GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 3061
ANSWERED ON 06TH AUGUST, 2026

DOMESTIC FOOD MARKET IN TAMIL NADU

3061. MS. S JOTHIMANI:

Will the Minister of ***FOOD PROCESSING INDUSTRIES*** be pleased to state:

(a) the specific initiatives being implemented by the Union Government to assist the State of Tamil Nadu in capitalizing on the projected forty-seven per cent growth of India's domestic food market, which is expected to reach 1,274 billion US Dollars by 2027;

(b) the details of the measures being taken by the Union Government to support innovative startups in Tamil Nadu’s food processing sector to enhance technological advancements and economic growth; and

(c) whether there are any specific financial assistance schemes or incentives designated for Tamil Nadu’s food processing industries to boost exports and infrastructure development and if so, the details thereof?

ANSWER

THE MINISTER OF FOOD PROCESSING INDUSTRIES
(SHRI CHIRAG PASWAN)

(a): In order to ensure overall development of food processing sector, Ministry of Food Processing Industries (MoFPI) has been incentivizing setting up/expansion of related infrastructure through its Central Sector Umbrella Scheme - Pradhan Mantri Kisan SAMPADA Yojana (PMKSY); Central Sector Scheme - Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) and Centrally Sponsored Scheme - PM Formalization of Micro Food Processing Enterprises (PMFME). These schemes are demand driven and are implemented across the country including the State of Tamil Nadu.

(b): Department for Promotion of Industry and Internal Trade (DPIIT), Government of India, launched the Startup India initiative on 16th January 2016 to build a strong ecosystem for nurturing innovation, supporting startups and encouraging investments in the startup ecosystem of the country. As on 30th June 2026, a total of 9,949 entities have been recognized as startups by DPIIT in the Food Processing sector across the country. Of these, 709 entities have been recognized as startups in the Food Processing sector in the State of Tamil Nadu.

Under the Startup India initiative, the Government constantly undertakes various efforts to support startups across industries and sectors. The flagship Schemes namely, Fund of Funds for Startups (FFS), Startup India Seed Fund Scheme (SISFS) and Credit Guarantee Scheme for Startups (CGSS) support startups across sectors at various stages of their business cycle.

Under FFS, a total number of 65 startups from Tamil Nadu have been supported with a cumulative investment of Rs.1,420.85 crore (as on June 30, 2026), out of which 4 startups from food & beverages sector have been supported with an aggregate amount of Rs. 224.38 crore. SISFS provides financial assistance to seed stage startups through incubators. SISFS is implemented from 1st April 2021. Under the SISFS, supported incubators have approved Rs. 69.16 crore to 450 startups from Tamil Nadu. Out of this, specifically in the Food Processing sector, 21 startups have been supported and a total of Rs. 21.2 crore has been approved to these startups under SISFS as on 30th June 2026. CGSS is implemented to enable credit access through debt funding to startups through eligible financial institutions [Member Institutes (MIs)]. CGSS is operationalized by the National Credit Guarantee Trustee Company (NCGTC) Limited and has been operationalized from 1st April 2023. 48 loans amounting to Rs. 187.60 crore have been guaranteed in Tamil Nadu as on June 30, 2026 under CGSS. Of this, a loan has been guaranteed amounting to Rs. 1.5 crore in food processing sector as on June 30, 2026 in the State of Tamil Nadu.

In addition to the above, MoFPI also extends support to innovative startups across the country, including those in Tamil Nadu, through its schemes. Under the PMFME Scheme, a total of 80 Incubation Centres have been approved and established across the country, out of which 04 Incubation Centres are operational in Tamil Nadu, for providing training in food processing sector and adoption of technology including to startups, as detailed below-

District	Host Institute	Grants-in-aid approved (Rs. in lakhs)
Coimbatore	Tamil Nadu Agriculture University, Coimbatore	256.00
Madurai	Krishi Vigyan Kendra- Madurai	253.34
Thanjavur	SASTRA Deemed University, Tirumalaisamudram, Thanjavur (Non Govt)	119.12
Tiruchirappalli	ICAR- National Research Centre for Banana	250.00

MoFPI has also supported 2 startups in the state of Tamil Nadu, through its two autonomous Institutions namely, National Institute of Food Technology Entrepreneurship & Management, Kundli, Haryana (NIFTEM-K) and National Institute of Food Technology Entrepreneurship & Management, Thanjavur, Tamil Nadu (NIFTEM-T). The Institutes also provide handholding support, mentorship, training, access to facilities such as Pilot Plant, NABL-accredited Food Testing Labs, incubation services, quality testing, R&D support, networking opportunities, etc. to these startups.

(c): MoFPI provides financial assistance/ incentive for setting up of food processing industries through its schemes for creation of infrastructure and to boost exports across the country including in the State of Tamil Nadu. The details of incentives available under schemes of MoFPI are given at **Annexure.**

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ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (c) OF LOK SABHA UNSTARRED QUESTION NO. 3061 FOR ANSWER ON 06TH AUGUST, 2026 REGARDING "DOMESTIC FOOD MARKET IN TAMIL NADU"

Incentives available under Pradhan Mantri Kisan Samapada Yojana (PMKSY)

S. No.	Component Scheme	Scheme Benefits (Grants-in-aid) for projects in General Area	Scheme Benefits (Grants-in-aid) for projects in Difficult Areas as well as SC/ST, FPOs, SHGs
1.	Integrated Cold Chain and Value Addition Infrastructure	Grants-in-aid @35% of eligible project cost [subject to maximum of Rs. 10 crores per project]	Grants-in-aid @50% of eligible project cost [subject to maximum of Rs. 10 crores per project]
2.	Creation/ Expansion of Food Processing & Preservation Capacities	Grants-in-Aid @35% of eligible project cost [subject to maximum of Rs. 5 crores per project]	Grants-in-Aid @50% of eligible project cost [subject to maximum of Rs. 5 crores per project]
3.	Infrastructure for Agro-Processing Clusters	Grants-in-aid @35% of eligible project cost in General Area [subject to maximum of Rs. 10 crores per project]	Grants-in-aid @50% of eligible project [subject to maximum of Rs. 10 crore per project]
4.	Operation Greens	Grants-in-Aid @35% of eligible project cost for Integrated Value Chain Development Projects, maximum grants-in-aid would be Rs. 15 crore per project; and for Standalone Post-Harvest Infrastructure Projects, maximum grants-in-aid would be Rs.10 crore per project.	Grants-in-Aid maximum @50% of eligible project cost for Integrated Value Chain Development Projects, maximum grants-in-aid would be Rs. 15 crore per project; and for Standalone Post-Harvest Infrastructure Projects, maximum grants-in-aid would be Rs. 10 crore per project.
5.	Food Safety and Quality Assurance - Food Testing Laboratories	For Private organizations/ entities: grants-in-aid of @ 50% of the eligible cost [subject to maximum of Rs. 5 crores per project]	For Private organizations/ entities: grants-in-aid of @ 70% of the eligible cost [subject to maximum of Rs. 5 crores per project]

6.	Human Resource & Institutions- Research & Development	For Government Organizations – Grants-in-aid @ 100% of equipment cost, consumables, For private organizations /universities/institutions, grants-in-aid @ 50 % of equipment cost.	For Government Organizations – Grants-in-aid @ 100% of equipment cost, consumables For Private Organizations /Universities/ Institutions, Grants-in-aid @ 70% of equipment cost.

Incentives structure under Production Linked Incentive Scheme for Food Processing Industry (PLIS-FPI)

Category/ Segments	Segment	Incentive Disbursement criteria (%)		Upper cap (% & Amount in crore)	Rate of Incentives (%)					
		Min. CAGR	Max. CAGR		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Cat. 1										
RTE/RTC	Biscuits	10%	13%	8% Rs.334.48	5%	5%	5%	5%	4.5%	4%
	Non-Biscuits				7.5%	7.5%	7.5%	7.5%	6.75%	6%
F&V	Spices	10%	12%	8% Rs.286.56	5%	5%	5%	5%	4.5%	4%
	Non-Spices		15%		10%	10%	10%	10%	9%	8%
Marine	Marine products	5%	10%	8% Rs.79.44	6%	6%	6%	6%	5%	4%
	Value added products				10%	10%	10%	10%	10%	10%
Mozzarella Cheese		15%	16%	25% Rs.70.75	10%	10%	10%	8%	6%	4%
Millet Products	Large Entity	10%	-	Rs.100	-	10%	10%	10%	9%	8%
	MSME	10%	-	Rs.10.54						
Cat. 2	Organic Products	10%	-		10%	10%	10%	10%	9%	8%
	Innovative Products	10%	-		10%	10%	10%	10%	9%	8%
Cat. 3	Branding & Marketing (B&M)	Only Indian brands covered for selling food products		50% of total expenditure	-	Financial incentive @50% of expenditure on B&M abroad subject to max. grant of 3% of sales of food				

		completely manufactured in India.			products or Rs. 50 Cr per year, whichever is less.

CAGR- Compound Annual Growth Rate

<u>The details of assistance available to Micro Food Processing Enterprises under PMFME Scheme</u>

(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 an SPV of micro food processing enterprises.

(v). *Capacity Building:* The scheme envisages training for Entrepreneurship Development Skilling (EDP+): program modified to meet the requirement of food processing industry and product specific skilling.

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