



# Pradhan Mantri Kisan SAMPADA Yojana

## 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 farmers 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](#)

