

# FOOD PROCESSING

Towards Sustainable Growth Opportunities



**TAMIL NADU**



# TAMIL NADU



## TABLE OF CONTENT

01	Food Processing in India	01-02
02	Tamil Nadu - Overview	03-04
03	Advantage Tamil Nadu	05-06
04	Local Food System	07-10
05	Production Clusters	11-13
06	Millets in Tamil Nadu	14
07	Agricultural Marketing	15
08	Potential Opportunities	16-17
09	Schemes of Government of India for Food Processing	18-27
10	State Government Initiatives & Schemes	29-31
11	Regulatory Framework	32-33
12	Major Players	34-36
13	List of Farmer Producer Organisations	37

## 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
ASP	Activated Sludge Process
CAGR	Compound Annual Growth Rate
CEFPPC	Creation/Expansion of Food Processing & Preservation Capacities
CLCSS	Credit Linked Capital Subsidy Scheme
CFS	Container Freight Station
CLU	Change of Land Use
DIDF	Dairy Processing & Infrastructure Development Fund
DPRs	District Resource Persons
DISH	The Directorate of Industrial Safety and Health
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India
DPR	Detailed Project Report
e-NAM	electronic National Agriculture Market
EoDB	Ease of Doing Business
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 Organizations
FSSAI	Food Safety and Standards Authority of India
G2B	Government-to-Business Interface
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
HP	Horse Power
ICD	Inland Container Depot
IQF	Individual Quick Freezing
Km	Kilometer

## ACRONYMS

ABBREVIATION	DEFINITION
LEADS	Logistics Ease Across Different States
LLP	Limited Liability Partnership
MBR	Membrane Bioreactors
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
NDDB	National Dairy Development Board
NGO	Non-Governmental Organization
NIFTEM-T	National Institute of Food Technology, Entrepreneurship and Management -Thanjavur
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 Pradhan Mantri
PMKSY	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
RTD	Ready-to-Drink
SMEs	Small and Medium Enterprises
SFAC	Small Farmers' Agri-Business Consortium
SGST	State Goods and Services Tax
SHG	Self-Help Groups
SNA	State Nodal Agency
SFAC	Small Farmers' Agri-Business Consortium
SWC	Single Window Clearance
TANGEDCO	Tamil Nadu Generation and Distribution Corporation Ltd.
TNAU	Tamil Nadu Agricultural University
USD	U.S. Dollar



## ABSTRACT

### **Remarkable Growth and Linkages in Indian Food Processing Sector:**

The Indian food processing sector has experienced remarkable growth, with an annual growth rate exceeding 9% since 2014-15. It plays a crucial role in establishing strong linkages between the industry and agriculture, driving economic development.

### **Tamil Nadu's Agricultural and Industrial Strengths:**

Tamil Nadu, known for its robust agricultural sector, boasts a Gross State Domestic Product (GSDP) of USD 249.45 billion. It excels in industrial development and leads India in terms of industrial land availability. The State is the 10th largest in India and ranks high in the Good Governance Index.

### **Leading in Food Processing and Trade:**

Tamil Nadu stands out with the second-highest number of food processing units in the country. It is home to major and minor seaports, facilitating trade and commerce. The State's business-friendly environment and supportive Government policies make it an attractive investment destination.

### **Agricultural Excellence and Infrastructure:**

Tamil Nadu is a leader in tea, coffee, poultry, and egg production in India. It also boasts excellent rail infrastructure, recognized by the LEADS 2022 report. The state's agricultural diversity shines through its production of mango, banana, turmeric, coconut, groundnut, and cashew.

### **Abundant Opportunities and Support:**

Tamil Nadu showcases its rich agricultural heritage with nine food and allied geographical indicator tags. It houses the National Institute of Food Technology, Entrepreneurship, and Management in Thanjavur. Under the Pradhan Mantri - Kisan Sampada Yojana scheme, numerous units have been approved, including mega food parks, cold chains, agro-processing clusters, and food testing labs. The State presents abundant opportunities in the food processing sector, spanning various products, infrastructure, and innovative technology.

# 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 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

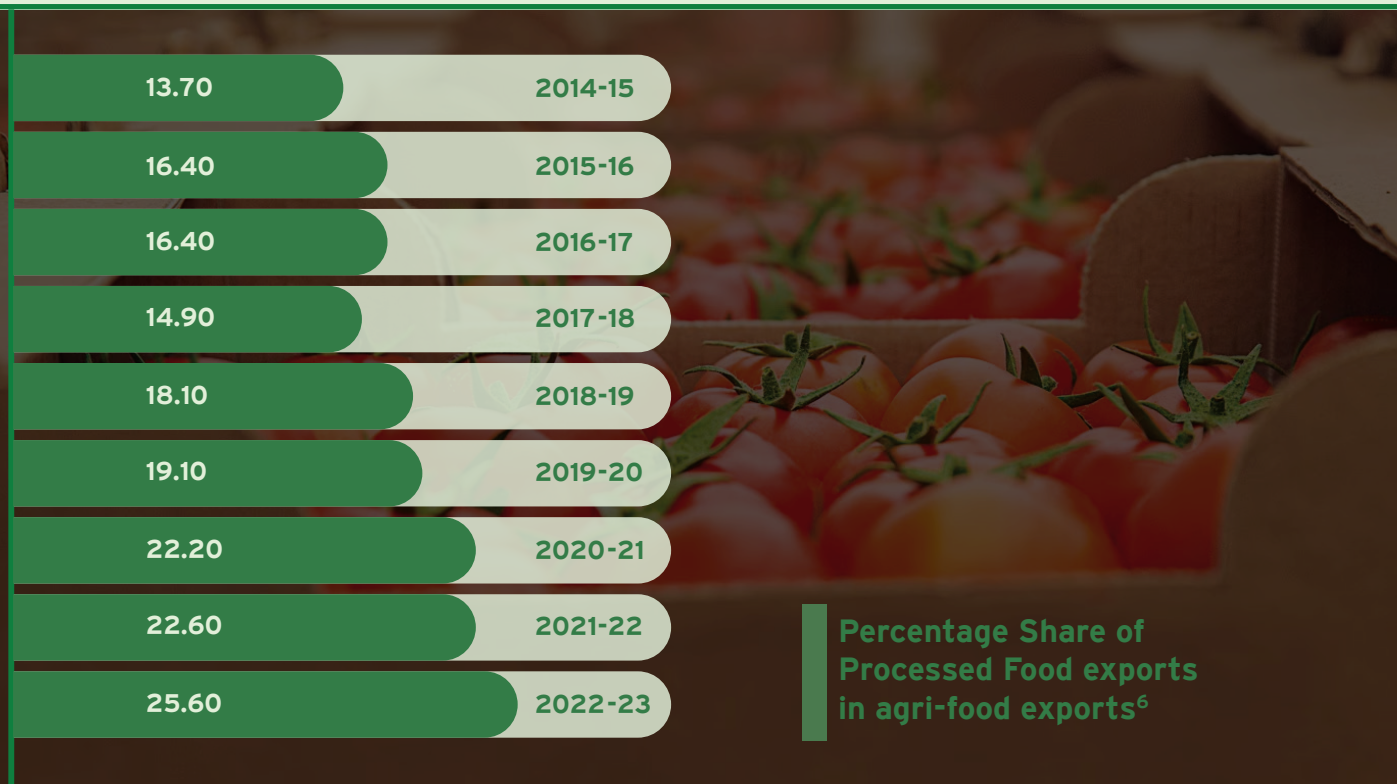
<sup>3</sup> Food and Beverages Global Market Briefing 2023 – The Business Research Company, December 2022

<sup>4</sup> Ibid



As per the Annual Survey of Industries (ASI) latest estimates 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 2022-23<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

Tamil Nadu, a prominent State in the country and is located in the extreme south of the Indian subcontinent in close proximity to various water bodies, including the Bay of Bengal in the east, the Gulf of Mannar and the Palk Strait in the southeast, and the Indian Ocean to the south. The State boasts a lengthy coastline measuring 1076 kilometers<sup>9</sup>.

To the west, Tamil Nadu shares its borders with the State of Kerala, while its north-western boundary is formed by Karnataka. Andhra Pradesh lies to the north of Tamil Nadu. The eastern and southern borders of the State are defined by the vast expanse of the Indian Ocean.

State Capital

**Chennai**

Geographic Area<sup>10</sup>

**1,30,058** sq. km

Population (Census 2011)<sup>11</sup>

**72.15** Million

Total Road Length (2019)<sup>12</sup>

**2,71,137** (km)

Industrial Area<sup>13, 14 & 15</sup>

**24** Industrial parks

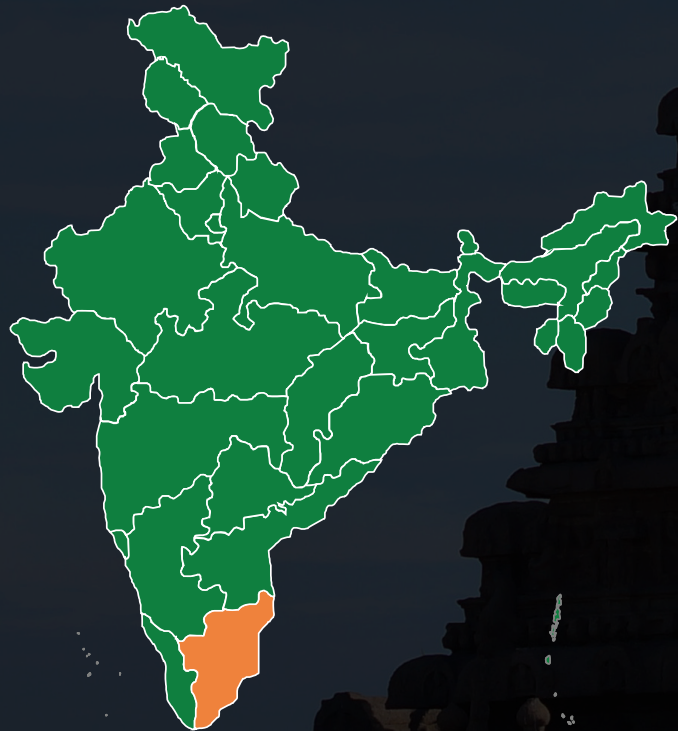
**49** SEZs

**127** Industrial Estates

**9361** Industrial plots

**8500** acres of Private Industrial Parks

**35000** acres of State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) Parks



<sup>9</sup> Coastal Profile Tamil Nadu | ENVIS Centre: Tamil Nadu | State of Environment and Related Issues

<sup>10</sup> Government of Tamil Nadu | Tamil Nadu Food Processing Policy 2018

<sup>11</sup> ibid

<sup>12</sup> RBI | Handbook of Statistics on Indian States | State-wise Length of Roads

<sup>13</sup> State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT)

<sup>14</sup> A Tamil Nadu Government Portal Sectors | Guidance Tamil Nadu | Invest Tamil Nadu

<sup>15</sup> Tamil Nadu Small Industries Development Corporation Limited (TANSIDCO)

Gross State Domestic Product (GSDP)<sup>16</sup>

**USD 249.45 Billion**  
(2021-22)

Airports<sup>18</sup>

**Domestic Airports**  
**Salem, Tuticorin,**  
**& Puducherry**

Available Land<sup>19</sup>

**Mixed Category**  
**17059.25 ha**

**Food Processing**

**25.28 ha**

Infrastructure<sup>22</sup>

**11**  
Inland Container Depot (ICD)

**6**  
Air Cargo Terminals

**116**  
Railway Goods Sheds

**1.472**  
lakh MT Warehouse Capacity

**4.00**  
lakh MT Cold Storage Capacity

**1**  
Private Freight Terminal (PFT)

Per Capita Net State Domestic Product<sup>17</sup>

**USD 2915.04**  
(2021-22)

**International Airports**  
**Chennai, Coimbatore,**  
**Tiruchirapalli & Madurai**

Agri Export Zone<sup>20</sup>

**2**  
(Cashewnut, Mangoes)

Rail length (2021)<sup>21</sup>

**6,836 (Route km)**

Installed power<sup>23</sup>

Thermal  
**15917.71 MW**

Nuclear  
**1448.0 MW**

Other Renewables  
**20147.86 MW**

Of which Hydro is  
**2178.20**

<sup>16</sup> RBI | Handbook of Statistics on Indian States | Gross state domestic product

<sup>17</sup> RBI | Handbook of Statistics on Indian States | Per Capita Net State Domestic Product

<sup>18</sup> Government of Tamil Nadu | Tamil Nadu Tourism | Airports

<sup>19</sup> India Industrial Land Bank (as on 31.05.2023)

<sup>20</sup> APEDA | Agri Exchange | Agri Export Zone

<sup>21</sup> APEDA | Agri Exchange | Agri Export Zone

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

<sup>23</sup> Central Electricity Authority | Installed Capacity Report | installed\_capacity.pdf (as on 31.03.2023)

## 03. ADVANTAGE TAMIL NADU



Ranks 1st for  
Good Governance Index



Ranks 1st in NITI Aayog's Export  
Preparedness Index<sup>28</sup>.



2nd Highest Number of **Food  
Processing Units** in the Country<sup>24</sup>



4 Industrial Corridors



Has **strong network of  
Agricultural Colleges**, research  
centres under TNAU - a globally  
renowned Agricultural  
University, providing talented  
Human Resources.



**National Institute of Food  
Technology**, Entrepreneurship  
and Management - Thanjavur  
(NIFTEM-T) pioneer Research  
and Educational Institution<sup>25</sup>



Highest Number of  
Factories in India



1st in India in  
Industrial Land Availability



Leader in **Quality of rail  
infrastructure** in the country,  
as per **LEADS 2022**.<sup>26</sup>



2nd best-governed State in  
India as per **Public Affairs  
Index 2022**.<sup>27</sup>

<sup>24</sup> A Tamil Nadu Government Portal Sectors | Guidance Tamil Nadu | Invest Tamil Nadu (from points 1-12)

<sup>25</sup> MoFPI

<sup>26</sup> DPIIT | LEADS 2022: Logistics Ease Across Different States

<sup>27</sup> Public Affairs Index 2022 Governance in the States of India



**Business-Friendly Environment**  
 and Supportive Government.

Largest producer of **tapioca**<sup>29</sup>



2nd largest producer of **coconut**<sup>31</sup>



Ranks 2nd in **Ragi production** <sup>33</sup>



**34 Industrial Clusters**

Largest producer of **cloves and tamarind**<sup>30</sup>



3rd in **Tea and Coffee**  
 production, in India <sup>32</sup>



2nd largest **egg producer** in India<sup>34</sup>



<sup>28</sup> Niti Aayog | Export Preparedness Index 2022

<sup>29</sup> Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for 2021-22 (3rd Advance Estimates)

<sup>30</sup> ibid

<sup>31</sup> ibid

<sup>32</sup> Tea Board and Coffee Board (2021-22)

<sup>33</sup> APEDA | State-wise Millet Production

<sup>34</sup> RBI | Handbook of Statistics on Indian States | State-Wise Egg Production

## 04. LOCAL FOOD SYSTEM

### 4.1 INDIGENOUS PRODUCE

State is bestowed with numerous agro-geo climatic zones, Tamil Nadu has a strong presence in most of the agro and food processing sectors. State has a competitive advantage of abundant agro resources, growing demand potential, and excellent access to national and export markets.

It experiences primarily tropical and subtropical climates with **seven agro-climatic zones**<sup>35</sup> that are conducive to cultivating a wide variety of crops. Tamil Nadu benefits from both the Southwest and Northeast monsoons, and its soil composition consists mainly of red loam, laterite, black, alluvial, and saline soil. These favorable conditions enable the State to produce a diverse range of agricultural, horticultural, aquaculture, and animal husbandry products.

In the year 2019-20<sup>36</sup>, the gross sown area in the State is about 5942 thousand hectares and the net sown area is 4738 thousand hectares.

#### STATE HAS RECEIVED 20 GEOGRAPHICAL INDICATOR (GI) TAGS FOR<sup>37</sup> -

- Eathomozhy Tall Coconut
- Virupakshi Hill Banana
- Sirumalai Hill Banana
- Madurai Malli
- Erode Manjal<sup>(Erode Turmeric)</sup>
- Kodaikanal Malai Poondu<sup>(garlic)</sup>
- Palani Panchamirtham
- Srivilliputtur Palkova
- Kovilpatti Kadalai Mittai
- Kanniyakumari Clove
- Nilgiri Orthodox (Tea)
- Ramnathapuram Mundu Chilli
- Vellore Spiny Brinjal
- Manapparai Murukku
- Ooty Varkey
- Salem Sago (Javvarisi)
- Authoor Vetrilai
- Cumbum Panneer Thratchai
- Sholavandan Vetrilai
- Marthandam Honey

<sup>35</sup> Department of Horticulture | Govt. of Tamil Nadu | Agro Climatic Zones | <https://tnhorticulture.tn.gov.in/agroclimatic>

<sup>36</sup> RBI | Handbook of Statistics on Indian States

<sup>37</sup> Intellectual Property | Registration Details of Geographical Indications

## 4.2 KEY PRODUCTION HIGHLIGHTS



In addition, the State produces valuable cash crops including **Mangoes and Bananas**.



The main vegetables grown are **tapioca, onion, tomato, drumstick, and brinjal**.



Largest producer of **tapioca**<sup>38</sup>



Largest producer of **cloves and tamarind**<sup>39</sup>



3rd in **Tea and Coffee production**, in India<sup>40</sup>



4th largest producer of **banana, guava, sapota and tomato** in India<sup>41</sup>



**2nd largest** producer of **coconut**<sup>42</sup>



**4th largest** producer of **cashews**<sup>43</sup>



**3rd largest** producer of **bitter gourd and elephant foot yam** in India<sup>44</sup>



**6th largest** producer of **carrot**<sup>45</sup>



**5th largest** producer of **green chillies**<sup>46</sup>



**3rd largest** producer of **gooseberry & watermelon**.<sup>47</sup>



**3rd largest** producer of **groundnut** in India<sup>48</sup>



**Ranks 2nd** in **Ragi production**<sup>49</sup>



**2nd largest** producer of **egg** in India<sup>50</sup>

<sup>38</sup> Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for 2021-22 (3rd Advance Estimates)

<sup>39</sup> ibid

<sup>40</sup> ibid

<sup>41</sup> ibid

<sup>42</sup> Tea Board and Coffee Board (2021-22)

<sup>43</sup> Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for 2021-22 (3rd Advance Estimates)

<sup>44</sup> ibid

<sup>45</sup> ibid

<sup>46</sup> ibid

<sup>47</sup> ibid

<sup>48</sup> Economic Survey 2023-23 | Production of Important Crops in Three Largest Producing States in 2021-22\*

<sup>49</sup> APEDA | State-wise Millet Production

<sup>50</sup> RBI | Handbook of Statistics on Indian States | State-Wise Egg Production





KEY PRODUCTION STATISTICS ARE PRESENTED BELOW<sup>51&52</sup>

## CROPS

'000 MT

RICE

**6881.2**

COCONUT

**3507.47**

COARSE CEREALS

**3470**

PULSES

**472.50**

Lorem ipsum

## FRUITS

'000 MT

BANANA

**3939.51**

MANGO

**927.56**

WATERMELON

**454.66**

GUAVA

**360.46**

## SPICES

'000 MT

TAMARIND

**44.08**

CLOVE

**1.06**

TURMERIC

**104.40**

RED CHILLIES

**24.41**

## LIVESTOCK & FISHERIES

MILK

**9790** '000 tonnes

EGGS

**201208** lakh

MEAT

**669** '000 tonnes

FISH

**7.57** lakh tonnes

## VEGETABLES

'000 tonnes

TAPIOCA

**3411.54**

TOMATO

**1617.9**

BITTER GOURD

**144.70**

ELEPHANT FOOT YAM

**132.91**

<sup>51</sup> Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for 2021-22 (3rd Advance Estimates)

<sup>52</sup> RBI | RBI Handbook of Statistics on Indian States

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

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

### ANIMAL FEED based products

Dindigul & Perambalur



### BAKERY based products

Chennai



### BANANA based products

Theni, Tirunelveli, Trichy



### CASHEW based products

Ariyalur, Cuddalore



### COCONUT based products

Coimbatore, Sivagangai & Thanjavur



### DHAL based products

Madurai, Thiruvallur & Tiruvarur



### EDIBLE OILS (GROUNDNUT) based products

Kallakurichi, Kancheepuram,  
Ranipet, Villupuram



### FISHERY products

Chengalpattu, Kanyakumari,  
Nagappattinam, Ramanathapuram



**LEMON** based products

Tenkasi



**MANGO** based products

Krishnagiri



**MILK** based products

Vellore



**MILLET** based products

Dharmapuri, Virudhunagar



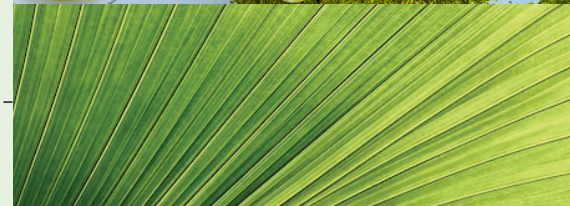
**MORINGA** based products

Karur



**PALM** based products

Toothukudi



**POULTRY** based products

Namakkal, Tiruppur



**TAPIOCA** based products

Salem





**TURMERIC** based products

Erode



**VEGETABLE** based products

The Nilgiris

## 06. MILLETS IN TAMIL NADU



Millets are a type of grass with small seeds that are grown for both human consumption and as feed for livestock. Millets have the unique characteristic of being able to grow in a variety of agro-climatic conditions, including areas with limited rainfall as well as arid climates. This adaptability makes millets a superior crop choice in agriculture compared to other commercial crops. According to the 4th Advanced Estimate by APEDA, the State's millet production is estimated to be about 832,000<sup>54</sup> tonnes.

The State has instituted a State Mission on Millets, wherein two distinct zones known as the Two Millets Special Zones have been established to boost millet production. The first zone includes the districts of Tiruvannamalai, Salem, Kallakurichi, Villupuram, Cuddalore, Dharmapuri, Krishnagiri, and Vellore. The second zone comprises Thoothukudi, Virudhunagar, Madurai, Tenkasi, Ramanathapuram, Sivagangai, Theni, Trichy, Karur, Dindigul, Ariyalur, and Perambalur.

### MILLETS GROWN IN TAMIL NADU:<sup>55</sup>

- Pearl Millet (Bajra)
- Sorghum (Jowar)
- Small Millets
  - Finger Millet
  - Foxtail Millet
  - Barnyard Millet
  - Kodo Millet
  - Proso Millet
  - Little Millet

<sup>54</sup> APEDA | State-wise Millet Production

<sup>55</sup> APEDA | E-Catalogue for Export of Millets and Value-Added Products Tamil Nadu

# 07. AGRICULTURAL MARKETING

The Agricultural Marketing and Agri Business Department serves as a central hub, coordinating marketing initiatives to effectively support the interests of both farmers and consumers. With a focus on ensuring profitable returns for farmers, the department is actively working towards developing marketing infrastructure and post-harvest management facilities. Recent efforts have been dedicated to promoting Farmer Producer Organizations (FPOs), implementing Supply Chain Management for Perishable Commodities, and establishing e-trading platforms, all aimed at enhancing farmers' income<sup>56</sup>.



<sup>56</sup> Tamil Nadu | Department of Agriculture Marketing & Agri-Business  
<sup>57</sup> Department Of Horticulture and Plantation Crops | Government Of Tamil Nadu | Policy Note 2022-2023  
<sup>58</sup> ibid  
<sup>59</sup> Food Processing Industries | Ministry of Food Processing Industries  
<sup>60</sup> NATIONAL AGRICULTURE MARKET (e-NAM) | Department of Agriculture, Cooperation & Farmers' Welfare  
<sup>61</sup> ibid  
<sup>62</sup> DATA OF REGISTERED FPOs | Ministry of Agriculture & Farmers Welfare  
<sup>63</sup> Agmarket | Directorate of Marketing & Inspection (DMI), Ministry of Agriculture and Farmers Welfare

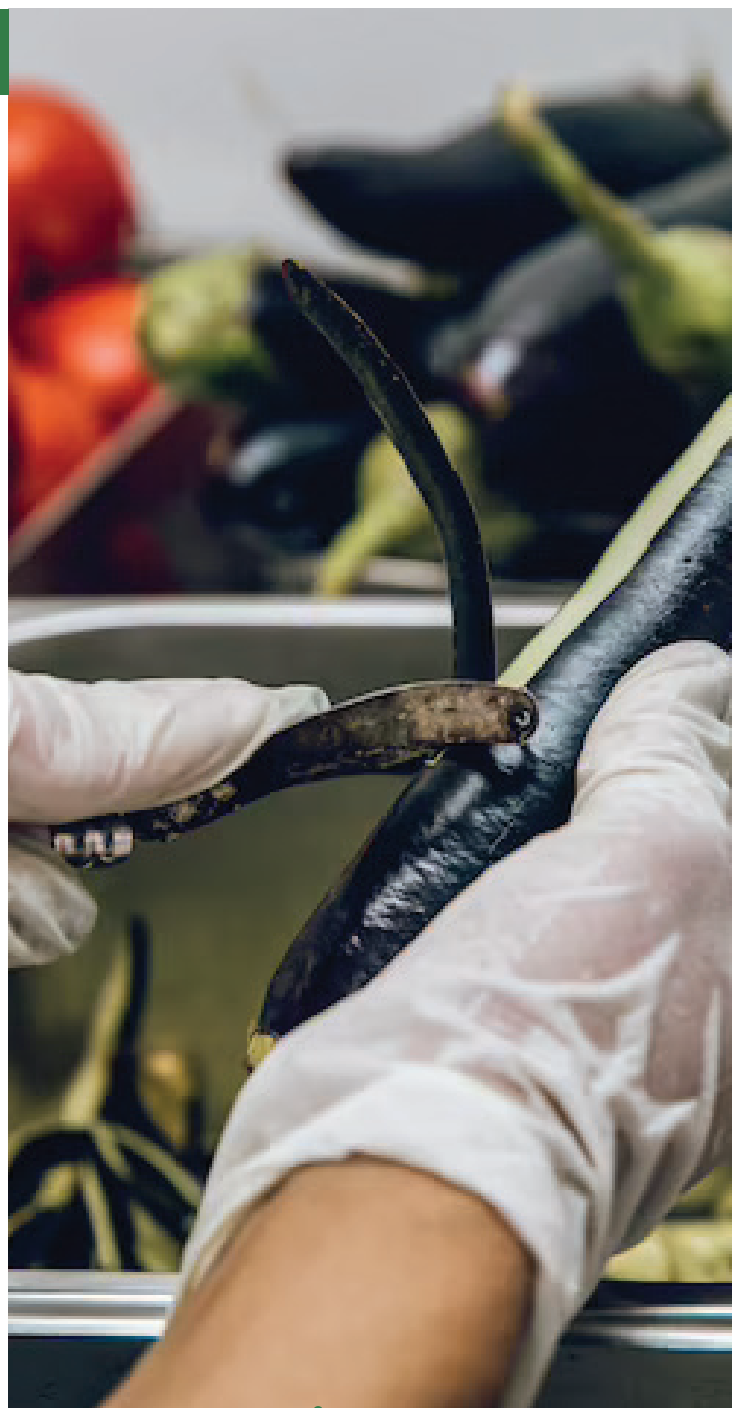
## 08. POTENTIAL OPPORTUNITIES

Tamil Nadu presents abundant opportunities in the food sector. With its diverse agricultural landscape and favourable climatic conditions, the State boasts ample produce ranging from a variety of fruits, vegetables, spices, tea, coffee, eggs, and more. The rich soil, coupled with deep irrigation networks, enables farmers to cultivate high-quality crops year-round. This abundance of raw materials provides a solid foundation for the food processing industry to thrive.

### FRUITS AND VEGETABLES

Tamil Nadu has appropriate agriculture conditions for horticulture products:

- Fruits contribute to 27% of the total horticulture production in the State, while vegetable crops account for 22% in terms of area and 40% in production among all horticulture crops<sup>64</sup>. There is an opportunity to create **value-added products** using fruits (banana, mango, watermelon, guava) like pulp, pickles, puree, juice, banana chips, banana powder offering diverse options to consumers.
- By utilizing **solar drying techniques and adopting innovative methods like vacuum drying or freeze-drying**, high-quality dried fruits and vegetables can be produced. These products can serve as **healthy snacks, ingredients for bakery and confectionery, or additions to ready-to-eat meals**.
- Major vegetables produced in the State are tomato, bitter gourd, elephant foot yam and tapioca, okra, onion, eggplant & beans. Food processing items can be:
  - Tapioca:** Chips, Pudding, Starch
  - Tomato:** Sauce, Paste, Powder
  - Bitter Gourd:** Pickles, Powder, Juice
  - Elephant foot yam:** Chips, Flour, Cubes (in curries/stews)
- The agricultural potential of Tamil Nadu provides a solid foundation for the development of the food processing industry, particularly in adding value to fruits and vegetables through various processing techniques.



<sup>64</sup> Department Of Horticulture and Plantation Crops | Government Of Tamil Nadu | Policy Note 2022-2023

## BEVERAGE

Tamil Nadu is the 3rd largest producer of Tea and Coffee, in India<sup>65</sup> and food processing in the beverage sector, particularly in tea and coffee, presents promising opportunities for value addition and market expansion.

Tamil Nadu, a State with favourable climatic conditions, has the potential to capitalize on its tea and coffee production and delve into the processing of the widely popular beverages. Tea and coffee, as packed beverages, offer a wide range of products that can cater to different consumer preferences.

**Diverse Processed Products:** Tea leaves can be processed into various products:

- **Tea Bags** (quick and flavourful beverage) :Tea leaves can be processed and packed into convenient tea bags, allowing for easy brewing and consumption.
- **Tea Concentrates:** Concentrated forms of tea can be produced and used as a base for making tea-based beverages like drink mixes etc.
- **Ready-to-Drink (RTD) Tea and Coffee** (available in various flavours and can be carbonated or non-carbonated, include bottled iced teas, cold brew coffee, flavoured coffee drinks, and iced coffee blends), Flavoured Tea and Coffee (flavoured iced teas (such as peach, lemon, or raspberry) and flavoured coffees (like vanilla, hazelnut, or caramel), Cold Brew Tea and Coffee, etc.
- **Coffee Roasting and Grinding:** Facilities can process locally roasted coffee beans which can be sent to local cafes, retail stores and online platforms as well.



<sup>65</sup>Tea Board and Coffee Board (2021-22)



# 09. GOVERNMENT OF INDIA SCHEMES FOR FOOD PROCESSING

## 9.1 SCHEMES UNDER MINISTRY OF FOOD PROCESSING INDUSTRIES<sup>66</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>66</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 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 Tamil Nadu (as on date: 31.05.2023)<sup>67</sup>

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

SCHEME NAME	NO. OF PROJECTS APPROVED	TOTAL PROJECT COST (INR CR.)
MEGA FOOD PARK	2	77.02
COLD CHAIN	17	530.28
AGRO PROCESSING CLUSTERS	11	291.00
CEFPPC UNIT / FOOD PROCESSING UNITS	32	481.61
CREATION OF BACKWARD AND FORWARD LINKAGES (CBFL)	9	74.90
OPERATION GREEN	2	28.50
FOOD TESTING LABORATORY	21	83.41

#### 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)	16	431.41

#### 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)	4727
INCUBATION CENTRES	4

<sup>67</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>68</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>69</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>70</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>68</sup> Mission for Integrated Development of Horticulture (MIDH)

<sup>69</sup> National Agriculture Infra Financing Facility

<sup>70</sup> Department Of Fisheries



## 4 Pradhan Mantri Matsya Sampada Yojana (PMMSY) Scheme<sup>71</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>72</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>73</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>74</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>75</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>71</sup> Pradhan Mantri Matsya Sampada Yojana

<sup>72</sup> Animal Husbandry Infrastructure Development Fund (AHIDF) | Department of Animal Husbandry and Dairy

<sup>73</sup> Dairy processing & Infrastructure Development Fund (DIDF) | Department of Animal Husbandry and Dairy

<sup>74</sup> Agriculture And Processed Foods Export Promotion Scheme of APEDA for the 15th Finance Commission Cycle (2021-22 To 2025-26)

<sup>75</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>76</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.

10

### A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE)<sup>77</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

11

### Pradhan Mantri Kaushal Vikas Yojana (PMKVY)<sup>78</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>76</sup> Small Farmers' Agri-Business Consortium | Venture Capital Assistance Scheme

<sup>77</sup> A Scheme For Promotion Of Innovation, Rural Industries & Entrepreneurship (ASPIRE) | Ministry of Micro, Small & Medium Enterprises

<sup>78</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>79</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>79</sup> "Key Reforms in the Food Processing Sector Since 2014-15" | MoFPI

## 10. STATE GOVERNMENT INITIATIVES AND SCHEMES

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

### The Tamil Nadu Single Window Portal



A comprehensive online platform designed to streamline the process of obtaining business-related approvals, licenses, clearances, and NOCs for investors. It aims to provide a time-bound, transparent, and hassle-free experience. Covering over 200 services from more than 40 Government departments and agencies, the portal aims to enhance the Ease of Doing Business (EoDB) for investors in Tamil Nadu. Its objective is to create a faceless, paperless, and contactless Government-to-Business (G2B) interface.<sup>80</sup>

 [tnswp.com/DIGIGOV/swp-tnswp.jsp](https://tnswp.com/DIGIGOV/swp-tnswp.jsp)

### 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.

 [sipcot.tn.gov.in/portal/reports/landdetails](https://sipcot.tn.gov.in/portal/reports/landdetails)

### B. Central Industrial Land Bank Portal

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.<sup>66</sup>

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

### Tamil Nadu Food Processing Policy 2018



As part of overall reforms in the sector to achieve objectives such as increasing farmers' income, reducing wastage of food products, value addition to farm products etc, Government of Tamil Nadu has decided to evolve an exclusive Policy in 2018 for food processing sector in the State.<sup>81</sup>

<sup>80</sup> Investing in Tamil Nadu | Tamil Nadu Single Window Portal

<sup>81</sup> Govt of Tamil Nadu | Tamil Nadu Food Processing Policy 2018

Tamil Nadu is one of the most advanced States, with high levels of industrialization and social development. The State has a favourable business environment for setting up food processing units and offers investors robust infrastructure, support for capital investment and technology upgradation, a strong marketing network, rich and diverse human capital, quality assurance, and grants.

## KEY INITIATIVES

## TAMIL NADU INDUSTRIAL POLICY 2021

### FIXED CAPITAL SUBSIDY<sup>82</sup>

Project/District Category	Large (Rs. 300 Cr – Rs. 500 Cr & 150 Jobs)	Mega (Rs. 500 Cr. – Rs. 5000 Cr. & 400 Jobs)	Ultra-Mega (> Rs 5000 Cr. & 2000 Jobs)
“A” District	-	10%	20%
“B” District	10%	12%	22%
“C” District	12%	15%	25%

The Fixed Capital Subsidy will be disbursed in equal annual instalments over the period prescribed below:

- 10 years for Large Projects in “B” and “C” districts and Mega Projects in “A” districts,
- 12 years for Mega Projects in “B” districts and “C” districts, and
- 15 years for Ultra Mega Projects in all districts

Large Projects in “A” District shall be eligible for a back-ended fixed capital subsidy of Rs. 1 Cr.

<sup>82</sup> Govt of Tamil Nadu | Tamil Nadu Industrial Policy 2021

## KEY INITIATIVES

## TAMIL NADU INDUSTRIAL POLICY 2021

## INTEREST SUBVENTION

Project Category	Interest Subvention (% Rate of Interest)	Maximum Incentive Disbursal Period (Years)	Ceiling per annum (Rs. Lakhs)
Large	5%	6	20
Mega	5%	6	100
Ultra-Mega	5%	6	400

**Electricity Tax Incentive**

New or expansion manufacturing projects will be given an electricity tax exemption for a period of 5 years on power purchased from the Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO) or generated and consumed from captive sources.

**Quality Certification Incentives**

Industrial projects obtaining certifications like ISO, ISI, BIS, FPO, BEE, AGMARK, and ECOMARK, or any other national or international certification as notified from time to time, shall be given a subsidy of 50% of the total cost incurred for obtaining the certification, as certified by the Chartered Accountant, limited to Rs. 25 lakhs for the period of investment.

**Green Industry Incentive**

Industrial projects undertaking green initiatives for recycling waste and water for industrial use and sustainable energy usage, coupled with online monitoring (wherever applicable) indicated below, shall be eligible for a 25% subsidy on the cost of setting up such environmental protection infrastructure in the following solution areas subject to a limit of Rs. 1 cr.

**Safety & Energy Efficiency Solutions**

- Mechanised Systems for Sewage Cleaning such as jet rodding machines etc. to replace Manual Scavenging.
- Passenger and Utility Electric Vehicles for the transport of goods and personnel within the facility premises and EV buses for the transport of personnel from and to the facility.

**Water Conservation Solutions**

- Waste water treatment and recycling systems using technologies such as Activated Sludge Process (ASP), Membrane Bioreactors (MBR), Reverse Osmosis (RO), etc. to increase the supply and use of treated water.
- Smart Solutions/IoT for Water and Wastewater to reduce dependency on manpower, and enhance business continuity and remote operations. using smart meters/ pumps/ sensors, data analytics, and cloud solutions.
- Adopting rainwater harvesting; restoring water bodies by de-silting defunct water bodies within the premises.
- Zero Liquid Discharge Solutions.

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

The table below represents the indicative information regarding Regulatory Mechanism available in the State of Tamil Nadu.

### FOR STARTING OPERATIONS

S.No	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
1.	License for Cold Storage	Directorate of Food Processing
2.	Registration under FSSAI Act, 2006, regulation 2011	FSSAI, Health & Family Welfare Department, Food Safety & Drug Administration Department, Govt. of Tamil Nadu
3.	License under FSSAI Act, 2006, regulation 2011	FSSAI, Health & Family Welfare Department, Food Safety & Drug Administration Department, Govt. of Tamil Nadu
4.	License under Contract Labour Act, (Regulation and Abolition), 1970	Labour Department, TN
5.	Registration under GST (Goods and Services Tax Rules, 2017)	Department of Goods and Services Tax
6.	Consolidated Consent & Authorization under Water Act, 1974, Air Act, 1981 & Authorization under The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Tamil Nadu Pollution Control Board
7.	Application for Pre-Operational Fire NOC (National Building Code, 2005)	Tamil Nadu Fire & Rescue Services Department

## FOR SETTING UP OF BUSINESS

S.No	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
8.	Land allotment in departmental industrial estates	State Industries Promotion Corporation of Tamil Nadu
9.	Application for Land / Plot Allotment	State Industries Promotion Corporation of Tamil Nadu
10.	Application for new connection LT / HT line non-domestic / industrial	Tamil Nadu Power Finance & Infrastructure Development Corporation Ltd
11.	Application for Water Connection	Commissionerate of Municipal Administration
12.	Application for building plan approval	Labour Department, TN
13.	Application for Completion cum Occupancy Certificate	Directorate of Town and Country Planning
14.	Consent to Establish under Water (Prevention and Control of Pollution) Act, 1974	Tamil Nadu Pollution Control Board
15.	Consent to Establish under Air (Prevention and Control of Pollution) Act, 1981	Tamil Nadu Pollution Control Board
16.	Consent to Operate under Air (Prevention and Control of Pollution) Act, 1981	Tamil Nadu Pollution Control Board
17.	Application for Pre-Establishment Fire NOC (National Building Code, 2005)	Tamil Nadu Fire & Rescue Services Department
18.	Site Plan Approval under the Factories Act, 1948	Industrial Safety and Health (DISH) in Tamil Nadu
19.	Land allotment in departmental industrial estates	State Industries Promotion Corporation of Tamil Nadu



## 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	Gangaikondan & Perundurai
ITC Limited	Dindigul, Pudukkottai & Coimbatore
Asvini Fisheries Private Limited	Thoothukudi
Parle Agro Private Limited	Kanchipuram
Del Monte Foods Private Limited	Krishnagiri
Exotic Fruits Private Limited	Krishnagiri
MTR Foods Private Limited	Theni
Aachi Masala Foods Private Limited	Almathy, Kolladi, Melmuthalampedu, GPD & Red hills

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

NAME OF THE FIRM	LOCATION
Farm Fresh Banana	Theni
Frozen Fruits & Vegetables	Theni
SKM Animal Feeds and Foods (India) Ltd	Chennai, Coimbatore, Madurai, Hosur, Trichy, Tuticorin, Salem
Marble Valley Foods and Beverages Pvt. Ltd.	Tirunilveli
ABT Industries Limited	Coimbatore
Hatsun Agro Product Ltd	Kanchipuram & Palacode

NAME OF THE FIRM	LOCATION
Aachi Masala Foods Pvt. Ltd.	Thiruvallur
Monsoon Bounty Foods Manufacturing Pvt. Ltd.	Thiruvallur
Cocoland Agro Pvt. Ltd.	Coimbatore
Swami Chickens Pvt. Ltd.	Dindigul
Shanthi Feeds Pvt. Ltd.	Dindigul
Gamma Tech India Pvt. Ltd.	Tuticorin

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

NAME OF THE FIRM	LOCATION
M/s Neo Foods Pvt. Ltd	Krishnagiri
M/s VR Food Enterprises LLP	Chennai
M/s Sivasakthi Hatcheries and Farms	Tirupur
M/s SNP Dairy Milk	Madurai
M/s SKM Egg Products Export (India) Ltd	Erode
M/s Sahuwala Flour Mills	Erode
M/s Niswin Foods Private Limited	Coimbatore
M/s Sri Foods	Madurai
M/s Century Flour Mills Limited	Chennai
M/s Regin Exports	Kanyakumari
M/s Pressana Flour Mills Private Ltd. (Unit - II)	Coimbatore
M/s Samson CNO Industries	Tiruppur
M/s Hangrow Foods India Pvt. Ltd.	Erode
M/s Nutriome Biosolutions	Madurai
M/s P Duraisamy Maharaja Rice Mills Pvt. Ltd. (Unit-I)	Tirupur

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

<b>NAME OF THE FIRM</b>	<b>LOCATION</b>
M/s Agribusiness Corporation	Ariyalur
The Kerala Cardamom Processing and Marketing Company Ltd.	Theni
M/s GD Foods And Beverages Pvt. Ltd.	Ariyalur
ADP Processed Foods	Krishnagiri
M/s Amuthadevi	Tiruchirappalli
Baby Marine Eastern Exports	Tuticorin
M/s M. Mohan Kumar	Tiruchirappalli
M/s P. Shanmugam	Tiruchirappalli

## 13. LIST OF FARMER PRODUCER ORGANISATIONS

A total of 410 Farmer Producer Organisations (FPO) are present in the State and out of which the following indicative list in Table below represents FPOs with major crop/produce production of the State. The overall details of FPOs in the State are available at APEDA Farmer Connect FPO Directory.

NAME OF THE FIRM	ADDRESS / CONTACT	COMMODITY
Aadavan Farmer Producer Company Limited	10B, Vettukattu Pudur, Gnanipalayam Post, Erode-638112	Coconut, Groundnut
Eriyur Manimutha Farmers Producer Company Limited	281/2, Therku kattu kottai, Eriyur, Kallakurichi, Taluk, Villupuram 606 204	Pulses, Maize, Turmeric, Tapioca, sugarcane
Kappiyarai Collective Farming Farmer Producer Company Limited, Kanyakumari District	Kanyakumari	Banana, Rubber, Pineapple, Tapioca
Karuvai Kaveri Collective Farming Farmer Producer Company Limited	Karur	Coconut, Tapioca
Pachamalai Organic Farmers Producer Company Limited (KDOFPCL)	Top Sengattupatti, Thenpuranadu Panchayath Pachamalai, Thuraiyur, Taluk, Trichy	Mango, Cashew, Pepper, Tapioca, Fruits, Honey
Coimbatore Coconut Producer Company Limited	4/61 A, Ramanathapuram, Ramapattinam, Pollachi, Coimbatore-6420	Coconut
Tiruchirapalli Horticultural collective Farm producer company limited	Trichy	Banana, Onion, Jasmine Tapioca, Turmeric
Cuddalore District Mangalore Millets Farmer Producer Company Ltd	Cuddalore	Maize, Millets & Paddy
Sendurai Collective Farming Farmer Producer Company Ltd.	Ariyalur	Cashewnut, Maize, Rice
Aranthai Collective Farm Producer Company Ltd.	No.20, Kalappakkadu Main Road, Aranthangi, Pudukkottai – Tamil Nadu. Pin: 614616	Coconut, Groundnut, Ginger
Elam Thendral Collective Farm Producer Company Ltd	126 B Anna Nagar, Melthombai, Keeripatti, Attur, Salem-636107,	Tapioca, Maize, Sorghum, Minor Millets, Groundnut
Vetri Farmers Producer Co. Ltd.	Krisnagiri	Vegetables, Milk, Pulses
Gudalur Farmer Producer Company Ltd.	Nilgiris	Tea, Coffee, Potato



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