

# FOOD PROCESSING

Towards Sustainable Growth Opportunities



# UTTAR PRADESH

# UTTAR PRADESH





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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
CAGR	Compound Annual Growth Rate
CEFPPC	Creation/Expansion of Food Processing & Preservation Capacities
CLCSS	Credit Linked Capital Subsidy Scheme
CLU	Change of Land Use
DIDF	Dairy Processing & Infrastructure Development Fund
DPIIT	Department for Promotion of Industry and Internal Trade
DPR	Detailed Project Report
EBC	Economically Backward Classes
e-NAM	electronic National Agriculture Market
EoDB	Ease of Doing Business
FAOSTAT	Food and Agriculture Organization Corporate Statistical Database
F&V	Fruits & Vegetables
FDI	Foreign Direct Investment
FIDF	Fisheries and Aquaculture Infrastructure Development Fund
FPC	Farmer Producer Company
FPOs	Farmer Producer Organizations
FSSAI	Food Safety and Standards Authority of India
GIS	Geographic Information System
GSDP	Gross State Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
ha	Hectare
HACCP	Hazard Analysis Critical Control Point
ICD	Inland Container Depot
IQF	Individual Quick Freezing
Km	Kilometer
LEADS	Logistics Ease Across Different States
LLP	Limited Liability Partnership
MCA	Ministry of Corporate Affairs

## ACRONYMS

ABBREVIATION	DEFINITION
MIDH	Mission for Integrated Development of Horticulture
MoFPI	Ministry of Food Processing Industries
MSDE	Ministry of Skill Development & Entrepreneurship
MSEs	Micro and Small Enterprises
MSME	Ministry of 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
NDDDB	National Dairy Development Board
NGO	Non-governmental organization
NOC	No Objection Certificate
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
SAMPADA	Scheme for Agro-marine processing and Development of Agro-processing Clusters
SNA	State Nodal Agency
SFAC	Small Farmers' Agri-Business Consortium
SGST	State Goods and Services Tax
SHG	Self-Help Group
SWC	Single Window Clearance
USD	U.S.Dollar



## 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.

### **Uttar Pradesh's Agricultural Prominence and Economic Contribution:**

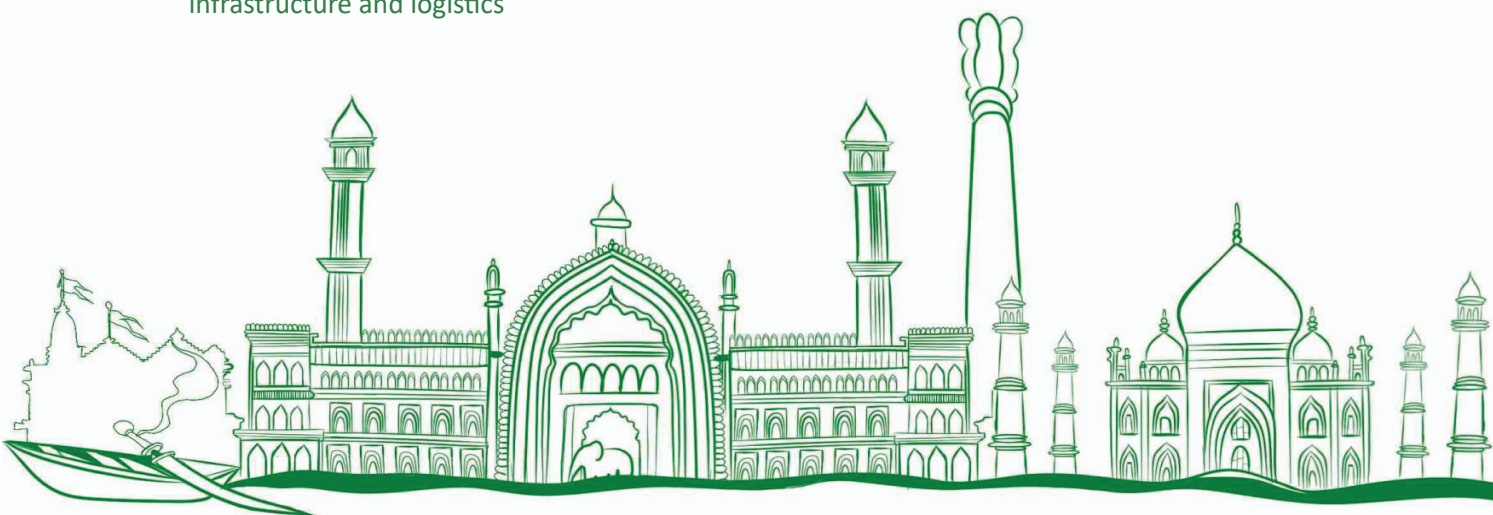
Uttar Pradesh's economy heavily relies on agriculture, with farming, horticulture, animal husbandry, dairy farming, and fisheries playing a pivotal role in determining the State's growth rate. As the largest producer of food grain, sugarcane, milk, vegetables, and the third-largest producer of fruits and inland fish in India, Uttar Pradesh occupies a crucial position in the nation's overall economic landscape. Its agricultural strength contributes significantly to the State's economic growth.

### **MSME Dominance and Infrastructure Quality:**

Uttar Pradesh showcases the highest number of registered and non-registered MSMEs in the country, with these units constituting 45% of the State's exports. Additionally, the State excels in domestic connectivity, with access to 51 cities. Uttar Pradesh's infrastructure quality, particularly its rail infrastructure, has been recognized as a leader in terms of quality according to LEADS 2022. Graded as an achiever in the landlocked category, as per DPIIT's LEADS 2022, and ranking third in NITI Aayog's Export Preparedness Index under the landlocked category, the State offers favorable conditions for investment and business development. The dedicated single-window system, UP Nivesh Mitra, further supports investors by providing transparent, time-bound, and hassle-free access to all necessary approvals for setting up businesses in the State.

### **Promising Opportunities in Uttar Pradesh:**

Uttar Pradesh presents promising prospects for investment across diverse sectors within the food processing industry, including dairy processing, fruits and vegetables, meat processing, and infrastructure and logistics



# 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.<sup>1</sup>

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).<sup>2</sup>

**India's food and beverages market grew at a CAGR of 6.92% between 2017 - 22.<sup>3</sup>**

**India's food and beverages market is forecasted to grow at a CAGR of 9.94% from 2022 - 27.<sup>4</sup>**

<sup>1</sup> Statistics | Food and Agriculture Organization of the United States

<sup>2</sup> MoFPI

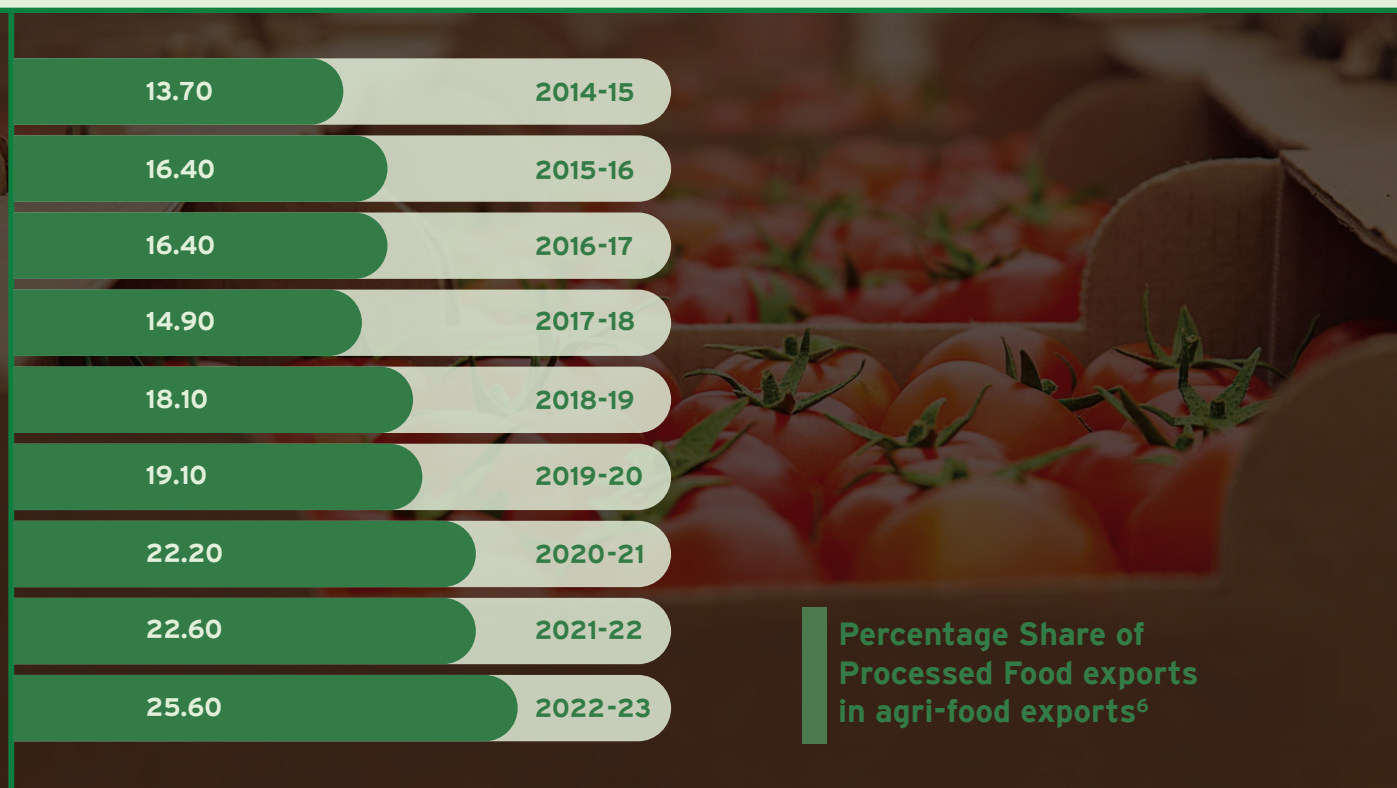
<sup>3</sup> Food and Beverages Global Market Briefing 2023 – The Business Research Company, December 2022

<sup>4</sup> Ibid



As per the Annual Survey of Industries (ASI) latest estimates (2019-20), the Food Processing Sector employs 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 2022-23<sup>5</sup>.



As per market estimates, 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, after China and Japan, in the said period<sup>7</sup>.

<sup>5</sup> MoFPI

<sup>6</sup> Ibid

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

<sup>8</sup> Ibid

## 02. OVERVIEW

Uttar Pradesh, is a land steeped in legends, sacred rivers, ancient cities, and places of pilgrimage. In contemporary times, it is emerging as a driving force behind the nation's economy, boasting an extensive network of motorways, industrial corridors, international airports, prestigious educational and medical institutions, and a hub for exporting homegrown products.

Uttar Pradesh, the most densely populated and fourth largest State in India, is situated in the north-central region of the country. It shares borders with Uttarakhand and Nepal to the north, Bihar to the east, Jharkhand, and Chhattisgarh to the southeast, Madhya Pradesh to the south, and Rajasthan, Haryana, and Delhi to the west.

Uttar Pradesh's economy primarily revolves around agriculture, and the performance of farming, horticulture, animal husbandry, dairy farming, and fisheries plays a vital role in determining the State's growth rate. With its agricultural prominence, Uttar Pradesh occupies a crucial position in the overall economic landscape of the nation

State Capital

**Lucknow**

Geographic Area<sup>9</sup>

**240,928** sq. km

Population (Census 2011)<sup>10</sup>

**199.81** million

Total Road Length (March 2019)<sup>11</sup>

**4,42,907** km

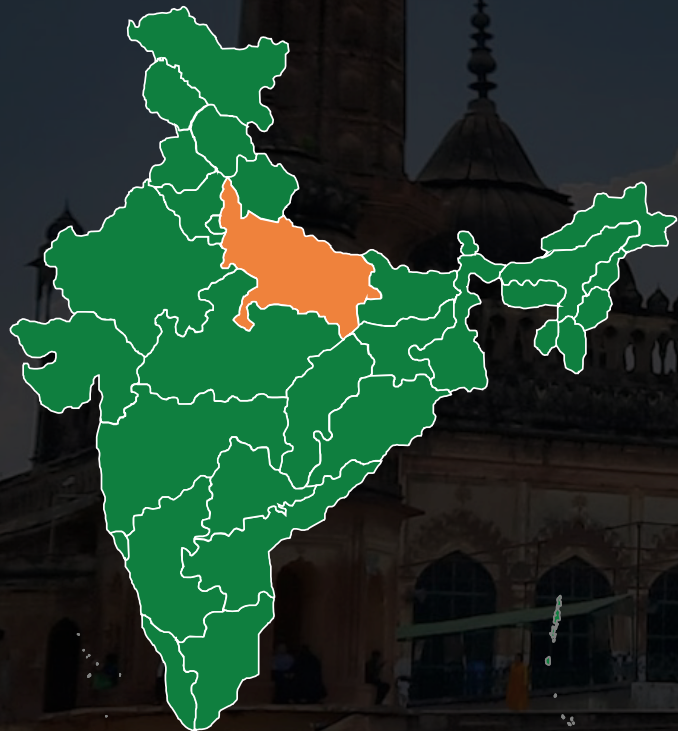
Rail length (2019-20)<sup>12</sup>

**16,001** route km

Industrial Area

**52** Industrial Areas<sup>13</sup>

**14** SEZs<sup>14</sup>



<sup>9</sup> Geography | UP Tourism | Government of Uttar Pradesh

<sup>10</sup> National Data Bank | MoSPI | Population

<sup>11</sup> RBI | Handbook of Statistics on Indian States | State-wise Length of Roads

<sup>12</sup> DPIIT | LEADS 2022 Logistics Ease Across Different States

<sup>13</sup> List of Industrial Areas under UPSIDC | Nivesh Mitra, Single Window System | Government of Uttar Pradesh

<sup>14</sup> Ministry of Commerce & Industry | Special Economic Zones Act, 2005 (published on 10 MAR 2021 PIB)

Gross State Domestic Product (GSDP) <sup>15</sup>

**USD 224.74 billion**

Per Capita Net State Domestic Product <sup>16</sup>

**USD 831.85 (2021-22)**

Airports

**3 International-  
Lucknow, Varanasi,  
& Khushi Nagar**

**6 Domestic-**

**Agra, Bareilly, Ghaziabad,  
Gorakhpur, Kanpur,  
& Prayagraj**

Available Land<sup>17</sup>

**Mixed Category  
1802.98 ha**

**Food Processing Category  
66.79 ha**

Agri Export Zone<sup>18</sup>

**4  
(Potatoes, Mangoes, Basmati Rice,  
Honey and Vegetables)**

Infrastructure<sup>19</sup>

**11  
Inland Container Depot (ICD)**

**5  
Container Freight Station (CFS)**

**2  
Air Cargo Terminals**

**2  
Private Freight Terminal (PFT)**

**154  
Railway Goods Sheds**

**2.6 million  
lakh MT Warehouse Capacity**

**161.00 lakh  
lakh MT Cold Storage Capacity**

Installed power<sup>20</sup>

Thermal  
**21417.26 MW**

Nuclear  
**289.48 MW**

Other Renewables  
**8205.07 MW**

Hydro  
**3424.02 MW**

<sup>15</sup> RBI | Handbook of Statistics on Indian States | Gross state domestic product | Exchange Rate as on 15th June 2023

<sup>16</sup> RBI | Handbook of Statistics on Indian States | Per Capita Net State Domestic Product | Exchange Rate as on 15th June 2023

<sup>17</sup> India Industrial Land Bank | DPIIT

<sup>18</sup> APEDA | Agri Exchange | Agri Export Zone | 31.05.2023

<sup>19</sup> DPIIT | LEADS 2022: Logistics Ease Across Different States

<sup>20</sup> Central Electricity Authority | Installed Capacity Report | 31.03.2023

## 03. ADVANTAGE UTTAR PRADESH



**Strong infrastructure and investor-friendly environment**



**India's largest consumer market<sup>21</sup>**



**3rd Largest Economy in India**



**Largest Railway Network in India**



**Nivesh Mitra: India's premier Single Window Clearance System**



**Impressive 18% Year on Year export growth**



**2nd Largest Road Network in India**



**Leading Manufacturing Hub in India**



**Highest number of MSMEs in the country - 90 lakh registered and non-registered MSMEs in India**



**Leader in Quality of rail infrastructure in the country, as per LEADS 2022<sup>22</sup>**



**State with domestic connectivity to 51 cities**



**Ranks 2nd in Bajra production in India<sup>23</sup>**



**3rd largest producer of fruit in India<sup>24</sup>**



**MSME units account for 45% of Uttar Pradesh's exports**

<sup>21</sup> Invest UP | Why UP | Government of Uttar Pradesh (from points 2-11)

<sup>22</sup> DPIIT | LEADS 2022: Logistics Ease Across Different States

<sup>23</sup> APEDA | State-wise Millet Production

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



**Graded as Achiever in Landlocked Category, as per DPIIT's LEADS 2022<sup>25</sup>**



**Ranks 3rd in NITI Aayog's Export Preparedness Index under the landlocked category<sup>26</sup>**

**Largest producer of food grain in India<sup>27</sup>**



**Largest producer of Sugarcane in country<sup>28</sup>**



**Largest milk producer in India<sup>29</sup>**



**Largest producer of vegetables in India<sup>30</sup>**



**Largest Exporter of processed frozen meat in India<sup>31</sup>**



**3rd largest in inland fish production in India<sup>32</sup>**



<sup>25</sup> DPIIT | LEADS 2022: Logistics Ease Across Different States

<sup>26</sup> Niti Aayog | Export Preparedness Index 2021

<sup>27</sup> Economic Survey 2023-23 | Production of Important Crops in Three Largest Producing States in 2021-22\*

<sup>28</sup> ibid

<sup>29</sup> RBI | Handbook of Statistics on Indian States | State-Wise Milk Production

<sup>30</sup> Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for 2021-22 (3rd Advance Estimates)

<sup>31</sup> Invest in UP | Investment Opportunities | Focus Sectors | Food Processing and Dairy

<sup>32</sup> ibid

## 04. LOCAL FOOD SYSTEM

### 4.1 INDIGENOUS PRODUCE

Agriculture is the primary occupation, with approximately 66%<sup>33</sup> of the population engaged in this sector. Uttar Pradesh has a gross sown area of 268.59 lakh hectares and a net sown area of about 165.38<sup>34</sup> lakh hectares. Uttar Pradesh has favorable agro-climatic conditions with nine agro-climatic zones<sup>35</sup> favouring the cultivation of a multitude of agricultural crops, vegetables, and fruits around the year.

Under the Food Processing Industries Policy 2022, the Government plans to establish large and medium food processing units in the State. Common crops cultivated during the kharif season include rice, maize, pigeon pea, sorghum, pearl millet, and moong beans. In the post-rainy (rabi) season, crops such as wheat, Bengal gram, green peas, rapeseed and mustard, and lentil are grown, utilizing residual soil moisture and occasional supplemental irrigation cycles.

Uttar Pradesh is known for significant cash crops such as sugarcane, potato, tobacco, chilies, turmeric, and coriander. The prevalent rice-wheat cropping system contributes to the agricultural landscape of the area, with sugarcane being the primary cash crop.

STATE HAS RECEIVED 13 GEOGRAPHICAL INDICATOR (GI) TAGS FOR<sup>49</sup> -

- ▲ Allahabad Surkha Guava
- ▲ Hathras Hing
- ▲ Mango Malihabadi Dusseheri
- ▲ Banaras Langda Aam (Mango)
- ▲ Kalanamak Rice
- ▲ Ramnagar Bhanta (Brinjal)
- ▲ Basmati
- ▲ Muzaffarnagar Gur (Jaggery)
- ▲ Rataul Mango
- ▲ Banaras Pan (Betel Leaf)
- ▲ Mahoba Desawari Pan
- ▲ Pratapgarh Aonla
- ▲ Adamchini Chawal (Rice)

<sup>33</sup> Know India | Uttar Pradesh

<sup>34</sup> RBI | Handbook of Statistics on Indian States

<sup>35</sup> Mechanization & Technology Division, Department Of Agriculture | Farm Guide UP

<sup>49</sup> Intellectual Property | Registration Details of Geographical Indications

## 4.2 KEY PRODUCTION HIGHLIGHTS



Largest producer of **Food Grains**<sup>36</sup>



Ranks 1st in production of **Sugarcane**<sup>37</sup>



Largest **Milk producer** in India<sup>38</sup>



2nd Largest producer of **Bottle gourd, and sweet potato**<sup>39</sup>



2nd largest producer of fruits like - **Amla, and Mango**<sup>40</sup>



Ranks 1st in **Guava, Muskmelon, and watermelon production**<sup>45</sup>



Ranks 1st in production of **Wheat**<sup>42</sup>



Ranks 2nd in the production of **Rice**<sup>43</sup>



3rd largest producer of inland fish<sup>44</sup>



Ranks 2nd in **Bajra production**<sup>41</sup>



3rd largest producer of **fruit in the country**<sup>46</sup>



Largest producer of **vegetables**<sup>47</sup>



Ranks 1st in **peas and potato production**<sup>48</sup>

<sup>36</sup> Economic Survey 2023-23 | Production of Important Crops in Three Largest Producing States in 2021-22

<sup>37</sup> ibid

<sup>38</sup> RBI | Handbook of Statistics on Indian States | State-Wise Milk Production

<sup>39</sup> Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for 2021-22 (3rd Advance Estimates)

<sup>40</sup> ibid

<sup>41</sup> ibid

<sup>42</sup> Economic Survey 2023-23 | Production of Important Crops in Three Largest Producing States in 2021-22

<sup>43</sup> RBI | Handbook of Statistics on Indian States | State-Wise Rice Production

<sup>44</sup> Invest in UP | Investment Opportunities | Focus Sectors | Food Processing and Dairy

<sup>45</sup> APEDA | State-wise Millet Production

<sup>46</sup> Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for 2021-22 (3rd Advance Estimates)

<sup>47</sup> ibid

<sup>48</sup> ibid

KEY PRODUCTION STATISTICS ARE PRESENTED BELOW<sup>50&51</sup>

## CROPS

'000 MT

WHEAT

**6149.7**

COARSE CEREALS

**4604.4**

SUGARCANE

**12109.8**

RICE

**6747**



## LIVESTOCK & FISHERIES

MILK

**31359** '000 tonnes

EGGS

**36289** lakh

MEAT

**1038** '000 tonnes

FISH

**6.99** lakh tonnes

## FRUITS

'000 MT

MANGO

**4662.45**

GUAVA

**983.59**

WATERMELON

**706.65**

MUSKMELON

**592.52**



## VEGETABLES

'000 tonnes

POTATO

**16161.97**

BOTTLE GOURD

**509.437**

PEAS

**2745.28**

SWEET POTATO

**254.25**

## SPICES

'000 MT

RED CHILLIES

**25.41**

GARLIC

**242.24**

MINT

**35.01**

GINGER

**35.01**

<sup>50</sup> Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for 2021-22 (3rd Advance Estimates)

<sup>51</sup> RBI | RBI Handbook of Statistics on Indian States



## 05. PRODUCTION CLUSTERS<sup>52&53</sup>

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

### ASAFOETIDA

Hathras



### AONLA based products

Amethi, Fatehpur, Pratapgarh & Rae Bareli



### PETHA

Agra & Hapur



### BANANA based products

Bahraich, Gonda, Kushinagar,  
Lakhimpur Kheri and Shrawasti



### CHILLI based products

Ambedkar Nagar, Deoria & Varanasi



### BASIL based products

Azamgarh & Jhansi



### CORN PRODUCT

Balrampur



<sup>52</sup> ONE DISTRICT ONE PRODUCT– MoFPI

<sup>53</sup> Source: Ministry of Food Processing Industries



---- **GARLIC** based products

Mainpuri

---- **GHEE**

Kasganj

---- **GROUNDNUT** based products

Hardoi

---- **GUAVA** based products

Budaun, Kaushambi & Prayagraj

---- **POTATO** based products

Farrukhabad, Firozabad & Kannauj

---- **LENTIL** based products

Ballia

---- **BAKERY PRODUCTS**

Gautam Budh Nagar, Ghaziabad & Kanpur Nagar

**TURMERIC** ----

Lalitpur



**TOMATO** based products ----

Chandauli, Mirzapur & Sonbhadra



**ONION** based products ----

Bhadohi & Ghazipur



**MANGO** based products ----

Amroha, Lucknow, Mau, Sitapur & Unnao



**KALA NAMAK RICE** based products ----

Basti, Gorakhpur, Maharajganj,  
Sant Kabir Nagar & Siddharth nagar



**MILK** based products ----

Aligarh, Auraiya, Bareilly, Bulandshahar,  
Jaunpur, Kanpur Dehat & Mathura



**HONEY** ----

Moradabad & Saharanpur





----- **FISH** based products

Hamirpur



----- **MUSTURD** based products

Etawah



----- **CHICORY**

Etah



----- **OIL SEED** based products

Banda, Chitrakoot & Mahoba



----- **JAGGERY**

Ayodhya, Baghpat, Bijnor, Meerut, Muzaffarnagar,  
Pilibhit, Shahjahanpur & Shamali



----- **SUGARCANE** based products

West Champaran



----- **PEAS** based products

Jalaun

## 06. MILLETS IN UTTAR PRADSH



Millets, which are coarse grain cereal forming group of small-seeded grasses cultivated for both human consumption and animal sustenance. Their exceptional resilience and adaptability in various ecological conditions make them particularly well-suited for regions with arid and rain-fed climates. The distinctive attributes of millets account for their agricultural superiority over commercially grown crops.<sup>54</sup>

In the State, various types of millets are produced, including Pearl Millet (Bajra), Sorghum (Jowar), Barnyard Millet, and Kodo. According to the 4th Advance Estimate for the year 2021-22, the estimated millet production stands at 269.84 thousand tonnes<sup>55</sup>. Millets play a significant role in sustaining the agricultural landscape, providing a valuable source of nutrition and economic livelihood for the communities involved in their cultivation.

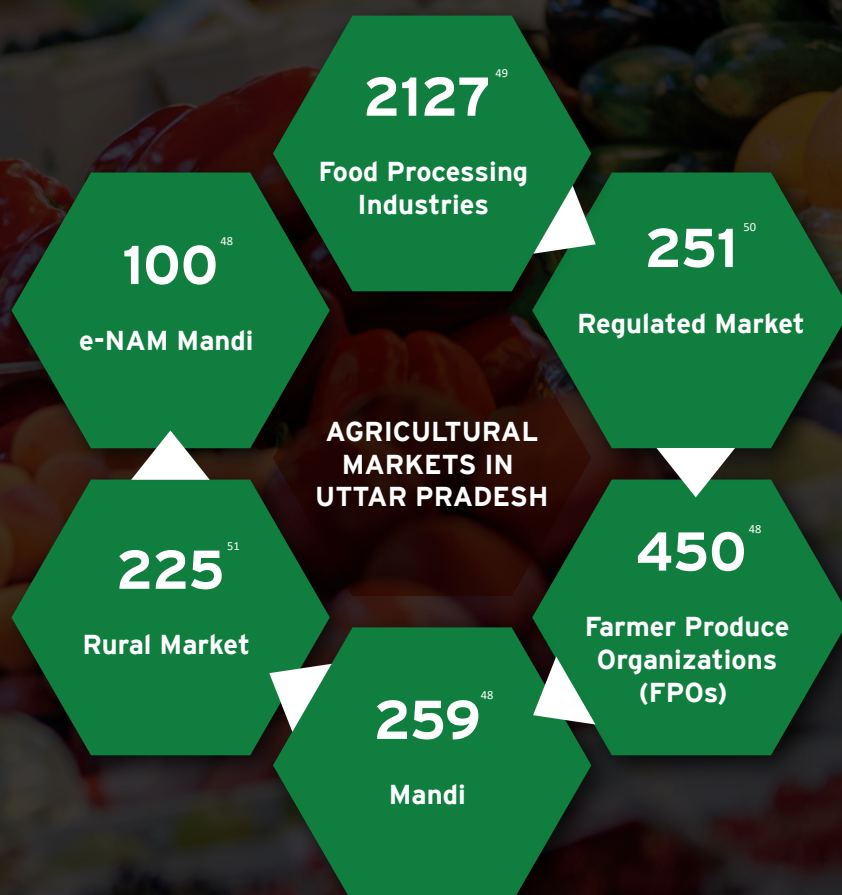
<sup>54</sup> APEDA | E-Catalogue for Export of Millets and Value-Added Products Uttar Pradesh

<sup>55</sup> ibid

## 07. AGRICULTURAL MARKETING

Uttar Pradesh boasts a dedicated department, the Directorate of Agricultural Marketing and Agricultural Foreign Trade, responsible for overseeing the management of agricultural produce and its marketing. The department's primary aim is to:

- Speed up the efforts towards proper marketing system based on agricultural products produce
- Increase the efficiency of agricultural marketing
- Establish proper coordination in the work of Agricultural Marketing Organization and Mandi Parishad/Mandi Committees
- Coordinating facilities to exporters and producers
- Organize exporters' conferences and seminars etc. to promote agricultural exports.
- Find out the possibilities of exportable surplus



<sup>48</sup> Food Processing Industries | Ministry of Food Processing Industries

<sup>49</sup> Invest in UP | Investment Opportunities | Focus Sectors | Food Processing and Dairy

<sup>50</sup> ibid

<sup>51</sup> ibid

<sup>48</sup> DATA OF REGISTERED FPOs | Ministry of Agriculture & Farmers Welfare

<sup>48</sup> Agmarket | Directorate of Marketing & Inspection (DMI), Ministry of Agriculture and Farmers Welfare

## 08. POTENTIAL OPPORTUNITIES

Uttar Pradesh is one of the agriculturally rich States in India. With an overview of the State profile and geographical conditions, following segments can be focused under food processing in the State of Uttar Pradesh:

### FRUITS AND VEGETABLES

The agricultural landscape of Uttar Pradesh provides various advantageous conditions for the cultivation of horticultural product, with a particular emphasis on Guava, Muskmelon, and watermelon production, as well as various vegetables like peas, potato, Bottle gourd, and sweet potato. Notably, the esteemed varieties of "Allahabad Safeda Guava," "Dusseheri Mango," and "Langda Mango" hold prestigious positions in both the fresh fruit market and the processed fruit industry. Within this sector, numerous potential opportunities exist, awaiting exploration and development.

- Value-added Products, using fruits and vegetables, such as jams, jellies, sauces, chutneys, pickles, and spreads, can offer diverse options to consumers. Innovation in flavour profiles, ingredients, and packaging has led to many diverse products. For example, Mango Salsa is a fresh and tangy condiment perfect for dipping, topping grilled meats, or adding to tacos., including the production of pulp, fruit leather, cold pressed juices, jams, jellies, beverages, candies, and powder.
- Fruits and vegetables (F&V) processing, covering the production of dehydrated and frozen F&V items using techniques such as IQF/Blast Freezer/Spiral Freezer can produce value added products like Dehydrated Potato chips or flakes, Frozen peas.





## DAIRY PROCESSING

### READY-TO-EAT & DRINK

Uttar Pradesh, the largest milk-producing State in India, makes a significant contribution of approximately 16.96%<sup>62</sup> to the country's total milk production. In the year 2021-22, the annual milk production reached an impressive 31,359 ('000 tonnes)<sup>63</sup>.

The Dairy industry can be bifurcated into numerous products

- **Dairy Processing** - The dairy industry encompasses a wide range of products and can be divided into several categories. Dairy processing involves various techniques such as pasteurization, homogenization, fermentation, emulsification, flavouring, aromatization, and coagulation. These methods enable the production of diverse dairy products, including liquid milk, ghee, curd, cottage cheese, butter, milk-based beverages, and fresh cream.
- **Ready-to-Eat (RTE) Dairy Products** include paneer (Indian cottage cheese), dairy-based desserts like kulfi, rabri, and kheer, RTE dairy snacks such as cheese cubes, flavoured milk-based drinks, yogurt cups with toppings, and cheese spreads. They serve as a source of essential nutrients such as protein, calcium, vitamins, and minerals. Ready-to-Eat options cater to various dietary preferences, with low-fat, reduced-sugar, and lactose-free variations available. They contribute to bone health, muscle growth, and overall bodily functions.

<sup>62</sup> UP Global Investors Summit 2023 Brochure

<sup>63</sup> RBI | Handbook of India Statistics



- **Ready-to-Drink Dairy Products** are beverages that require no additional mixing or dilution before consumption like milk powder that can be reconstituted with water, condensed milk that can be consumed directly or used in recipes, flavoured yogurt, lassi (a traditional Indian yogurt-based drink), whey protein is popular dietary supplement, and probiotic dairy products for gut health.

## MEAT PROCESSING

### READY-TO-EAT & SUPER FOOD

Uttar Pradesh holds the distinction of being the largest exporter of processed frozen meat in the country.

- The State has explored various avenues such as ready-to-cook products, which requires minimal preparation before cooking, and ready-to-eat options that are fully cooked and can be consumed without any additional cooking steps.
- Meat-based Soups and Stocks, Sausages and Deli Meats, meat-based snacks can be produced, such as chicken or mutton samosas, kebabs, sausages, and meatballs.





## INFRASTRUCTURE AND LOGISTICS

### FOOD PARKS AND HORTICULTURE HUBS

The establishment of food parks, featuring multiple processing units, presents an opportunity to efficiently utilize the abundant agricultural raw materials available in the State and achieve economies of scale.

#### ■ Integrated units

Investing in the development of integrated units with facilities for processing, preservation, packaging, and warehousing within designated Agro Parks across the State offers a promising investment.

#### ■ Transport

The development of transportation infrastructure, specifically tailored for the efficient movement of food products, is an area that remains relatively unexplored. Enhancing transport networks can ensure the timely and secure delivery of both raw and processed goods.

#### ■ Distribution

Improving the distribution mechanism for processed agricultural produce holds the potential to enhance market reach and expand the size of the market. Implementing effective strategies for distribution can lead to increased penetration of goods and improved accessibility for consumers.



# 09. GOVERNMENT OF INDIA SCHEMES FOR FOOD PROCESSING

## 9.1 SCHEMES UNDER MINISTRY OF FOOD PROCESSING INDUSTRIES<sup>64</sup>

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

### 9.1.1 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.

<sup>64</sup> 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**

## 9.1.2

### 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

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#### 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.

### 9.1.3

#### 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 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 Uttar Pradesh (as on date: 31.05.2023)<sup>65</sup>

#### PRADHAN MANTRI KISAN SAMPADA YOJANA (PMKSY) SCHEME

SCHEME NAME	NO. OF PROJECTS APPROVED	TOTAL PROJECT COST (INR CR.)
COLD CHAIN	29	792.51
AGRO PROCESSING CLUSTERS	3	84.64
CEFPPC UNIT / FOOD PROCESSING UNITS	34	860.07
CREATION OF BACKWARD AND FORWARD LINKAGES	5	66.00
FOOD TESTING LABORATORY	9	34.32
OPERATION GREENS	5	219.49

#### PRODUCTION LINKED INCENTIVE SCHEME FOR FOOD PROCESSING INDUSTRY (PLISFPI)

SCHEME NAME	NO. OF PROJECTS APPROVED	TOTAL PROJECT COST (INR CR.)
FOOD PROCESSING FACTORIES UNDER PLI (production linked incentive)	28	1084.38

#### 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)	3007 (as on 07.06.2023)
INCUBATION CENTRES	14

<sup>65</sup> Ministry of Food Processing Industries

## 9.2 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) Scheme<sup>66</sup>**

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) Scheme<sup>67</sup>**

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)<sup>68</sup>**

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.

<sup>66</sup> Mission for Integrated Development of Horticulture (MIDH)

<sup>67</sup> National Agriculture Infra Financing Facility

<sup>68</sup> Department Of Fisheries

## 4 Pradhan Mantri Matsya Sampada Yojana (PMMSY) Scheme<sup>69</sup>

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)<sup>70</sup>

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)<sup>71</sup>

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)<sup>72</sup>

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)<sup>73</sup>

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.

<sup>69</sup> Pradhan Mantri Matsya Sampada Yojana

<sup>70</sup> Animal Husbandry Infrastructure Development Fund (AHIDF) | Department of Animal Husbandry and Dairy

<sup>71</sup> Dairy processing & Infrastructure Development Fund (DIDF) | Department of Animal Husbandry and Dairy

<sup>72</sup> Agriculture And Processed Foods Export Promotion Scheme of APEDA for the 15th Finance Commission Cycle (2021-22 To 2025-26)

<sup>73</sup> 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)<sup>74</sup>

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.

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### A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE)<sup>75</sup>

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

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### Pradhan Mantri Kaushal Vikas Yojana (PMKVY)<sup>76</sup>

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



<sup>74</sup> Small Farmers' Agri-Business Consortium | Venture Capital Assistance Scheme

<sup>75</sup> A Scheme For Promotion Of Innovation, Rural Industries & Entrepreneurship (ASPIRE) | Ministry of Micro, Small & Medium Enterprises

<sup>76</sup> Pradhan Mantri Koshal Vikas Yojana | Ministry of Skill Development & Entrepreneurship

## 9.3

### GOVERNMENT OF INDIA INCENTIVES FOR THE FOOD PROCESSING SECTOR

#### Income tax incentive to the Food Processing sector<sup>77</sup>

- 100% deduction 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.

<sup>77</sup> "Key Reforms in the Food Processing Sector Since 2014-15" | MoFPI

## 10. STATE GOVERNMENT INITIATIVES AND SCHEMES

Uttar Pradesh has always endeavoured to provide a hassle-free business environment to enable investors. The Uttar Pradesh State Government has implemented numerous reforms to create a conducive and investor-friendly business environment for those interested in establishing their businesses within the State. The table below highlights some of the key initiatives undertaken by the State Government :

### UP Nivesh Mitra is a dedicated single window System'



One-stop portal for investors to digitally access all State-related business approvals and apply for them as per their business requirements. The portal is designed to assist investors in a transparent, time-bound, and hassle-free manner.

There is an online system to provide information regarding all approvals required by the industries to set up their businesses<sup>78</sup>.

 [niveshmitra.up.nic.in](http://niveshmitra.up.nic.in)

### A. State Industrial Land Bank



A GIS system is created to showcase if there is land and infrastructure available for businesses. The system has information related to Government owned factories and offices, and shows how much the land costs, how easy it is to get there, and what utilities (like electricity and water) are available.

 [invest.up.gov.in/land-bank](http://invest.up.gov.in/land-bank)

### B. Central Industrial Land Bank Portal

Industrial parks are 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.<sup>79</sup>

 [iis.ncog.gov.in/parks/login1](http://iis.ncog.gov.in/parks/login1)

### Uttar Pradesh Dairy Development and Milk Products Promotion Policy 2022



The policy aims to enhance capacity utilization, establish new processing facilities, and augment livelihood opportunities by leveraging technological advancements and information technology for maximum benefits.

<sup>78</sup> Nivesh Mitra | Single Window System, Government of Uttar Pradesh

<sup>79</sup> Invest UP | Milk Promotion Policy 2022

Uttar Pradesh provides a conducive business environment for establishing food processing units, offering investors a range of benefits. These include reliable infrastructure, support for capital investment and technology upgrades, a well-established marketing network, a diverse and skilled workforce, quality assurance, and grants. The State extends key incentives to the food processing industry under major policies, which are summarized below:

## KEY INITIATIVES

## UTTAR PRADESH FOOD PROCESSING INDUSTRY (FPI) POLICY 2023<sup>80</sup>

### Capital Investment subsidy

Amounting to 35% of incurred expenditure on plant, machinery and technical civil work for FPIs subject to maximum of Rs.5 Crore. In case of expansion and modernization / up-gradation, the capital subsidy will be 25% subject to a maximum of INR 1 Crore.

### Exemption from charges

2% of the value at circle rate as fees for non-agricultural use declaration for FPIs

### Conversion of Land Use

50% fees will be waived on CLU

### External Development Charges

Rebate of 75% on external development charges for FPI to be set up in UP on a land where no developmental work has been done by Authorities.

### Stamp Duty

100% exemption from stamp duty for the land purchased for the establishment of the food processing industry

### Mandi

Exemption from Mandi Fees and cess for agricultural produce procured from other States for processing in Uttar Pradesh.

### Electricity exemption

50% subsidy on solar power utilities in rural areas and 90% subsidy for women entrepreneurs in the same category.

### Scheme for value addition and cold chain infrastructure

Subsidy of 35% for infrastructure pertaining to Cold Chain and Value Addition and a subsidy of 50% up to INR 10 Crore for frozen storage/deep freezer, value addition and processing infrastructure.

Infrastructure for Agro processing clusters: Minimum 5 food processing units with minimum investment of INR 25 Crore, a grant of 35% of the eligible project cost subject to maximum of INR 10 Crore will be provided as grant.

<sup>80</sup> Uttar Pradesh Food Processing Industry Policy 2023

## KEY INITIATIVES

UTTAR PRADESH FOOD PROCESSING INDUSTRY  
(FPI) POLICY 2023
**Scheme for  
Creation of  
backward and  
forward linkages**

The admissible grant will be 35% of the eligible project cost subject to maximum of INR 5 Crore.

**Interest Subsidy  
for purchase of  
Reefer Vehicles  
and Mobile  
Pre-Cooling vans**

Reimbursed for a period of five years, subject to maximum limit of INR 50 lacs.

**Promotion of  
decentralized  
processing and  
storage**

SHGs/FPOs/Framers will be eligible for assistance in the form of grant, based on their projects; subject to a maximum limit of 50% of the total project cost or INR 50 lacs.

**Others**

Fees for Exchange of Government owned land coming under the scope of the project site will not be applicable for FPIs.

Permission to purchase land (agricultural) for more than 12.5 acres for FPIs.

Sponsoring studies for certifying / declaring an area disease free i.e - potato - Agra & Kannauj; Durum wheat-Bundelkhand.

25% Freight Subsidy on exports to various countries excluding Nepal, Bangladesh and Bhutan.

Support for modern technology adoption to food processing start-ups engaged in Agricultural value chain development, coverage/production /productivity estimation and evidence-based decisions - upto INR 5 Crore.



## 11. REGULATORY FRAMEWORK: REGISTRATION/NOCS/ LICENSES

Table below represents the indicative information regarding Regulatory Mechanism available in the State of Uttar Pradesh.

### FOR STARTING OPERATIONS

S.No	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
1.	Registration of Company	Ministry of Corporate Affairs (MCA)
2.	Intention to Invest Form	UP Invest Portal
3.	Building Plan Approval	Housing & Urban Planning Department, Industrial Development Authorities, and Zilla Panchayats
4.	Consent to Establish Under Air and Water Act (NOC)	Pollution Control Board and Nivesh Mitra Portal

## FOR SETTING UP OF BUSINESS

S.No	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
5.	<b>Power Connection</b> A. Metering & Connection Release B. Site Inspection & Estimation	Uttar Pradesh Power Corporation Limited and Nivesh Mitra Portal
6.	<b>Authorization and Registration under E-Waste (Management) Rules 2016</b>	Pollution Control Board and Nivesh Mitra Portal
7.	<b>Authorization under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules 2016</b>	Pollution Control Board and Nivesh Mitra Portal
8.	<b>Consent to Operate under the Air (Prevention and Control of Pollution) Act 1981</b>	Pollution Control Board and Nivesh Mitra Portal
9.	<b>Registration under The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act 1996</b>	Labour Department and Nivesh Mitra Portal
10.	<b>Registration of principal employers' establishment under the provision of The Contracts Labour (Regulation and Abolition) Act 1970</b>	Labour Department and Nivesh Mitra Portal
11.	<b>License for contractors under provision of The Contracts Labour (Regulation and Abolition) Act 1970</b>	Labour Department and Nivesh Mitra Portal
12.	<b>License under the Factories Act, 1948</b>	Labour Department and Nivesh Mitra Portal
13.	<b>Professional Tax Registration</b>	Department of Commercial Tax
14.	<b>GST Registration</b>	Department of Commercial Tax
15.	<b>Incentives Forms</b>	Invest Portal & DPIIT

## 12. MAJOR PLAYERS IN FOOD PROCESSING AND ALLIED SECTORS

### BENEFICIARIES UNDER PLI SCHEME OF MOFPI, GOVERNMENT OF INDIA

NAME OF THE FIRM	LOCATION
Britannia Industries Limited	Barabanki
ITC Limited	Gautam Buddha Nagar & Agra
Bikanervala Foods Private Limited	Yamuna Express Way & Greater Noida
Hindustan Unilever Limited	Hardoi
Gujarat Co- Operative Milk Marketing Federation Ltd	Kanpur & Lucknow
Parle Agro Private Limited	Ghaziabad & Varanasi
Varun Beverages Ltd.	Sandila
Ds Spiceco Private Limited	Gautam Buddha Nagar
Haldiram Snacks Private Limited	Gautam Buddha Nagar & Hardoi
M/S Moon Beverages Limited	Hapur
Parle Biscuits Private Limited	Kanpur
Bikaji Foods International Limited	Kanpur
Nilons Enterprises Pvt Ltd	Uttar Pradesh
Tata Consumer Products Limited	Kanpur

**BENEFICIARIES UNDER INTEGRATED COLD CHAIN AND VALUE ADDITION  
 INFRASTRUCTURE SCHEME, UNDER PMKSY SCHEME OF MOFPI,  
 GOVERNMENT OF INDIA (OPERATIONAL UNITS)**

<b>NAME OF THE FIRM</b>	<b>LOCATION</b>
Impartial Agrotech (P) Ltd.	Unnao
Imperial Frozen Food	Agra
Rajshree Integrated Cold Chain Projects	Gautam Buddh Nagar
Akashdeep Cold Storage Pvt. Ltd.	Kanpur Dehat
MKC Agro Fresh Ltd.	Gautam Buddh Nagar
Gopaljee Dairy Products Pvt. Ltd.	Panchsheel Nagar
S.R. Food Chain	Shahjahanpur
Shri Balaji Foods	Agra
Vedant Edible Products (P) Ltd.,	Auraiya
AOV Exports Pvt Ltd	Unnao
R.C Foods	Badaun
Manglam Milk India Pvt. Ltd	Allahabad
Shiva and Sons Agro Products	Ballia
Mrs Bectors Food Speciality Ltd	Gautam Buddh Nagar
NUFARM Foods	Amroha
Sheetal Agro Food Park Private Limited	Rai Bareli
SPY Frozen Foods Private Limited	Etawah
Shanti Sheet Grah Private Limited	Jalaun

**BENEFICIARIES UNDER INFRASTRUCTURE FOR AGRO-PROCESSING  
 CLUSTERS SCHEME (APC), UNDER PMKSY SCHEME OF MOFPI,  
 GOVERNMENT OF INDIA (OPERATIONAL UNITS)**

<b>NAME OF THE FIRM</b>	<b>LOCATION</b>
M/s Govind Green Foods Infratech	Khagaria
M/s CRD Foods	Mathura

### **BENEFICIARIES UNDER CREATION / EXPANSION OF FOOD PROCESSING & PRESERVATION CAPACITIES (CEFPPC) SCHEME, UNDER PMKSY SCHEME OF MOFPI, GOVERNMENT OF INDIA (OPERATIONAL UNITS)**

<b>NAME OF THE FIRM</b>	<b>LOCATION</b>
M/s C.P Milk and Food Products Pvt. Ltd.	Lucknow
M/s Shivashrit Foods Private Limited	Aligarh
M/s Bikanervala Foods Private Limited	Gautam Budh Nagar
M/s Mehrotra Consumer Products	Gautam Budh Nagar
M/s Avyukta Dairy Products Pvt. Ltd.	Ghaziabad
M/s Organic India Pvt. Ltd	Barabanki
M/s Bhagwati Foods Pvt Ltd	Kanpur
M/s Maa Veshno Consumer Products Pvt Ltd	Gautam Budh Nagar
M/s Ajanta Raaj Proteins Limited	Agra
M/s Kedarnath Industries	Hardoi
M/s Crazy Bakery Udyog	Gorakhpur
M/s ILEX Infrastructure LLP	Gautam Budh Nagar
M/s Aashirvaad Cuisines	Amroha
M/s Raja Udyog Private Limited	Varanasi
M/s CRD Foods (Unit-4: Pulp Juice and Puree)	Mathura
M/s SS Ankit Frozen Fruits & Vegetables	Jalaun
M/s CRD Foods	Mathura
M/s Shree Tirupati Balajee Industries Pvt. Ltd	Varanasi
M/s Veeta Day Industries Pvt. Ltd.	Barabanki

### **BENEFICIARIES UNDER CREATION OF BACKWARD AND FORWARD LINKAGES UNIT, UNDER PMKSY SCHEME OF MOFPI, GOVERNMENT OF INDIA (OPERATIONAL UNITS)**

<b>NAME OF THE FIRM</b>	<b>LOCATION</b>
M/s Ananta Biotech LLP	Fatehpur
M/s NIF Private Limited	Kanpur
M/s Paakhi Business Pvt Ltd	Meerut
M/s Neelam Agro Tech Pvt Ltd	Kanpur Dehat

## 13. LIST OF FARMER PRODUCER ORGANISATIONS

A total of 450 Farmer Producer Organisations (FPO) are present in the State of Uttar Pradesh and out of these the following indicative list represents FPOs with major crop/produce production of the State. The details of FPOs in the State are available at APEDA Farmer Connect FPO Directory.



NAME OF THE FIRM	ADDRESS / CONTACT	COMMODITY
<b>Vindhyavasini Farmer Producer Company Limited</b>	Murdhwa Mode, Renukoot Sonbhadra ,231217	Mango,Wadi Produce,Fruits, Others
<b>Sonpari Farmers Producer Comp</b>	Paikganj,Pariyawan, Pratapgarh-229408	Fruits
<b>Achnera Farmers Producers Company Limited</b>	Village- Ardaya, Achnera, Agra-283101	Basmati Rice, milk, Wheat, Food grains
<b>Agri Farm Buddy Producer Company</b>	Sikheda Muzaffarnagar, U.P.	Wheat Rice Oil Vegetables Fruits Nuts and Dry Fruits
<b>Bhojpur Milk Producers Company Ltd.</b>	Village - Jahangirpur, Post - Faridnagar, Distt. - Ghaziabad (U.P.)	Dairy
<b>Agrotech Precision Systems Producer Company Limited</b>	C/O NAND LAL SHARMA, 2/16 C-3D SECTOR 2 RAJENDER NAGAR, GHAZIABAD U.P.	Potato, Onion, Capsicum, Green Chili, Banana, Turmeric
<b>Anagram Development and Farmer Producer Company Limited</b>	Village- Bandukheri Post Fandpueri Saharanpur Nurkur Road, Saharanpur, U.P.	Wheat, Rice, Pulses, Mustard, vegetables, sugarcane, fruits, sugarcane, mango, vegetables, etc.
<b>Ashray Farmer Producer Company Limited</b>	Gondey, Chilbila, Post Madhoganj, Sadar, Pratapgarh	Amla Mint Candy, Amla Charpati Candy, Amla Juice, Amla Hair & Amla Murabbas, Fruits, Amla Laddoo, Amla Jam, oil, Amla Tea, Jelly, Amla Fresh Drink, Amla Supari, Amla Biscuit
<b>Asoh Farmers Producer Company Limited</b>	House No 256, Asoh, Chitrakoot, Chitrakoot, Uttar Pradesh, 210206	Jowar
<b>Invictus Farmer Producer Company Limited</b>	S-22, MIG-2, UGF, Shri Ganesh Complex, Vrindavan Garden, Sahibad.201005	Others, Pig Farming, Pigs for farming, Tea, Meat products etc, Pickles, Product Basket
<b>Shree Ram Janki Kisan Producer Company Ltd.</b>	Sr. No. 71 Hata, Near Hata Market, Behind Punjab National Bank, Meja, Tal: Bara, Dist: Allahabad, Uttar Pradesh.	Lentil, Gram, Paddy
<b>Kashi Vishwanath Farmer Producer Company Limited</b>	Village-Rustampur, near Chiraigaon at Ghazipur road, Varanasi-221007, Uttar Pradesh	Potato, Tomato, Lady Finger, Cauli Flower, Cabbage, Chilly, Brinjal, Bottle Guard, Pea, Ridge Gourd, Onion, Cucumber, Radish
<b>Roopdhan Agro Farmers Producer Company Limited</b>	H. No.-68, Vill- Roopdhanu, Tehsil Etmadpur, Distt- Agra, UP, Agra, Uttar Pradesh	Vegetable and Fruits

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