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भारत सरकार
खाद्य प्रसंस्करण उद्योग मंत्रालय
पंचशील भवन, अगस्त क्रांति मार्ग
नई दिल्ली-110049

Dated: 02.11.2020

Subject : Guidelines for Establishment of Common Incubation Facility
under PM FME Scheme

The undersigned is directed to enclose a copy of the Guidelines for Establishment of Common Incubation Facility under PM FME Scheme for information and necessary action.

2. The has the approval of the competent authority.


(V.P. Bhatt)
Under Secretary to the Govt. of India
Phone No: 011 26406612

To,

All States/UTs

Copy to :

Sr. PPS to Secretary, FPI/Sr. PPS to Addl.Secretary, FPI/PS to JS(FME)/DS(RS)

Guidelines for Establishment of Incubation Center under PMFME Scheme

1. Background

Establishment of Incubation Center based on One District One Product (ODOP) is one of the important components of PMFME Scheme. The scheme envisages providing credit support to 2 lakh existing unorganized micro-food processing enterprises. Through this scheme the micro entrepreneurs/SHGs/FPOs/Cooperatives and groups can utilize this Incubation Center to manufacture their products without capital investment. In addition, this Incubation Center will be utilized to provide training and skill upgradation support to the beneficiaries.

1.2 The raw materials will be converted into finished product by utilizing the primary/secondary/Tertiary processing and auxiliary units that will be set up at this Incubation Center. This facility aids in overcoming the financial burdens on capital investment of start-ups and also supports the existing entrepreneurs to venture into product extension lines. In short, this facility renders machinery support required for conversion of produce from farm to fork.

2. Objectives

- To support establishment of Incubation Center for ODOP and other products
- To utilize the Incubation Center on commercial basis
- To provide training to beneficiaries (micro entrepreneurs/ SHGs/FPOs/Cooperatives and groups) through Incubation Centers at the training rates prescribed under PMFME Scheme based on National Skill Framework

3. Salient features of Incubation Center

The scheme under its Incubation Center would provide the following support

- i. Primary processing facility like cleaning, grading and packaging of raw produce
- ii. Secondary processing facilities like milling, flaking, minimal processing, thermal processing, brining and so on
- iii. Tertiary processing like processing of Ready to eat, Ready to serve, Ready to cook and so on
- iv. Cold storage facilities to store their fresh and processed produce
- v. Re-packing of foods

- vi. Supports product extension lines

4. Components of schemes

As per the main PMFME scheme, One District One Product (ODOP) approach is adopted in order to reap the benefit of scale in terms of procurement of inputs, availing common services and marketing of products. Based on the baseline study, the state governments have identified a food product for a district, keeping in view of the scheme on perishables, cereal based product or a food product widely produced in a district and their allied sectors. Shortlisted ODOPs from the state government have been pooled together and the food produce has been grouped into 11 categories as given below including minor forest produce for tribal districts.

- Food products based on Food Grains (Rice, Wheat & Pulses)
- Oil seeds based products
- Millets based products
- Fruits based products
- Vegetables & Tuber Crops related products
- Fish and marine products
- Meat/Poultry products
- Dairy products
- Spice products
- Plantation crops based products (including coconut and sugar cane)
- Minor forest produce (targeting the tribal population)

4.1 Incubation Center

Incubation Center shall be the processing cum incubation facility based on ODOP along with 2-4 allied product lines. The Incubation Center should have a minimum three processing lines and maximum five processing lines to be funded from PMFME Scheme. The Incubation Center will be made available for the end users on custom hiring basis for startups and smaller food processing units. But it should run on commercial basis for full utilization of installed capacity. The Incubation Center shall have the complete processing lines as per the standard norms. The space/area for any Incubation Centers should be minimum 7000 Sq. ft.

4.2 Host Institute

The identified institutes where the Incubation Center to be established is named as Host Institute. Any government owned institutions or govt. funded autonomous Institutions such as technical colleges, universities, other professional institutes, R&D institutes or any private institutions/agencies shall be the host institute. The concerned state government/nodal agency shall identify the host institute and location for establishing the Incubation Center. The institutes which is having existing building shall be given preference for hosting Incubation Center.

4.3 Cost norms for setting up Incubation Center

Each selected host institute will be funded for the following to establish the Incubation Center

SI No	Processing	Cost (in Rs. lakh)
1	3-5 processing lines (capacity: 1-2 tonnes/day) for ODOP and allied produce –should include primary, secondary and tertiary processing, raw material/finished product storage, packaging.	200
2	Flooring, minor renovation of existing building, electrical connections and other auxiliary units like boilers, RO plant, ETP etc.	50
3	Building with minimum 7000 sq. ft (to be provided by host institute)*	-
4	Food Testing Lab – If the host institute is not having the in house testing facility, can propose the basic equipment for proximate analysis and microbial load analysis**.	25
Total		275

*The institute with existing building/space shall be given preference for the grant support.

**Basic equipment required for food testing lab

S No	Equipment	Approximate cost (in Rs. Lakh)
1	Hot air oven	1.5
2	Soxhlet apparatus	2.5
3	Protein – Kjeldhal apparatus	7.5
4	Fibre analyzer	5.5
5	Muffle furnace- ash content	2.0

6	Weighing balance	1.0
7	Microbial load analysis- laminar flow chamber, autoclave and incubator etc.	4.0
8	Refractometers, pH meter, Gun thermometer, glassware etc.	1.0
	Total	25.0

4.4 Special grant in aid support to host institutes for civil works

As a special case, if the host institute does not have building infrastructure for Incubation Center shall be supported by PM FME Scheme with grant of Rs.1.0 crore (Rupees One crore only)for construction of buildings.

4.5 Funding details

Allocation of fund shall follow the below norms

Government Institute/Organization	Private Agency	Private Agency in Tribal Areas, NE States and SC/ ST category
100 percent of funding will be provided from PMFME scheme	50 percent of funding will be provided from PMFME scheme and balance from private agency	60 percent of funding will be provided from PMFME scheme and balance from the private agency

4.6 Role of host institute

- The selected host institute is responsible to arrange required land, building and other basic amenities like water, electricity, etc.
- The host institute is responsible for establishment of Incubation Centre with the processing line as per the cost norms and relevant guidelines of PM-FME scheme within one year from the date of sanction.
- Once the Incubation Center is set up, the common incubation facilities shall be leased out to an O&M operator through a transparent process. The O&M operator should operate the Incubation Center on commercial basis. The O&M operator would charge for using the services of the Incubation Center from the micro enterprises and for training. The bidding criteria should be the maximum rates to be charged from micro enterprises for using the services of the Incubation Center and training. Maintenance of Incubation Center including the machinery shall be the responsibility of O&M

operator. It shall be ensured by the host institution that the Incubation Center is utilized by a large number of micro enterprises and for all the trainings under PMFME and other State and Central Government Schemes. Any micro enterprise should be able to use the services of the Incubation Center if they are willing to pay for the charges.

- A monitoring and advisory committee shall be constituted by the Host Institute (HI) with a representative from mentor institution for continuous monitoring of the operations to ensure effective implementation of the scheme.

4.7 Mentor Institution

States should select one of the CSIR/ICAR or other research institutions as mentor institution for each Incubation Center. The role of the mentor institution would be as follow:

- Continuous monitoring of the implementation and establishment of Incubation Center at host institutes.
- Providing technical support to host institutes at the stage of establishment as well as running the Incubation Center.

4.8 Application procedure

Detailed project report (DPR) which should contain the following particulars:

- Host institution details like experience in food processing, technical manpower available, details of land and building, suitability of the proposed building to house the incubation centre.
- Details of proposed location for establishing the incubation centre: The location should preferably be at places where there is likelihood of micro enterprises to come and get their goods processed, It should not be inside any Agricultural University/research centre located away from a city and highway. Also can be at a location of farm produce in case of perishables and nearness to city market in case of goods produced for local market. Specify how accessible is the location to micro enterprises to come with raw material and depart with finished goods - distance from road, highway, city, etc.
- Details of the proposed incubation centre
 - Proposed processing lines

- Cost break up of each line (with machinery details, space requirement, cost of individual machines, capacity etc.)
- Details of auxiliary units required, waste utilization plan from the centre
- Justification for choosing each line based on local production of raw material for perishables, market for finished goods, nearness to market/cities
- Expected demand for common processing and training
- Cost break up of upgradation civil and electrical works required
- Details of testing equipment required if any for food testing lab
- Details of cost break up in case of private agency (agency contribution details)
- Recommendation of SLTI and SLAC
- A feasibility report on the proposed incubation centre.

4.9 Interested Institutes/agency should apply along with DPR to the State Nodal Agency.
