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Scheme for Creation of Infrastructure for Agro-Processing Cluster: PMKSY

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Why in News

Recently, the Union Minister of Food Processing Industries has attended the **Independent Management Advisory Committee (IMAC) meeting** to consider the proposals received under the **Scheme for Creation of Infrastructure for Agro-Processing Cluster (APC)** of **Pradhan Mantri Kisan Sampada Yojana (PMKSY)**.

Key Points

- IMAC approved **7 proposals with a total project cost of Rs. 234.68 crore** including grants-in-aid of Rs. 60.87 crore in **Meghalaya, Gujarat, Madhya Pradesh, Karnataka and Maharashtra**.
- These projects will **leverage private investment** of Rs. 173.81 crore and are **expected to generate employment** for 7750 persons.

- **Scheme for Creation of Infrastructure for Agro-Processing Cluster:**
 - It was **approved in May 2017** under the PMKSY, to **incentivise the setting up of APCs in the country.**
 - **Aims:** To develop modern infrastructure and common facilities to encourage a group of entrepreneurs to set up **food processing** units based on cluster approach by linking groups of producers/farmers to the processors and markets.
 - These clusters will **help in reducing the wastage of the surplus produce** and **add value to the horticultural/agricultural produce** which will result in **an increase of income of the farmers** and **create employment** at the local level.
 - Under the scheme, each APC has **two basic components:**
 - **Basic Enabling Infrastructure** like roads, water supply, power supply, drainage, etc.
 - **Core Infrastructure/Common Facilities** like warehouses, cold storages, tetra pack, sorting, grading, etc.
 - **Requirements for Setup:**
 - At least 5 food processing units with a minimum investment of Rs. 25 crore and at least 10 acres of land is required for at least 50 years.

Pradhan Mantri Kisan Sampada Yojana

- In **2016**, the **Ministry of Food Processing Industries (MoFPI)** introduced an umbrella **Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters (SAMPADA)**, which was proposed to be implemented with an allocation of **Rs. 6,000 crores** for the period of **2016-20**.
- In **2017**, it was renamed as the **Pradhan Mantri Kisan Sampada Yojana (PMKSY)**.
- It is a **Central Sector Scheme**.
- **Objectives:**
 - 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.
- **Seven component schemes under PMKSY:**
 - **Mega Food Parks**.
 - Integrated Cold Chain and Value Addition Infrastructure.
 - Infrastructure for APC.
 - Creation of Backward and Forward Linkages.
 - Creation/Expansion of Food Processing and Preservation Capacities.
 - Food Safety and Quality Assurance Infrastructure.
 - Human Resources and Institutions.

- Under PMKSY, **capital subsidy** in the form of **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.

Source: PIB