

FOOD PROCESSING

Towards Sustainable Growth Opportunities



MADHYA PRADESH



MADHYA 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
ASPIRE	A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship
BRAP	Business Reforms Action Plan
CAGR	Compound Annual Growth Rate
CEFPPC	Creation/Expansion of Food Processing & Preservation Capacities
CLCSS	Credit Linked Capital Subsidy Scheme
CFS	Container Freight Station
CST	Central Sales Tax
DIDF	Dairy Processing & Infrastructure Development Fund
DPRs	District Resource Persons
DISCOM	Electricity Distribution Company
DPIIT	Department for Promotion of Industry and Internal Trade
DPR	Detailed Project Report
e-NAM	electronic National Agriculture Market
EoDB	Ease of Doing Business
EOI	Expression of Interest
F&V	Fruits & Vegetables
FAOSTAT	Food and Agriculture Organization Corporate Statistical Database
FDI	Foreign Direct Investment
FIDF	Fisheries and Aquaculture Infrastructure Development Fund
FME	Formalization of Micro Food Processing Enterprise
FPC	Farmer Producer Company
FPOs	Farmer Producer Organizations
FSSAI	Food Safety and Standards Authority of India
FTL	Food Testing Laboratory
GIS	Geographic Information System
GSDP	Gross State Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
ha	Hectare
HACCP	Hazard Analysis Critical Control Point
HT	High Tension
INVEST Portal	Integrated New Venture Establishment Portal
IQF	Individual Quick Freezing
IPR	Intellectual Property Rights
INR	India Rupee
ISO	International Organization for Standardization
Km	Kilometer

ACRONYMS

ABBREVIATION	DEFINITION
KV	Kilo Volt
LEADS	Logistics Ease Across Different States
LLP	Limited Liability Partnership
LT	Low Tension
MCA	Ministry of Corporate Affairs
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
ODOP	One District One Product
P&M	Plant & Machinery
PFT	Private Freight Terminal
PLI	Production Linked Incentive
PLISFPI	Production Linked Incentive Scheme for Food Processing Industry
PLISMBP	Production Linked Incentive scheme for Millet-Based Products
PMFME	Pradhan Mantri Formalisation of Micro Food Processing Enterprises
PMKSY	Pradhan Mantri Kisan Sampada Yojana
PMKVY	Pradhan Mantri Kaushal Vikas Yojana
PMMSY	Pradhan Mantri Matsya Sampada Yojana
PSL	Priority Sector Lending
RBI	Reserve Bank of India
RTC	Ready to cook
RTE	Ready to eat
SC	Schedule Caste
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
ST	Schedule Tribe
SFAC	Small Farmers' Agri-Business Consortium
SWC	Single Window Clearance
Sq. KM	Square kilometre
USD	U.S. Dollar
ULB	Urban Local Bodies



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 throughout the entire agro-industry value chain, supporting employment generation, doubling farming incomes and reducing post-harvest losses.

Remarkable Growth of the Indian Food Processing Sector:

The Indian food processing sector has demonstrated impressive growth, with an average annual growth rate exceeding 9% since 2014-15. The sector is poised for growth driven by increased disposable incomes, structural shift in consumption patterns and supportive government policies.

Madhya Pradesh's Strong Agricultural Sector and Economic Potential:

Madhya Pradesh, known for its robust agricultural sector, has a Gross State Domestic Product (GSDP) of USD 142.61 billion. It is recognized for its robust infrastructure network and holds leading positions in the production of pulses, food grains, oilseeds, vegetables, fruits, and milk in India.

Rich Agricultural Heritage and Business-Friendly Environment in Madhya Pradesh:

Madhya Pradesh proudly showcases its agricultural heritage with eight food and allied geographical indicator tags. The state offers a streamlined business establishment process through its dedicated Single Window Clearance portal, Invest Madhya Pradesh, allowing entrepreneurs to start their businesses efficiently.

Government Support and Investments in Madhya Pradesh:

Under the Pradhan Mantri - Kisan Sampada Yojana, the Ministry of Food Processing Industries has approved multiple units for the food processing sector in Madhya Pradesh, including mega food parks, cold chains, agro-processing clusters, food processing capacities, backward and forward linkages, and food testing labs. The state has also attracted significant investments through the Production Linked Incentive Scheme.

Diverse Opportunities in Madhya Pradesh's Food Processing Sector:

Madhya Pradesh presents abundant opportunities in the food processing sector, ranging from fruits, vegetables, ready-to-eat/ready-to-cook products, cereals and baked goods. Madhya Pradesh holds the distinction of being the largest producer of pulses and spices in India. Additionally, it ranks as the third-largest milk producer in the country, with a variety of processed-dairy beverages, yoghurt, cheese, butter, flavoured milk, condensed milk, powdered milk, and various dairy spreads. With its position as the second-largest producer of wheat, Madhya Pradesh places significant emphasis on wheat processing, particularly in the production of bakery and baked items such as bread, noodles, pasta, biscuits, cereal bars, and sweet and savoury snack foods, like crackers.

01. FOOD PROCESSING IN INDIA

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

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

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



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

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

¹ Statistics | Food and Agriculture Organization of the United States

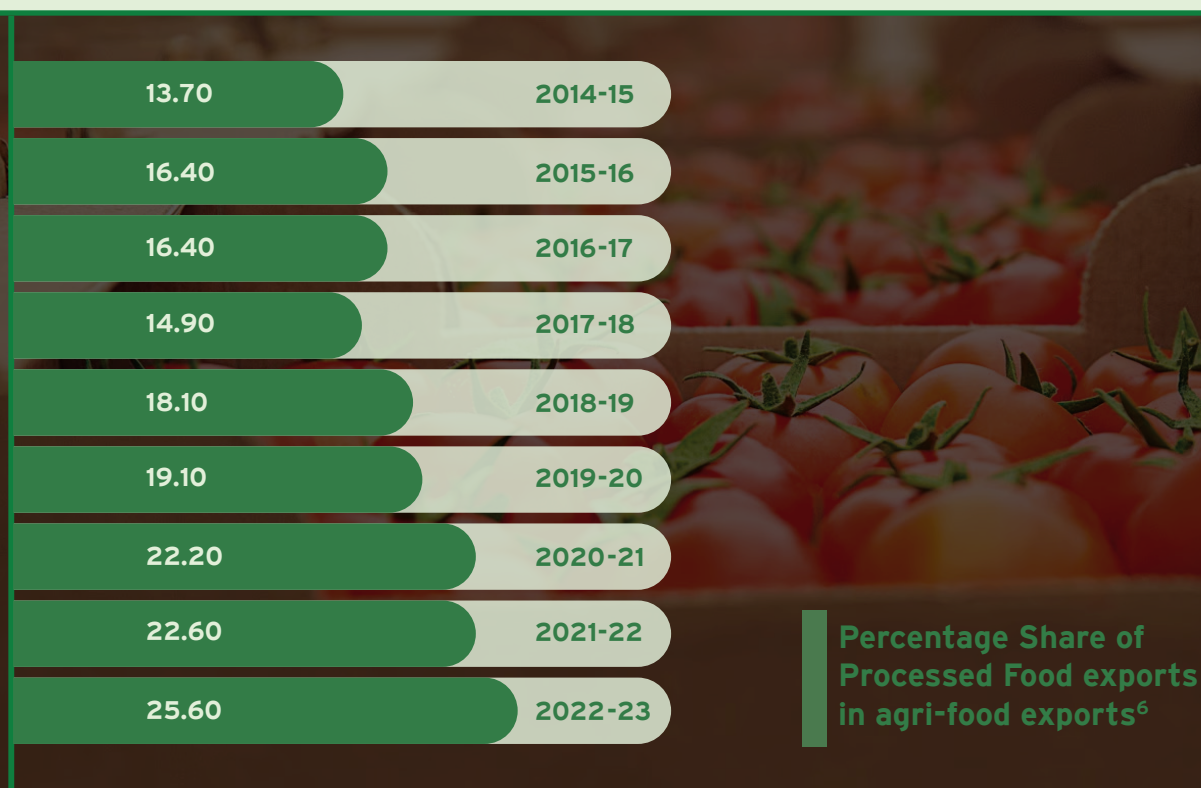
² MoFPI

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

⁴ Ibid

As per the Annual Survey of Industries (ASI) latest estimates (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 2022-23⁵.



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

⁵ MoFPI

⁶ Ibid

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

⁸ Ibid

02. OVERVIEW

Madhya Pradesh is known as the "Heartland of India" due to its prime geographic location. It is the second largest State in India in terms of land area and ranks fifth among the most populous States. The State is renowned for its abundant natural resources such as forests, rivers, minerals, and valleys.

Madhya Pradesh is part of the peninsular plateau. Due to its vast territory, Madhya Pradesh has a diverse range of climatic conditions and excellent soil quality that facilitates the growth of a variety of crops.

State Capital

Bhopal

Geographic Area⁹

3, 08, 000 sq. km

Population (Census 2011)¹⁰

72.63 Million

Total Road Length (2019)

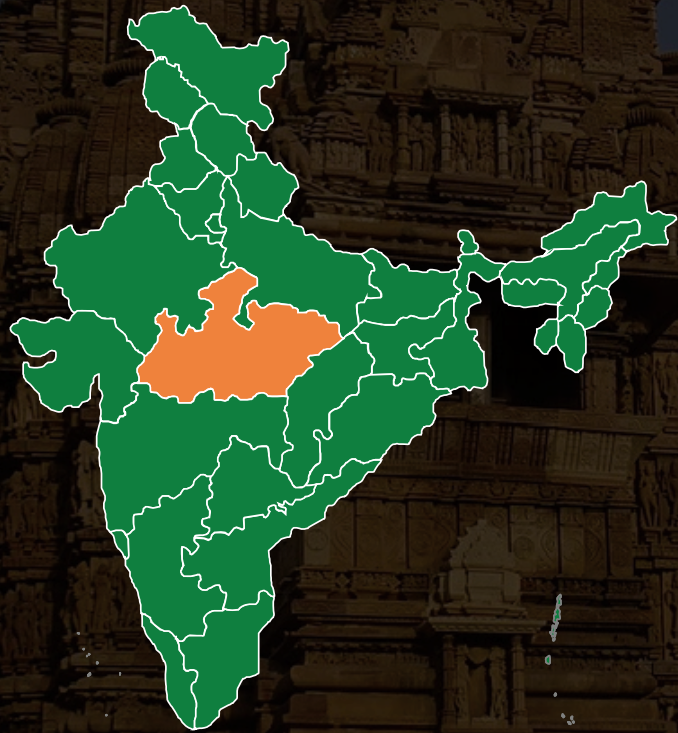
3,65,045 (km)

Industrial Area¹¹

96 Industrial Park

Rail length (2021)¹²

9,702 (Route km)



⁹ Government of Madhya Pradesh | State Profile

¹⁰ National Data Bank | MoSPI | Population

¹¹ DPIIT | LEADS 2022 Logistics Ease Across Different States

¹² MP Industrial Development Corporation Limited

Gross State Domestic Product (GSDP)¹³

USD 142.61 Billion
(2021-22)

Per Capita Net State Domestic Product¹⁴

USD 1507.32
(2021-22)

Airports

Domestic Airports
Jabalpur, Khajuraho,
& Gwalior

International Airports
Bhopal & Indore

Available Land (31.05.2023)

Mixed Category
2816.26 ha

Food Processing Category
22.09 ha

Agri Export Zone¹⁵

5
(Potatoes, Onion and Garlic)
(Seed Spices)
(Wheat)
(Orange)
(Lentils & Gram)

Infrastructure¹⁶

7
Inland Container Depots (ICD)

6
Container Freight Station (CFS)

45
Railway Goods Sheds

2
Private Freight Terminal (PFT)

2
Air Cargo Terminals

14.98
million MT warehouse capacity

13.26
lakh MT Cold Storage Capacity

Installed power¹⁷

Thermal
16244.54 MW

Nuclear
273 MW

Renewables
9128.74 MW

of which, Hydro is
3223.66 MW

¹³ RBI | Handbook of Statistics on Indian States | Gross state domestic product | Exchange rate as on 9th June,2023

¹⁴ RBI | Handbook of Statistics on Indian States | Per Capita Net State Domestic Product | Exchange rate as on 9th June,2023

¹⁵ IAPEDA | Agri Exchange | Agri Export Zone

¹⁶ DPIIT | LEADS 2022: Logistics Ease Across Different States

¹⁷ Central Electricity Authority | Installed Capacity Report (31.03.2023)

03. ADVANTAGE MADHYA PRADESH



Excellent connectivity with **5 operational airports and over 550 trains**¹⁸



Featured in **Fast Movers' category for "Quality of warehousing infrastructure"** for having largest warehousing capacity in the country, as per **LEADS 2022**²²



Start Your Business in 30 Days Program with 45 services of 12 departments within 30 days through the **single window system**¹⁹



Important node for industrial development – Western Madhya Pradesh falls under the influence of the Delhi-Mumbai Industrial Corridor ²³



Rated highest in Quality of Road and Terminal Infrastructure as per **LEADS 2022**²⁰



Ranked #5th in NITI Aayog's Export Preparedness Index 2022 under the landlocked category²⁴



Featured amongst **"Achievers" in BRAP 2021**²¹



4th rank in Ease of doing business Index 2019²⁵



3rd largest producer of vegetables in the country²⁶

¹⁸ Invest Madhya Pradesh | Focus Sector

¹⁹ ibid

²⁰ DPIIT | LEADS 2022: Logistics Ease Across Different States

²¹ ibid

²² DPIIT | LEADS 2022: Logistics Ease Across Different States

²³ Madhya Pradesh Industrial Corporation Limited | Invest Madhya Pradesh

²⁴ Niti Aayog | Export Preparedness Index 2022

²⁵ Invest Madhya Pradesh | Focus Sector

²⁶ Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for ²⁰²¹⁻²² (3rd Advance Estimates)

Largest producer of
spices in India²⁷



Largest producer of
pulses in India²⁸



2nd largest producer of
food grain in the country²⁹



2nd largest producer of
oilseeds in the country³⁰



²⁷ Economic Survey 2022-23 Statistical Appendix | Production of Important Crops in Three Largest Producing States in 2021-22

²⁸ ibid

²⁹ ibid

³⁰ ibid

Ranked 1st in production of **aonla (Amla), ber, and mandarin orange** in country³¹



Ranked 1st in the production of **bitter gourd, green chillies, pumpkins, and tomatoes** in the country³²



Ranked 1st in the production of **ginger, garlic, and coriander** in country³³



Ranked 3rd in **milk production** in India³⁴



³¹ Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for 2021-22 (3rd Advance Estimates)

³² ibid

³³ ibid

³⁴ RBI | RBI Handbook of Statistics on Indian States

04. LOCAL FOOD SYSTEM

4.1 INDIGENOUS PRODUCE

Madhya Pradesh's economy is largely supported by agriculture and related industries. The State has made remarkable strides in the field of agriculture, as evidenced by its unbroken streak of receiving the Krishi Karman Award for seven consecutive years.³⁵

The State is divided into eleven agro-climatic zones³⁶, which favour the cultivation of a multitude of crops, vegetables, and fruits throughout the year. The climatic zones cover plateaus, valleys, hills, and plains.

In 2021, the net sown area was around 158 lakh hectares and the gross sown area was about 299 lakh hectares.³⁷

- **Principal crops** - Wheat, Soybean, and Jowar (Sorghum).
- Additionally, substantial areas are dedicated to Paddy and Coarse Millets, Pulses, Cereals, and Groundnut.
- **Cash Crops** - Sugarcane, and Oil Seeds hold significant economic importance.

STATE HAS RECEIVED 8 GEOGRAPHICAL INDICATOR (GI) TAGS FOR³⁸ -

- Ratlami Sev
- Jhabua Kadaknath Black Chicken Meat
- Balaghat Chinnor
- Mahoba Desawari Pan
- Nagpur Orange
- Morena Gajak
- Rewa Sunderja Mango
- Sharbati Gehu

³⁵ The Krishi Karman Award, is presented by the Government of India, recognizes outstanding performance by states in the cultivation of food grains and specific crops such as rice, wheat, pulses, and coarse cereals.

³⁶ Agro Climatic Zones Madhya Pradesh | Department of Land Resource

³⁷ RBI | Handbook of Statistics on Indian States | State-wise Net Sown and Grown Area

³⁸ Intellectual Property | Registration Details of Geographical Indications

4.2 KEY PRODUCTION HIGHLIGHTS

Largest producer of
Spices in India³⁹



2nd largest producer of
Oilseeds in country⁴⁰

2nd largest producer of
food grains in country⁴¹



A diverse range of unique crops including
**scented rice, Sharbati
and Durum Wheat**, as well as
millets like **Kodo Kutki**⁴²

Ranked **1st** in
production of **aonla(amlia), ber, and
mandarin orange** in country⁴³



Ranked **2nd** in
production of **guava, custard apple, peas,
total citrus fruits, cauliflower, onions,
cucumber and fenugreek** in country⁴⁴

³⁹ Economic Survey 2022-23 Statistical Appendix| Production of Important Crops in Three Largest Producing States in 2021-22

⁴⁰ ibid

⁴¹ ibid

⁴² Intellectual Property | Registration Details of Geographical Indications

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

⁴⁴ ibid

3rd largest producer of
Vegetables in the country⁴⁵



Largest producer of
Pulses in India⁴⁶

Ranked **3rd** in
 production of **milk** in india⁴⁷



Ranked **1st** in
 production of **bitter gourd, pumpkins,
 green chillies and tomatoes** in country⁴⁸

Ranked **1st** in
 production of **ginger, garlic,
 and coriander** in country⁴⁹



4th largest producer of
Sweet potato in the country⁵⁰

Ranked **3rd** in
 production of **muskmelon, okra, brinjal,
 cabbage, papaya & red chillies** in country⁵¹



⁴⁵ ibid

⁴⁶ Economic Survey 2022-23 Statistical Appendix | Production of Important Crops in Three Largest Producing States in 2021-22

⁴⁷ RBI | RBI Handbook of Statistics on Indian States

⁴⁸ ibid

⁴⁹ Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for 2021

⁵⁰ ibid

⁵¹ ibid

KEY PRODUCTION STATISTICS ARE PRESENTED BELOW^{52&53}

CROPS

'000 MT

WHEAT

22420

PULSES

6030

OILSEEDS

7920

MAIZE

4570

FRUITS

'000 MT

AMLA

432.27

GUAVA

930.36

ORANGE

2228.96

CUSTARD APPLE

109.26

SPICES

'000 tonnes

GINGER

518.72

RED CHILLI

319.55

CORIANDER

396.47

GARLIC

2108.21

LIVESTOCK & FISHERIES

MILK

17999 '000 tonnes

EGGS

26516 lakh

MEAT

116 '000 tonnes

FISH

2 lakh tonnes

VEGETABLES

'000 tonnes

TOMATO

2760.16

BITTER GROUND

282.23

ONION

4740.6

CAULIFLOWER

1380.33

⁵² Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for 2021-22 (3rd Advance Estimates)

⁵³ RBI | RBI Handbook of Statistics on Indian States

05. PRODUCTION CLUSTERS⁵⁴

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

ORANGE / CITRUS based products

Agar Malwa, Rajgarh



CUSTARD APPLE based products

Alirajpur, Dhar, Seoni



TOMATO based products

Anuppur, Ashoknagar, Damoh, Datia, Jhabua, Katni, Raisen, Sagar, Satna, Shivpuri, Singrauli



GINGER based products

Barwani, Niwari, Tikamgarh



MANGO based products

Betul, Sidhi, Umaria



GUAVA based products

Bhopal, Hoshangabad, Sehore, Sheopur



BAJRA based products

Bhind



POTATO based products

Chhindwara, Dewas, Gwalior, Indore



CORIANDER based products

Guna, Neemuch



ONION based products

Harda, Khandwa, Shajapur, Ujjain, Vidisha



GREEN PEA based products

Jabalpur



CHILLI based products

Khargone



KODO - KUTKI based products

Balaghat, Dindori, Mandla





MUSTARD based products

Morena



SUGARCANE based products

Narsinghpur



AONLA (AMLA) based products

Panna



TURMERIC

Rewa, Shahdol



BETEL VINE based products

Chhatarpur



BANANA based products

Burhanpur



GARLIC based products

Mandsaur, Ratlam

06. MILLETS IN MADHYA PRADESH



Millets, a type of grain, grow well in diverse environments, including arid, semi-arid and rain fed regions. They exhibit robust growth resilience compared to other crops, and their nutritional profile surpasses that of many grains. With higher nutrient content and protein levels, millets offer a healthier choice for individuals following a vegetarian or vegan diet globally.⁵⁵

In Madhya Pradesh, various types of millets, including Jowar (Sorghum), Bajra (Pearl Millet), and Kodo-Kutki, are cultivated. Overall, 11.63 lakh tonnes⁵⁶ production as per the 4th Advanced Estimates for the year 2021-22.

The State Mission on Millets in Madhya Pradesh, as part of the Crop Diversification Scheme under the Agriculture Infrastructure Fund, has set forth several objectives. These include ensuring that farmers can sell Kodo and Kutki at fair prices, creating a sustainable market for processed Kodo-Kutki, expanding the cultivation area and enhancing productivity, and building a strong brand reputation for Kodo-Kutki. To achieve these goals, strategies such as developing a demand-driven supply chain, offering marketing options to farmers, conducting farm-level demonstrations, carrying out research activities, establishing laboratories, setting packaging standards, and implementing incentive plans for investors are being implemented.

⁵⁵ APEDA | E-Catalogue for Export of Millets and Value-Added Products Madhya Pradesh

⁵⁶ APEDA | India Millets Production | State Wise Millet Production

07. AGRICULTURAL MARKETING

The State government of Madhya Pradesh has taken various initiatives in the marketing of agricultural produce for the regular and all-round development of agricultural production. The Madhya Pradesh State Agricultural Marketing Board (MPSAMB) was constituted, and since then, the MPSAMB has been making continuous efforts for the development of agricultural produce markets in the state for the following purposes⁵⁷ –

- to provide competitive prices to the seller
- to ensure that weighing is done accurately
- to develop basic facilities in a planned manner for smooth marketing in market yards and sub-market yards



⁵⁷ Madhya Pradesh State Agriculture Marketing Board

⁵⁸ E-National Agriculture Mission

⁵⁹ Madhya Pradesh | Warehousing and Logistics Corporation

⁶⁰ Ministry of Agriculture & Farmers Welfare | Data of Registered FPOs

⁶¹ Directorate of Marketing & Inspection (DMI) | Ministry of Agriculture and Farmers Welfare | AgMarknet | Mandi Profiles

08. POTENTIAL OPPORTUNITIES

Madhya Pradesh is one of India's largest States in India, both in terms of population and geographical area. The State has a significant advantage in terms of investment and economic growth. The state has developed a strong infrastructure complemented by conducive government policies and industrial growth centres over the years which has driven the State's economic growth.

Based on profiling of the State, agriculture output and geographical conditions, high potential sub-sectors in food processing of the State could be fruits and vegetables, and cereals, as:

CEREALS PROCESSING

Madhya Pradesh is home to a variety of unique cereals, including durum wheat, which is suitable for pasta and bread. Madhya Pradesh is a major producer of cereals, such as wheat, rice, and maize. The State has a long history of cereal cultivation, and there is a large demand for these products in the domestic and international markets. This has led to the development of several cereal processing opportunities in Madhya Pradesh. Some of the potential cereal processing opportunities in Madhya Pradesh include:

- **Wheat processing:** With a large demand for wheat-based products in the domestic and international markets. Wheat can be processed into a variety of products, such as flour, semolina, pasta, bread, and noodles.
- **Rice processing:** Rice can be processed into a variety of products, such as rice flour, rice bran oil, and puffed rice.
- **Maize processing:** Maize is a versatile cereal crop that can be processed into a variety of products, such as cornflakes, cornmeal, popcorn, and ethanol. There is a growing demand for maize-based products in the domestic and international markets.
- In addition to these major cereal crops, Madhya Pradesh also produces a variety of **other cereals**, such as millets, sorghum, and barley. These cereals can also be processed into a variety of products, such as flour, flakes, and snacks.



FRUITS AND VEGETABLES

READY-TO-EAT & SUPER FOOD

- **Fruits Processing** - The processing of highly produced fruits and vegetables such as onion, tomato, orange, and mango (Noor Jahan mango and Sundaraja mango are two native varieties of mango in Madhya Pradesh with medicinal benefits and rising global demand) can be a part of the food-processing sector, such as ready-to-eat/ready-to-cook/ready-to-drink products. For example, fruits can be processed into pulp, juices, dried fruits, canned fruits, syrups, chips, jams, squash, chutney, starch powder, baby food, beverages, fruit wine, frozen fruits, dehydrated fruits, and essential oils.
- **Vegetables** - Vegetables can be processed into powder, flakes, paste, pickle, frozen vegetables, dehydrated vegetables, essential oils, chutney, chips, and starch.

BAKERY

- Madhya Pradesh being the 2nd largest producer of wheat, makes the state more focused on the processing of wheat in the form of baked goods like – bread, crumpets, muffins, noodles, pasta, biscuits, cakes, pastries, cereal bars, sweet and savoury snack foods, crackers, crisp-breads, sauces and confectionery.
- **Healthy and organic options:** Capitalizing on the increasing demand for healthier bakery products by offering options like whole grain bread, gluten-free items, organic pastries, and sugar-free treats.
- **Export potential:** Explore opportunities to export bakery products to neighbouring States or even international markets, showcasing unique regional flavours and specialities.



SPICES

Madhya Pradesh is the largest ginger, garlic and coriander in the country.

- **Powder:** Drying and grinding spices into a fine powder that can be used in culinary preparations, beverages or herbal remedies.
- **Flakes:** Garlic or coriander flakes can be used for seasoning Ginger Candy, Coriander chutney, Garlic Pickles
- **Paste:** Processed into a paste which can be used as marinade, sauces, curries and gravies.
- **Coriander Oil:** Extracting essential oil from coriander seeds, which can be used in culinary applications, fragrances, or natural remedies.

09. GOVERNMENT OF INDIA SCHEMES FOR FOOD PROCESSING

9.1 SCHEMES UNDER MINISTRY OF FOOD PROCESSING INDUSTRIES⁶²

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.

⁶² 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

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 Madhya Pradesh (as on date: 31.05.2023)⁶³

PRADHAN MANTRI KISAN SAMPADA YOJANA (PMKSY) SCHEME

SCHEME NAME	NO. OF PROJECTS APPROVED	TOTAL PROJECT COST (INR CR.)
MEGA FOOD PARK	2	277.35
COLD CHAIN	15	326.58
AGRO PROCESSING CLUSTERS	5	158.54
CEFPPC UNIT	22	103.06
CREATION OF BACKWARD & FORWARD LINKAGES	1	1.09
OPERATION GREENS	2	66.00
FOOD TESTING LABORATORY	7	23.60

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)	8	280.81

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)	1847 (as on 07-06-2023)
INCUBATION CENTRES	3

⁶³ 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) Scheme⁶⁴**

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) Scheme⁶⁵**

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)⁶⁶**

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.

⁶⁴ Mission for Integrated Development of Horticulture (MIDH)

⁶⁵ National Agriculture Infra Financing Facility

⁶⁶ Department Of Fisheries

4 Pradhan Mantri Matsya Sampada Yojana (PMMSY) Scheme⁶⁷

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)⁶⁸

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)⁶⁹

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)⁷⁰

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)⁷¹

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.

⁶⁷ Pradhan Mantri Matsya Sampada Yojana

⁶⁸ Animal Husbandry Infrastructure Development Fund (AHIDF) | Department of Animal Husbandry and Dairy

⁶⁹ Dairy processing & Infrastructure Development Fund (DIDF) | Department of Animal Husbandry and Dairy

⁷⁰ Agriculture And Processed Foods Export Promotion Scheme of APEDA for the 15th Finance Commission Cycle (2021-22 To 2025-26)

⁷¹ 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)⁷²

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)⁷³

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)⁷⁴

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



⁷² Small Farmers' Agri-Business Consortium | Venture Capital Assistance Scheme

⁷³ A Scheme For Promotion Of Innovation, Rural Industries & Entrepreneurship (ASPIRE) | Ministry of Micro, Small & Medium Enterprises

⁷⁴ 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 sector⁷⁵

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



Agro-Processing included in Priority Sector Lending

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



100% FDI permitted

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



Automatic Route

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

Government Route

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

⁷⁵ "Key Reforms in the Food Processing Sector Since 2014-15" | MoFPI

10. STATE GOVERNMENT INITIATIVES AND SCHEMES

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



Single Window System⁷⁶

The Madhya Pradesh Industrial Development Corporation Limited (MPIDC) has been designated as the Single Window Secretariat for Investment Promotion and Facilitation in the State. In furtherance of this mandate, MPIDC has introduced an Integrated New Venture Establishment Portal (INVEST) that serves as the Single Window Portal for the State. INVEST provides a unified platform for investors seeking to establish and operate a business within the State. The portal offers a comprehensive range of services and approvals required for setting up a business, eliminating the need for investors to visit multiple State department portals. Consequently, INVEST Portal represents a one-stop solution for investors seeking to establish a business in Madhya Pradesh.

 invest.mp.gov.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.mp.gov.in/LBA



B. Central Industrial Land Bank Porta

Industrial parks serving as a one-stop repository of all infrastructure-related information, such as, connectivity, infra, natural resources and terrain, plot-level information on vacant plots, and contact details.

 iis.ncog.gov.in/parks/login1

C. MP State Industrial Land and Building Management Rules 2019⁷⁷

These rules apply to industrial policy and investment incentives located within the territory of the country. It is meant to extend infrastructure opportunities and promote industrial investment within the State.

⁷⁶ MP Industrial Development Corporation

⁷⁷ Invest MP | MP State Industrial Land and Building Management Rules

Madhya Pradesh Start-Up Policy 2019⁷⁸



The goal is to make Madhya Pradesh a favoured choice for start-ups and incubators by creating a supportive environment that nurtures an entrepreneurial culture in the state. It is also expected to strengthen the local start-up scene by empowering local entrepreneurs and provide a boost to local start-up initiatives

 startup.mp.gov.in



Madhya Pradesh 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 incentives available for the food processing industry under major policies are summarized in below:

MP MSME DEVELOPMENT POLICY 2021⁷⁹

Fiscal Incentive to MSMEs

Investment upto INR 10 crores in Plant & Machinery (P&M)	<ul style="list-style-type: none"> ■ Industrial development subsidy @40% to MSMEs ■ Additional concessions @8% for SC/ST/Women ■ Additional incentives @12% for Exporting MSMEs ■ Financial assistance upto INR 5 Lakhs for quality certifications (Upto INR 25 Lakhs investment in P&M) ■ Financial Assistance upto INR 5 Lakhs for energy audit expenses ■ Financial assistance upto INR 5 Lakhs for patents/IPR registration
Investment more than INR 10 crores & upto INR 50 crores in P&M	<ul style="list-style-type: none"> ■ Industrial development subsidy/Investment Promotion assistance: up to 40% of Plant & Machinery and Building ■ Financial assistance upto INR 5 Lakhs for patents/IPR registration

Fiscal Incentive for Infrastructure Development

Infrastructure Creation (Upto the Industrial Premises)	<ul style="list-style-type: none"> ■ Investment Up to INR 10 crores in P&M: Max INR 25 lakhs ■ Investment more than INR 10 crores & upto INR 50 crores in P&M: Max INR 3 crores ■ Financial assistance up to INR 2.5 crores for developing Industrial Area (less than 10 Acres) in private sector ■ Financial assistance up to INR 5 crores for developing Industrial Area (10 Acres or more) in private sector and for developing Industrial Area for Power loom, Pharma, Apparel sectors.
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Special Package for Specific Sectors

(Investment more than INR 10 crores & up to INR 50 crores in P&M)

Food Processing	<ul style="list-style-type: none"> ■ To Industrial Units having New High Tension Connection assistance @INR 1 per unit or 20% whichever is less ■ Mandi Fee Exemption: Max. 50% of Investment or up to 5 years ■ Food Park: 15% of project cost (Max. INR 5 crores)
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⁷⁹ Salient Features of MP MSME Development Policy 2021 | Government of Madhya Pradesh

KEY INITIATIVES

INDUSTRIAL PROMOTION POLICY 2014

(amended as of Oct 2019)⁸⁰

Specific financial Assistance for large-scale food processing projects

Power consumption Support

New customers of high-tension connection will get a subsidy of INR. 1 per unit or 20 per cent, whichever is less. rebate shall be payable for a period of 5 years from the date of production / business operation for food processing units.

Assistance for establishment of cold chain for agriculture / horticulture / dairy processing

35% of the expenditure on establishment of cold chain for agriculture / horticulture / dairy processing, shall be payable subject to a maximum of INR 5 crore.

Infrastructure Development Assistance

(Special assistance for establishing food parks)

An assistance of 15% of project cost (maximum amount INR. 5 crores) in establishing mega food park by a private investor, shall be provided.

Stamp Duty Support

Stamp duty will be reimbursed to the promoters for transferring their land to Special purpose vehicle for establishing mega food park

Electricity Duty Exemption

Eligible food processing units that obtained new high tension connections from the state's power distribution companies between March 4, 2014, and March 2, 2019, will receive exemptions in electricity duty. The exemption period is 5 years for 33 KV connections, 7 years for 132 KV connections, and 10 years for 220 KV connections.

Investment Promotion Assistance

A tax delinked investment assistance from 60% to 15% of investment in plant and machinery.

⁸⁰ Industry Promotion Policy REVISED | Government of Madhya Pradesh

11. REGULATORY FRAMEWORK: REGISTRATION/NOCS/ LICENSES

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

FOR STARTING OPERATIONS

S.No	Name of Service ⁸¹	Authority/ Agency/ Office/ Department officer granting approval
1.	Registration of Company	Ministry of Corporate Affairs (MCA)
2.	Intention to Invest Form	MP Invest Portal
3.	Apply for Land Allotment	MP Industry Land Bank Portal
4.	Approval for new electricity connection LT/HT	Energy Department <ul style="list-style-type: none"> • Central DISCOM • East DISCOM • West DISCOM
5.	Water Connection <ul style="list-style-type: none"> • Water connection by MPIDC • Water connection through Municipal Corporation • Water from Natural Resources 	<ul style="list-style-type: none"> • Department of Industrial Policy & Investment Promotion • Urban Development and Housing (ULBs) • Water Resource Department
6.	Consent to Establish (Under Water & Air Act)	Madhya Pradesh Pollution Control Board
7.	Approval of Factory Plan/ Layout	Labour Department
8.	Fire NOC	Urban Development and Housing (ULBs)
9.	Tree Cutting and Tree Transit NOC	Urban Development and Housing (ULBs)

⁸¹ Government of Madhya Pradesh | Magnificent MP | Doing Business Guide Food Processing

FOR SETTING UP OF BUSINESS

S.No	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
10.	Consent to Operate under Water Act 1974 and Air Act 1981 and Authorization for Hazardous and other Waste (Management and Transboundary Movement) Rules, 2016	Madhya Pradesh Pollution Control Board
11.	Registration under the Interstate Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979	Labour Department
12.	Registration of Principal Employer under Contract Labour (Regulation & Abolition) Act 1970	Labour Department
13.	Registration under the Building and other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996	Labour Department
14.	Trade License	Urban Development and Housing (ULBs)
15.	License under the Factories Act, 1948	Labour Department
16.	Professional Tax Registration	Department of Commercial Tax
17.	GST Registration	Department of Commercial Tax
18.	Charging permission for electrical installation of 132 KV (or above), if required	Energy Department - DISCOM
19.	Registration of Boiler	Industrial Policy and Investment Promotion- Directorate of Boiler
20.	Incentives Forms	MP 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
Balaji Wafers Private Ltd	Indore
Gujarat Co- Operative Milk Marketing Federation Ltd	Ujjain
Parle Agro Private Ltd	Raisen
Parle Biscuits Private Ltd	Indore and Bhind
Prataap Snacks Ltd	Indore
Dabur India Ltd	Dhar

BENEFICIARIES UNDER MEGA FOOD PARK SCHEME, UNDER PMKSY SCHEME OF MOFPI, GOVERNMENT OF INDIA (OPERATIONAL UNITS)

NAME OF THE FIRM	LOCATION
Indus Mega Food Park Pvt Ltd	Khargone
Avantee Mega Food Park Pvt Ltd	Dewas

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
Om Agro Products	Jabalpur
Bhanu Farms Ltd.	Jabalpur
Brij Dairy	Betul
Shree Uttam Food Products (India) Pvt. Ltd.,	Jhabua
Sahara Frozen Foods	Morena
Jamnadas Industries	Indore
Vardhman Agrofresh Products	Bhopal

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

NAME OF THE FIRM	LOCATION
M/s Nimar Agro Park	Barwani
M/s Bharti Agro Cluster	Betul

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

NAME OF THE FIRM	LOCATION
M/s Sunder Food Products	Chhindwara
Frut X	Khargone
M/s Prashast Food Products Private Limited	Khargone
M/s Parda Food LLP	Khargone
M/s Vibhuti Mart Pvt. Ltd	Mandla

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

NAME OF THE FIRM	LOCATION
M/s Goswami Agro Products	Bhopal

BENEFICIARIES UNDER INFRASTRUCTURE FOR SCHEME FOR FOOD SAFETY & QUALITY ASSURANCE INFRASTRUCTURE, UNDER PMKSY SCHEME OF MOFPI, GOVERNMENT OF INDIA (OPERATIONAL UNITS)

NAME OF THE FIRM	LOCATION
Food & Drug Administration, Department of Public Health & Family Welfare	Bhopal

13. LIST OF FARMER PRODUCER ORGANISATIONS

A total of 550 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
AHPCL	Amarkantak Horti. Producer Com. Ltd. office C/o Mr. Ajay Saraf, Word no.04, Darritola Nigwani road, Kotma Dist. Anuppur (MP)	Pomegranate, Mango, Seeds (Rice), Fruits
Adarsh Kisan Beej Utpadak Sahakarita Samiti Maryadit	Behind Gram Panchayat, Near Hera Nadi Pul, Majghava Road, Tal : Sihora, Dist : Jabalpur, Madhya Pradesh	Wheat, Paddy, Gram
Devendra Farmer Producer Company Limited	Infront Of Krishi Upaj Mandi, Devendra Nagar, Panna-488333, Madhya Pradesh, India	Soyabean, Wheat, Gram,
Alirajpur Farmer Producer Company Limited	C/O Patel Faliya Mayala Post Laxmani Tehsil and District Alirajpur	Mango, Green Chilli, Custard Apple, Soyabean, Sorghum, Maize, Millet
Avatar Singh Bhati	Vill Post Chhapar Teh Ashta Dist Sehore	Onion
Babadev Farmers Producer Company Limited	Tadvi Faliya VI. Khandalarao Post. Udaigarh	Mango, Fruits
Baihar Krushi Sangh Producer Company Limited	Gram- Harranala, Post- Lud, Block- Baihar, District- Balaghat (MP)	Guava, Mango, Fruits, Pulses, Vegetables
Maan Veshnokishan Utpadak Sahkari Sanstha Maryadit Pahadgarh	Village Parsota Joura, Morena	Wheat, Mustard, Millet, Honey
Bijasan Farmers Producer Company Limited	House No.88, School Faliya, Kanpuri, Gram- Kanpuri	Mango, Fruits
Cool Breeze Solutions Private Limited	1 st Floor sg squire, Rampur Jabalpur	Mango, Guava, Papaya
Betul Milk Producer Co. Ltd	Multai Athner Road Vishnoor, Prabhat Pattan	Dairy, Dairy produce
Mekalsuta Krishi Chetna Producer Company Limited	In front of Sheetal Computer, Ward No. 20, Awasthi Compound, Harda, Madhya Pradesh, 461331	Wheat, Gram, Urad, Soyabean, maize

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