

## 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 ( <b>MoFPI</b> )
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](#)

