



PLI Scheme for Food Processing Industry

Why in News

Recently, the Union Cabinet has approved the [Central Sector Scheme](#) - "Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)" entailing an outlay of Rs. 10,900 crore.

Key Points

▪ PLI Scheme:

- In order to boost domestic manufacturing and cut down on import bills, the **central government in March 2020 introduced a PLI scheme** that aims to give companies incentives on incremental sales from products manufactured in domestic units.
- Apart from inviting foreign companies to set shop in India, the scheme also aims to encourage local companies to set up or expand existing manufacturing units.
- PLI Scheme **has also been approved for sectors** such as automobiles, pharmaceuticals, IT hardware including laptops, mobile phones & telecom equipment, white goods, chemical cells and textiles, etc.

▪ Objectives of the PLISFPI:

- To support creation of **global food manufacturing champions**.
- To **strengthen select Indian brands of food products** for global visibility and wider acceptance in the international markets.
- To increase **employment opportunities of off-farm jobs**.
- To ensure **remunerative prices of farm produce** and higher income to farmers.

▪ Features of PLISFPI:

◦ Coverage:

- It will **support food manufacturing entities with stipulated minimum Sales and willing to make minimum stipulated investment** for expansion of processing capacity and Branding abroad.
- The **first component** relates to **incentivising manufacturing of four major food product segments** viz. Ready to Cook/ Ready to Eat (RTC/ RTE) foods, Processed Fruits & Vegetables, Marine Products, Mozzarella Cheese.

- It also covers organic products, free-range eggs, poultry meat and egg products.

- The **second component** relates to **support for branding and marketing abroad**.

- **Duration:** Scheme will be implemented over **a six year period from 2021-22 to 2026-27**.

▪ Expected Benefits:

- **Expansion of processing capacity** to generate **processed food output of Rs. 33,494 crore**.
- Create employment for nearly **2.5 lakh persons by the year 2026-27**.

▪ **Other Scheme Related to Food Processing Industry:**

- **[Pradhan Mantri Kisan Sampda Yojana \(PMKSY\)](#)**

[Source: PIB](#)

PDF Refernece URL: <https://www.drishtias.com/printpdf/pli-scheme-for-food-processing-industry>