Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) - A Major Push for India's Food Processing Industry

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The Production Linked Incentive (PLI) Scheme for Food Processing Industry, launched by the Ministry of Food Processing Industries, is a major initiative aimed at strengthening India's food processing sector, promoting Indian brands in global markets, and creating global food manufacturing champions. The scheme is being implemented for a period of six years from FY 2021–22 to FY 2026–27 with a total financial outlay of ₹10,900 crore. The scheme focuses on increasing value addition in the food processing sector, expanding processing capacity, and generating employment, particularly in rural areas and off-farm sectors.

The components of the Scheme are – Incentivising manufacturing of four major food product segments viz. Ready to Cook/ Ready to Eat (RTC/RTE) foods, Processed Fruits & Vegetables, Marine Products and Mozzarella Cheese. The second component relates to production of Innovative / Organic products of SMEs. The third component related to support for branding and marketing abroad to incentivize emergence of strong Indian brands for in-store Branding, shelf space renting and marketing. In the backdrop of declaration of Year 2023 as "International Year of Millets", the Ministry took the initiative to encourage the use of Millets in RTC/RTE products and incentivizing them under the PLI Scheme (PLISMBP) to increase usage of millets in food products and promote value addition and sales.

Under the scheme, a total of 128 companies has been approved, covering 274 units across the country. The scheme has also ensured strong participation from the MSME sector, with 68 MSME applicants and 40 contract manufacturing units being supported. This reflects the inclusive nature of the scheme, which supports both large food processing companies and small and medium enterprises, thereby strengthening the entire food processing value chain. The scheme has led to significant capacity creation, technology upgradation, and modernization of food processing units across various states in the country.

The investment performance under the scheme has been highly encouraging. Against a committed investment of ₹7,722 crore, a cumulative investment of ₹9,207 crore has been made under the scheme in 22 States, indicating that companies have invested more than their initial commitments. Further, around 34 lakh metric tonnes per annum of processing and preservation capacity has been added under the scheme. The scheme has also generated employment of about 3.29 lakh persons, including both direct and indirect employment. The sales of PLI products increased by CAGR of 10.58% and export sales of PLI products increased by CAGR of 7.41% despite challenging macroeconomic factors.

The sale of Millet-Based Products has also been increased from Rs. 345.73 crores (FY 2022-23) to Rs.1845.25 crores (FY 2024-25) due to interventions of PLISFPI scheme. The procurement of millets has also increased from Rs. 1103.18 MT to Rs.17089.16 MT which is 15 times more.

The scheme has also contributed to the growth in sales and exports of PLI-supported products. Value-added products such as RTC/RTE products, processed Fruits and Vegetables, marine products, mozzarella cheese, and millet-based products have shown significant growth under the scheme. Importantly, the scheme has ensured that complete value addition of manufactured products is taking place within India, thereby supporting domestic manufacturing, increasing farmers' income, and strengthening the farm-to-fork value chain.

The PLI Scheme has also supported branding and marketing of Indian food products under the branding and marketing component, enabling Indian brands to expand their presence in international markets. This is helping India emerge as a strong global player in the processed food sector and increasing the global visibility of Indian food brands.

Overall, the Production Linked Incentive Scheme for Food Processing Industry is playing a transformative role in the development of the food processing sector by promoting investment, increasing production capacity, boosting exports, supporting Indian brands, generating employment, and strengthening the overall food processing ecosystem in the country. The scheme is aligned with the Government of India's vision of increasing value addition in agriculture, reducing post-harvest losses, and making India a global hub for food processing.

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