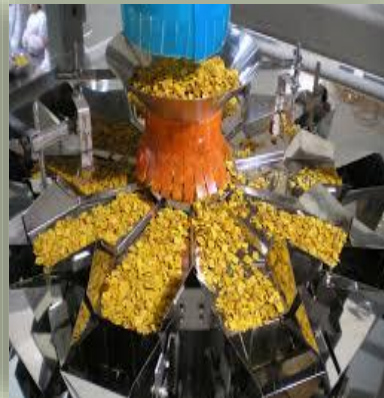




Ministry of Food Processing Industries

Opportunities in Food Processing Sector



Overview of Food Processing sector in India

- Amalgamation of 26 sub-sectors with an output of USD 600 billion
- Growth rate (CAGR) – 11% (*last 5 years*)
- Accounts for 32% of country's food market
- Employment – 1.77 million people in registered units and 4.79 million in unregistered units
- No. of processing units in the registered sector – 39,320 in 2015-16
- Export – USD 30.87 billion during 2016-17 equivalent to 11.19% of India's total export and 2.22% of total global export
- FDI - increased from USD 170.21 million in 2011-12 to USD 904.9 million in 2017-18

Strengths of India

Strong Production base...



**1st in
production of
Milk
(164 MMT)**



**2nd in
production of
Fruits &
Vegetables
(260 MMT)**



**2nd in
production of
Rice & Wheat
(197 MMT)**



**2nd in
production of
Fish
(11 MMT)**



**3rd in the
production of
Eggs
(88 billion Nos)**

Abundant Supply of Agri Produce Round the Year

Concerns

Low levels of processing

- Overall processing levels - 10%
- Fruits & Vegetables processing - 2%
- Milk Processing - 35%

High Losses

- Agri-produce Losses in Supply Chain –at US \$ 15 billion annually
- Fruits & Vegetables -4.6 to 15.9%

Opportunities

Changing Consumption Pattern

- Rising Urbanisation
- Diversifying Food Basket
- Shifting towards convenience food

Large Market Size

- 1.3 billion population (130 Crore)
- Young with growing incomes

Growing Consumption

- US\$ 414 billion in 2016(29.42LakhCrore)
- US\$ 1.1 trillion by 2025(78.71LakhCrore)

Low Levels of Processing offers huge opportunities for investment in Value Chain & Foodprocessing infrastructure

**PRADHAN
MANTRI
KISAN
SAMPADA
YOJANA
(PMKSY)**



Schemes of MoFPI

MoFPI restructured its schemes under new central sector scheme of PMKSY –

- Financial allocation of INR 6,000crore (2016-2020)
 - ✓ To provide Grant-in-aid to create robust modern infrastructure along the entire value chain
- PMKSY is expected to leverage investment of -
 - ✓ INR 31,400 crore,
 - ✓ Handling of 334 lakh MT agro-produce valuing INR 1,04,125 crore,
 - ✓ Benefit 20 lakh farmers and
 - ✓ Generate 5,30,500 direct/indirect employment in the country by the year 2019-20.

**PRADHAN
MANTRI
KISAN
SAMPADA
YOJANA
(PMKSY)**



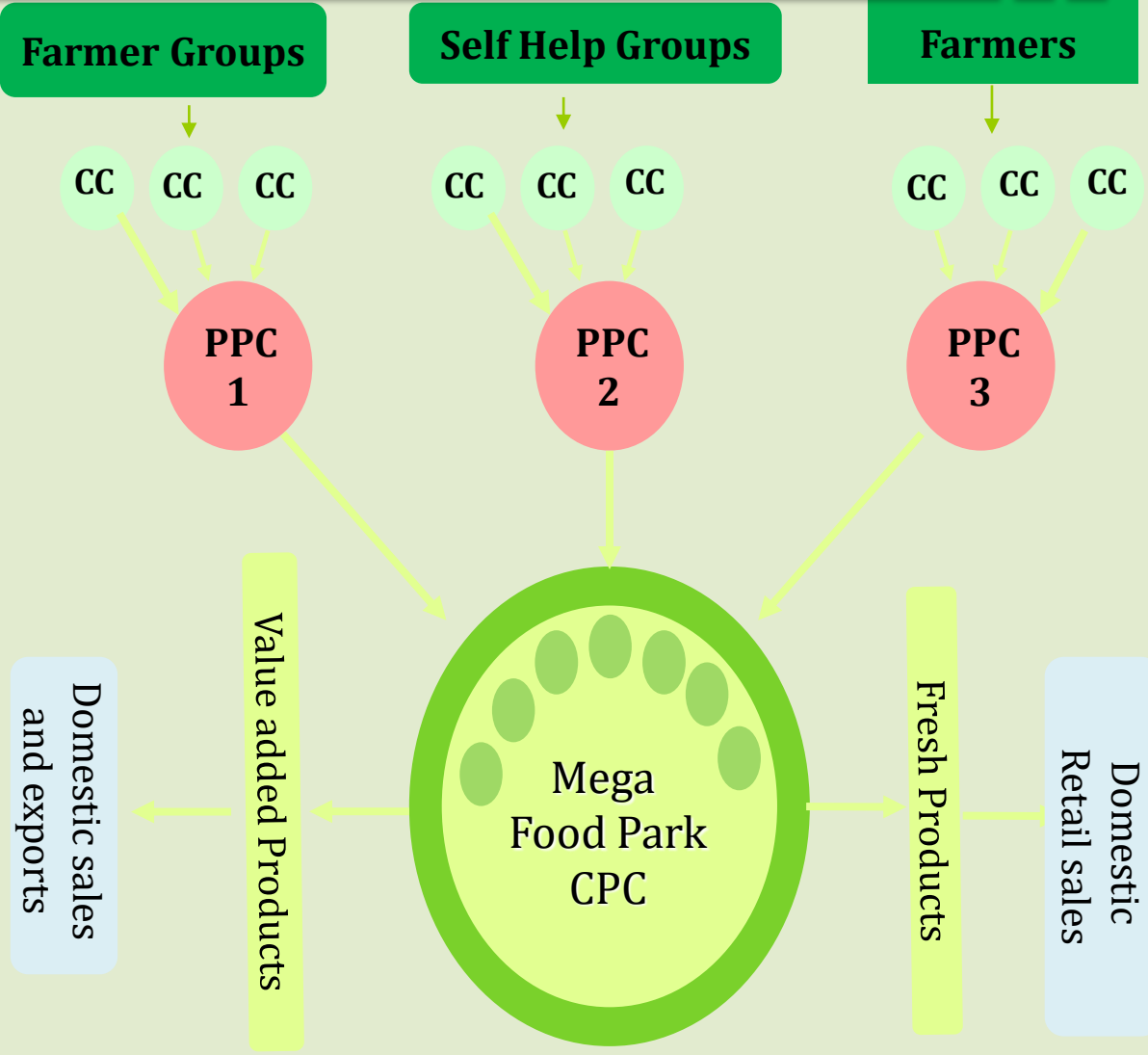
Components of the Scheme –

- (i) Mega Food Park (MFP);**
- (ii) Integrated Cold Chain and Value Addition Infrastructure;**
- (iii) Operation Greens**
- (iv) Infrastructure for Agro-Processing Clusters;**
- (v) Creation of Backward and Forward Linkages;**
- (vi) Creation/ Expansion of Food Processing & Preservation Capacities (Unit Scheme);**
- (vii) Food Safety and Quality Assurance Infrastructure; and**
- (viii) Human Resources and Institutions.**

MEGA FOOD PARK

- To provide modern infrastructure for food processing units based on hub and spoke model;
- Capital grant @ 50% of eligible project cost in general areas and @ 75% in NE / difficult / ITDP areas; max. Rs.50 crore per project for creating core processing facilities, basic enabling & non core infrastructure, SDF sheds, Primary Processing / Collection Centres etc.;
- Implemented through Special Purpose Vehicle (SPV) and State PSUs; Farmers can also form SPV.
- Each Mega Food Park to have 25-30 food processing units;
- Direct/ indirect employment to about 5,000 persons;
- Each MFP on being fully operational may benefit about 25,000 farmers.

MEGA FOOD PARK-HUB AND SPOKE MODEL



CCs:
Aggregation Points

PPCs:
Pre-cooling, Grading & Sorting, waxing, packing, Temporary storage. Supply to CPC or direct market

CPC:
Core, Basic Enabling, Non-core infrastructure, SDF sheds, Processing units

STATUS OF MEGA FOOD PARKS

- Total projects approved : 40
- Projects operational : 14
- Projects under implementation : 26
- To be made operational this year : 13

Mega Food Park Scheme

S. No.	Project name	Project Cost	Date of In-Principle	Date of Final Approval	Amount of grant approved	Amount of grant released out of ₹ 50 Cr.	Status
1.	Kerala State Industrial Dev Corpt Ltd (KSIDC), Alappuzha	129.15	31.03.15	27.11.15	50	28.80	Under Implementation
2.	Kerala Industrial Infrastructure Development Corporation (KINFRA) Palakkad	119.02	31.03.15	27.11.15	50	37.71	Under Implementation

INTEGRATED COLD CHAIN

- To provide integrated cold chain and preservation infrastructure from farm gate to consumers;
- To enhance value addition of agricultural produce;
- **Financial assistance:**
 - Storage infra (cold storage etc.) - @35% / 50% in general/ difficult areas
 - Value addition / processing infra (pack house, frozen processing units, dairy etc.) - @ 50% / 75%
 - Irradiation facilities - @ 50%/ 75%
- Max. grant **Rs. 10 crore** per project



INTEGRATED COLD CHAIN

Kerala Total 8, completed 1, ongoing 7				Project cost (Rupees in crore)	GIA approved (Rupees in crore)	GIA released (Rupees in crore)	Status
1	Inkal Ventures Private Limited	Dairy	Pattanamthitta	22.64	6.21	1.55	Under implementation
2	S H Cold Storage Pvt. Ltd.	F&V	Kozhikode, Palakkad	23.97	6.98	6.98	Completed
3	Abad Fisheries Pvt. Ltd	Fishery	Kochi	10.36	3.01	0.70	Under implementation
4	Sun Aquatic Products Pvt. Ltd	Fishery	Alappuzha	27.31	10.00	2.50	Under implementation
5	Rinac India Ltd	Marine	Ernakulam	37.29	10.00		Under implementation
6	Penver Products Limited	Marine	Aroor	46.66	10.00		Under implementation
7	The Uralungal Labour Contract Cooperative Society Ltd	Dairy	Kozhikode	28.09	9.47		Under implementation
8	Torry Harris Seafoods Private limited	Marine & Fishery	Alappuzha	31.36	10.00		Under implementation

AGRO PROCESSING CLUSTER

- Assistance for creating common facilities and enabling infrastructure closer to production areas
- Envisages a cluster of minimum 5 processing units with an investment of Rs 25 Cr
- Grant @ 35% / 50% in general/difficult areas; **max. Rs. 10 Cr.** for creation of basic enabling infrastructure for food processing
- Minimum 10 acres land is required either by purchase or on lease of 50 yrs



AGRO PROCESSING CLUSTER

S. No	Name of Agro Processing Cluster	Location/ District	Status
1	M/s Synthite Industries Private Limited	Synthite Taste Park, Block 44, Aikaranadu North Village, Distt. Ernakulam,	Under Implementation

- To plug gaps in supply chain of perishables agri-horti produce
- To connect farmers directly with processing and market
- Support for facilities like:
 - Primary processing centers/ collection centres at farm gate,
 - Distribution hub and retail outlets at the front end,
 - Reefer transport etc.
- Grant @ 35%/ 50% in general/ difficult areas; **Max. Rs. 5.00 Cr**
- Farmer Producer Organizations / Cooperatives / FPCs / SHGs / Govt. & private sector companies, processors, retailers.

BACKWARD & FORWARD LINKAGES

Sr. No.	Name of Project / firm	Sector	District	Project cost (Cr)	Approved Grant (Cr)	Released Grant (Cr)
1	Muralya Dairy Products Private Limited	Milk and Milk Products	Thiruvananthapuram	19.71	5.00	1.25
2	Baby Marine Eastern Exports	Marine	Ernakulam	12.15	3.02	0

CEFPPC (UNIT SCHEME)

- To promote food processing/ preservation units in Mega Food Parks, Agro Processing Clusters and designated Food Parks
- Grant @ 35% / 50% in general / difficult areas; **max. Rs. 5 crore** of eligible project cost (technical civil works and plant & machinery **Min. investment of Rs. 3 Cr**)
- **Eligible organizations: FPOs / FPCs / SHGs / Govt. & private sector**



CEFPPC (UNIT SCHEME)

Sr. No.	Name of the applicant	Sector	Approved Grant (Rs. in Cr.)	Released Amount (Rs. in Cr.)	Project Cost (Rs. in Cr.)	Status
1	M/s Protech Organo Foods Pvt Ltd KSIDC Mega Food Park, Pallippuram Vill. Cherthala, Alappuzha	Fish & Marine Processing	4.91	0	20.35	Under Implementation
2	M/s Cacobean Chocolate Factory Pvt Ltd No. 508, (KINFRA Small Industrial Park), Village Muzhavanoor, Taluk Kunnathunadu, Ernakulam	Consumer Products	4.28	0	14.86	Under Implementation
3	M/s Anthocyanin Naturals India Pvt Ltd KINFRA Mega Food Park, Survey No. 236/2 Part, 236/3 Part, 237 Part, 238/2 Part, Village Elappully, Palakkad	Consumer Products	3.63	0	18.77	Under Implementation
4	M/s Maak Natural Extractors Pvt. Ltd KINFRA Mega Food Park, Re-Survey No. 230/1 Part, 237 Part, 238/2 Part, Village Elappully, Palakkad	Consumer Products	4.51	0	17.86	Under Implementation

Food Testing Labs

- Facilitate industry to comply with domestic/ international standards
- Make available modern commercial testing facilities for industry
- Grant @50% / 70% of equipment in general / difficult areas for private projects and 100% for public sector
- Revised guidelines issued on 23.03.2017
- Present status:

Projects Approved	-	102
Projects completed	-	62
Projects on-going	-	40
- 60 new labs proposed



LAB PROJECT

Sr. No.	Name of the applicant	Approved Grant (Rs. in Crore)	Grant (₹. In Crore)
			Total
1	Council for Food Research and Development (CFRD), Perinjottackal, P.O. Konni, Pathanamthitta, Kerala	5.00	4.84
2	M/s Interfield Laboratories, 13/1208 A, Interprint House, Cochin,	2.44	2.38

POLICY SUPPORT

- **100% FDI in trade including E-commerce of food products manufactured and/ or produced in India**

100% income tax deduction from profit derived from activities such as post-harvest value addition to agriculture to FPOs having annual turnover of Rs. 100 crore (Budget 2018-19)

Food Processing Fund under NABARD of INR 2,000 crore for providing affordable credit to food processing units in Designated Food Parks

Priority Sector Lending - Food and Agro-based processing units and cold chain projects, subject to aggregate sanctioned limit of INR 100 crore per borrower

Designated Food Park Projects

S. No	Name of Designated Food Parks/ Promoters	Location/ District	Category (MFP / FP/ IA / IE / PP/ EPIP / IGC/APC/IC/BP)*
1	Food Park-Adoor promoted by Kerala Industrial Infrastructure Development Corporation (KINFRA)	Adoor	FP
2	Food Park - Aroor promoted by Marine Products Infrastructure Development Corporation P. Ltd. (MIDCON) / Seafood Park India Ltd.	Aroor, Distt.- Alappuzha,	FP
3	Mega Food Park promoted by Kerala State Industrial Development Corporation Limited (KSIDC)	Alappuzha	MFP
4	Food Park-Mazhuvannur promoted by Kerala Industrial Infrastructure Development Corporation (KINFRA)	Mazhuvannur , Ernakulam	FP
5	Food Park - Mallapuram promoted by Kerala Industrial Infrastructure Development Corporation	Distt. Mallapuram	FP
6	Mega Food Park promoted by Kerala Industrial Infrastructure Development Corporation (KINFRA)	Palakkad	MFP
7	Spices Park – Puttady	Puttady, Idukki	FP

Opportunities for Kerala

- Agriculture produce– Spices, Coconut, Banana, Tea, Coffee, Tapioca, Cocoa etc.
- Marine Fisheries (20% of national marine fish production)
- Connectivity -
 - 17 sea ports with a coastline of 590 kms
 - First to have 4 international airports
- Skilled & educated manpower
- Strong Infrastructure base – 7 Designated Food Parks, *including 2 MFPs*

Invest In Food Processing sector Be Part of the Growth Story ...



THANK YOU

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