



drishti

Pradhan Mantri Kisan SAMPADA Yojana

 drishtias.com/printpdf/pradhan-mantri-kisan-sampada-yojana-1

Why in News

Recently, the **Ministry of Food Processing industries (MoFPI)** has shared some information regarding Pradhan Mantri Kisan SAMPADA Yojana (PMKSY).

- Earlier, MoFPI had launched the **Pradhan Mantri Formalisation of Micro food processing Enterprises (PM FME) Scheme**, under the **Atmanirbhar Bharat Abhiyan**.
- The **key sub-segments of the Food Processing industry** in India are Dairy, Fruits & Vegetables, Poultry & Meat processing, Fisheries, Food retail, etc.

Key Points

- **About:**
 - In the year 2016, MoFPI had introduced an umbrella Scheme Called “**Agro-Marine Processing and Development of Agro-Processing Clusters**” or **SAMPADA**, which was proposed to be implemented with an allocation of Rs 6,000 crore for the period of 2016-20.
 - In the year 2017, the **government renamed the SAMPADA scheme as Pradhan Mantri Kisan Sampada Yojana (PMKSY)**.
 - It is a **Central Sector Umbrella Scheme**.
- **Objective:**
 - To supplement agriculture.
 - To create processing and preservation capacities.
 - To modernise and expand existing food processing units with a view to increasing the level of processing.
 - To add value leading to the reduction of wastage.

- **Components:**
 - **Mega Food Parks**,
 - Integrated Cold Chain and Value Addition Infrastructure,
 - Infrastructure for Agro-Processing Clusters,
 - Creation of Backward and Forward Linkages,
 - Creation/Expansion of Food Processing & Preservation Capacities,
 - Food Safety and Quality Assurance Infrastructure, and
 - Human Resources Institutions.
 - **Operation Greens**.
- **Grants-in-aid:**
 - MoFPI provides mostly **credit linked financial assistance (capital subsidy)** in the form of grants-in-aid to entrepreneurs **for setting up of food processing / preservation industries**.
 - Grants-in-aid ranging from **35% to 75% of the eligible project cost** subject to a maximum specified limit is provided to investors under the various schemes for undertaking infrastructure, logistic projects and setting up of food processing units in the country.
- **Benefits:**

The sanctioned projects across the country under component schemes of PMKSY are estimated to **benefit about 34 lakh famers on completion**.

In an evaluation study, **NABARD (National Bank for Agriculture and Rural Development)** in Year 2020, estimated that captive projects under the scheme have resulted in an increase in farm-gate prices by 12.38% and each project is estimated to benefit more than 9500 farmers.

Other Related Initiatives

- **100% FDI:**

100% Foreign Direct Investment (FDI) through automatic route in the food processing sector and **100% FDI under Government approval route** for retail trading, including through e-commerce, in respect of food products produced and/or manufactured in India has been permitted.
- **Food Processing Fund:**

A special fund of Rs. 2000 crore has been created with the **NABARD** to provide affordable credit to food processing projects/units.
- **Classification under PSL:**

Food & agro-based processing units and cold chain infrastructure has been classified as agriculture activity for **Priority Sector Lending (PSL)**.
- **Fiscal Measures:**

Fiscal measures like 100% exemption of Income Tax on profit for new food processing units, 100 % income tax exemption from profit derived by **Farmers Producers Organizations (FPOs)** having annual turnover of Rs.100 crore have been allowed for activities such as post-harvest value addition to agriculture.

- **Lower GST:**
Lower Goods & Service Tax (GST) rates for the majority of food products have been fixed.
- **Operation Greens:**
A new Central Sector Scheme “Operation Greens” for integrated development of Tomato, Onion and Potato (TOP) crops value chain, with an outlay of Rs.500 Crore to promote FPOs, agri-logistics, processing facilities, has been launched.
- **PM FME:**
All India **Centrally Sponsored** PM Formalisation of Micro food processing Enterprises Scheme (PM FME Scheme) for providing financial, technical and business support for upgradation of existing micro food processing enterprises.
- **PLI Scheme:**
The Central Sector Scheme – “**Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)**” to support creation of global food manufacturing champions commensurate with India’s natural resource endowment and support Indian brands of food products in the international markets with an outlay of Rs.10900 crore.

Source: PIB