing, Agribusiness and Entrepreneurship

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Abstract

Ministry of Food Processing Industry (MoFPI) has launched the Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME) scheme under the Aatmanirbhar Bharat Abhiyan with the aim to enhance the competitiveness of existing individual micro-enterprises in the unorganized segment of the food processing industry and promote formalization of the sector. PMFME is a centrally sponsored scheme and is implemented in close collaboration with State Nodal Agencies of respective States. With tag line of Vocal for local the scheme impacts the working of micro food enterprises through key components like ODOP, support for capital investment, capacity building training, Providing DPR assistance, technology support, Branding support to all the stakeholders of the sector. The paper offers a macro view point of the entire scheme while covering its salient features and key components.

PMFME Journey so far:-

Ministry of Food Processing Industry (MoFPI) has launched the Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME) scheme under the Aatmanirbhar Bharat Abhiyan with the aim to enhance the competitiveness of existing individual micro-enterprises in the unorganized segment of the food processing industry and promote formalization of the sector. The scheme to be implemented over a period of five years from 2020-21 to 2024-25 with a total outlay of Rupees 10,000 crore. The scheme has a special focus on supporting Groups engaged in Agri-food processing such as Farmer Producer Organizations (FPOs), Self Help Groups (SHGs) and Producers Cooperatives along their entire value chain.

The PMFME scheme support in terms of:

- i. Food processing entrepreneurs through credit-linked capital subsidy @35% of the eligible project cost with a maximum ceiling of Rs.10 lakh per unit.
- ii. Seed capital @ Rs. 40,000/- per SHG member for working capital and purchase of small tools.
- iii. Credit linked grant of 35% for capital investment to FPOs/ SHGs/ producer cooperatives.

- iv. Support for marketing & branding to micro-units.
- v. Support for common infrastructure and handholding support to SHGs, FPOs and Producer Cooperatives.
- vi. Providing Capacity building and training support to increase the capabilities of the enterprises and upgradation of skills of workers.

20th May, 2020

Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME) Scheme approved by the Cabinet.

16th June, 2020

Release of the PMFME Scheme Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME) Scheme Official Guidelines.

29th June, 2020

Launch of the Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME) Scheme.

17th August, 2020

Helpline Centre for the PMFME Scheme set up at the National Institute of Food Technology Entrepreneurship and Management (NIFTEM).

21st August, 2020

Review Meeting with the States and Union Territories to study the progress and status of implementation of the PMFME Scheme.

16th October, 2020

Hon'ble Union Minister of Food Processing Industries, Shri Narendra Singh Tomar, in his inaugural address at the India International Food & Agri Week 2020, expressed his views on the PMFME Scheme by highlighting the significant contribution of the food processing industry to the growth of the Indian economy.

2nd November, 2020

Release of the Official Guidelines for Common Incubation Centers under PMFME Scheme.

3rd November, 2020

Release of the Official Guidelines for Capacity Building under the PMFME Scheme.

17th November, 2020

Inauguration of Training of Master Trainers and Launch of GIS Digital Map for One District One Product under the Pradhan Mantri Formalisation of Micro food processing Enterprises Scheme (PMFME Scheme) by Hon'ble Union Minister of Food Processing Industries, Shri Narendra Singh Tomar, in the august presence of Shri Rameswar Teli, MoS, Food Processing Industries.

18th November, 2020

First Virtual Inter-Ministerial Empowered Committee (IMEC) Meeting chaired by Hon'ble Union Minister of Food Processing Industries, Shri Narendra Singh Tomar to review the progress and status of implementation of the PMFME Scheme.

18th December, 2020

Hon'ble Union Minister of Food Processing Industries, Shri Narendra Singh Tomar along with Hon'ble Minister of State, Shri Rameswar Teli, chaired the second virtual Inter-Ministerial Empowered Committee (IMEC) meeting with the officials of various Ministries, Departments, and State Governments to review the progress of the implementation of the PMFME Scheme.

Key Highlights

One District One Product (ODOP) identified for 688 districts by 32 States/ UTs with 119 unique products identified as ODOPs

One District One Product (ODOP) approved for 553 districts in 24 States/UTs

Project Implementation Plan (PIP) approved for 7 States/UTs

State Level Technical Institution (SLTI) approved for 28 States/UTs

18th December, 2020

Joint Letter signed with the Ministry of Tribal Affairs

Memorandum of Understanding signed with:

Tribal Cooperative Marketing Development Federation of India Ltd. (TRIFED)

Indian Council of Agricultural Research (ICAR)

National Scheduled Castes Finance and Development Corporation (NSFDC)

National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED)

National Cooperative Development Corporation (NCDC)

Agreement signed with Union Bank of India as the Nodal Bank for the PMFME Scheme

Know More About PMFME

Ministry of Food Processing Industries (MoFPI), in partnership with the State/ UT Governments, has launched an all India Centrally Sponsored PM Formalisation of Micro food processing Enterprises Scheme (PM FME Scheme) for providing financial, technical and business support for upgradation of existing micro food processing enterprises.

Prime Minister's Address to the Nation On 12.05.2020 - Atmanirbhar Bharat

Greetings to fellow citizens, for over four months the global community has been in the fight against Corona virus.

During this period more than 42 lakh people across the world have been infected with Corona. More than 2.75 Lakh people have died tragically. In India too, people have lost their near and dear ones. I express my heartfelt condolences to all.

Friends, a virus has destroyed the world. Crores of people around the world are facing a crisis. World all over is engaged in a battle to save precious lives. We have never seen or heard of such a crisis. This crisis is unthinkable as well as unprecedented for mankind.

However-getting exasperated, losing heart or getting shattered, is not acceptable to the mankind. We have to remain vigilant, closely monitor it, follow the rules of engagement in such a war, save ourselves and move ahead. Today, when the world is in crisis, we must strengthen our resolve. Our great resolve will help overcome this crisis.

Friends, we have been hearing since the last century that the 21st century belongs to India. We have seen how the world was before Corona and the global systems in detail. Even after the infliction of the Corona crisis, we are constantly watching the situation as it unfolds across the globe. When we look at these two periods from India's perspective, it seems that the 21st century is the century for India. This is not our dream, rather a responsibility for all of us.

But what should be its trajectory?

The state of the world today teaches us that a (AtmaNirbhar Bharat) "Self-reliant India" is the only path. It is said in our scriptures - EshahPanthah That is - self-sufficient India. Friends, As a nation today we stand at a very crucial juncture. Such a big disaster is a signal for India, it has brought a message and an opportunity. I will share my perspective with an example. When the Corona crisis started, there was not a single PPE kit made in India. The N-95 masks were produced in small quantity in India. Today we are in a situation to produce 2 lakh PPE and 2 lakh N-95 masks daily. We were able to do this because India turned this crisis into an opportunity.

This vision of India - turning crisis into opportunity- is going to prove equally effective for our resolve of self-reliant India.

Friends,

Today the meaning of the word self-reliance has changed in the global scenario. The debate on Human Centric Globalization versus Economy Centralized Globalization is on. India's fundamental thinking provides a ray of hope to world. The culture and tradition of India speaks of self-reliance and the soul is VasudhaivaKutumbakam

India does not advocate self-centric arrangements when it comes to self-reliance. India's selfreliance is ingrained in the happiness, cooperation and peace of the world.

This is the culture which believes in the welfare of the world, for all the living creatures and the one which considers the whole world as a family. Its premise is 'माता भूमिः पुत्रो अहम्भूमिः' - the culture that considers the earth to be the mother. And when the Bharat Bhumi, becomes self-sufficient, it ensures the possibility of a prosperous world. India's progress has always been integral to the progress of the world.

India's goals and actions impact the global welfare. When India is free from open defecation, it has an impact on the image of the world. Be it TB, malnutrition, polio, India's campaigns have influenced the world.

International Solar Alliance is India's gift against Global Warming. The initiative of International Yoga Day is India's gift to relieve stress. Indian medicines have given a fresh lease of life to the people in different parts of the world.

These steps have brought laurels for India and it makes every Indian feel proud. The world is beginning to believe that India can do very well, so much good for the welfare of mankind can give.

The question is - how?

The answer to this question is – A Combined resolve of 130 crore citizens for a self-reliant India.

Friends,

We have a proud history of centuries. When India was prosperous, it was called the golden goose, it was prosperous, and then it always walked tall for the welfare of the world.

Then the times changed, the country was caught in the chains of slavery, we longed for development. Today, when India is making rapid strides in its progress, it is still committed to the goal of global welfare. Remember, the Y2K crisis at the beginning of this century. Technology experts from India pulled the world out of that crisis. Today we have the resources, we have the power, and we have the best talent in the world.

We will make the best products, will improve our quality further, make the supply chain more modern, we can do this and we will definitely do it.

Friends,

I had witnessed the Kutch earthquake. There was debris everywhere. Everything was destroyed. It seemed as if Kutch had fallen asleep wearing a sheet of death. In that situation no one could have imagined that the situation would ever change. However, Kutch stood up, Kutch started moving, Kutch moved. This is the grit and determination of weIndians.

If we are determined then we can reach our goals and no path will be difficult. And today there is a will and there is a way. That is to make India self-reliant. Our combined resolve is so strong that India can become self-sufficient.

Friends, this magnificent building of self-reliant India will stand on five Pillars.

First Pillar is Economy, an economy that brings Quantum Jump rather than Incremental change. Second Pillar is Infrastructure, an infrastructure that became the identity of modern India.

Third Pillar is Our System. A system that is driven by technology which can fulfill the dreams of the 21st century; a system not based on the policy of the past century.

Fourth Pillar is Our Demography. Our Vibrant Demography is our strength in the world's largest democracy, our source of energy for self-reliant India.

The fifth pillar is Demand. The cycle of demand and supply chain in our economy, is the strength that needs to be harnessed to its full potential. In order to increase demand in the country and to meet this demand, every stake-holder in our supply chain needs to be empowered. We will strengthen our supply chain, our supply system built up with the smell of the soil and the sweat of our labourers.

Friends, amidst the Corona crisis, I am announcing today a special economic package with a new resolution. This economic package will serve as an important link in the 'AtmaNirbhar Bharat Abhiyan' (Self Reliant India Campaign)'.

Friends, in the recent past economic announcements made by the government related to the Corona crisis, which were the decisions of the Reserve Bank. The economic package that is being announced today, if added, comes to around Rs. 20 lakh crores. This package is about 10 percent of India's GDP. With this various sections of the country and those linked to economic system will get support and strength of 20 lakh crore rupees. This package will give a new impetus to the development journey of the country in 2020 and a new direction to the Self-reliant India campaign. In order to prove the resolve of a self-reliant India, Land, Labor, Liquidity and Laws all have been emphasized in this package.

This economic package is for our cottage industry, home 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. This economic package is for that labourer of the country, for the farmers of the country who are working day and night for the countrymen in every situation, every season. This economic package is for the middle class of our country, which pays taxes honestly and contributes to the development of the country. This economic package is for Indian industries, which are determined to give a boost to the economic potential of India. Starting tomorrow, over the next few days, the Finance Minister will give you detailed information about this economic package inspired by the 'Self-reliant India campaign'.

Friends, it is now imperative for the country to move forward with the commitment of Bold Reforms to create a self-reliant India. You have also experienced that as a result of the reforms over the past 6 years, today even in this time of crisis; India's systems have looked more efficient. Otherwise, who could have thought that the money sent by Government of India will reach directly in the pocket of the poor farmer! But it has happened. That also happened when all the government offices were closed; the means of transport were shut down. This was just a reform related to Janadhan-Aadhaar-Mobile-JAM's Trishakti, the effect of which we have just seen. Now the scope of the reforms has to be broadened, giving a new height. These reforms will be in the entire supply chain related to farming, so that the farmer is also empowered and will have minimal impact on agriculture in any other crisis like corona in future. These

reforms will be for, rational tax system, simple and clear rules-of-law, good infrastructure, capable and competent human resources, and building strong financial system. These reforms will encourage business, attract investment and strengthen our resolve for Make in India.

Friends, self-reliance is possible only through inner strength and self-belief. Self-reliance also prepares the country for a tough competition in the global supply chain. And today it is the need of the hour that India should play a big role in the global supply chain. Realizing this, many provisions have also been made in the economic package. This will increase the efficiency of all our sectors and also ensure quality.

Friends, this crisis is so big, that the biggest systems have been shaken. However, under these circumstances, the country has also seen the resolve and restraint of our poor brothers and sisters, especially the street vendors, hawkers, labourers, those who are working in homes, they have done a lot of penance during this time, they have sacrificed a lot. Who would not have realized their absence? Now it is our duty to make them strong, to take some big steps for their financial requirements. Keeping this in mind, be it poor, labourers, migrant labourers, cattle rearers, be our fishermen, organized sector or unorganized sector, some important decisions will be announced in the economic package for every section.

Friends, the Corona crisis has also explained to us the importance of Local manufacturing, Local market and Local supply chain. In times of crisis, this Local has fulfilled our demand, this Local has saved us. Local is not just the need, it is our responsibility also. Time has taught us that we must make the Local as a mantra of our life. The Global Brands you feel today were sometimes also very local like this. But when people started using them, started promoting them, branding them, proud of them, they became Global from Local Products. Therefore, from today every Indian has to become vocal for their local, not only to buy local products, but also to promote them proudly. I am confident that our country can do this. Your efforts have increased my reverence for you every time. I recollect one thing with pride. When I requested you and the nation to buy Khadi and said it will be a great support to our handloom workers. Today, the demand and sales of both Khadi and handloom have reached record levels in a very short time. Not only that, you also made it a big brand. It was a very small effort, but the result was very good

Friends, experts and scientists have pointed out that Corona will remain a part of our lives for a long time. But at the same time, we cannot allow this to happen that our lives will be confined only around the corona. We would wear masks, follow two yards distance and pursue our goals. Therefore, the fourth phase of lockdown, lockdown 4, will be completely redesigned, with new rules. Based on the suggestions we are getting from the states, information related to Lockdown 4 will also be given to you before 18 May. I am confident that by following the rules, we will fight Corona and move forward.

Friends, In our culture, it is said 'सर्वम् आत्म शंसुखम्' i.e. what is in our control, is happiness. Self-reliance leads to happiness, satisfaction and empowerment. Our responsibility to make the 21st century, the century of India, will be fulfilled by the pledge of self-reliant India. This responsibility will only get energy from the life force of 130 crore citizens. This era of self-reliant India will be a new vow for every Indian as well as a new festival. Now we have to move forward with a new resolve and determination. When ethics are filled with duty, the culmination of diligence, the capital of skills, then who can stop India from becoming self-reliant? We can make India a self-reliant nation. We will make India self-reliant. With this resolve, with this belief, I wish you the very best.

Newsletter on PMFME

ERPRISES SCHEME (PMFME) PRADHAN MANTRI FORMALISATION OF MICRO FOOD PROCESSING ENTERPRISES SCHEME (PMFME) MAKING INDIA "AATMANIRBHAR" IN FOOD PROCESSING PRADHAN MANTRI FORMALISATION OF MICRO FOOD PROCESSING ENTERPRISES SCHEME (PMFME)

MAKING INDIA "AATMANIRBHAR" IN FOOD PROCESSING

A COMBINED RESOLVE OF 130 CRORE CITIZENS IS TO MAKE INDIA SELF-RELIANT. THE WAY AHEAD LIES IN LOCAL- LOCAL MANUFACTURING, LOCAL MARKETS, LOCAL SUPPLY CHAIN. LOCAL IS NOT MERELY A NEED BUT A RESPONSIBILITY." NARENDRA MODI, PRIME MINISTER

INDUSTRY INSIGHTS 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 reflects the country's rich civilizational history.

Challenges

INDUSTRY INSIGHTS 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 reflects the country's rich civilizational history. 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, and lack of branding and marketing for their produce. A large number of unskilled manpower also pose challenges to micro-enterprises.

How Can Food Processing Help?

A Well-developed food processing sector

- Helps in reduction of wastage
- Improves value addition
- Promotes Crop diversification
- Better return to the farmers
- Promotes employment

Glimpse of the Food Processing Sector

During the last 5 years ending 2019- 20, the Food Processing sector has been growing at an Average Annual Growth Rate (AAGR) of around 11.18 percent. The sector constituted as much as 9.87 percent and 11.38 percent of GVA (Gross Value Added) in the Manufacturing and Agriculture sectors respectively in 2019-20.

A Boon for the Nation

A Well-developed food processing sector GLIMPSE OF THE FOOD PROCESSING SECTOR \$80 - \$200 9.87 % GVA 11.38 % GVA 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.

PMFME Scheme The First-Ever Scheme To Upgrade And Support The Micro-Units In The Food Processing Sector.

A Snapshot

The Scheme was launched in June 2020 and 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 scheme seeks to support micro food processing enterprises through a package of support and services. These include:

1. Financial support for setting up a new food processing unit or upgradation of an existing unit.
2. Subsidy available under the scheme may be clubbed with interest subvention/ non-overlapping components of other GoI schemes or top-up provided by various state Govts
3. Training & capacity building support
4. Support to Farmer Producer Organizations (FPOs), Self Help Groups (SHGs), and Producers Cooperatives along their entire value chain.
5. Support for transition of existing enterprises into formal framework for registration under regulatory framework and compliance;
6. Marketing support for their integration with the organized supply chain

Scheme Benefits for all

1. Disbursement of credit linked subsidy to existing and new micro-enterprises
2. The transition of existing unorganized enterprises into formal frameworks
3. Increased access to credit for existing and new micro food processing entrepreneurs, women entrepreneurs, and entrepreneurs in Aspirational Districts.
4. Expected to generate skilled and semi-skilled jobs at the local level..
5. Increased access to common services like food testing, storage facilities, and access to high-end machinery, technologies, and incubation services.
6. Increase in turnover and better integration of existing micro-enterprises with the organized markets.

Fund Sharing

Expenditure in the first year 2020-21, whether incurred by the Centre or the States would be borne 100% by the Central Government. The expenditure made for the first year would be adjusted in ratio given above in the funds being transferred to the States equally in the next four years. Funds under the Scheme would be provided to the States based on the approved Project Implementation Plan (PIP)

Eligible Beneficiaries for Support

Individual Category (Support for New and Existing Micro Enterprise) Individual/Proprietorship / Partnership /FPO/NGO/SHG/ Co-op / Pvt Ltd. Companies

Self Help Groups

Common Infrastructure - FPOs/SHGs/ Producer Cooperatives / Govt. Agencies

Support to Food Processing Units

Credit linked grant at 35% of the project cost with maximum grant up to Rs 10.0 lakh to unorganised food processing units for upgradation or setting up of a new unit; (ii) Credit linked subsidy at @35% of eligible project cost with a maximum ceiling of Rs.3.00 Crore can be availed under the Common Infrastructure (iii)

Seed capital @ Rs. 40,000/- per member to those engaged in food processing as a working capital; (iv) Support for branding and marketing up to 50% of the expenditure with maximum limit as prescribed.

Individual Category (Support for New and Existing Micro Enterprise)

Support Details

- Proposals for ODOP and Non-ODOP are eligible for assistance
- For all Individual/Proprietorship / Partnership /FPO/NGO/SHG/ Co-op / Pvt Ltd. Companies may avail credit linked capital subsidy @35% of eligible project cost with a maximum ceiling of Rs.10.00 Lakhs for eligible projects. The beneficiary contribution should be a minimum of 10% and the balance should be a loan from a bank. The Eligible project cost comprises the cost of plant & machinery and technical civil work but excludes any cost of land/rental or lease work shed.
- Applicant is also eligible for Interest Subvention and Top Up Convergence with other relevant Govt. sponsored schemes.
- Applicant/enterprise is eligible for a bank loan under the Scheme, even if he has availed bank loan in other Subsidy Linked Schemes of Govt.

Eligibility Criteria

- (i) Individual, Partnership Firm, Proprietorship firms, Farmer Producer Organisations, Self Help Group, NGO, Cooperative, Private Limited Company.
- (ii) The applicant should be Above 18 Years, with no minimum educational qualification.
- (iii) Only one person from one family is eligible for obtaining financial assistance. The "family" for this purpose would include self, spouse and children

Common Infrastructure

Support Details

- Support provided in clusters to groups such as FPOs/SHGs/ producer cooperatives / Govt. Agencies along their entire value chain.
- Credit linked capital subsidy @35% of eligible project cost with a maximum ceiling of Rs. 3.00 Crore can be availed. Eligible Cost to Comprise the Cost of Plant & Machinery and Technical civil work. Technical Civil Work should not be more than 30% of the eligible project cost.
- FPOs/ SHGs/ Producer Cooperatives /Govt agencies would also be supported for the creation of common infrastructure including for common processing facility, incubation centre, laboratory, warehouse, cold storage, etc
- Eligibility of a project under this category would be decided based on benefit to farmers and industry at large, viability gap, criticality to value-chain, etc.
- Applicant/enterprise is eligible for a bank loan under the Scheme, even if they have availed the bank loan in other Subsidy Linked Schemes of Govt

Eligibility Criteria

- (i) Proposals for ODOP and Non-ODOP are eligible for assistance
- (ii) No minimum turnover or experience is required.
- (iii) Cost of land /rental or lease work shed to be excluded.
- (iv) Total eligible project cost should not exceed Rs. 10 Crore.
- (v) The SHG / cooperative / FPO should have sufficient internal resources to meet the 10% of the project cost and margin money for working capital.

Seed Capital for the Self Help Group Members

- Proposals for ODOP and Non-ODOP are eligible for assistance
- The scheme envisages the provision of Seed Capital @Rs. 40,000/- per member of SHG engaged in food processing for working capital and purchase of small tools. Seed capital as a grant would be provided at the federation level of SHGs which, in turn, will be extended to members as a loan.
- For channelling funds to SHGs, the seed money would be provided to Community Based Organisations (Cluster Level Federation/ Village Organizations) by SRLMs as a grant and in turn provided to the SHG members as a loan. The repaid loans will be in the corpus of the SHG networks.

Eligibility Criteria

For Seed Capital, only SHG members who are presently engaged in food processing would be eligible.

Branding and Marketing Support to develop and market State level Brands.

Support Details

- Branding and Marketing support will be provided to FPOs/SHGs/Cooperatives or an SPV of micro food processing enterprises under the scheme following the cluster approach for developing a common packaging & branding with provision for quality control, standardization and adhering to food safety parameters for consumer retail sale.
- Support for branding and marketing would be limited to 50% of the total expenditure with a maximum limit as prescribed. These organizations would be supported based on DPR prepared and submitted by them indicating essential details of the project.
- Applicant should be an FPO/SHG/cooperative/ regional State level SPV to bring large number of producers together;

Eligibility Criteria

(a) Central/ State entities can include non ODOP products in the basket of products, and may also include products that have acquired a GI tag.

b) Private entities can include multiple ODOPs of the state (in which the entity is registered) or non-ODOPs that are perishable.

c) For private entities, the applicant must demonstrate net worth equivalent to their share of contribution in the proposal. If any of the applicant's portion is through term loan, then an 'in principal' sanction letter

from the lending bank must be furnished and later followed by an actual sanction letter. The net worth certificates shall be furnished along with the submission of the proposal.

Capacity Building

Support Details

The training for the following categories of persons would be provided under capacity building component of the scheme:

- a. Individual micro-food processing entrepreneurs (both new and existing food processing entrepreneurs) & Members of SHGs/ FPOs/ Cooperatives receiving credit link subsidy under the PMFME Scheme
- b. Beneficiaries benefitted under Seed Capital and Marketing & Branding component.
 - Major components of capacity building relevant to the target beneficiaries are EDP (Entrepreneurship Development Program) and Food Product Processing training with the focus on establishing an enterprise, essential functions of enterprise operations, inventory and financial management, legal compliance i.e registration, Udyog Aadhar, GST Registration, FSSAI safety and hygiene standards, packaging and labelling, branding and marketing etc.
 - Training institutes of the State/ UT Govts., RSETI & RUDSETI under the aegis of Ministry of Rural Development, GOI,NGOs, autonomous and private training institutes/ agencies located at the State/district level will be utilized for imparting training.

Procedure for the Grant

At the national level, Union Bank of India is appointed as the Nodal bank for the disbursement of subsidies to the banks and liaison with the banks extending a loan to the beneficiaries. The bank sanctioning the loan would open a mirror account in the name of the beneficiary. Grant by the Central and State Government in 60:40 ratio would be deposited in this account of the beneficiary in the lending bank branch by the State and Central Government. If after a period of three years from the disbursement of the last tranche of the loan, the beneficiary account is still standard and the unit is operational, this amount would be adjusted in the bank account of the beneficiary. Release of grants for groups and common infrastructure would also be done in their bank account following the same principle.

Procedure with Banks for the Grant

Procedure for the Grant

At the national level, a Nodal bank is appointed for disbursement of subsidies to the banks and liaison with the banks extending a loan to the beneficiaries. The bank sanctioning the loan would open a mirror account in the name of the beneficiary. Grant by the Central and State Government in 60:40 ratio would be deposited in this account of the beneficiary in the lending bank branch by the State and Central Government. If after a period of three years from the disbursement of the last tranche of the loan, the beneficiary account is still standard and the unit is operational, this amount would be adjusted in the bank account of the beneficiary. Release of grants for groups and common infrastructure would also be done in their bank account following the same principle.

PMFME Scheme Beneficiaries Testimonial

- "The PMFME Scheme has enabled me to successfully upgrade my enterprise." -Smt. Saroja N Patil, Tadhvanam, Davangere, Karnataka

- "My dream of running a food processing enterprise has come true because of the PMFME Scheme." - Mrs. Vimal Suresh Girme, Annapurna Gruh Udyog Ahmednagar, Maharashtra
- "With the help of the PMFME Scheme, I was able to purchase the necessary machinery for my enterprise." - Mrs. Radhika Kamat, Kamat Oil Industries, Uttara Kannada, Karnataka
- "The Seed Capital support under the PMFME Scheme has enabled us to purchase tools for our Self Help Group."
- Mrs. Tandra Raju, Mrs. Mankalli Raju, Mrs. Mankalli Narsavva, Mrs. Mankalli Rajyalaxmi and Mrs. Marampally Nirosha, Spoorthy Food Products, Jagtial, Telangana

Journey So Far

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 the 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 and setting up of new food processing units. For monitoring & approvals, Committees at the 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 the Ministry of Rural Development, Ministry of Tribal Affairs, and Ministry of Housing and Urban Affairs (MoHUA), and MoUs with the Indian Council of Agriculture Research (ICAR), National Cooperative Development Corporation (NCDC), Tribal Co-operative Marketing Development Federation of India (TRIFED), National Agricultural Cooperative Marketing Federation of India (NAFED), National Scheduled Castes Finance and Development Corporation (NSFDC), National Scheduled Tribes Finance and Development Corporation (NSTFDC), Food Safety and Standards Authority of India (FSSAI), Agricultural and Processed Food Products Export Development Authority (APEDA), Department of Animal Husbandry and Dairying (DAHD) and Ministry of Fisheries (MoF).

Journey So Far

Under the scheme, MoUs have also been signed with NAFED and TRIFED to take up the marketing and branding activities for supporting and handholding the beneficiaries through marketing and branding, training, processing, packaging, logistics and supply chain management of their products. Under the component 10 ODOP Brands in association with NAFED have been launched. Scheme also envisages Marketing support to State-level brands.

2 State level Brands, have been successfully launched so far, these include the brand "AASNAA" from the State of Punjab and the brand "BHIMTHADI" from the State of Maharashtra and many others are in the pipeline

Under the Capacity Building component of the PMFME Scheme, the National Institute of Food Technology Entrepreneurship and Management, Kundli (NIFTEM-K) and the National Institute of Food Technology Entrepreneurship and Management, Thanjavur (NIFTEM-T) have been performing a key role in providing training and research support to selected enterprises/groups/clusters in partnership with the State Level Technical Institutions. Training of beneficiaries are being conducted on Food Safety & Hygiene and

Entrepreneurship Development Programme (EDP). In addition to this, 75 Incubation Centers have been approved so far.

Reach Us

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PMFME offline applications for groupsapps

MoFPI is now accepting offline applications for groups like Cooperatives, SHGs, FPOs and Common Infrastructure for availing credit-linked subsidy under PMFME Scheme.

The State Nodal Agencies will now be accepting applications for Cooperatives, FPOs, SHGs and Common Infrastructure under the PMFME Scheme in physical form. Following documents need to be submitted by the beneficiaries and would be recommended by the State Nodal Authorities to MOFPI for availing credit-linked subsidy.

1. Signed Hard Copy of the Completed Application Form (pdf).
2. Soft copy of the Completed Application Form (Excel).
3. Supporting Documents for application.
4. Detailed Project Report in PDF or word format.

Completed Application forms can be submitted either directly to the State Nodal Agencies or through the District Nodal contacts mentioned below

Group Application forms for Credit Linked Subsidy under PMFME Scheme

Sl.No	Cooperatives	FPCs	SHGs	Common Infrastructure
1	Guidelines	Guidelines	Guidelines	Guidelines
2	Application form (PDF) Application form (Excel)	Application form (PDF) Application form (Excel)	Application form (PDF) Application form (Excel)	Application form (PDF) Application form (Excel)
3	Instruction sheet for application form	Instruction sheet for application form	Instruction sheet for application form	Instruction sheet for application form
4	List of supporting documents.	List of supporting documents.	List of supporting documents.	List of supporting documents.
5	DPR Structure for getting project DPR prepared	DPR Structure for getting project DPR prepared	DPR Structure for getting project DPR prepared	DPR Structure for getting project DPR prepared
6	ODOP List for all the states			

Details about the above mentioned documents

1. GENERAL GUIDELINES - Broad set of instructions have been provided as a guide to the State Nodal Agencies for inviting the various kinds of applications.
2. APPLICATION FORM (pdf and excel) – This form consists Detailed Input sheet for applicant details and financial input sheet for summary of financial statements. This form needs to be filled directly into the excel sheet and the hard copy needs to be signed by the applicant. It would also be possible to upload this excel sheet on the website at a later stage to then track the application online.
3. INSTRUCTION SHEET – Line by Line instructions for filling up Application Form.
4. LIST OF DOCUMENTS REQUIRED – A list of supporting documents is enclosed to guide the group applicants for substantiating their application.
5. DETAILED PROJECT REPORT - Proposed Structure of the DPR – The applicant groups are free to get DPRs made from consultants or other experts. An assistance of Rs. 50,000/- per group would be provided to FPOs/SHGs/Cooperatives for preparation of DPR.
6. APPROVED ODOP SHEETS – ODOP chosen by the states and approved by IMEC.

PMFME Success Story

Manjushree Home Product

This homemaker from Uttar Kannada, Karnataka is creating waves with her home-made value added products. Smt. Vasundhara Hegde (40), had witnessed food processing and farming activities since childhood and had developed an inclination towards utilizing agricultural produce for making different products.

After getting married, she continued developing products at home that included products being made from Areca Nut (Supari), Banana and Black Pepper. She became a part of a group by the name of Mahila Marukatte (Ladies Market) that was created for the purpose of encouraging and empowering women in Karnataka who were making food products at home. These products were then sold online via a Facebook group of the same name. This was her first encounter with the power of technology and digital marketing.

She improved her own food processing technique by learning from fellow women members of the group who were making various value added products. She had a dryer machine at her house that she would use for drying Areca Nut (Supari). She had seen the women of the group developing various products with the resources available at their home. This observation sparked the idea in her mind to use the dryer machine she had at her home for drying Banana and Jackfruit, which otherwise go waste in the monsoon season.

She was initially skeptical whether her idea would work or not but decided to follow her gut feeling and was amazed to see that the dryer machine worked perfectly on Banana and Jackfruit as well. This opened up the possibility for her to start a whole new range of products that included Dry Banana, Banana Flour, Banana Chips, Dry Jackfruit, Jackfruit Pulp, Jackseed Powder, Jackfruit Chips, etc. In addition to these products she also started making Turmeric Powder, Kokam Peel, Curd Chilli, Herbal Tea Powder (Kashya Powder), and Amritbel Powder.

In order to set up a framework for effectively marketing her products, she established Manjushree Home Product in June 2020. Presently, she is selling products across Karnataka as well as in Maharashtra, Rajasthan, Gujarat, Haryana, West Bengal, Tamil Nadu, Delhi, Goa, Lakshadweep, and Telangana. She is also exporting the products to Singapore, USA, and UK. She is effectively utilizing digital media especially Facebook and WhatsApp for marketing the products.

The products are made without the use of chemicals or preservatives and possess high nutritional value. Her husband and their children support her in the processing and packaging of the products. Mrs. Hegde aims to inspire women of Karnataka to put their skills to use and start their own food processing business. Mrs. Hegde believes that food processing is a way through which one can prevent wastage of food and optimally utilize agricultural produce. Through her enterprise, she aspires to incorporate processing of different types of agricultural produce. The financial turnover of Manjushree Home Product for the financial 2020-21 was approximately Rs. 5 lakh.

(Content Shared By: Manjushree Home Product)

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https://www.researchgate.net/publication/358525012_Entrepreneurial_Opportunities_in_Spice_Processing