

Pradhan Mantri Kisan SAMPADA Yojana (PMKSY)

(Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters)

65 projects including 26 Cold Chain projects & 03 Agro-Processing Clusters approved for Uttar Pradesh

(Ministry of Food Processing Industries)

December 17, 2021

Introduction

Pradhan Mantri Kisan SAMPADA Yojana (PMKSY) is an umbrella scheme incorporating ongoing schemes of the **Ministry of Food Processing Industries (MoFPI)**.¹ The Cabinet Committee on Economic Affairs (CCEA), chaired by the Prime Minister Shri Narendra Modi, had approved the Central Sector Scheme - SAMPADA (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) in its meeting held in May 2017.² The scheme was renamed as "Pradhan Mantri Kisan SAMPADA Yojana (PMKSY)"³ on 23 August 2017 for the period 2016-20 coterminous with the 14th Finance Commission cycle.

Rationale

PM Kisan SAMPADA Yojana is a comprehensive package which will result in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet. It will not only provide a big boost to the growth of food processing sector in the country but also help in providing better returns to farmers and is a big step towards doubling of farmers income, creating huge employment opportunities especially in the rural areas, reducing wastage of agricultural produce, increasing the processing level and enhancing the export of the processed foods.⁴

Objectives of PMKSY:

- Creation of **modern infrastructure** for food processing mega food parks/ clusters and individual units
- To create effective **backward and forward linkages** - linking farmers, processors and markets
- To create robust **supply chain infrastructure** for perishables⁵

Financial Allocation for the Scheme:

- PMKSY, with an allocation of Rs. 6,000 Crores, is expected to leverage investment of Rs. 31,400 crores; handling of 334 lakh MT (metric tonne) agro-produce valuing Rs. 1,04,125 Crores; benefitting 20 lakh farmers and generating 5,30,500 direct/indirect employment in the country.⁶

¹<https://pib.gov.in/newsite/PrintRelease.aspx?relid=170174>

²<https://pib.gov.in/newsite/PrintRelease.aspx?relid=170174>

³ ibid

⁴<https://mofpi.nic.in/Schemes/pradhan-mantri-kisan-sampada-yojana>

⁵<https://www.india.gov.in/spotlight/pradhan-mantri-kisan-sampada-yojana>

⁶<https://pib.gov.in/newsite/PrintRelease.aspx?relid=170174>



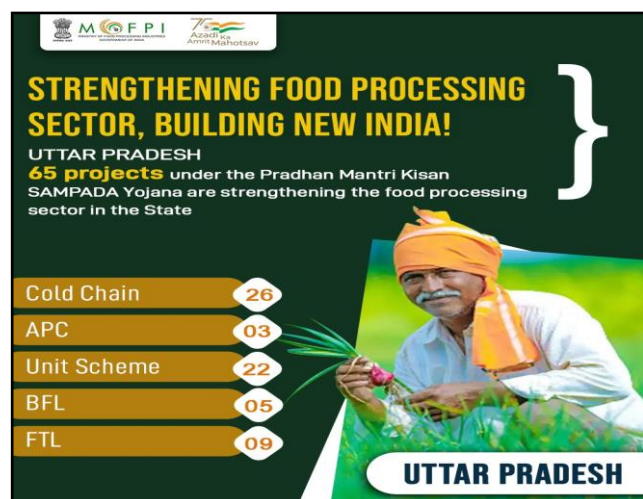
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Implementation of PM Kisan SAMPADA Yojana in the states:

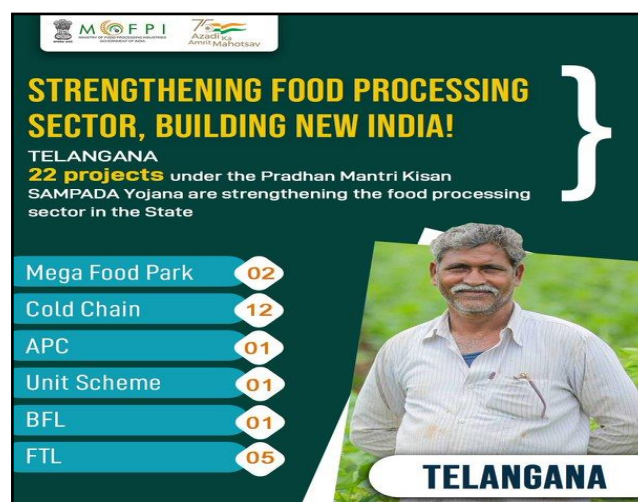
So far, Ministry has approved a total of three Mega Food Parks, 62 Cold Chain projects, 12 Agro Processing Clusters, 39 Food Processing Units, creation of 12 Backward & Forward Linkages Projects & 26 Food Test Laboratories in Maharashtra for assistance under corresponding component schemes of PMKSY.⁷

65 projects have been approved for the state of Uttar Pradesh including 26 Cold Chain projects, three Agro-Processing Clusters, 22 Food Processing Units, creation of five Backward & Forward Linkages Projects & nine Food Test Laboratories.

In other states the progress has been as follows:

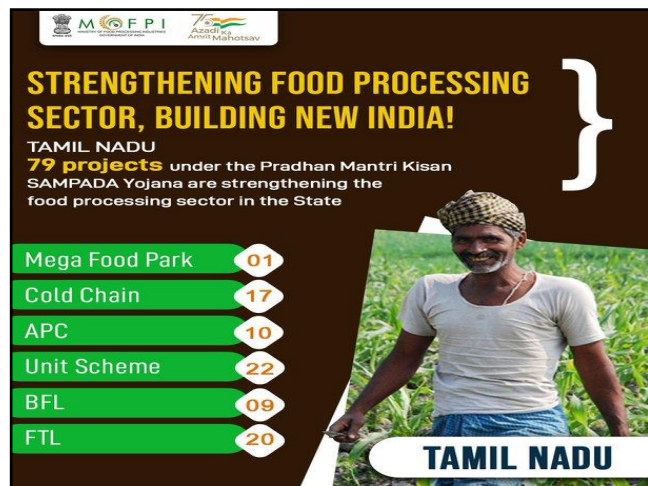


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⁷ <https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1737178>



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The schemes implemented under PM Kisan SAMPADA Yojana⁸:

- [Mega Food Parks](#)
- [Integrated Cold Chain and Value Addition Infrastructure](#)
- [Creation/ Expansion of Food Processing/ Preservation Capacities \(Unit Scheme\)](#)
- [Infrastructure for Agro-Processing Clusters](#)
- [Creation of Backward and Forward Linkages](#)
- [Food Safety and Quality Assurance Infrastructure](#)
- [Human Resources and Institutions](#)
- [Operation Greens](#)⁹

Mega Food Parks scheme:

- Aims at providing a mechanism to link agricultural production to the market by bringing together farmers, processors and retailers so as to ensure maximizing value addition, minimizing wastage, increasing farmers income and creating employment opportunities particularly in rural sector.
- Based on “Cluster” approach and envisages creation of state-of-the-art support infrastructure in a well-defined agri / horticultural zone for setting up of modern food processing units in the industrial plots provided in the park with well-established supply chain.
- Mega food park typically consists of supply chain infrastructure including collection centers, primary processing centers, central processing centers, cold chains and around 25-30 fully developed plots for entrepreneurs to set up food processing units.
- The Mega Food Park project is implemented by a Special Purpose Vehicle (SPV) which is a Body Corporate registered under the Companies Act.
- State governments, state government entities and cooperatives are not required to form a separate SPV for implementation of Mega Food Park project.
- Subject to fulfillment of the conditions of the Scheme Guidelines, the funds are released to the SPVs.

⁸<https://mofpi.nic.in/Schemes/pradhan-mantri-kisan-sampada-yojana>

⁹<https://mofpi.nic.in/Schemes/about-pmksy-scheme>



[Source](#)

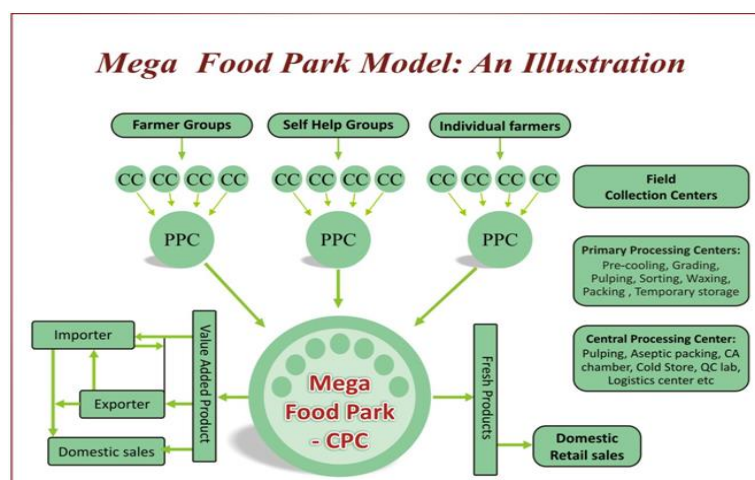
Objectives:

- To provide modern infrastructure for food processing units in the country.
- To ensure value addition of agricultural produce including dairy, fisheries etc.
- To establish a sustainable raw material supply chain for each cluster.
- To facilitate induction of the latest technology.
- To address the need of small and micro food processing enterprises by providing plug & play facilities.
- To provide an institutional mechanism for producers, processors, and retailers to work together to build the supply chain.¹⁰

[Project components](#)

[Pattern of Assistance](#)

[Implementation](#)



[Source](#)

¹⁰ https://mofpi.nic.in/sites/default/files/important_notice-sampada-19.05.2017.pdf

Key Developments:

- To view status of 41 Mega Food Parks funded under the scheme [click here](#).¹¹
- So far 22 Mega Food Parks are operational, to see the complete list [click here](#).
- **Establishment of Mega Food Parks (MFPs):**
 - Ministry has accorded final approval to 38 Mega Food Parks and in-principle approval to three Mega Food Parks in the country.
 - 22 Mega Food Park projects have been made operational and 19 projects are under various stages of implementation.
 - Each approved Mega Food Park involves an average total project cost of Rs.110.92 Crore in setting up the Park.
 - In one of the approved Mega Food Park, total cost includes USD 5,54,988.00 as foreign investment.¹²
- **Role of Mega Food Parks in job creation:**
 - As per Mega Food Park Scheme Guidelines, each Mega Food Park on being fully operational would create direct and indirect employment of about 5000 persons.
 - About 6,66,000 direct and indirect employment have been generated by the 22 operational Mega Food Parks.¹³

Cold Chain, Value Addition and Preservation Infrastructure

- The aim of the Scheme is to provide integrated cold chain and preservation infrastructure facilities, without any break, from the farm gate to the consumer.
- Covers creation of infrastructure facility along the entire supply chain viz. pre-cooling, weighing, sorting, grading, waxing facilities at farm level, multi product/ multi temperature cold storage, CA storage, packing facility, IQF, blast freezing in the distribution hub and reefer vans, mobile cooling units for facilitating distribution of horticulture, organic produce, marine, dairy, meat and poultry etc.
- Allows flexibility in project planning with special emphasis on creation of cold chain infrastructure at farm level.
- The integrated cold chain project is set up by Partnership / Proprietorship Firms, Companies, Corporations, Cooperatives, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs), NGOs, Central / State PSUs, etc. subject to fulfilment of eligibility conditions of scheme guidelines.

Objectives:

- To arrest post-harvest losses of horticulture & non-horticulture produce by providing financial assistance in setting up integrated cold chain, preservation and value addition infrastructure facilities without any break from the farm gate to the consumer.¹⁴

Cold Chain, Value Addition and Preservation Infrastructure

Project Components

Pattern of Assistance

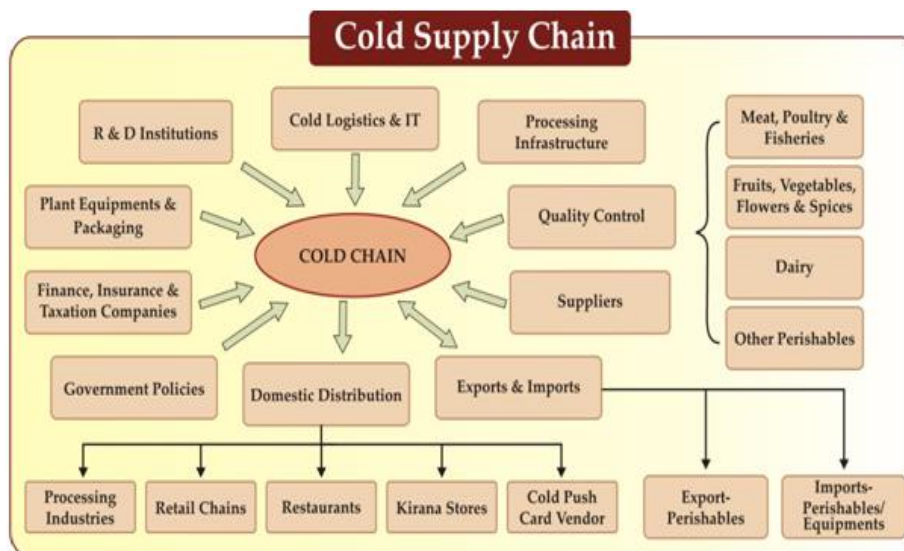
Implementation

¹¹<https://mofpi.nic.in/Schemes/about-mega-food-park-scheme>

¹²<https://www.pib.gov.in/PressReleaseDetailm.aspx?PRID=1743106>

¹³<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1737176>

¹⁴<https://www.india.gov.in/spotlight/pradhan-mantri-kisan-sampada-yojana>



[Source](#)

Key Developments:

The scheme is under implementation since 2008. To view the status of implementation of the Cold Chain Projects – [click here](#)

CEFPPC Scheme- Creation/ Expansion of Food Processing/ Preservation Capacities (Unit Scheme)

- Aim of the Scheme is creation of processing and preservation capacities and modernisation/ expansion of existing food processing units with a view to increasing the level of processing, value addition leading to reduction of wastage.
- Processing activities undertaken by individual units covers a wide range of post-harvest processes resulting in value addition and/or enhancing shelf life with specialized facilities required for preservation of perishables.
- While expansion of processing capacity is necessary to increase the level of processing and reduce wastage, the induction of modern technology is intended to make a clear difference in terms of process efficiencies as well as improving the quality of the end product.
- The setting up of new units and modernization/ expansion of existing units are covered under the scheme.
- Scheme is implemented through organizations such as Central & State PSUs/ Joint Ventures/ Farmer Producers Organization (FPOs)/ NGOs/ Cooperatives/ SHG's/ Pvt. Ltd companies/ individuals proprietorship firms engaged in establishment/ upgradation/ modernization of food processing units¹⁵

Objectives

- Creation/ expansion and / or modernization of processing / preservation capacities which will help in increasing the level of processing, value addition and thereby reduction of wastage.
- The setting up of new units and modernization/ expansion of existing unit will be covered under the scheme. The processing units undertake a wide range of processing activities depending on the processing sectors which results in value addition and/or enhancing shelf life of the processed products.¹⁶

¹⁵ <https://mofpi.nic.in/Schemes/about-cefppc-scheme>

¹⁶ <https://www.india.gov.in/spotlight/pradhan-mantri-kisan-sampada-yojana>

CEFPPC Scheme

[Project components](#)

[Pattern of Assistance](#)

Agro Processing Cluster Scheme

- Aims at development of modern infrastructure and common facilities to encourage group of entrepreneurs to set up food processing units based on cluster approach by linking groups of producers/ farmers to the processors and markets through well-equipped supply chain with modern infrastructure.
- Each agro processing clusters under the scheme has two basic components i.e., Basic Enabling Infrastructure (roads, water supply, power supply, drainage, ETP etc.), Core Infrastructure/Common facilities (ware houses, cold storages, IQF, tetra pack, sorting, grading etc.) and at least 5 food processing units with a minimum investment of Rs. 25 crore.
- The units are set up simultaneous along with creation of common infrastructure. At least 10 acres of land is required to be arranged either by purchase or on lease for at least 50 years for setting up of Agro Processing Cluster.¹⁷
- Agro processing clusters set up by Project Execution Agency (PEA)/ Organisation such as Govt./ PSUs/ Joint Ventures/ NGOs/ Cooperatives/ SHGs/ FPOs/ Private Sector/ individuals etc. and are eligible for financial assistance subject to terms and conditions under the scheme guidelines.
- The Project Execution Agency (PEA) which is responsible for overall implementation of the projects undertakes various activities including formulation of the Detailed Project Report (DPR), procurement/ purchase of land, arranging finance, creating infrastructure, ensuring external infrastructure linkages for the project etc.
- PEA may sell/ lease plots in agro-processing cluster to other food processing units but the common facilities in the cluster cannot be sold or leased out.

Objectives

- To create modern infrastructure for food processing closer to production areas.
- To provide integrated and complete preservation infrastructure facilities from the farm gate to the consumer.
- To create effective backward and forward linkages by linking groups of producers / farmers to the processors and markets through well-equipped supply chain.¹⁸

Agro Processing Cluster Scheme

[Project Components](#)

[Pattern of Assistance](#)

Key Developments

For the Indicative list of identified agri-horti production clusters (fruits & vegetables) - [click here](#) and to visit Geo-Sampada on spread & depth of agri-resources - [click here](#).

¹⁷<https://mofpi.nic.in/Schemes/about-agro-processing-cluster-scheme>

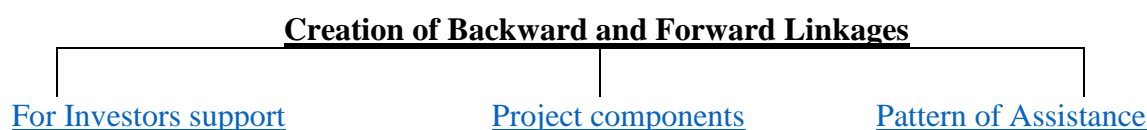
¹⁸<https://www.india.gov.in/spotlight/pradhan-mantri-kisan-sampada-yojana>

Creation of Backward and Forward Linkages

- Aim is to provide effective and seamless backward and forward integration for processed food industry by plugging the gaps in supply chain in terms of availability of raw material and linkages with the market.
- Under the scheme, financial assistance is provided for setting up of primary processing centers/ collection centers at farm gate and modern retail outlets at the front end along with connectivity through insulated/ refrigerated transport.
- The Scheme is applicable to perishable horticulture and non-horticulture produce such as fruits, vegetables, dairy products, meat, poultry, fish, Ready to Cook Food Products, Honey, Coconut, Spices, Mushroom, Retails Shops for Perishable Food Products etc.
- Will enable linking of farmers to processors and the market for ensuring remunerative prices for agri produce. The scheme is implemented by agencies/ organizations such as Govt./ PSUs/ Joint Ventures/ NGOs/ Cooperatives/ SHGs / FPOs / Private Sector / individuals etc.¹⁹

The objectives of the scheme are:

- To create effective backward & forward linkages for perishable agri-horti produce through setting up of primary processing centres / collection centres at farm gate, distribution hub and retail outlets at the front end.
- To provide preservation facilities for enhancing shelf life of perishable agricultural produce resulting in better remunerative prices to farmers.²⁰



Key Developments

The scheme is under implementation since 2018. To view the status of implementation of the Creation of Backward and Forward (CBFL) projects - [click here](#).

Food Safety & Quality Assurance Infrastructure

- Quality and Food Safety have become competitive edge in the global market for food products. For the around development of the food processing sector in the country, various aspect of Total Quality Management (TQM) such as quality control, quality system and quality assurance should operate in a horizontal fashion.
- Apart from this, in the interest of consumer safety and public health, there is a need to ensure that the quality food products manufactured and sold in the market meet the stringent parameters prescribed by the food safety regulator.
- Keeping in view the aforesaid objectives, government has been extending financial assistance under the scheme under the following components.²¹

¹⁹<https://mofpi.nic.in/Schemes/about-scheme-creation-backward-and-forward-linkages>

²⁰<https://www.india.gov.in/spotlight/pradhan-mantri-kisan-sampada-yojana>

²¹<https://mofpi.nic.in/Schemes/food-safety-quality-assurance-infrastructure>

The objectives of the scheme are:

- To establish a surveillance system for monitoring the quality and composition of food.
- To analyse the samples received from processing industry and other stakeholders.
- To reduce the time for analysis of samples by reducing transportation time of samples.
- To ensure compliance of international and domestic standards on food in case of exports as well as imports.

Setting Up/Up-gradation of Quality Control/Food Testing Laboratories:

In the interest of consumer safety and public health, there is a need for testing food products in order to ensure that it complies with domestic standards as well as international standards for exports. There is also a need for testing of all imported food products to ensure that they are of the requisite standard and food products not permitted for manufacture domestically are not allowed to come in from foreign markets.

Under the scheme, Central/ State Government and their organizations/ Government universities (including deemed universities) and all other implementing agencies/private sector organizations/universities (including deemed universities) are eligible to receive financial assistance for setting up of food testing laboratories.

HACCP/ ISO Standards/Food Safety/Quality Management Systems

HACCP, ISO Standards are necessary condition for improving the overall quality of food safety & hygiene in the country and also to increase India's share in global food trade. The main objective of the scheme is to motivate the food processing industry for adoption of food safety and quality assurance mechanisms such as TQM including ISO 9000, ISO 22000, HACCP, GMP, GHP.

Human Resources and Institutions

- The objective of the scheme is that end product/outcome/findings of R&D work should benefit food processing industry in terms of product and process development, efficient technologies, improved packaging, value addition etc. with commercial value along with standardization of various factors viz., additives, colouring agents, preservatives, pesticide residues, chemical contaminants, microbiological contaminants and naturally occurring toxic substances within permissible limits.

There are four components of the scheme:

- **Research & Development** -Ministry of Food Processing Industries has extended financial assistance to undertake demand driven R&D work for the benefit food processing industry in terms of product and process development, efficient technologies, improved packaging, value addition etc.
- **Promotional Activities** - Objective of the scheme is to organize, co-sponsor, participate in all India level seminars, workshops, fairs and exhibitions for food processing sector to encourage investment in food processing and to create awareness of the schemes being implemented by the ministry.

- **Skill Development** - Objective of the scheme to provide sector specific skilled workforce from floor level workers, operators, packaging and assembly line workers to quality control supervisor etc. in the various segments of food processing industries. contribute towards achieving the projected skilled human resources requirement as envisaged by National Skill Development Corporation (NSDC) in food processing sector i.e. 17.8 million persons by the year 2022.
- **Strengthening of Institutions**- Under this scheme Ministry has established the NIFTEM at Kundli, District Sonapat, Haryana in May, 2012. NIFTEM has been declared a Deemed University under de novo category. On the other hand, Ministry has upgraded IIFPT, Thanjavur, Tamil Nadu to a National level institute in February, 2008.²²

Operation Greens

- In the budget speech of Union Budget 2018-19, a new Scheme “Operation Greens” was announced on the lines of “Operation Flood”, with an outlay of Rs.500 crore to promote Farmer Producers Organizations (FPOs), agri-logistics, processing facilities and professional management.
- Accordingly, the Ministry has formulated a scheme for integrated development of **Tomato, Onion and Potato (TOP)** value chain.

To know more about the scheme [click here](#)

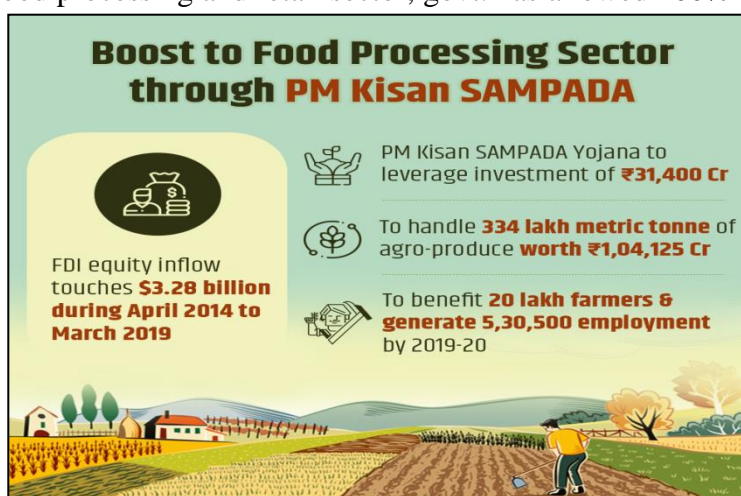
Government initiatives to give a boost to the Food Processing Sector

The Food Processing Sector has emerged as an important segment of the Indian economy in terms of its contribution to GDP, employment and investment. During 2015-16, the sector constituted as much as 9.1 and 8.6 per cent of GVA in the Manufacturing and Agriculture sector respectively.

The manifesto of the NDA Government stresses upon incentivizing the setting up of the food processing industry for providing better income for the farmers and creating jobs.

Government has taken various other measures to boost food processing sector as follows:

- To provide impetus to investment in the food processing and retail sector, govt. has allowed 100% FDI in trading including through e-commerce, in respect of food products manufactured and / or produced in India. This will benefit farmers immensely and will create back - end infrastructure and significant employment opportunities.
- The govt. has also set up a Special Fund of Rs. 2000 crore in NABARD to make available affordable credit at concessional rate of interest to designated food parks and agro processing units in the designated food parks.²³



Source

²²<https://mofpi.nic.in/Schemes/human-resources-and-institutions>

²³<https://pib.gov.in/newsite/PrintRelease.aspx?relid=170174>

Impact of PM Kisan SAMPADA Yojana:

- The implementation of PMKSY will result in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet.
- It will provide a big boost to the growth of food processing sector in the country.
- It will help in providing better prices to farmers and is a big step towards doubling of farmers' income.
- It will create huge employment opportunities especially in the rural areas.
- It will also help in reducing wastage of agricultural produce, increasing the processing level, availability of safe and convenient processed foods at affordable price to consumers and enhancing the export of the processed foods.²⁴

Video References:

- [#Aatmanirbhar Bharat: Discussion on Pradhan Mantri Kisan SAMPADA Yojana](#) dated 4th September 2020
- [Krishi Darshan - Vermicompost and Pradhan Mantri Kisan SAMPADA Yojana special](#) dated 19th September 2018

References

- [Important Notice by MoFPI](#) dated 19th May 2017
- [Annual Report 2020-21](#) by MoFPI
- [All Annual Reports](#) of the MoFPI
- Twitter account of MoFPI [@MOFPI GOI](#)

AG/HP/RN/SK

²⁴<https://pib.gov.in/PressReleasePage.aspx?PRID=1500517>