



FOOD PROCESSING

Towards Sustainable Growth Opportunities

DELHI



DELHI

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ACRONYMS

ABBREVIATION	DEFINITION
AHIDF	Animal Husbandry Infrastructure Development Fund
APC	Agro Processing Cluster
APEDA	Agricultural and Processed Food Products Export Development Authority
ASI	Annual Survey of Industries
ASPIRE	A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship
CAGR	Compound Annual Growth Rate
CEFPPC	Creation/Expansion of Food Processing & Preservation Capacities
CLCSS	Credit Linked Capital Subsidy Scheme
DDC	Dialogue and Development Commission of Delhi
DIDF	Dairy Processing & Infrastructure Development Fund
DMI	Directorate of Marketing & Inspection
DPIIT	Department for Promotion of Industry and Internal Trade
DPR	Detailed Project Report
DRPs	District Resource Persons
DSIIDC	Delhi State Industrial and Infrastructure Development Corporation Ltd.
e-NAM	electronic National Agriculture Market
EoDB	Ease of Doing Business
EOI	Expression of Interest
F&V	Fruits & Vegetables
FAOSTAT	Food and Agriculture Organization Corporate Statistical Database
FDI	Foreign Direct Investment
FIDF	Fisheries and Aquaculture Infrastructure Development Fund
FME	Formalization of Micro Food Processing Enterprise
FPC	Farmer Producer Company
FPOs	Farmer Producer Organisations
FSSAI	Food Safety and Standards Authority of India
FTL	Food Testing Laboratory
GIS	Geographic Information System
GSDP	Gross State Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
ha	Hectare
HACCP	Hazard Analysis and Critical Control Point
HT	High Tension
ICD	Inland Container Depot
INR	Indian Rupee
IQF	Individual Quick Freezing
Km	Kilometre
LEADS	Logistics Ease Across Different States
LLP	Limited Liability Partnership

ACRONYMS

ABBREVIATION	DEFINITION
LT	Low Tension
MIDH	Mission for Integrated Development of Horticulture
MoFPI	Ministry of Food Processing Industries
MoSPI	Ministry of Statistics and Programme Implementation
MSDE	Ministry of Skill Development & Entrepreneurship
MSEs	Micro and Small Enterprises
MSME	Micro, Small and Medium Enterprises
MT	Metric Ton
MW	Mega Watt
NABARD	National Bank for Agriculture and Rural Development
NAIFF	National Agriculture Infra Financing Facility
NCT	National Capital Territory
NDDB	National Dairy Development Board
NGO	Non-Governmental Organization
NOC	No Objection Certificate
ODOP	One District One Product
PFT	Private Freight Terminal
PLI	Production Linked Incentive
PLISFPI	Production Linked Incentive Scheme for Food Processing Industry
PLISMBP	Production Linked Incentive scheme for Millet-Based Products
PMFME	Pradhan Mantri Formalisation of Micro Food Processing Enterprises
PMKSY	Pradhan Mantri Kisan Sampada Yojana
PMKVY	Pradhan Mantri Kaushal Vikas Yojana
PMMSY	Pradhan Mantri Matsya Sampada Yojana
PSL	Priority Sector Lending
RBI	Reserve Bank of India
RTC	Ready to Cook
RTE	Ready to Eat
SFAC	Small Farmers' Agri-Business Consortium
SGST	State Goods and Services Tax
SHG	Self-Help Groups
SMEs	Small and Medium Enterprises
SNA	State Nodal Agency
SPV	Special Purpose Vehicle
Sq. KM	Square Kilometre
SWC	Single Window Clearance
UNCCD	United Nations Convention to Combat Desertification
USD	U.S. Dollar
UT	Union Territory



MCM
XIV

INDIA

MCM
XIX

TO THE DEAD OF THE INDIAN ARMIES WHO FELL AND ARE HONOURED
IN FRANCE AND IN LANDS MESOPOTAMIA AND PERSIA EAST AFRICA GALLI POLI AND ELSEWHERE
IN THE NEAR AND THE FAR EAST AND IN SACRED MEMORY ALSO OF THOSE WHOSE NAMES ARE HERE
RECORDED AND WHO FELL IN INDIA ON THE NORTH WEST FRONTIER AND DURING THE THIRD AFGHAN WAR



ABSTRACT

Establishing Strong Linkages between Industry and Agriculture:

The food processing sector plays a crucial role in establishing strong linkages between the industry and the agriculture sector. It facilitates collaboration and integration, benefiting both sectors and boosting the overall agricultural value chain.

Remarkable Growth in the Indian Food Processing Sector:

The Indian food processing sector has achieved impressive growth, surpassing a 9% average annual growth rate since 2014-15. This indicates its strong potential and contribution to the Indian economy.

Significant Increase in Processed Food Exports:

India's processed food exports have experienced a significant surge, increasing from US\$4.96 billion in 2014-15 to US\$13.07 billion in 2022-23. This growth showcases the sector's competitiveness and ability to cater to international markets.

Agricultural Strength and Vibrant Economy:

Delhi registered an impressive Gross State Domestic Product (GSDP) of USD 112.46 billion. Delhi was acknowledged as an "Achiever" among the Union Territory category and holds the second position in the Export Preparedness Index among UTs and cities. Delhi provides a favourable business environment with government policies that foster investment, making it an immensely attractive destination.

Favourable Business Environment and Government Support in Delhi:

Delhi presents abundant prospects in the food processing industry, encompassing a diverse range of products such as fruits, vegetables, and ready-to-eat/ready-to-cook items. It holds the first position in vegetable production among all Union Territories and is the largest producer of Bitter gourds, Bottle Gourds, Brinjals, Carrots, Okras, Onions, Potatoes, Tomatoes among other Union Territories. The UT has also been granted a Geographical Indicator (GI) tag for Basmati. The food processing sector in Delhi offers various opportunities including Bakery Products, Milk-based Products, and Ready-to-Eat products like Namkeens. The UT is further strengthening its food processing infrastructure through flagship schemes of the Ministry of Food Processing Industries such as Pradhan Mantri - Kisan Sampada Yojana, Pradhan Mantri Formalisation Micro Food Processing Enterprises, and the Production Linked Incentive Scheme.

01. FOOD PROCESSING IN INDIA

The food processing sector is a uniquely placed amongst the manufacturing sector due to its backward linkages to the farming activities. A well-developed food processing sector with sufficiently higher level of processing helps in the improving value addition reducing post-harvest losses, promoting crop diversification, ensuring better returns to the farmers, promoting off-farm employment as well as increasing export earnings.

India ranks first in production of pulses & milk, second in vegetable & fruit, wheat & rice and third in cereals and eggs, in the World as per FAOSTAT estimates.¹

An abundant supply of raw materials, increase in aggregate demand for processed food products and incentives offered by the Government of India has impacted food processing sector positively. The Gross Value Addition (GVA) has increased from INR 1.34 Lakh Crore in 2014-15 to INR 2.37 Lakh Crore in 2020-21 exhibiting an average annual growth rate of 9.3%. The sector constituted as much as 10.54% and 11.57% of GVA in Manufacturing and Agriculture sectors respectively in 2020-21 (at the 2011-12 prices).²



India's food and beverages market grew at a CAGR of 6.92% between 2017 - 22.³

India's food and beverages market is forecasted to grow at a CAGR of 9.94% from 2022 - 27.⁴

¹ Statistics | Food and Agriculture Organization of the United States

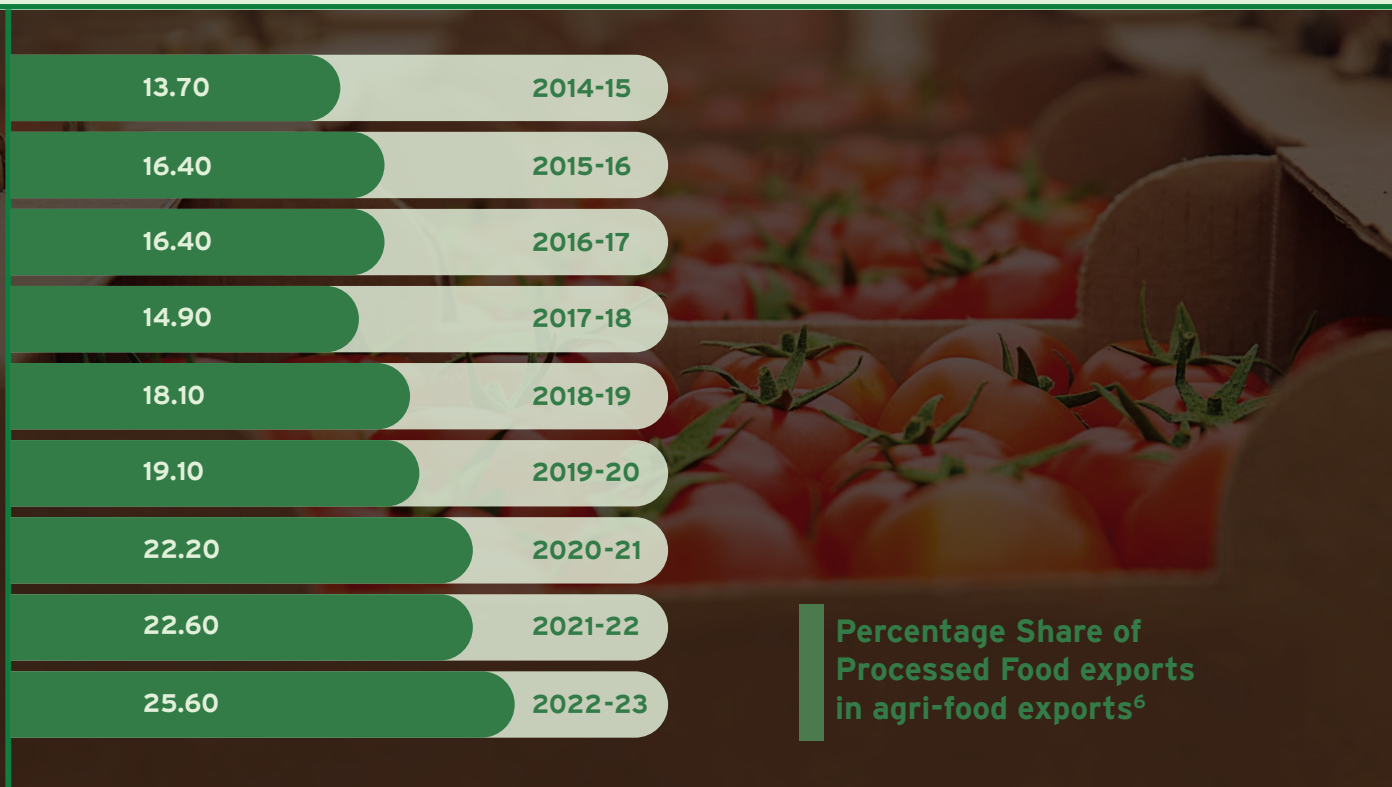
² MoFPI

³ Food and Beverages Global Market Briefing 2023 – The Business Research Company, December 2022

⁴ Ibid

As per the Annual Survey of Industries (ASI) latest estimates production of, the Food Processing Sector employees nearly 12.2 % of the workforce in the registered factory sector.

The Export of Agri-Food products has increased from US\$ 36.17 in 2014-15 to US\$ 51.05 billion in 2022-23. The Export of Processed-Food products has increased from US\$ 4.96 in 2014-15 to US\$ 13.07 billion in 2022-23. Thus, the share of the processed-food products in overall agri-food products export has increased from 13.70 % in 2014-15 to 25.60 % in 2022-23⁵.



As per an Industrial estimate, Asia Pacific emerged as the dominant region in the global food and beverages market with 41.5% share of the global food and beverages market in 2022. Within the Asia Pacific region, India's food and beverages market was the third largest, followed by China and Japan, in the said period.⁷

⁵ MoFPI

⁶ Ibid

⁷ Food and Beverages Global Market Briefing 2023 – The Business Research Company, December 2022

⁸ Ibid

02. OVERVIEW

Delhi, officially the National Capital Territory of Delhi (NCT), is a Union Territory of India, and the capital of India. The UT is located in northern India and shares borders with Haryana State on three sides and with Uttar Pradesh State to the east. Delhi is one of India's most rapidly growing regions.

Delhi enjoys an extensive network of transportation links with the surrounding regions and other significant urban centres of India, encompassing all modes of transportation, including air, rail, and road

UT Capital

Delhi

Geographic Area⁹

1483 sq. km

Population (Census 2011)¹⁰

16.79 million

Total Road Length (March 2019)¹¹

16170 km

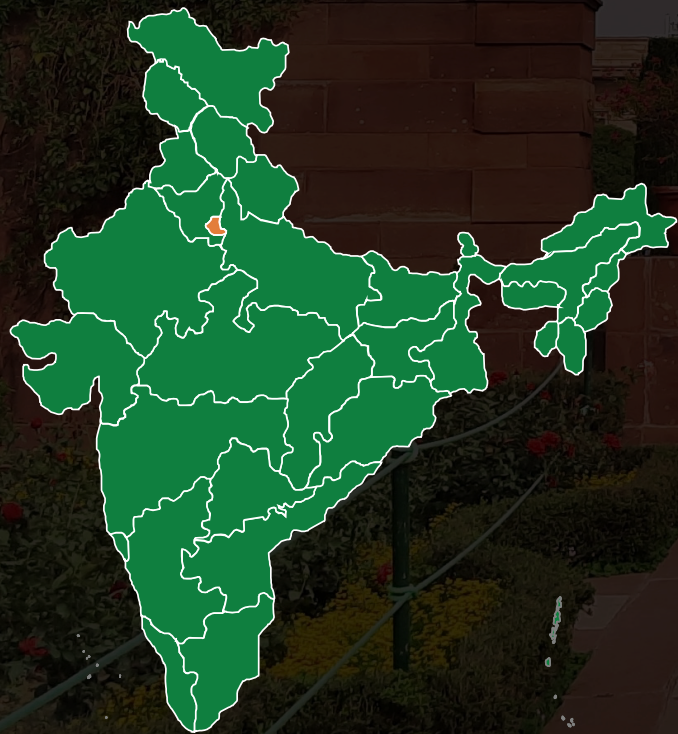
Rail length (2021)¹²

9,190 km

Industrial Area

23 Industrial estates¹³

31 Industrial Parks¹⁴



⁹ MoFPI

¹⁰ Govt of Rajasthan | Demographics and statistics | exchange rate as on 14th June, 2023

¹¹ RBI | Handbook of Statistics on Indian States | State-wise Length of Roads

¹² DPIIT | LEADS 2022 Logistics Ease Across Different States

¹³ Industrial parks and industries in the country | Press Information Bureau

¹⁴ Special Economic Zones | Press Information Bureau

Gross State Domestic Product (GSDP)¹⁵

**USD 112.46 billion
(2021-22)**

Airports¹⁷

**1 International-
Indira Gandhi
International Airport**

Installed power²¹

Thermal
5764.91 MW

Nuclear
102.83 MW

Other Renewables
1025.35 MW

Per Capita Net State Domestic Product¹⁶

USD 4,892.71 (2021-22)

Available Land¹⁸

**Mixed Category
777.78 ha**

Infrastructure²⁰

2
Inland Container Depot (ICD)

3
Private Freight Terminal (PFT)

1
Air Cargo Terminal

73
Railway Goods Sheds

19,646
MT Warehouse Capacity

1.29
lakh MT Cold Storage Capacity

¹⁵ RBI | Handbook of Statistics on Indian States | Gross State domestic product | Exchange rate as on 14th June, 2023

¹⁶ RBI | Handbook of Statistics on Indian States | Per Capita Net State Domestic Product | Exchange rate as on 14th June, 2023

¹⁷ Airports Airport Authority of India

¹⁸ India Industrial Land bank

¹⁹ APEDA | Agri Exchange | Agri Export Zone (31.05.2023)

²⁰ DPIIT | LEADS 2022: Logistics Ease Across Different States

²¹ Central Electricity Authority | Installed Capacity Report (31.03.2023)

03. ADVANTAGE DELHI



Recognised as an “Achiever” among the Union Territory category, as per DPIIT LEADS Index ²¹



Ranks 2nd in the Export Preparedness Index under the UT/City Category²²



Graded as an “Aspiring Leader” in India’s Start-up ranking²³



Ranks 1st in production of total Vegetables among all UTs²⁴



Largest UT in terms of production in Bitter gourds, Bottle Gourds, Brinjals, Carrots, Okras, Onions, Potatoes, Tomatoes etc.



Presence of about 31 Industrial Parks²⁵ and 23 Industrial Estates²⁶



Emerged as a “Top Performer” in Transport Connectivity among all Indian States/UTs²⁷



The UT ranks 1st in UT Category Niti Aayog’s Business Ecosystem Pillar ranking in India²⁸



An extensive road and rail connectivity.

²¹ DPIIT | LEADS ²⁰²²: Logistics Ease Across Different States

²² Niti Aayog | Export Preparedness Index 2021

²³ States Start-up Ranking Results ²⁰²¹ | Ministry of Commerce & Industry

²⁴ Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for ²⁰²¹⁻²² (3rd Advance Estimates)

²⁵ Industrial parks and industries in the country | Ministry of Commerce & Industry

²⁶ Delhi Development Authority | Industrial Properties

²⁷ Niti Aayog | Export Preparedness Index 2021

²⁸ ibid

04. LOCAL FOOD SYSTEM

4.1 INDIGENOUS PRODUCE

The primary food crops in the region are wheat, bajra, jowar, gram, and maize. Delhi produces tomato, potato, radish, okra, and onion among vegetables²⁹. The agro-climatic zones of UT is heavily influenced by the Trans-Gangetic Plains region³⁰. Gross sown area in the UT is about 59 thousand hectares and the net sown area is 22 thousand hectares available for production in the year 2018-19.³¹

STATE HAS RECEIVED 1 GEOGRAPHICAL INDICATOR (GI) TAG FOR³² -

▀ Basmati Rice

KEY PRODUCTION STATISTICS ARE PRESENTED BELOW^{33&34}

CROPS

'000 tonnes

RICE

19.70

COARSE CEREALS

8.40

WHEAT

83.60



VEGETABLES

'000 tonnes

ONION

17.02

CAULIFLOWER

48.47

OKRA

16.23

RADDISH

41.49

²⁹ Agri Exchange | APEDA

³⁰ Mechanization and Technology | Farmech

³¹ RBI | Handbook of Statistics on Indian States

³² Intellectual Property | Registration Details of Geographical Indications

³³ Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for 2021-22 (3rd Advance Estimates)

³⁴ RBI | RBI Handbook of Statistics on Indian States

4.2 KEY PRODUCTION HIGHLIGHTS



Ranked 1st in **Bottle Gourd**-production among the UTs



Ranked 1st in **Bitter Gourd** production among the UTs



Ranked 1st in **Okra** production among the UTs



Ranked 1st in **Brinjal** production among the UTs



Ranked 1st in **Onion** production among the UTs



Ranked 1st in **Carrot** production among the UTs



Ranked 1st in **Cauliflower** production among the UTs



Ranked 1st in **Potato** production among the UTs



Ranked 1st in **Tomato** production among the UTs



05. PRODUCTION CLUSTERS ^{35&36}

The list below showcases the Production Clusters within the State under the Pradhan Mantri Formalisation of Micro Food Processing Enterprises Scheme (PMFME) -

BAKERY products

Central Delhi, New Delhi, South Delhi,
South East Delhi, West Delhi



READY TO EAT products (Namkeens)

South West Delhi, North West Delhi



MILK based products

East Delhi, North Delhi,
North East Delhi, Shahdara



³⁵ ONE DISTRICT ONE PRODUCT– MoFPI

³⁶ Source: Ministry of Food Processing Industries

06. AGRICULTURAL MARKETING

The Delhi Agricultural Produce Marketing (Regulation) Act was promulgated with the aim of improving the regulation of the procurement, vending, stockpiling, and handling of agricultural produce and for the formation of agricultural produce markets within the National Capital Territory of Delhi, as well as those connected to it. The Delhi Agricultural Marketing Board is the apex body of this organizational structure.



³⁷ Statutory Bodies | Directorate of Agricultural Marketing | Govt. of NCT of Delhi

³⁸ DATA OF REGISTERED FPOs | Ministry of Agriculture & Farmers Welfare

³⁹ Ministry of Consumer Affairs, Food & Public Distribution | Agro Warehouses in the Country

⁴⁰ Food Processing Industries | Ministry of Food Processing Industries

⁴¹ Agmarket | Directorate of Marketing & Inspection (DMI), Ministry of Agriculture and Farmers Welfare

⁴² Ministry of Consumer Affairs, Food & Public Distribution | Storage of Food Grains

07. POTENTIAL OPPORTUNITIES

BAKERY

Delhi offers several bakery investment opportunities due to the increasing demand for baked goods in the region. Under the “One District One Product” initiative, bakery products have been identified as the main product in a total of 5 districts of Delhi. Some potential investment options include:

- Opening a franchise of a popular bakery chain that already has a strong brand presence in Delhi.
- Investing in a specialized bakery that focuses on a particular niche, such as gluten-free or vegan baked goods.
- Setting up a bakery that caters to the growing trend of health-conscious consumers, offering healthier options like whole-grain bread and sugar-free desserts.

Overall, Delhi's growing population and increasing urban disposable income make it an attractive market for bakery investors. In addition, Delhi's vibrant culture and changing consumer trends keep the demand for cakes & other bakery products high.





RICE

Delhi has received a Geographical Indicator (GI) tag for its Basmati Rice. This opens up various opportunities in the UT's food processing sector:

- **Export Potential:** Basmati rice is highly sought after globally for its long-grain, aromatic characteristics. With the good quality production of rice in the UT, there's an opportunity for exporting it to regions with high demands.
- **Value Addition:** The food processing sector can add value to Basmati rice by offering processed and packaged products such as parboiled rice (healthier alternative), flavoured rice, ready-to-eat rice meals, rice-based snacks, and more.



FRUITS & VEGETABLES

- Delhi is home to Asia's largest fruit and vegetable market, Azadpur Mandi which is significant centre for distribution of fruits like apple, banana, orange, mango and vegetables like potato, garlic, onion and ginger
- Fruit and vegetable processing units, packaging facilities, and value-added product manufacturers
- Processing units can create a variety of products like frozen fruits and vegetables, fruit juices, canned products, and dehydrated snacks.

08. GOVERNMENT OF INDIA SCHEMES FOR FOOD PROCESSING

8.1 SCHEMES UNDER MINISTRY OF FOOD PROCESSING INDUSTRIES⁴⁴

Support rendered under the scheme of Ministry of Food Processing Industries, Government of India are mentioned below:

8.1.1 PRADHAN MANTRI KISAN SAMPADA YOJANA (PMKSY)

Brief of Scheme

Given the nature and size of processing units operating in the food processing sector, investment requirements in basic infrastructure and common facilities are enormous. In order to attract private investment to the food processing sector, the Ministry of Food Processing Industries has taken various initiatives through schemes to develop infrastructure, expand processing capacity, and provide other supportive measures for the healthy growth of the industry. To streamline these efforts, all these schemes have been integrated under a comprehensive program called the Pradhan Mantri Kisan Sampada Yojana (PMKSY), which was launched on May 3rd, 2017.

PMKSY has the following component schemes.

- Mega Food Parks
- Integrated Cold Chain and Value Addition Infrastructure
- Creation/Expansion of Food Processing & Preservation Capacities (Unit Scheme)
- Infrastructure for Agro-Processing Clusters
- Creation of Backward and Forward Linkages
- Food Safety and Quality Assurance Infrastructure
- Human Resources and Institutions
- Operation Greens

PMKSY is a comprehensive package that aims to establish modern infrastructure with efficient supply chain management, spanning from the farm gate to the retail outlet. This initiative not only provides a significant boost to the growth of the food processing sector in the country but also contributes to better returns for farmers. It is a crucial step towards doubling farmers' income, generating substantial employment opportunities, particularly in rural areas. Additionally, it helps reduce agricultural produce wastage, promotes higher levels of processing, and enhances the export of processed foods.

⁴⁴ MoFPI | Annual Report (2022- 2023)

Initially approved with a budget of INR 6,000 Crore for the period 2016-20, aligned with the 14th Finance Commission cycle, PMKSY's timeline was subsequently extended to FY 2020-21. The Government has now decided to restructure the component schemes for implementation during the 15th Finance Commission, with a total outlay of INR 4,600 crore. This revision includes the provisions for committed liabilities of its component schemes such as Mega Food Park, Creation of Backward & Forward Linkages, and Human Resources and Institution - Skill Development, Promotion Activities and HACCP, as these components have been discontinued in the 15th FC cycle. The component scheme continued during the 15th Finance Commission Cycle for new projects are:

- **Integrated Cold Chain and Value Addition Infrastructure (ICC)**
- **Creation/Expansion of Food Processing & Preservation Capacities (CEFPPC)**
- **Infrastructure for Agro-Processing Clusters (APC)**
- **Food Safety and Quality Assurance Infrastructure (FTL)**
- **Human Resource and Institutions - R&D**
- **Operation Greens**

8.1.2

PRADHAN MANTRI FORMALISATION OF MICRO FOOD PROCESSING ENTERPRISES SCHEME (PMFME)

Introduction

In line with the Aatmanirbhar Bharat Abhiyan initiative, the Ministry of Food Processing Industries (MoFPI) has introduced a nationwide centrally sponsored scheme called the "PM Formalisation of Micro food processing Enterprises (PMFME) Scheme." This scheme aims to provide financial, technical, and business support to establish or upgrade micro food processing enterprises. It was approved by the Union Cabinet on 20th May 2020, and the scheme's guidelines were issued on 19th June 2020. The PMFME Scheme will be implemented over a period of five years, from 2020-21 to 2024-25, with a budget allocation of INR 10,000 Crore. The scheme aims to directly assist two lakh micro food processing units by providing credit-linked subsidies.

Objectives

Recognizing the significance of unorganized micro food processing enterprises and the obstacles they face; the Ministry of Food Processing Industries (MoFPI) is implementing the scheme by providing a comprehensive package of support and services. The objectives of the scheme are as under:

- **Increased access to credit by existing Micro Food Processing entrepreneurs, FPOs, Self Help Groups and Co-operatives.**
- **Integration with organized supply chain by strengthening branding & marketing**
- **Support for transition of existing 2,00,000 enterprises into formal framework.**
- **Increased access to common services like common processing facility, laboratories, storage, packaging, marketing, and incubation services.**
- **Strengthening of institutions, research, and training in the food processing sector.**
- **Increased access for the enterprises to professional and technical support.**

Provisions under the Scheme

Support for setting up / upgradation of Micro Food Processing Enterprises

- Support for setting up of new micro food processing enterprises and for upgradation of existing micro food processing enterprises are provided under the scheme.
- Organizations such as Individual entrepreneurs/ Proprietorship Firms/ Partnership Firms/ FPOs / NGOs / Cooperatives/ SHGs / Pvt. Ltd. Companies, who have established or propose to establish micro food processing unit, are eligible for financial assistance under the Scheme.
- Credit-linked capital subsidy @35% of the eligible project cost, maximum ceiling INR 10 lakhs per unit. Eligible project cost comprises cost of plant and machinery and technical civil work, but excludes cost of land/ rental or lease work shed. However, technical civil work should not be more than 30% of the eligible project cost.
- Beneficiary contribution - minimum of 10% of the project cost, balance loan from Bank.
- Applicant/Enterprise is eligible for bank loan under the Scheme, even if he has availed bank loan in other Subsidy Linked Schemes of Government. Applicant is also eligible for Interest Subvention and Top Up convergence with other relevant Government Sponsored Schemes. Lending Banks may consider sanctioning need based working capital limit to the beneficiaries, as admissible. However, no subsidy is provided on the working capital.

Support for setting up of common infrastructure Facilities

- Organisations such as Farmer Producer Organisations (FPOs)/ Farmer Producer companies (FPCs)/ Cooperatives/Self Help groups (SHGs) and its Federation/Govt. agencies, who have established or propose to establish food processing line along with common infrastructure/value chain/incubation centres are eligible for financial assistance under this component of the Scheme.
- Credit-linked capital subsidy @35% of the eligible project cost, maximum ceiling INR 3 Crore per unit would be provided. Eligible project cost comprises cost of plant and machinery and technical civil work but excludes cost of land/rental or lease work shed. However, technical civil work should not be more than 30% of the eligible project cost.
- Total eligible project cost should not exceed INR 10 Crore. There will be no pre condition of minimum turnover and experience of the applicant organization.
- The applicant organization's contribution should be minimum of 10% of the project cost with balance required funds being loan from Bank. Before applying on the portal, the applicant organization is also required to submit in-principal approval from the lending bank for the loan envisaged in the means of finance of the project.
- Assistance of INR 50,000/- per case is provided to the applicant organisation for preparation of Detailed project report.

Support to Self-Help Groups (SHGs)

- Seed capital @ INR 40,000/- per member of SHG for working capital and purchase of small tools
- Seed capital to be given as grant to the SHG Federations which should provide as a loan to the members of SHGs

Branding and Marketing Support

- Grant upto 50% for Branding and Marketing support to groups of FPOs/ SHGs/ Cooperatives or an SPV of micro food processing enterprises. It is to be provided for ODOP product at the State or regional level.
- Developing a common brand and packaging including standardization and common packaging for branding.
- Marketing tie-up with national and regional retail chains and state level institutions; and Quality control to ensure product quality meets required standards.
- Support to the said activity under provisions of marketing and branding could also bring competitive price realisation according to the targeted market and customer base.

Capacity Building

The capacity development aspect of the Scheme encompasses a wide range of initiatives aimed at empowering institutions, individuals, and groups. Training plays a pivotal role within this component. The Scheme aims to provide training to various stakeholders, including trainers such as Master Trainers and District Level Trainers, as well as District Resource Persons. Additionally, both existing and new food processing entrepreneurs, along with members of different groups such as Self-Help Groups (SHGs), Farmer Producer Organizations (FPOs), and Cooperatives, engaged in food processing activities, will receive training through the Food Processing Entrepreneurship Development Program. District Resource Persons (DRPs) are appointed by State Nodal Agencies (SNAs) to provide ongoing support to beneficiaries, including assistance with application filing, preparation of Detailed Project Reports (DPR), and guidance for formalization and operationalization processes.

8.1.3

PRODUCTION LINKED INCENTIVE SCHEME FOR FOOD PROCESSING INDUSTRY (PLISFPI)

The food processing industry in India includes manufacturing enterprises at all scales, ranging from micro to large industries. India possesses a competitive advantage due to its abundant resources, a sizable domestic market, and opportunities for promoting value-added products. To unlock the full potential of this sector, Indian companies need to enhance their competitive strength compared to global counterparts in terms of output scale, productivity, value addition, and their integration into the global value chain.

The Central Sector Scheme known as the Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) aims to support the establishment of global food manufacturing champions in line with India's abundant natural resources. It also aims to promote Indian food product brands in international markets. The scheme has a budget allocation of INR 10,900 crore. The PLISFPI has been developed based on the Production Linked Incentive scheme of NITI Aayog under the "Aatma Nirbhar Bharat Abhiyaan for Enhancing India's Manufacturing Capabilities and Enhancing Exports." The scheme will be implemented over a period of six years, from 2021-22 to 2026-27.

The objectives of the scheme are to provide support to food manufacturing entities that meet the specified minimum sales criteria and are willing to make the required minimum investment for expanding their processing capacity. The scheme also aims to offer branding support for promoting Indian brands in international markets, with the intention of incentivizing the development of strong Indian food product brands. The scheme seeks to not only facilitate the establishment of global food manufacturing champions but also to enhance the presence and acceptance of selected Indian food product brands in international markets. In addition, the scheme aims to generate more employment opportunities in non-farm sectors, ensure better prices for agricultural produce, and increase income for farmers.

The first component of the Scheme focuses on providing incentives for the manufacturing of four primary food product segments, namely *Ready to Cook/ Ready to Eat (RTC/ RTE) foods, including products based on millets, processed fruits & vegetables, marine products, and mozzarella cheese. The second component is dedicated to the production of innovative and organic products by Small and Medium Enterprises (SMEs) in these four segments. This includes products such as free-range eggs, poultry meat, and egg products. The third component is centered around offering support for branding and marketing activities overseas. This aims to encourage the development of strong Indian brands through in-store branding, renting of shelf space, and marketing initiatives.*

An additional element pertaining to Millet Based Products was incorporated into the scheme. This inclusion aimed to promote the utilization of millets in Ready to Cook/Ready to Eat (RTC/RTE) products and provide incentives for their value addition and sale in both domestic and export markets under the PLI Scheme. The millet-based products with over 15% millet content by weight/volume are covered under this component.

Approved Applications under PLISFPI Scheme

SCHEME	SEGMENT	NO. OF APPROVALS	TOTAL
CATEGORY 1	RTE/RTC	12	56
	Fruits & Vegetables	29	
	Marine	11	
	Mozzarella Cheese	4	
CATEGORY 2	Innovative	2	16
	Organic	14	
CATEGORY 3	B&M	78	78
PLISMBP	Large Entities	8	30
	MSME	22	

Achievements of MoFPI schemes in Delhi (as on date: 31.05.2023)⁴⁵

PRADHAN MANTRI KISAN SAMPADA YOJANA (PMKSY)

SCHEME NAME	NO. OF PROJECTS APPROVED	TOTAL PROJECT COST (INR CR)
FOOD TESTING LABORATORY	8	27.11

PRADHAN MANTRI FORMALIZATION OF MICRO FOOD PROCESSING ENTERPRISE SCHEME (PMFME)

SCHEME NAME	NO. OF PROJECTS APPROVED
MICRO ENTERPRISES APPROVED UNDER FME (Formalisation of Micro Food Processing Enterprises Scheme)	116 (as on 07-06-2023)

⁴⁵ Ministry of Food Processing Industries

8.2 SCHEMES BY ALLIED MINISTRIES

Support rendered under various schemes of Allied Ministries of the Government of India is mentioned below:

1 **Mission for Integrated Development of Horticulture (MIDH) Scheme⁴⁶**

A centrally sponsored scheme under the Ministry of Agriculture and Farmers Welfare for the holistic growth of the horticulture sector covering fruits, vegetables, root & tuber crops, mushrooms, spices, flowers, aromatic plants, coconut, cashew, cocoa, and bamboo. Under MIDH, financial assistance is provided for following major interventions/activities:

- Setting up of nurseries, tissue culture units for production of quality seed and planting material;
- Area expansion i.e. Establishment of new orchards and gardens for fruits, vegetables, and flowers;
- Rejuvenation of unproductive, old, and senile orchards;
- Protected cultivation, i.e. poly-house, green-house, etc, to improve the productivity & grow off season high value vegetables and flowers;
- Organic farming and certification;
- Creation of water resources structures and watershed management;
- Bee-keeping for pollination;
- Horticulture Mechanization;
- Creation of Post Harvest Management and Marketing infrastructure.

2 **National Agriculture Infra Financing Facility (NAIFF) Scheme⁴⁷**

The National Agriculture Infra Financing Facility (NAIFF) is an online single window facility under the aegis of the Department of Agriculture & Farmers Welfare. The objective of the initiative is to provide impetus for development of farm gate & aggregation point, affordable and financially viable Post Harvest Management infrastructure, with a financing facility worth INR 1,00,000 Crores, by converging all schemes of central & State governments.

3 **Fisheries and Aquaculture Development Infrastructure Fund (FIDF)⁴⁸**

Government of India has created a dedicated fund, FIDF, implemented by the National Fisheries Development Board with a total fund outlay of INR 7522.48 crore (US\$ 940.31 Million). Under FIDF, creation of fisheries infrastructure facilities both in marine and inland fisheries sectors are augmented, including fishing harbours, fish landing centres, construction of ice plants, cold storage, transport facilities etc.

⁴⁶ Mission for Integrated Development of Horticulture (MIDH)

⁴⁷ National Agriculture Infra Financing Facility

⁴⁸ Department Of Fisheries

4 Pradhan Mantri Matsya Sampada Yojana (PMMSY) Scheme⁴⁹

Pradhan Mantri Matsya Sampada Yojana (PMMSY) is a flagship scheme under the Department of Fisheries, Ministry of Fisheries, Animal Husbandry and Dairying to facilitate the Blue Revolution, promoting sustainable and accountable growth in the fisheries industry in India, an approximate investment of INR 20050 crores (US\$ 2.51 Billion) has been allocated. This investment aims to ensure comprehensive development of the fisheries sector, while also prioritizing the well-being of fishers. Supporting activities under PMMSY:

- Enhancement of Production and Productivity
- Infrastructure and Post-harvest management
- Fisheries management & Regulatory framework

5 Animal Husbandry Infrastructure Development Fund (AHIDF)⁵⁰

The Department of Animal Husbandry and Dairying is implementing the Animal Husbandry Infrastructure Development Fund (AHIDF) scheme with an outlay of INR 15000 crore (US\$ 1.88 Billion) under the Atma Nirbhar Bharat Abhiyan stimulus package. The objective of the scheme is to help increase milk and meat processing capacity and product diversification in the country.

6 Dairy Processing & Infrastructure Development Fund (DIDF)⁵¹

DIDF is implemented with a total outlay of INR. 11,184 crores with National Bank for Agriculture and Rural Development (NABARD), comprising a corpus fund of INR 8004 crores have been set up for the creation of dairy processing infrastructure. The objective is to provide subsidized loans @6.5% to capital-stressed milk cooperatives for replacing their decades-old chilling and processing plants and addition of value-added product plants. The National Dairy Development Board (NDDB) is the implementing agency of the fund.

7 Agriculture Export Promotion Plan Scheme of APEDA (Agricultural and Processed food Products Export Development Authority)⁵²

The Agriculture Export Promotion Plan Scheme of APEDA supports the development and promotion of export of products like, Fruits, vegetables and their products, Meat and meat products, Poultry and poultry products, Dairy products, Confectionary, biscuits, and bakery products, etc. The scheme is designed to boost agricultural product exports, offers support to exporters by addressing challenges in the industry. It accomplishes this by understanding exporter difficulties, providing necessary assistance to overcome obstacles, and offering financial aid in areas such as export infrastructure development, quality enhancement, and market expansion. The scheme focuses on three broad components viz,

- Infrastructure Development
- Market Development
- Product Quality Development

8 Credit Linked Capital Subsidy Scheme (CLCSS) of Ministry of MSME (Ministry of Micro, Small and Medium Enterprises)⁵³

The objective of the CLCSS Scheme is to facilitate technology up-gradation in MSEs by providing interest subsidy on upgrade of plant & machinery with state-of-the-art technology. The scheme provides an upfront capital subsidy of 15% (on institutional finance of upto INR 1 crore availed by them) for induction of well-established and improved technology.

⁴⁹ Pradhan Mantri Matsya Sampada Yojana

⁵⁰ Animal Husbandry Infrastructure Development Fund (AHIDF) | Department of Animal Husbandry and Dairy

⁵¹ Dairy processing & Infrastructure Development Fund (DIDF) | Department of Animal Husbandry and Dairy

⁵² Agriculture And Processed Foods Export Promotion Scheme of APEDA for the 15th Finance Commission Cycle (2021-22 To 2025-26)

⁵³ Credit Linked Capital Subsidy Scheme for Technology Upgradation | Ministry of Micro, Small & Medium Enterprises Credit Linked Capital Subsidy Scheme

9

Venture Capital Assistance Scheme of SFAC (Small Farmers' Agri-Business Consortium)⁵⁴

Venture Capital Assistance is financial support in the form of an interest-free loan provided by SFAC (Small Farmers' Agri-Business Consortium) to qualifying projects to meet the shortfall in the capital requirement for the implementation of the project.

10

A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE)⁵⁵

ASPIRE- A scheme for promotion of Innovation, Rural Industry and Entrepreneurship, is being implemented by the Ministry of Micro, Small & Medium enterprises (MSME). The objective of the scheme is to set up a network of technology centres and to set up incubation centers to accelerate entrepreneurship and to promote startups for innovation in the agro-industry. The scheme also envisages programmes to facilitate Forward and Backward linkages with multiple value chain of manufacturing and service delivery will also be put in place

11

Pradhan Mantri Kaushal Vikas Yojana (PMKVY)⁵⁶

PMKVY is the flagship scheme of the Ministry of Skill Development & Entrepreneurship (MSDE), implemented by National Skill Development Corporation. The objective of the PMKVY scheme is to encourage and promote skill development in the country by providing free short-duration skill training and incentivizing this by providing monetary rewards to youth for skill certification. The overall idea was to boost the employability of youth corresponding to the industrial demand. The scheme can be leveraged for skill development in the food processing sector



⁵⁴ Small Farmers' Agri-Business Consortium | Venture Capital Assistance Scheme

⁵⁵ A Scheme For Promotion Of Innovation, Rural Industries & Entrepreneurship (ASPIRE) | Ministry of Micro, Small & Medium Enterprises

⁵⁶ Pradhan Mantri Kaushal Vikas Yojana | Ministry of Skill Development & Entrepreneurship

8.3

GOVERNMENT OF INDIA INCENTIVES FOR THE FOOD PROCESSING SECTOR

Income tax incentive to the Food Processing sector⁵⁷

- 100% deduction on profits and gains for new Food Processing Units for the initial 5 assessment years and 25% (30% for companies) for the next 5 years.
- 100% deduction on the expenditure on capital invested for setting up and operating Cold Chain and Warehouse Storage facilities for agricultural produce.



Agro-Processing included in Priority Sector Lending

- Loans for food and agro-processing up to an aggregate sanction limit of INR 100 crore per borrower classified under agricultural activity for Priority Sector Lending (PSL) - RBI Master Directions dated 4th September, 2020.
- Loans to MSMEs engaged in "food and agro-processing" are eligible for classification under Priority Sector Lending (PSL).



100% FDI permitted

- 100% FDI permitted under automatic route in manufacturing of food products since 2016-17.
- 100% FDI allowed through government-approval route for retail trading, including through e-commerce, in respect of food products manufactured/ produced in India since 2016-17.



Automatic Route

Under the Automatic Route, the non-resident investor or the Indian company does not require any approval from the Government of India for the investment.

Government Route

Under the Government Route, prior to investment, approval from the Government of India is required. Proposals for foreign direct investment under Government route, are considered by respective Administrative Ministry/ Department.

⁵⁷ "Key Reforms in the Food Processing Sector Since 2014-15" | MoFPI

09. UT GOVERNMENT INITIATIVES AND SCHEMES

The UT Government has undertaken several reforms to offer an enabling and investor-friendly business climate for investors keen on setting up business in the UT. Some of the key initiatives by the UT are mentioned in the Table below:

“e-District”



A comprehensive and web-enabled service portal through which citizens can access various services provided by the Government. It provides end-to-end integrated solutions to various services availed through this portal. By using E-District platform, you can avail various services of the Government at the click of a button. E-District also provides for online verification of various certificates issued by multiple Department

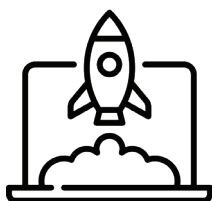
 edistrict.delhigovt.nic.in



Central Industrial Land Bank Portal:

A GIS-based portal covering about 4,000 industrial parks serving as a one-stop repository of all infrastructure-related information such as connectivity, infra, natural resources and terrain, plot-level information on vacant plots and contact details.

 iis.ncog.gov.in



Delhi Start-up Policy 2022:

The Delhi Start-up Policy envisages the emergence of Delhi as a Global Innovation Hub and the most preferred destination for Start-ups by 2030. The creating an enabling ecosystem for an innovation-based economy and fostering entrepreneurial spirit through a robust support mechanism. The Dialogue and Development Commission (DDC) of Delhi led the primary and secondary research, wide-ranging consultations, and comprehensive advisory on the policy since 2019.

10. REGULATORY FRAMEWORK: REGISTRATION/NOCS/ LICENSES

Table 8 below represents the indicative information regarding Regulatory Mechanism available in the UT.

FOR STARTING OPERATIONS

S.No	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
1.	License for Cold Storage	Warehousing Development and Regulatory Authority Department of Food and Public Distribution, Government of India
2.	Registration under FSSAI Act,2006, regulation 2011	FSSAI, Health & Family Welfare Department, & Food Safety
3.	License under FSSAI Act,2006, regulation 2011	FSSAI, Health & Family Welfare Department, & Food Safety
4.	License under Contract Labour Act, (Regulation and Abolition), 1970	Labour Commissionerate
5.	Registration under GST (Goods and Services Tax Rules, 2017)	Department of Trade & Taxes
6.	Consolidated Consent & Authorization under Water Act, 1974, Air Act, 1981 & Authorization under The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Delhi Pollution Control Committee
7.	Application for Pre-Operational Fire NOC (National Building Code, 2005)	Department of Delhi Fire Services

FOR SETTING UP OF BUSINESS

S.No	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
8.	Land allotment in departmental industrial estates	Industries Department
9.	Application for Land / Plot Allotment	Delhi State Industrial and Infrastructure Development Corporation Ltd. (DSIIDC)
10.	Application for new connection LT / HT line non-domestic / industrial	Delhi Vidyut Board
11.	Application for Water Connection	Delhi Jal Board
12.	Application for building plan approval	Labour Department
13.	Application for Completion cum Occupancy Certificate	Department of Urban Development
14.	Consent to Establish under Water (Prevention and Control of Pollution) Act, 1974	Delhi Pollution Control Committee
15.	Consent to Establish under Air (Prevention and Control of Pollution) Act, 1981	Delhi Pollution Control Committee
16.	Consent to Operate under Air (Prevention and Control of Pollution) Act, 1981	Delhi Pollution Control Committee
17.	Application for Pre- Establishment Fire NOC (National Building Code, 2005)	Department of Delhi Fire Services
18.	Site Plan Approval under the Factories Act, 1948	Labour Commissioner

FOR POST-OPERATIONS

S.No	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
19.	Renewal of License for Cold Storage	Warehousing Development and Regulatory Authority Department of Food and Public Distribution, Government of India

11. MAJOR PLAYERS IN FOOD PROCESSING AND ALLIED SECTORS

**BENEFICIARIES UNDER FOOD SAFETY & QUALITY ASSURANCE
INFRASTRUCTURE SCHEME, UNDER PMKSY SCHEME OF MOFPI,
GOVERNMENT OF INDIA**

NAME OF THE FIRM	LOCATION
Shriram Institute for Industrial Research, Delhi	New Delhi
Sophisticated Indl. Materials Analytic Labs. Pvt. Ltd.	New Delhi
Spectro Analytical Labs Ltd.	New Delhi
Avon Food Laboratory Pvt. Ltd.	New Delhi
Sigma Test and Research Centre	New Delhi
Alpha Test House	New Delhi

12. LIST OF FARMER PRODUCER ORGANISATIONS

A total of 5 Farmer Producer Organisations (FPO) are present in the UT which are presented in Table below-

NAME OF THE FIRM	ADDRESS / CONTACT	COMMODITY
Dabar Kishan Society New Delhi	H.No-342, Vpo-Ghumanhera, New Delhi-110073	Cabbage, Bottle Guard, Wheat
Karshak Janhit Samiti Dichaon Kalan New Delhi	H.No- 250, Near Pole No. 100, Dichoan Kalan, Bada Pana, Bako Gali, Tal: Najafgarh, Dist: South West Delhi, New Delhi	Spinach, Cauliflower, Radish
Krishak Bharti Seeds & Fertilizers Private Ltd	House no 316. Subhash chowk, Bakhtawarpur, Tal : Kasturba Nagar, Dist : New Delhi, Delhi. Village and Post office Baktavarpur Delhi- 110036	Spinach, Cauliflower, Radish
Shubham Bansal	A-38 KABEER NAGAR, 100 FUTA ROAD, SHAHADRA	COCONUTS, BANANAS, POMEGRANATE
Spv Organic Agro Producers Private Ltd.	At & Po : Palla, Near Ganesh Temple, Block : Alipur, Tal : Malviya Nagar, Dist : New Delhi, Delhi.	Spinach, Brinjal, Radish
Dabar Kishan Society New Delhi	H.No-342, Vpo-Ghumanhera, New Delhi-110073	Cabbage, Bottle Guard, Wheat

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
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DELHI

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