Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme

***Prelims**: Current events of national and international importance.*

Why in news?

Bihar has secured the first position in India for successfully implementing the PMFME scheme in the financial year 2024-25.

- **PMFMPE** – It is a ***Centrally Sponsored Scheme*** designed to address the challenges faced by the *micro-enterprises.*
- **Launch** – June 2020
- **Nodal ministry** – Ministry of Food Processing Industries.
- **Objectives** – To support Farmer Producer Organizations (FPOs), Self Help Groups (SHGs), and Producers Cooperatives along their entire value chain.
- To support upgradation and *formalization of these enterprises.*
- To promote the *unorganized sector of the food processing industry* and enhance competition.
- **Support for Common Infrastructure** – It includes infrastructure such as warehouse, cold storage and common processing facility for processing of ODOP produce.
- **Convergence framework –** The Food Processing Enterprises would be eligible for benefits under the various Government Schemes such as,
    - Start-up Village Entrepreneurship Programme (SVEP)
    - National Rural Livelihood Mission
    - PM MUDRA Yojana and others
- **Branding and marketing support** – It includes marketing training, standardized common branding and packaging, tie-ups with retail chains and state institutions, and quality control to meet required standards.
- **Financial assistance** – The scheme provides financial assistance through subsidies with 35% of their project cost.
- The Financial assistance is eligible for,
    - Farmer Producer Organization (FPO)
    - Self-Help Groups
    - Co-operatives
    - Existing Individual Micro Food Processing Entrepreneurs
    - New Units, whether for individuals or groups would only be supported for One District One Product (ODOP).
- Beneficiaries must contribute at *least 10% of the project cost*, with total investment including working capital up to 20%.
- Bihar has topped the implementation of the scheme with 10,296 applicants has been approved for loan.

- It will promote industries, employment and community-driven enterprises, especially in agrarian districts of Bihar.

References

1. The Times of India| Bihar tops implementation of PMFME scheme
2. My Scheme| PMFMPE Scheme

