



From Farm to Retail: Make in India's push for Food Processing Excellence

Empowering Farmers, Enhancing Value, Expanding Markets

(Ministry of Food Processing Industries)

28th March, 2025

Introduction

India's food processing industry has undergone rapid transformation, driven by its vast agricultural base, rising domestic demand, and supportive government policies. India is poised to emerge as a global leader in the food processing sector, with an impressive growth trajectory. Agriculture sector forms the backbone of the India's food processing industry, India being the largest producer of fruits, vegetables, millets, tea, and food grains as well as milk and livestock globally.

The food processing sector is a priority under the **Make in India initiative**, with the Ministry of Food Processing Industries implementing schemes to attract investment and develop infrastructure. **Mega Food Parks** with essential utilities and common processing facilities are being established in agriculturally rich areas, offering a plug-and-play model for entrepreneurs. Investment in these parks is recognized under the Harmonized List of Infrastructure Sub-sectors (HLIS), enabling easier access to infrastructure lending. To further boost investment, the Ministry has launched an Investors Portal (<https://www.foodprocessingindia.gov.in/>), providing key information on resources, policies, and incentives, while also collaborating with Invest India to facilitate partnerships, regulatory approvals, and investor support.

The Ministry's budget for 2024-25 increased by approximately **30.19%** compared to the previous year

Food Processing Industry: An overview

Gross Value Added (GVA) has increased from **1.61 lakh crore** in 2015-16 to **1.92 lakh crore** in 2022-23

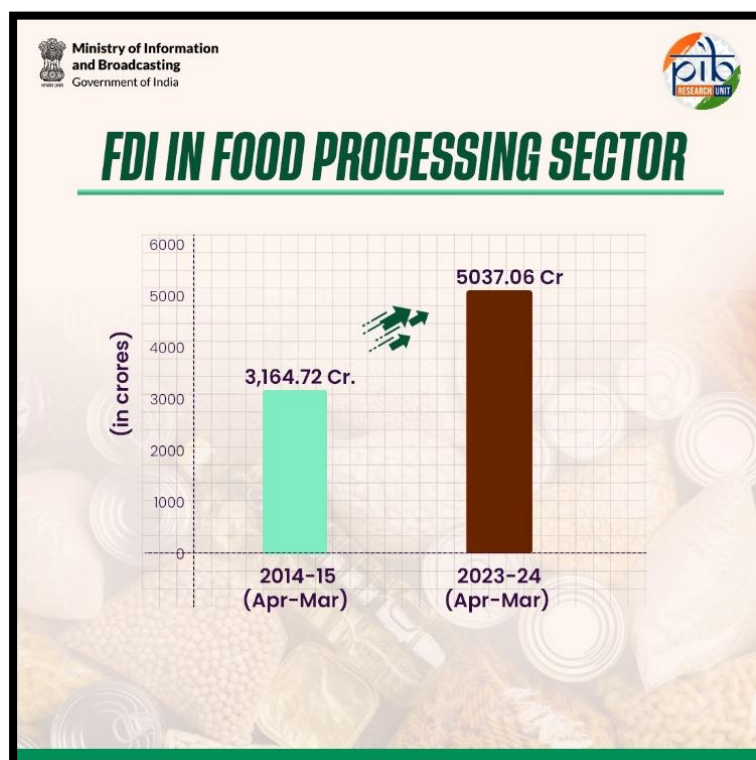
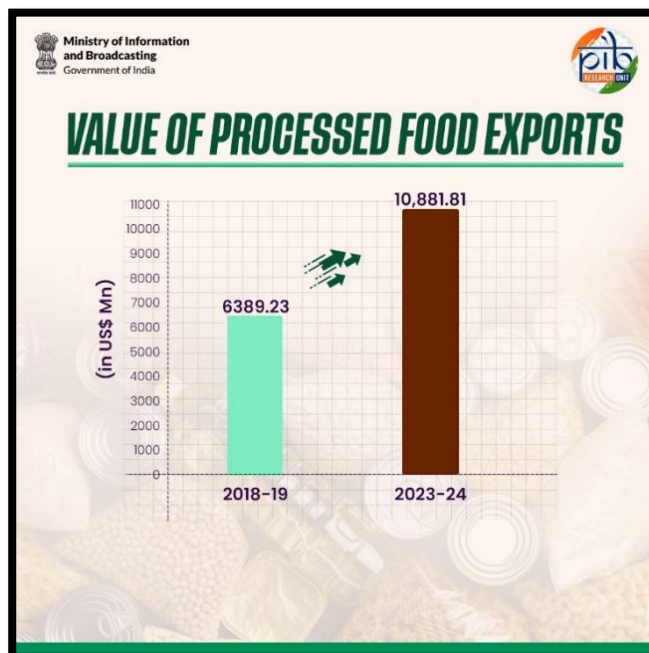
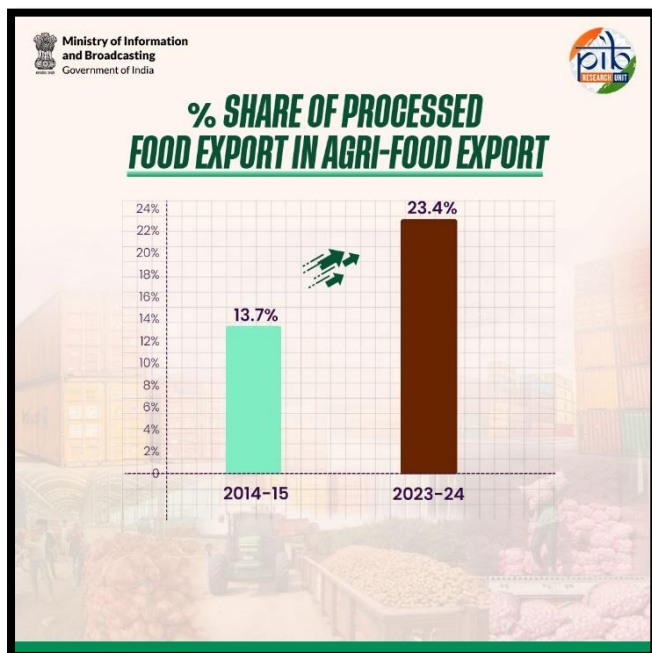
Average Annual Growth Rate (AAGR) of around **5.35%** since 8 years until 2022-23

Employment increased from **17.73 lakh** in 2014-15 to **20.68 lakh** in 2021-22

(as per First Revised Estimates of Ministry of Statistics and Programme Implementation)

As per latest Annual Survey of Industries (ASI) report

An overview of the Food Processing Sector in India



Source: Ministry of Food Processing Industries Annual Report (2023-24)

PM Kisan Sampada Yojana-

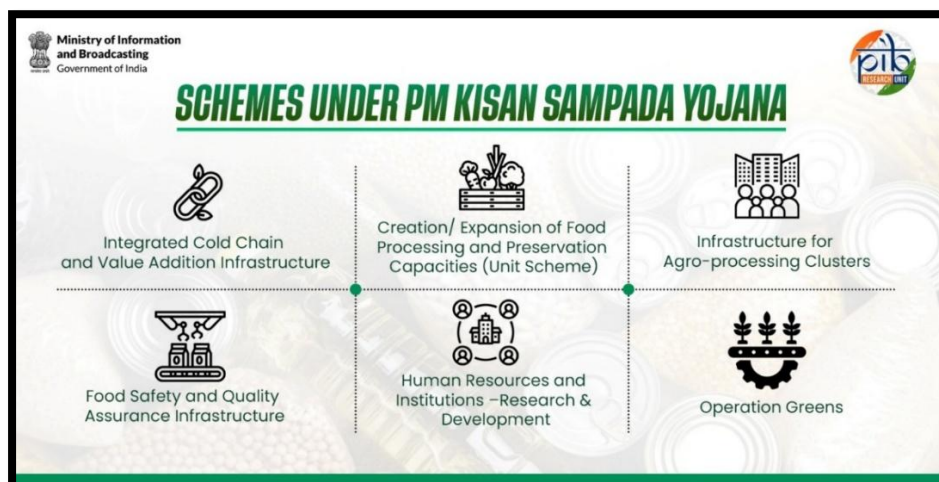
The umbrella Central sector scheme, *SAMPADA- Scheme for Agro-marine processing and Development of Agro-processing Clusters* was approved in May 2017, with a total allocation of **Rs.6000 crore** for the implementation period. The continuation of the Central Sector Scheme – Pradhan Mantri Kisan SAMPADA Yojana (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) with an allocation of **Rs. 4600 Crore** has been further approved until March 31, 2026.

As of February 28, 2025, MoFPI has sanctioned **1608 projects including 41 Mega food Parks, 394 Cold Chain projects, 75 Agro-processing Clusters projects, 536 Food Processing Units, 61 Creation of Backward & Forward Linkages and 44 Operation Greens** projects under corresponding component schemes of PMKSY across the country. A total sum of ₹ **6198.76 crore** has been disbursed as grants in aid/ subsidy since inception of component schemes of PMKSY.

The PMKSY scheme aims at the following:

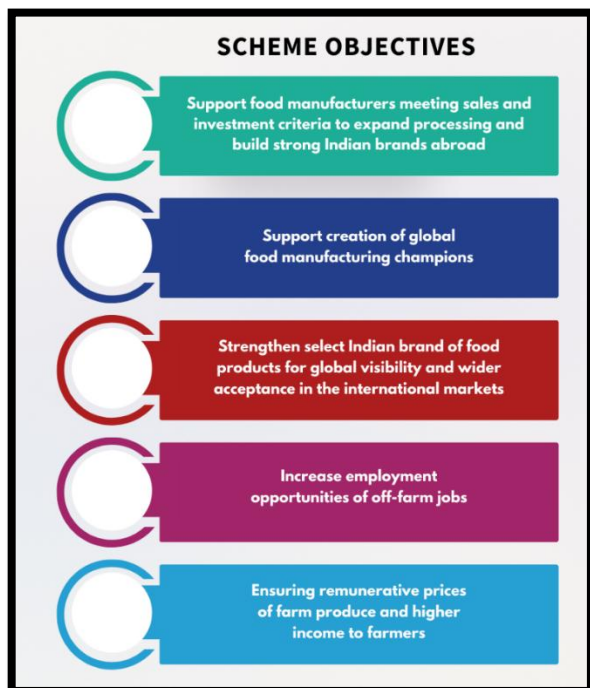
- **A comprehensive package** for modern infrastructure and efficient supply chain management, from farm gate to retail outlet
- Aims to boost the **food processing sector** in India
- Helps farmers get **better returns** and supports **doubling of farmers' income**
- Creates **huge employment opportunities**, especially in **rural areas**
- **Reduces wastage** of agricultural produce
- **Increases processing levels** of food products
- **Enhances exports** of processed foods

Schemes under PM Kisan Sampada Yojana:



PLISFPI- Production Linked Incentive Scheme for Food Processing Industry

- The Central Sector Scheme, Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) was approved by Union Cabinet in **March 2021**, with an outlay of **₹10,900 Crore**. The



Scheme is being implemented over a six-year period from 2021-22 to 2026-27.

The components of the Scheme are –

- Incentivising manufacturing of four major food product segments viz. Ready to Cook/ Ready to Eat (RTC/RTE) foods including Millet based products, Processed Fruits & Vegetables, Marine Products and Mozzarella Cheese (Category I)
- Production of Innovative / Organic products of SMEs (Category II)
- The third component related to support for branding and marketing abroad (Category III) to incentivize emergence of strong Indian brands for

in-store Branding, shelf space renting and marketing.

- From the savings under PLISFPI, a component for Production Linked Incentives Scheme for Millet Based Products (PLISMBP) was also carved out from the scheme to encourage the use of Millets in RTC/RTE products and incentivizing them under the PLI Scheme to promote its production, value addition and sale.

- As of February 28, 2025, a total of **171 food processing companies** have been approved for assistance under various categories of the PLISFPI scheme in the country and incentives to the tune of **₹1155.296 crore** has been disbursed, out of which **₹13.266 crore** has been disbursed to MSMEs in 20 eligible cases.
- According to data reported by the scheme's beneficiaries, an investment of **₹8,910 crore** has been made across **213 locations**. As of 31 October 2024, the scheme has reportedly generated employment of over **2.89 lakh**.

The scheme has significantly contributed to the country's overall growth and development by scaling up domestic manufacturing, enhancing value addition, boosting the domestic production of raw materials, and creating employment opportunities. The scheme supports large companies, millet-based products, innovative and organic products, as well as small and medium enterprises, while also promoting Indian brands globally.

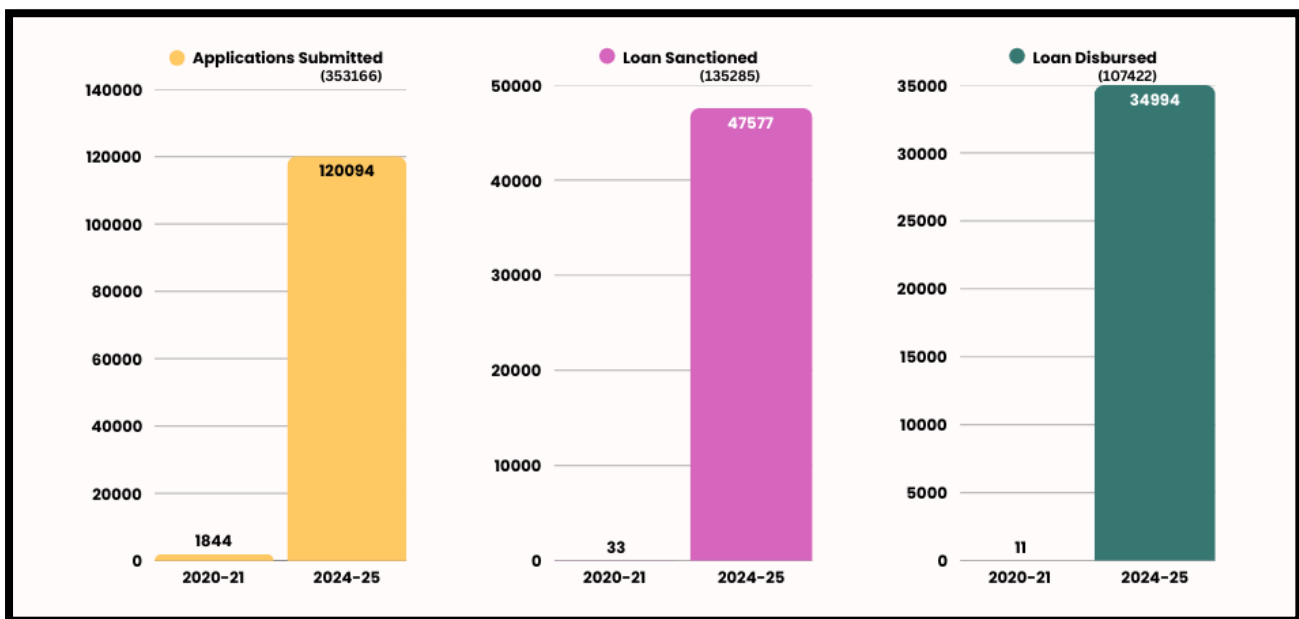
PMFME- Pradhan Mantri Formalisation of Micro Food Processing Enterprises Scheme

Salient features of the Pradhan Mantri Formalisation of Micro Food Processing Enterprises Scheme



Launched in June 2020, the scheme aims to encourage 'Vocal for Local' in the sector in a total outlay of **Rs. 10,000 crore** in the period of FY 2020-2025 for this scheme. The scheme has been extended up to FY 2025-26. This is the first ever Government scheme for Micro Food Processing enterprises and is targeted to benefit 2 lakh enterprises through credit linked subsidy and adopting the approach of **One District One Product**.

An overview of the scheme over the years:



Fostering Innovation and Entrepreneurship

Through these schemes, the Government actively supports Small and Medium Enterprises (SMEs) in the food processing sector. These schemes provide **financial, technical, and marketing support to SMEs**, facilitating capacity expansion, innovation, and formalization. SMEs are also eligible to avail the benefits under various components of the PMKSY Scheme. PMFME scheme specifically targets formalization of unorganized units, improving their access to institutional credit, modern infrastructure, and enhanced food processing capacity. Under the PLI scheme, a significant proportion of beneficiaries are MSMEs, with 70 MSMEs directly enrolled and 40 others contributing as contract manufacturers for larger companies.

Collectively, these initiatives have strengthened SMEs by fostering innovation, improving competitiveness, expanding market access, generating employment opportunities, and supporting the broader value chain in the food processing industry.

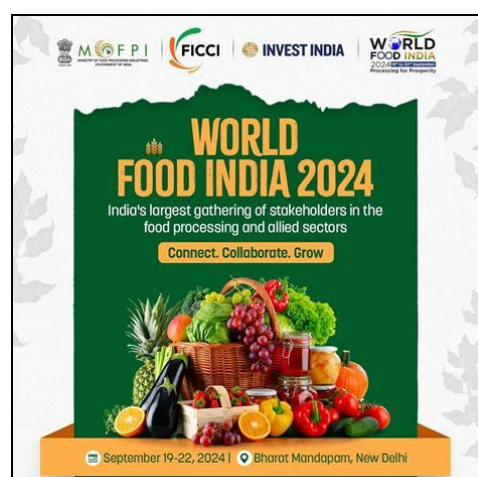
Under the **Production Linked Incentive Scheme for Food Processing Industries (PLISFPI)**, the Government provides financial incentives to promote Indian food brands abroad, supporting branding and marketing activities for Indian-branded consumer food products in global markets. Beneficiaries are reimbursed 50% of their expenditure on branding and marketing abroad, capped at 3% of their annual food product sales or ₹50 crore per year, whichever is lower. Applicants are required to spend a minimum of ₹5 crore over five years to qualify. Currently, there are currently 73 beneficiaries under this component of the PLI scheme.

Recent Developments

- **March 2025:** In a bid to enhance food safety and quality, the Ministry of Food Processing Industries (MOFPI) will financially support the establishment of **100 new NABL-accredited** (National Accreditation Board for Testing and Calibration Laboratories) **food testing laboratories** across India in the financial year 2025-26.
- **January 2025:** The Ministry of Food Processing Industries (GOI), Punjab Agricultural University (PAU), Punjab Agro Industries Corporation, and Hindustan Unilever Limited (HUL) are set to hold joint deliberations to enhance tomato production and paste manufacturing in Punjab.

World Food India:

The third edition of World Food India 2024 was hosted from September 19 to 22 in New Delhi. Aimed at becoming the largest event for the food processing and allied sectors in India, this prestigious gathering brought together industry leaders from across the globe. Spanning not just processed food industries but also critical allied sectors such as machinery, packaging, technology, and logistics, World Food India 2024 showcased innovations and opportunities across the entire food value chain.



Launched in 2017 with the dual aim of showcasing India's rich culinary traditions and encouraging investments in the country's diverse food processing sector. Building on this vision, the Ministry has since focused on channelizing investments across sub-

segments, from backward linkages and research and development to cold chain solutions and start-ups, positioning India as a global food hub. With roots in showcasing India's culinary heritage and advancing

global collaborations, World Food India has become a key platform to drive the country's vision of transforming into the world's food basket.

Conclusion

The food processing sector in India has immense potential for growth and sustainability. Various schemes have strengthened infrastructure, promoted value addition, and empowered small and medium enterprises. The expansion of cold chain facilities, financial incentives, and skill development initiatives have further positioned India as a global food processing hub. With a focus on **innovation, sustainability, and entrepreneurship**, the sector is set to enhance farmer incomes, generate employment, reduce food wastage and boost exports. As India moves forward under the **Make in India** vision, the food processing industry will continue to be a key driver of economic growth, ensuring food security, quality, and global competitiveness.

Make in India(FPI)/Explainer/04

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