Pradhan Mantri Formalization of Micro Processing Enterprises (PMFME) Scheme

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Why in News?

Recently, Ministry of food processing Industries (MoFPI) Mentioned achievements of the Scheme in empowering Micro – enterprises, women entrepreneurs & Rural Livelihood.

Features

- **Expansion –** Scheme had originally approval of implementation from 2020 -21 to 2024 -25, has been extended till **2026** September.
- **Impacted –** Around 1.96 lakh individual micro – enterprises have credit linked subsidy support, with women beneficiaries make up more than 40**%.**
- **Market Amalgamation -** MoFPI signed Mou with Government e – Marketplace (GeM) to facilitate the onboarding & marketing of products supported by PMFME.

About Pradhan Mantri Formalization of Micro Processing Enterprises Scheme (PMFME)

Feature	Details
Type	Centrally Sponsored Scheme
Launch Year	2020 (Under Aatmanirbhar Bharat Abhiyan)
Nodal Agency	Ministry of Food Processing Industries (**MoFPI**)
Capital outlay	Rs 10,000 Cr
Target Sector	Unorganised/informal micro food processing sector (which comprises nearly 25 lakh unregistered units in India).

Objective of the scheme

- **Formalization -** Assist unorganized units in obtaining FSSAI registration, GST registration, and adopting improved food safety and quality standards.
- **Access to Credit -** Provide financial support to individual units and groups to upgrade technology and scale up.
- **Wastage Reduction -** Strengthen grassroots infrastructure for processing and preservation to reduce post-harvest losses and boost farmers' incomes.

The One District One Product (ODOP) Approach

- The scheme operationalizes the **ODOP framework** to reap the benefits of economies of scale regarding raw material procurement, common services, and marketing.

- So far, **137 unique products** have been identified across 726 districts in 35 States and UTs.

Significant Feature

- **Credit-Linked Subsidy:**
  - **Individuals -** 35% subsidy maximum up to **Rs 10 Lakh** for setting up or upgrading micro food processing units.
  - **Groups (FPOs/FPCs/SHGs/Cooperatives)** - 35% credit-linked subsidy (Maximum Rs.3 crore) for establishing Common Infrastructure.
- **Seed Capital –** Rs 40,000 per SHG member engaged in food processing for working capital and purchasing small tools.
- **Branding and Marketing Support** - Up to 50% financial grant to groups (FPOs/SHGs/State Agencies) to develop and promote ODOP and regional brands. It covers trademark registration, standardization, and e-commerce integration.
- **Common Incubation Centres -** Setting up local hubs for processing, product testing, training, and entrepreneurship development (80 approved so far).

Reference: PIB | IAS Parliament

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