



Support to Micro and Small Food Processing Enterprises Under PMFME

Empowering Micro Food Entrepreneurs through Finance, Formalization and Market Linkages under PMFME

Strengthening Rural Food Processing Enterprises with Credit, Capacity Building and Branding Support under PMFME

प्रविष्टि तिथि: 29 JAN 2026 3:14PM by PIB Delhi

Ministry of Food Processing Industries (MoFPI) is implementing a centrally sponsored "PM Formalisation of Micro food processing Enterprises (PMFME) Scheme" for providing financial, technical and business support for setting up of new/ upgradation of micro food processing enterprises in the country. The details of financial assistance eligible for micro food processing enterprises under the Scheme are at **Annexure**.

To support the beneficiaries, handholding support is provided by District Resource Person (DRPs) to micro enterprises in preparing Detailed Project Reports (DPRs), securing bank loans, providing training, upgradation of the units, obtaining necessary regulatory approvals, ensuring hygiene standards etc. Further, formalization of units is facilitated through Udyam Aadhaar registration, Food Safety & Standards Authority of India (FSSAI) registration, Goods & Services Tax (GST) registration as per the applicability.

The Capacity Building component of the PMFME Scheme envisages Food Processing Entrepreneurship Development Program Training for all applicants viz individuals and Groups (Self Help Groups (SHGs)/ Farmers Producer Organisations (FPOs)/ Cooperatives) for availing credit linked grant recommended by District Level Committee (DLC) and also training to SHG beneficiaries of Seed Capital engaged in micro food processing.

Support for Common Facility Centres (CFCs) and incubation centres has been provided under the PMFME Scheme to improve operational capacity of micro food processing enterprises. These facilities offer high-end processing, testing, storage, packaging and training infrastructure for demonstration, as well as access to technical assistance, product development and quality testing. This shared infrastructure reduces capital costs and improves access to modern technology for micro entrepreneurs.

The scheme provides Branding and Marketing support to help beneficiaries for market access to boost the visibility and sales of their products. This is achieved through strategic tie-ups with regional and national retail chains. For this, Memorandum of Understanding (MoU) with Government e-Marketplace (GeM) portal has been done on 14th November, 2024 to facilitate marketing of products manufactured by the units supported under PMFME Scheme.

The marketing efforts focus on positioning products under the common brand to stand out from competitors. The brand's Unique Selling Proposition (USP) is built around standardization, quality, and premium packaging. To ensure consistency in taste and quality under the scheme, the approved brands under the scheme, adhere to product development, quality assurance, ingredient standards, packaging, and labelling in compliance with FSSAI regulations.

The scheme provides support of credit-linked grant of 35% of the eligible project cost, seed capital of up to Rs. 40,000, capacity building for beneficiaries, and handholding support for the formalization of units. Formalization of units is facilitated through Udyam Aadhaar registration, FSSAI registration, GST registration as per the applicability by handholding support by DRPs.

The Scheme contributes to rural employment generation by strengthening local food processing value chains, promoting value addition to agricultural produce, supporting upgradation and establishment of new micro units, thereby creating direct and indirect employment opportunities, particularly in rural and semi-urban areas.

Further, by providing **capacity building, technical handholding, incubation support, branding and market linkages** under the PMFME scheme encourages **entrepreneurship** opportunities.

This information was given by the Minister of State for Food Processing Industries Shri Ravneet Singh in a written reply in Lok Sabha today.

CMC-MoFPI

ANNEXURE

“SUPPORT TO MICRO AND SMALL FOOD PROCESSING ENTERPRISES UNDER PMFME”

The details of financial assistance available under Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme are as under:

- (i). *Support to Individual / Group Category Micro Enterprises:* Credit-linked capital subsidy @35% of the eligible project cost, maximum ceiling Rs.10 lakh per unit;
- (ii). *Support to SHGs for seed capital:* Seed capital @ Rs. 40,000/- per member of SHG engaged in food processing for working capital and purchase of small tools subject to maximum of Rs. 4 lakh per SHG Federation.
- (iii). *Support for Common Infrastructure:* Credit linked capital subsidy @35% subject to maximum of Rs. 3 crore to support FPOs, SHGs, Cooperatives and any Government agency for setting up of common infrastructure. The common infrastructure will also be available for other units and public to utilize on hiring basis for substantial part of the capacity.
- (iv). *Branding and Marketing Support:* Grant upto 50% for Branding and Marketing to groups of FPOs/ SHGs/ Cooperatives or Special Purpose Vehicle (SPV) of micro food processing enterprises.
- (v). *Capacity Building:* The scheme envisages training for Entrepreneurship Development Program (EDP) modified to meet the requirement of food processing industry and product specific skilling.
