

Agri and Food Processing



Agri and Food Processing

India Overview

- Total food grains production in the country is estimated at 275.68 million tonnes (2016-17)
- As per WTO's Trade Statistics, the share of India's agricultural exports and imports in the world agriculture trade in 2015 were 2.26% and 1.74%, respectively
- **AGRICULTURE** contributes 17.32% to the country's Gross Value Added during FY 2017
- **FOOD PROCESSING INDUSTRY** contributes 14% to the India's GDP through manufacturing in FY16

Consumer Food: fastest growing sector including packaged food, aerated soft drinks, packaged drinking water and alcoholic beverages

**India Ranks:
(In Production)**

1st Spices FRUITS
Milk Sugarcane
Pulses & Millets

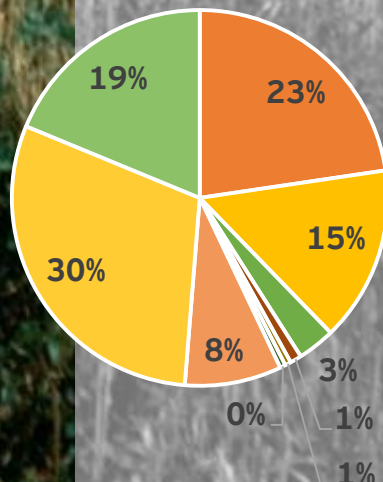
2nd Wheat TEA EGGS
Fish RICE

Contribution of Food Processing to Employment Generation
By 2024, food processing sector is expected to employ 9 million people

EXPORTS in 2016-17

- Accounting for 28.4% of the overall export value of key processed products, animal and related products have the largest value share in FY16

**Exports of Key
Processed Products-
FY16-17**



- Basmati Rice
- Non-Basmati Rice
- Guargum
- Wheat
- Other Cereals
- Floriculture
- Fresh fruits and vegetables
- Animal Products
- Other Processed Foods

Source: IBEF, Food Processing, January 2017

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Karnataka Overview

- Karnataka has over 65% of its geographical area under cultivation that is 12.40 mn Ha.
- Cropping Intensity for 2014-15 is 122%
- The contribution of Agriculture & allied activities to the overall state's GSDP is 11.68% in 2016-17
- Cereals, Pulses, Oilseeds, Cotton, Sugarcane and Tobacco account for 49%, 24%, 15%, 6%, 5% and 1% respectively of the total agricultural cropped area
- Pioneer of Organic Farming

- One of the largest producers of coarse cereal and Areca Nut.
- Karnataka is the Coffee Capital of India producing 70% of India's Karnataka is in 6th position in marine fish production and 8th position in inland fish production when compared to fish production in the country
- Only producer of Rose Onions in the Country
- Spice exports from Karnataka stood at USD 49.34 million in 2015-16.

Key Produces (Ranked in Country)

1st TAMARIND
 GHERKIN SUNFLOWER SILK
 Coffee Green Chilly

2nd P epper Maize
 GRAPES Pomegranate
 Cloves **Flowers**

3rd C ocoa
 MANGO C oconut
 Cinnamon

- Horticulture crops cover an area of 20.37 lakh hectare
- Contribution to GDP of the state - 4.4%
- Annual value of Horticultural products produced in the state is Rs.40,002 crore
- Leader in floriculture, accounting for 75% of India's total flower production
- The total fish production during 2016-17, up to end of December 2016 is 3.93 lakh tonne

The contribution of Agriculture & allied activities to the overall state's GSDP is 11.68% in 2016-17.

MSMEs in Agri & Food Processing (2015-16)

No of Units Registered
1,584

Investment (INR Lakhs)
54,180

Employment
16,190

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Karnataka's Unique Advantage

- The State has eight food parks and two major Cold Chain Facility for Export of Mango and other Horticulture Products, Storage and Packing Facilities in APMC, Hubballi and APMC, Bagalkote.
- COOLPORT at Bengaluru under ASIDE scheme
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- Truck Terminal and Logistic Park (56 Acres) at Anchetageri Village of Hubli.
- At Bengaluru an Indian Flower Auction Board (IFAB) has been established with coordination from Horticulture Department
- Cashew Technology Development Centre at Kumta in Uttara Kannada District

Upgradation / Modernization of infrastructure facility for Marine products in Tadadi port, Kumta Taluk, Karwar District

Mega Food Parks

Infrastructure: Existing and Upcoming Food Parks in Karnataka

India Food Park, Tumakuru

Bijapur Food Park

Shivamoga Food Park

Sea food park in Mangalore

Spice park at Byadagi Haveri district

Favorich Mega Food Park, Mandya

Akshaya Food Park Limited, Hiriyur

Innova Agri Bio Tech Park, Malur

Jewargi Agro Food Park Ltd, Jewargi

Green Food Park Limited, Bagalkot

Research & Development

Prominent institutions supporting in agriculture and veterinary sciences, farm industry, food engineering and various other activities

- Central Food Technological Research Institute
- National Dairy research institute
- Indian Veterinary research Institute
- Indian institute of horticulture Research
- Indian Institute of Sciences
- Incubation Centre for Agriculture Start-ups at UAS Dharwad

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Karnataka's Growth Drivers

Karnataka's Agriculture Produce Market

- First of its kind Unified Market System
- Reduction of post-harvest loss, elimination of distress sale by farmers, increased shelf life for agro-produce, availability of scientific storage ware house for farmers at their doorstep.
- Centre is planning to bring a fresh model Agricultural Produce Market Committee Act by which government plans to integrate 585 wholesale markets (mandis) into an electronic National Agriculture Market (e-NAM)

State Initiatives

Scientific storage godowns (400MT to 500MT)

182

Facilities for e-trading

87

Covered auction platform on different sizes

66

Processing units for Cleaning, Grading & Packing

61

Development of Sheep and Goat markets

27

Warehouse & Logistics

- The State Warehouse Corporation is creating 32,000 MT of planned scientific cold storage facilities in Bengaluru Urban, Bengaluru Rural, Mysuru, Kalaburagi, Vijayapura, Bagalkote and Bidar. O&M will be outsourced in PPP Basis.
- Two major Cold Chain Facility for Export of Mango and other Horticulture Products, Storage and Packing Facilities are completed in APMC Yard, Hubballi and KIADB, Bagalkote by KAPPEC

Prominent institutions providing wide range of courses in agricultural and veterinary sciences, farm machinery, food engineering and various other lines

Establishment of Modern Abattoirs in Urban Local Bodies

Karnataka Drip-to-Market Agro Corridor (DMAC: Bangalore - Hyderabad - Mumbai)

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Karnataka Agri-Business & Food Processing Policy 2015

Policy aims to achieve the target of 10% of agro processing by 2020 and 25% by 2025 in the State to develop agribusiness & agro processing as a vibrant sector for creating employment opportunities and increasing the farm returns to farmers by value addition.

FISCAL INCENTIVES:

- Investment Promotion Subsidy
- Exemption from Stamp Duty for MSME and Category A, B, C enterprises
- Concessional Registration Charges
- Reimbursement of land conversion fee
- Subsidy for setting up Effluent treatment Plant (ETP)
- Interest Subsidy for micro Enterprises
- Exemption from tax on Electric tariff
- Subsidy for technology adoption from recognized national labs

Pioneering Reforms

- Introduction of Unified e-trading Platform
- Farmers Producers Organisation
- Group Crop Insurance Scheme
- Establishment of Facilitation Cell

Integrated Policy Support Ecosystem

Karnataka Grape Processing and Wine Policy, 2007

Karnataka Organic Farming Policy, 2017

Karnataka State Infrastructure Policy, 2007

Karnataka Industrial Policy, 2014-19

Karnataka Start-up Policy 2015-20

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Key Players



TATA GLOBAL BEVERAGES

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