



PMFME Scheme

For Prelims: PMFME, NAFED, FPOs, One District One Product, Initiatives related to food processing sector,

For Mains: Significance of PMFME Scheme in improving agricultural marketing.

Why in News

Recently, the Ministry of Food Processing Industries and [NAFED \(National Agricultural Cooperative Marketing Federation of India Limited\)](#) today launched six, **One District One Product (ODOP) brands** under the **Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME) Scheme**.

- The Ministry has signed an agreement with NAFED for developing **10 brands of selected ODOPs under the branding and marketing component of the PMFME scheme**. Out of these, six brands are Amrit Phal, Cori Gold, Kashmiri Mantra, Madhu Mantra, Somdana, and Whole Wheat Cookies of Dilli Bakes.

Key Points

- **About:**
 - Launched under [Atma Nirbhar Abhiyan](#), it **aims to enhance the competitiveness of existing individual micro-enterprises in the unorganised segment** of the [food processing industry](#) and to promote formalisation of the sector and provide support to [Farmer Producer Organisations](#), [Self Help Groups](#), and **Producers Cooperatives** along their entire value chain.
 - The scheme adopts the **One District One Product (ODOP) approach to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products**.
 - It will be implemented over **a period of five years** from 2020-21 to 2024-25.
- **Features:**
 - **One District One Product (ODOP) Approach:**
 - ODOP for the scheme will **provide the framework for value chain development and alignment of support infrastructure**. There may be more than one cluster of ODOP products in one district.
 - There **may be a cluster of ODOP products consisting of more than one adjacent district in a State**.
 - The States would **identify food products for districts** keeping in view the existing clusters and availability of raw material.
 - The **ODOP could be a perishable produce** based or cereal based or a food item widely produced in an area. E.g. mango, potato, pickle, millet based products, fisheries, poultry, etc.
 - **Other Focus Areas:**
 - Waste to wealth products, minor forest products and [Aspirational Districts](#).
 - **Capacity building and research:** Academic and research institutions under

MoFPI along with State Level Technical Institutions would be provided support for training of units, product development, appropriate packaging and machinery for micro units.

- **Financial Support:**
 - Existing individual micro food processing units desirous of **upgrading their units can avail credit-linked capital subsidy at 35%** of the eligible project cost with a maximum **ceiling of Rs.10 lakh per unit.**
 - Support would be provided through **credit linked grants at 35% for development of common infrastructure** including common processing facility, lab, warehouse, etc. through FPOs/SHGs/cooperatives or state owned agencies or private enterprise.
 - A **seed capital (initial funding) of Rs. 40,000-** per [Self Help Group \(SHG\)](#) member would be provided for working capital and purchase of small tools.
- **Marketing and Branding Support:**
 - Marketing and branding support would **be provided to groups of FPOs/SHGs/ Cooperatives or an SPV of micro food processing enterprises under the scheme, which are:**
 - Training relating to marketing.
 - Developing **a common brand and packaging** including standardisation.
 - **Marketing tie-up with national and regional retail chains.**
 - Quality control **to ensure product quality** meets the required standards.
- **Funding:**
 - It is a [centrally sponsored scheme](#) with an outlay of Rs. 10,000 crore.
 - The expenditure under the scheme would be shared in **60:40 ratio between Central and State Governments**, in 90:10 ratio with North Eastern and Himalayan States, 60:40 ratio with UTs with legislature and 100% by Centre for other UTs.
- **Need:**
 - The **unorganised food processing sector** comprising nearly 25 lakh units **contributes to 74% of employment** in the [food processing sector](#).
 - Nearly **66% of these units are located in rural areas** and about 80% of them are family-based enterprises supporting livelihood of rural households and minimising their migration to urban areas.
 - These units largely fall within the category of micro enterprises.
 - The unorganised food processing sector faces a number of challenges which limit their performance and their growth. The challenges include **lack of access to modern technology & equipment, training, access institutional credit, lack of basic awareness on quality control of products, and lack of branding & marketing skills** etc.
- **Related Initiatives:**
 - [Pradhan Mantri Kisan Sampada Yojana.](#)
 - [Agricultural and Processed Food Products Export Development Authority \(APEDA\).](#)
 - [Minimum Support Prices \(MSP\).](#)
 - [Commission for Agricultural Costs and Prices \(CACP\).](#)
 - [National Skill Development Corporation \(NSDC\).](#)
 - [Codex Alimentarius Commission](#)
 - [Draft Food Safety And Standards \(Labelling And Display\) Regulation.](#)

National Agricultural Cooperative Marketing Federation of India Ltd

- **About:**
 - It is an **apex organisation of marketing cooperatives for agricultural** produce in India.
 - It was **founded on 2nd October 1958** and is registered under the **Multi-State Co-operative Societies Act, 2002.**
 - NAFED is now **one of the largest procurement as well as marketing agencies** for agricultural products in India.
- **Objectives:**
 - To **organise, promote and develop** marketing, processing and storage of agricultural,

- horticultural and forest produce.
- To **distribute agricultural machinery, implements and other inputs**, undertake inter-state, import and export trade, wholesale or retail as the case may be.
 - To **act and assist for technical advice in agricultural production** for the promotion and the working of its members, partners, associates and cooperative marketing, processing and supply societies in India.

Source: PIB

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