

# FOOD PROCESSING

Towards Sustainable Growth Opportunities



**KERALA**



KERALA



KERALA





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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
ASPIRE	A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship
CAGR	Compound Annual Growth Rate
CBFL	Creation of Backward and Forward Linkages
CEFPPC	Creation/Expansion of Food Processing & Preservation Capacities
CFS	Container Freight Station
CLCSS	Credit Linked Capital Subsidy Scheme
DIDF	Dairy Processing & Infrastructure Development Fund
DPIIT	Department for Promotion of Industry and Internal Trade
DPR	Detailed Project Report
DRPs	District Resource Persons
e-NAM	electronic National Agriculture Market
EoDB	Ease of Doing Business
EOI	Expression of Interest
EU	The European Union
FAOSTAT	Food and Agriculture Organization Corporate Statistical Database
FDI	Foreign Direct Investment
FIDF	Fisheries and Aquaculture Infrastructure Development Fund
PME	Formalization of Micro Food Processing Enterprise
FPC	Farmer Producer Company
FPOs	Farmer Producer Organizations
FSSAI	Food Safety and Standards Authority of India
FTL	Food Safety and Quality Assurance Infrastructure
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
ICD	Inland Container Depot
ICC	Integrated Cold Chain
Km	Kilometer
KSIDC	Kerala State Industrial Development Corporation
K-RERA	Kerala Real Estate Regulatory Authority
KINFRA	Kerala Industrial Infrastructure Development Corporation
KSIDC	Kerala State Industrial Development Corporation
KSUM	Kerala Start-up Mission



## ACRONYMS

ABBREVIATION	DEFINITION
KSWIFT	Kerala Single Window Interface for Fast and Transparent Clearance Mechanism
LEADS	Logistics Ease Across Different States
LT	Low Tension
LLP	Limited Liability Partnership
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
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
SNA	State Nodal Agency
SC	Schedule Caste
SFAC	Small Farmers' Agri-Business Consortium
SGST	State Goods and Services Tax
SHG	Self-Help Groups
SMEs	Small and Medium Enterprises
SPV	Special Purpose Vehicle
ST	Schedule Tribe
USD	U.S.Dollar







## ABSTRACT

### **Establishing Strong Linkages between Industry and Agriculture:**

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

### **Remarkable Growth in the Indian Food Processing Sector:**

The Indian food processing sector has shown remarkable growth, with an average annual growth rate of over 9% since 2014-15. It plays a vital role in connecting the industry with agriculture, contributing to the sector's overall development.

### **Kerala's Agricultural Strength and Vibrant Economy:**

Kerala, known for its robust agricultural sector, boasts a Gross State Domestic Product (GSDP) of USD 110.13 billion. It is recognized as "God's own country" and is famous for its captivating landscapes, spices, and coconut production. Kerala provides a business-friendly environment with supportive government policies, making it an attractive investment destination. The State has implemented initiatives like the KSWIFT portal for fast and transparent clearance mechanisms and the Suraksha Mitra system for vehicle safety.

### **Government Approvals and Investments in Kerala:**

Under the Pradhan Mantri - Kisan Sampada Yojana scheme, the Ministry of Food Processing Industries has approved multiple units for the food processing sector in Kerala. The State has also attracted 10 committed investments under the Production Linked Incentive Scheme, further boosting its growth potential.

### **Abundant Opportunities in Kerala's Food Processing Sector:**

Kerala's food processing sector offers various opportunities, including frozen meat products, ready-to-eat products, processed spices, ready-to-drink beverages (coffee and tea), rice, fruits, and vegetables. The State is known for its expertise in these areas. Kerala is known for cultivating rice, spices such as pepper, cardamom, nutmeg, and vanilla, and fruits like banana and jackfruit. It has gained a well-deserved reputation for its exceptional rice production and holds the highest number of non-basmati rice varieties in India with Geographical Indication (GI) tags. Kerala has earned esteemed titles such as the "Spice Garden of India" and the "Land of Coconuts."





# 01. FOOD PROCESSING IN INDIA

The food processing sector is uniquely placed amongst the manufacturing sectors due to its strong backward linkages to the farming activities. A well-developed food processing sector with a 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, complemented with an increase in aggregate demand for processed food products among public as well as conducive policy environment offered by the Government of India has impacted the 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 the Manufacturing and Agriculture sectors respectively in 2020-21 (at the 2011-12 prices).<sup>2</sup>



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

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

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

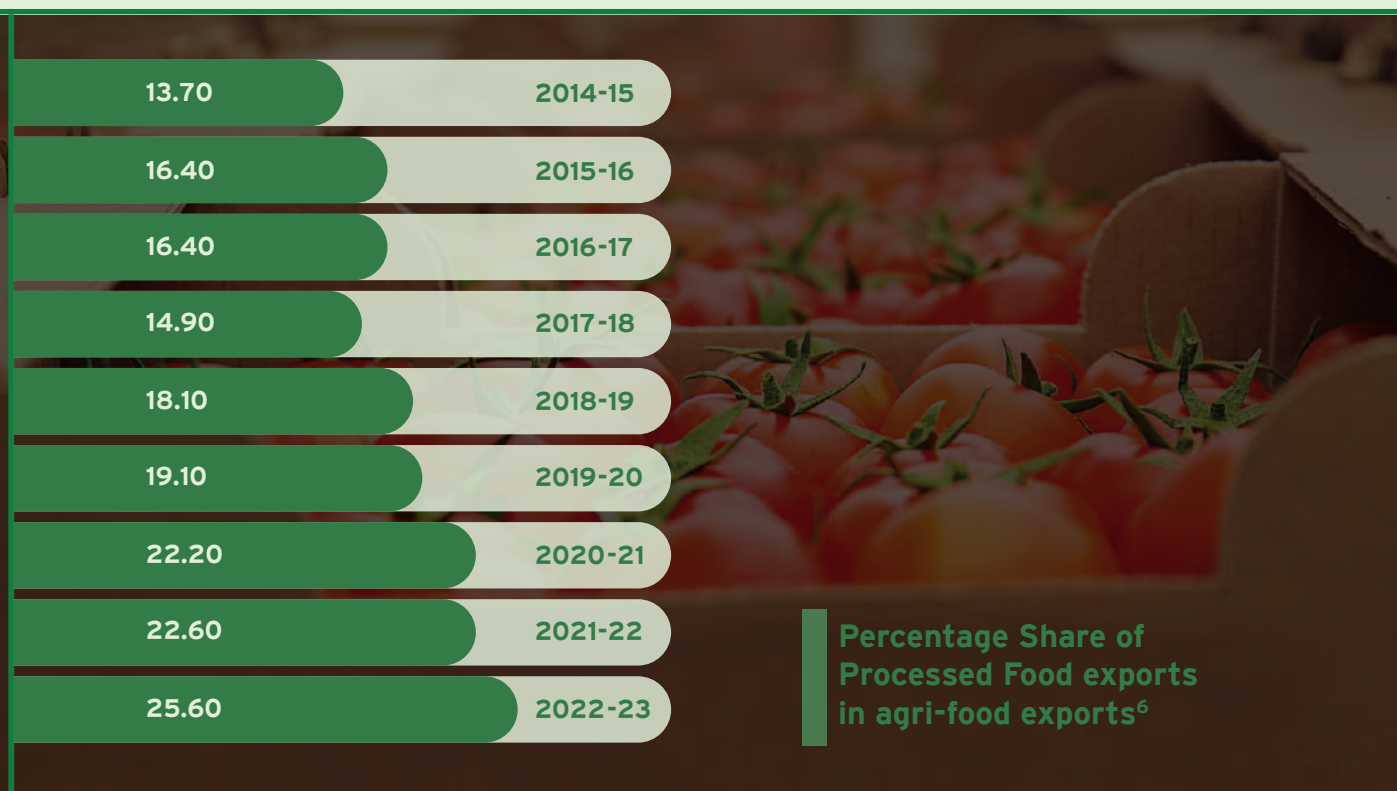
<sup>2</sup> MoFPI

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

<sup>4</sup> Ibid

As per the Annual Survey of Industries (ASI) latest estimates (2019-20), the Food Processing Sector employs nearly 12.2 % of the workforce in the registered factory sector.

The Export of Agri-Food products has increased from US\$ 36.17 in 2014-15 to US\$ 51.05 billion in 2022-23. The Export of Processed-Food products has increased from US\$ 4.96 in 2014-15 to US\$ 13.07 billion in 2022-23. Thus, the share of processed-food products in overall agri-food products exports has increased from 13.70% in 2014-15 to 25.60% in 2022-23.<sup>5</sup>



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.<sup>7</sup>

<sup>5</sup> MoFPI

<sup>6</sup> Ibid

<sup>7</sup> Ibid



## 02. OVERVIEW

KERALA, a coastal State located in the south-western region of India, is strategically positioned on a transnational trade corridor. It is widely recognized as "God's own country" owing to its captivating landscapes. Kerala is situated between the Arabian Sea to the west and the Western Ghats to the east.

The tropical climate, abundant monsoons, and numerous water bodies in the State greatly contribute to its agricultural prosperity. Agriculture plays a crucial role in the State's economic development, with its favourable altitude variations making it an agriculturally prosperous State in India.

Kerala's **competitive advantage** lies in its **favourable location**, excellent infrastructure, progressive governance, policies that attract investors, a responsive administration, and a large pool of skilled, educated, and youthful workforce.

State Capital

**Thiruvananthapuram**

Geographic Area<sup>8</sup>

**38,863** sq. km

Population (Census 2011)<sup>9</sup>

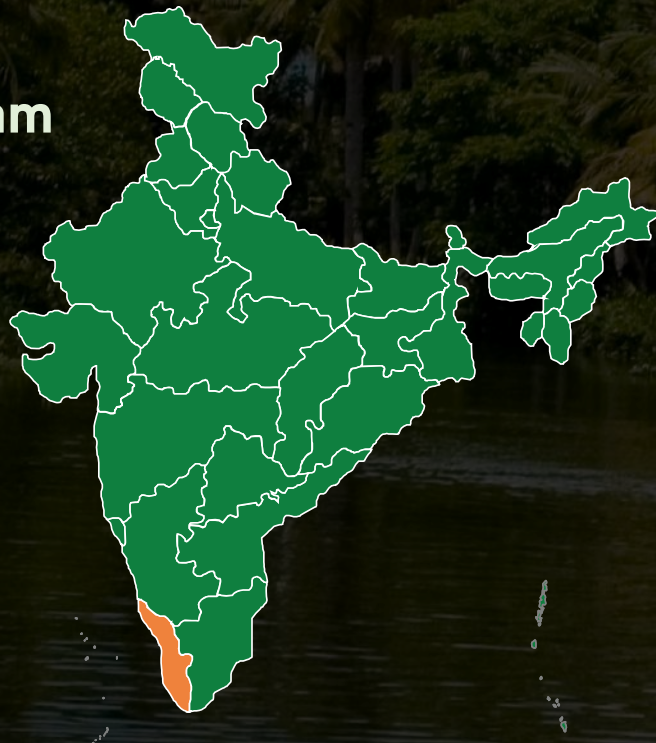
**33.41** Million

Total Road Length (2019)<sup>10</sup>

**2,59,932** (km)

Rail length (2021)<sup>11</sup>

**2,087** (Route km)



<sup>8</sup> About Kerala | Government of Kerala

<sup>9</sup> MoSPI | Population | AREA AND POPULATION BY STATES

<sup>10</sup> RBI | Handbook of Statistics on Indian States | State-wise Length of Roads

<sup>11</sup> DPIIT | LEADS 2022 Logistics Ease Across Different States



Gross State Domestic Product (GSDP)<sup>12</sup>

**USD 110.13 Billion**  
(2020-21)

Airports

**4 International Airports**  
**Kannur, Kozhikode, Kochi,**  
**Thiruvananthapuram**

Installed power<sup>15</sup>

Thermal

**3066.74 MW**

Nuclear

**362.00 MW**

Renewables

**2957.10 MW**

Of which, Hydro is

**1864.15 MW**

Industrial Area<sup>17</sup>

**17**  
major Industrial Estates

**36**  
Mini Industrial Estates

**7**  
Sector Specific Industrial Parks (ongoing)

**9**  
Industrial Parks (New Industrial Space)

Per Capita Net State Domestic Product<sup>13</sup>

**USD 2816.07**  
(2020-21)

Available Land<sup>14</sup>

**Mixed Category**  
**281.02 ha**

**Food Processing**  
**2.0 ha**

Agri Export Zone<sup>16</sup>

2 Agri-Export Zones:

**Horticultural Products**

**Medicinal Plants**

Infrastructure<sup>18</sup>

**2**  
Inland Container Depot (ICD)

**12**  
Container Freight Station (CFS)

**4**  
Air Cargo Terminals

**134**  
Railway Goods Sheds

**1.59**  
lakh MT Warehouse Capacity

**80,715**  
MT Cold Storage Capacity

<sup>12</sup> RBI | Handbook of Statistics on Indian States | Gross state domestic product | Exchange Rate as on 16th June 2023

<sup>13</sup> RBI | Handbook of Statistics on Indian States | Per Capita Net State Domestic Product | Exchange Rate as on 16th June 2023

<sup>14</sup> India Industrial Land Bank (As on 31.05.2023)

<sup>15</sup> Central Electricity Authority | Installed Capacity Report (As on 31.03.2023)

<sup>16</sup> APEDA | Agri Exchange | Agri Export Zone

<sup>17</sup> Kerala Small Industries Corporation and Kerala Employment Promotion Corporation, Kerala SIDCO

<sup>18</sup> DPIIT | LEADS 2022: Logistics Ease Across Different States



## 03. ADVANTAGE KERALA



State boasts the **highest literacy rate of 94%** in the country.<sup>19</sup>



**Strong 'start-up' culture.**



Stands out as the first fully digital State in India, boasting a robust single window system

### **K-SWIFT**

(Kerala - Single Window Interface for Fast and Transparent Clearance).



Excellent connectivity with impressive transportation infrastructure, having 4 international airports, 2 major seaports, 17 minor ports, and 1 International Container Transshipment Terminal.<sup>22</sup>



Highest number of airports offering global connectivity.<sup>20</sup>



One of the top 5 States as per the **India Skills Report** .



**Suraksha Mitr**, a cutting-edge **GPS (Global Positioning System)** based vehicle tracking and monitoring system designed to ensure the safety of transport vehicles.<sup>21</sup>



Graded as **Fast Mover** within the Coastal cluster, in the country, as per DPIIT's **LEADS 2022**.<sup>23</sup>

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

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

<sup>21</sup> DPIIT | LEADS 2022: Logistics Ease Across Different States

<sup>22</sup> Kerala State Industrial Corporation Ltd. | Government of Kerala

<sup>23</sup> DPIIT | LEADS 2022: Logistics Ease Across Different States



'Leader State' in food processing.



Gained renowned reputation for its exquisite 'Nendran' variety of bananas.



Home for 75% of India's EU Certified Sea Food Units



2nd highest producer of Jackfruit and Tapioca<sup>24</sup>



Ranks #1 in cardamom, vanilla, & nutmeg production in the country.<sup>25</sup>



2nd largest producer of cocoa and black pepper.<sup>26</sup>



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

<sup>25</sup> Ibid

<sup>26</sup> Ibid

3rd largest producer of **coconut**.<sup>27</sup>



Potential food processing opportunities in **frozen meat products** and ready-to-eat meat segment.



2nd largest **coffee producing** State in the country.<sup>28</sup>



4th largest **tea producing** State in India.<sup>29</sup>



Proudly holds **24 Geographical Indicator tags** for its agricultural and food produce.<sup>30</sup>



<sup>27</sup> Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for 2021-22 (3rd Advance Estimates)ear 2021-22

<sup>28</sup> Coffee Board | Statistics on Coffee | Final Estimate 2021-22

<sup>29</sup> Tea Board | Tea Production Data 2022

<sup>30</sup> Intellectual Property | Registration Details of Geographical Indications



## 04. LOCAL FOOD SYSTEM

### 4.1 INDIGENOUS PRODUCE

Kerala is geographically divided into three regions: the **Highlands, Midlands, and Lowlands**<sup>31</sup>. The Highlands, descending from the Western Ghats, is renowned for **tea, coffee, rubber, and cardamom plantations**. The Midlands, located between the mountains and lowlands, provide a fertile ground for the thriving cultivation of **cashew, coconut, areca nut, cassava (tapioca), banana, rice, ginger, pepper, sugar cane, and various vegetables**. The Lowlands, comprising river deltas, backwaters, and the coast along the Arabian Sea, are predominantly devoted to the cultivation of coconuts and rice. This region also thrives in **fisheries and the coir industry**.

The State comprises 13<sup>32</sup> agro-ecological zones that support a variety of farming activities. The fertile land and diverse range of crops provide numerous opportunities for value addition.

Kerala boasts the **largest quantity of non-basmati rice**, which holds the **esteemed GI tag**<sup>33</sup>. It is also hailed as one of the world's ten paradises by National Geographic, earning titles like the **Spice Garden of India and the Land of Coconuts**. These accolades stem from Kerala's thriving spice production and expansive coconut tree plantations. In the year 2020-21<sup>34</sup>, the State had a gross sown area of around 25.69 lakh hectares, with a net sown area of 20.35 lakh hectares available for production.

#### STATE HAS RECEIVED 24 GEOGRAPHICAL INDICATOR (GI) TAGS FOR<sup>35</sup> -

Navara Rice	Chengalikodan Nendran Banana
Palakkadan Matta Rice	Nilambur Teak
Malabar Pepper	Wayanad Robusta Coffee
Monsooned Malabar Arabica Coffee	Marayoor Jaggery (Marayoor Sharkara)
Monsooned Malabar Robusta Coffee	Tirur Betel Leaf (Tirur Vettilla)
Alleppey Green Cardamom	Kuttiattoor Mango (Kuttiattoor Manga)
Pokkali Rice	Edayur Chilli
Vazhakulam Pineapple	Attappady Aattukombu Avara (beans)
Central Travancore Jaggery	Attappady Thuvara (gram)
Wayanad Jeerakasala Rice	Onattukara Ellu (sesame)
Wayanad Gandhakasala Rice	Kanthalloor Vattavada Veluthulli (garlic)
Kaipad Rice	Kodungallur Pottuvellari (Snap Melon)

<sup>31</sup> Physiology | Kerala Forest & Wildlife Department | Government of Kerala

<sup>32</sup> Agro ecological zone | EIACP PC Hub: Kerala State of Environment and Related Issues

<sup>33</sup> APEDA | E-Catalogue For Export Of Millets And Value-Added Products Kerala

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

<sup>35</sup> Intellectual Property | Registration Details of Geographical Indications

## 4.2 KEY PRODUCTION HIGHLIGHTS



Known for its spices such as **pepper, cardamom, cinnamon, and cloves**



Other crops grown in the region are **coconut, tea, coffee, cashew, and areca nut**<sup>36</sup>



Ranks **#1 in cardamom and nutmeg** production in the country<sup>37</sup>



One of the largest producers of **Vanilla**<sup>38</sup>



2nd highest producer of **Jackfruit**<sup>39</sup>



2nd largest producer of **Tapioca**



2nd largest producer of **cocoa**<sup>40</sup>



3rd largest producer of **coconut**<sup>41</sup>



2nd largest producer of **black pepper**<sup>42</sup>



<sup>36</sup> Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for 2021-22 (3rd Advance Estimates)

<sup>37</sup> ibid

<sup>38</sup> ibid

<sup>39</sup> ibid

<sup>40</sup> ibid

<sup>41</sup> ibid

<sup>42</sup> ibid



KEY PRODUCTION STATISTICS ARE PRESENTED BELOW<sup>43&44</sup>

## CROPS

'000 MT

RICE

**3091**

PULSES

**959**

COCONUT

**3307.78**

COARSE CEREAL

**1110**

## FRUITS

'000 MT

BANANA

**976.54**

MANGO

**473.26**

JACKFRUIT

**263**

PAPAYA

**95.57**

## SPICES

'000 MT

CARDAMOM

**15.54**

VANILLA

**0.04**

BLACK PEPPER

**35.42**

NUTMEG

**14.59**

## LIVESTOCK & FISHERIES

MILK

**2534** '000 tonnes

EGGS

**22135** lakh

MEAT

**461** '000 tonnes

FISH

**6.80** lakh tonnes

## VEGETABLES

'000 MT

TAPIOCA

**3105.76**

ELEPHANT FOOT YAM

**85.78**

PEAS

**40.43**

OTHERS

**256.19**

<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> RBI | RBI Handbook of Statistics on Indian States



## 05. PRODUCTION CLUSTERS<sup>45</sup>

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

### RICE based products

Alappuzha & Thrissur



### PINEAPPLE based products

Ernakulam



### COCONUT based products

Idukki



### SPICES

Kannur, Kottayam, Kozhikode & Malappuram



### JACKFRUIT based products

Pathanamthitta & Kasargod



### TROPICA & TUBER CROP

based products

Kollam & Thiruvananthapuram



### BANANA based products

Palakkad



### MILK based products

Wayanad





## 06. MILLETS IN KERALA



In the fiscal year 2021-22, Kerala made significant strides by exporting 364.57 metric tons of millets, securing the 10th position among Indian states for millet exports. Key export destinations include Qatar, the USA, the UAE, Saudi Arabia, Oman, and Kuwait.<sup>46</sup>

Millet production in Kerala is concentrated primarily in Palakkad and Idukki districts, with Attapady in Palakkad leading in cultivated areas. Attapady sets an example for other districts in Kerala with millet cultivation spanning 1200 hectares across two cropping seasons. The region primarily cultivates sorghum, ragi, and little millet.

Kerala cultivates various types of millets, including pearl millet/bajra, sorghum/jowar, finger millet/ragi, and small millets. In the 2020-21 period, the state produced 572 tonnes of millets across an area of 512 hectares.

The "Millet Village" project, carried out by Kerala's Government Departments of Agriculture Development & Farmers Welfare and Scheduled Tribes Development, rejuvenates tribal agriculture in Attappady hamlets. Focusing on 192 hamlets occupied by Irula, Muduga, and Kurumba tribes, this initiative promotes nutritious millet-based foods and fosters socio-economic development within the tribal community. Operating under the brand "Attappady Organic," the project aims to revitalize tribal agriculture.

<sup>46</sup> APEDA | E-Catalogue for Export of Millets and Value Added Products Kerala and Source: DGCIS



## 07. AGRICULTURAL MARKETING

The Department of Agriculture Development and Farmers' Welfare, under the Government of Kerala, is implementing strategies to strengthen agricultural connections. This includes market infrastructure, intelligence, and institutional support. A budget of ₹3030.00 lakhs has been allocated for marketing activities, intervention support, and contributions to the Kerala State Warehousing Corporation and "Horticonp". To coordinate surplus farm produce marketing efficiently, "Karshaka Mitras" will be engaged through social media platforms.<sup>47</sup>

**346**

Wholesale Assembling Markets<sup>48</sup>

**60**

Warehouse<sup>49</sup>

**136**

Public Sector Godown<sup>50</sup>

**6**

e-NAM Mandi<sup>51</sup>

**170**

Farmer Produce Organizations<sup>52</sup>

**26**

Food grain Godowns<sup>53</sup>

**1743**

Food Processing Industries<sup>54</sup>

**93**

Mandi<sup>55</sup>

<sup>47</sup> Karshika Keralam | Department of Agriculture Development and Farmers' Welfare | Government of Kerala | Strengthening Agriculture Marketing

<sup>48</sup> NABARD | A Collaborative Study on Agriculture Marketing Infrastructure in Kerala

<sup>49</sup> ibid

<sup>50</sup> ibid

<sup>51</sup> NATIONAL AGRICULTURE MARKET (e-NAM) | e-NAM DIRECTORY | Department of Agriculture, Cooperation & Farmers' Welfare, Ministry of Agriculture & Farmers' Welfare, Government of India

<sup>52</sup> DATA OF REGISTERED FPOs | Ministry of Agriculture & Farmers Welfare

<sup>53</sup> Ministry of Consumer Affairs, Food & Public Distribution | Agro Warehouses in the Country

<sup>54</sup> Food Processing Industries | Ministry of Food Processing Industries

<sup>55</sup> Agmarket | Directorate of Marketing & Inspection (DMI), Ministry of Agriculture and Farmers Welfare



## 08. POTENTIAL OPPORTUNITIES

Kerala offers an ideal environment for cultivating rice, spices (pepper, cardamom, nutmeg, vanilla, etc.), and fruits (banana, jackfruit, etc.). It is renowned for rice production, holding the highest number of GI-tagged non-basmati rice varieties in India. Kerala has earned prestigious titles like the "Spice Garden of India" and the "Land of Coconuts." It has also been recognized as one of the world's top 10 paradises by National Geographic. In addition to rice, the State cultivates significant crops such as rubber, coffee, tea, vegetables, and fruits.

### SPICES PROCESSING FOR READY-TO-COOK/ READY-TO-EAT

Kerala is famous for its spice production, with 57% of India's national pepper production originating from the state. Pepper holds a vital position in Kerala's thriving food processing sector, making significant contributions to exports.

The state is also renowned for its production of various other spices, such as cardamom, vanilla, cinnamon, cloves, turmeric, and nutmeg. Districts like Wayanad, Idukki, and Kozhikode are widely acknowledged for their spice cultivation in Kerala.

These spices are prominently featured in local delicacies such as appam, puttu, and pathiri.

#### Spice Processing may include -

- Spice blends and seasonings
- Sauces and condiments can be infused with spices for enhancing flavours.
- Marinades and rubs
- Spice-infused oils, extracts, essential oils & vinegar
- Ready-to-eat meals





## BEVERAGE

Kerala, the 2nd largest producer of coffee and the 4th largest producer of tea in India, has favourable climatic conditions that offer great potential for the processing of these popular beverages. The State can capitalize on its tea and coffee production, presenting promising opportunities for value addition and market expansion in the food processing sector, particularly in the beverage industry.

- **Speciality Tea and Herbal Infusions:**  
Production facilities to process and package speciality teas like green tea, white tea, black tea, and various herbal blends.
- **Ready to Drink Coffee:**  
Cold brew coffee with different flavours like vanilla, hazelnut, caramel etc., Iced Coffee Blends.
- **Ready to Drink Tea:**  
Bottled iced teas with flavoured variations like peach, lemon, strawberry etc.
- **Value Added Products:**  
Coffee Sachets, Tea bags, Flavoured coffee syrups 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.





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## RICE PROCESSING

Kerala is known for its unique and speciality rice varieties such as Pokkali, which is an organic rice that can tolerate saltwater and is renowned for its medicinal properties and distinct taste. Additionally, Jeerakasala and Gandhakasala are scented rice varieties, while Black Njavara and Golden Njavara are medicinal rice varieties that are extensively used in Ayurveda.

Rice can be processed into items like:

- **Rice Bran Oil Extraction:**

A healthy cooking oil with high nutritional value and low trans-fat content. breakfast cereals,

- **Value Added Products:**

Breakfast cereals, Baby food, Packaged mixes, Idli, Dosa, Brown rice syrup.

- **Rice Snacks:**

Products like rice cakes, rice sheets, crackers, noodles and vermicelli.

- **Rice flour production:**

Catering to both local and export demand and used to create dishes like breakfast items (puttu, appam) and desserts (ada).

- **Rice-based Beverages:**

Rice wine, rice soup. Rice milk and rice-based smoothies are gaining popularity as dairy alternatives.







## FRUITS AND VEGETABLES

Diverse range of horticultural produce, including fruits like Banana, Pineapple, papaya, Assam lemon, Orange, Guava, Litchi, Jackfruit, and Mango, along with vegetables, potatoes, tuber crops, and mushrooms. This presents an opportunity to focus on packed and ready-to-eat processing. Here are some key points to consider:

### ■ Banana Processing

Banana production in the State is 976.54 thousand tons as per the 3rd estimates and 'Nendran' variety of bananas has earned a good reputation for the State. Bananas are mainly processed into chips, but a lot of fresh bananas are also exported. Additionally, there are opportunities to process bananas into other food products such as **banana milkshake powder, banana-based baby food, and banana pulp.**

### ■ Jackfruit Processing

Jackfruit is grown in an area of 91.70 thousand hectares in Kerala and the State produces 263.00 thousand tonnes of jackfruits. However, the use of jackfruit is limited, and there is a lot of potential for developing various products from it, **like pickles, chips, fruit rolls, Dehydrated raw jackfruit flour, Canned Jackfruit, Jackfruit Nectar, etc.**

# 09. GOVERNMENT OF INDIA SCHEMES FOR FOOD PROCESSING

## 9.1 SCHEMES UNDER MINISTRY OF FOOD PROCESSING INDUSTRIES<sup>56</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>56</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

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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

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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 Kerala (as on date: 31.05.2023)<sup>57</sup>

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

SCHEME NAME	NO. OF PROJECTS APPROVED	TOTAL PROJECT COST (INR CR.)
MEGA FOOD PARK	2	234.54
COLD CHAIN	7	206.59
AGRO PROCESSING CLUSTERS	2	71.72
CEFPPC UNIT/FOOD PROCESSING UNIT	18	240.71
CREATION OF BACKWARD AND FORWARD LINKAGES (CBFL)	1	19.71
FOOD TESTING LABORATORY	7	44.66

#### 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)	10	132.34

#### 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)	1048
INCUBATION CENTRES	1

<sup>57</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>58</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>59</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>60</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>58</sup> Mission for Integrated Development of Horticulture (MIDH)

<sup>59</sup> National Agriculture Infra Financing Facility

<sup>60</sup> Department Of Fisheries

## 4 Pradhan Mantri Matsya Sampada Yojana (PMMSY) Scheme<sup>61</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>62</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>63</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>64</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>65</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>61</sup> Pradhan Mantri Matsya Sampada Yojana

<sup>62</sup> Animal Husbandry Infrastructure Development Fund (AHIDF) | Department of Animal Husbandry and Dairy

<sup>63</sup> Dairy processing & Infrastructure Development Fund (DIDF) | Department of Animal Husbandry and Dairy

<sup>64</sup> Agriculture And Processed Foods Export Promotion Scheme of APEDA for the 15th Finance Commission Cycle (2021-22 To 2025-26)

<sup>65</sup> Credit Linked Capital Subsidy Scheme for Technology Upgradation | Ministry of Micro, Small & Medium Enterprises Credit Linked Capital Subsidy Scheme



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### Venture Capital Assistance Scheme of SFAC (Small Farmers' Agri-Business Consortium)<sup>66</sup>

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

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### A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE)<sup>67</sup>

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

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### Pradhan Mantri Kaushal Vikas Yojana (PMKVY)<sup>68</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>66</sup> Small Farmers' Agri-Business Consortium | Venture Capital Assistance Scheme

<sup>67</sup> A Scheme For Promotion Of Innovation, Rural Industries & Entrepreneurship (ASPIRE) | Ministry of Micro, Small & Medium Enterprises

<sup>68</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>69</sup>

- 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.

<sup>69</sup> "Key Reforms in the Food Processing Sector Since 2014-15" | MoFPI



## 10. STATE GOVERNMENT INITIATIVES AND SCHEMES

The Kerala State Government has implemented numerous reforms to create a conducive and investor-friendly business environment for those interested in establishing their businesses within the state. The table below highlights some of the key initiatives undertaken by the government:



**'Kerala Single Window System'** is an online clearance mechanism to promote Ease of Doing Business and to streamline the clearance process for enterprises looking to set up or operate within the State.

Single Window Clearance Boards were also established at the State, District, and Industrial Park levels to facilitate this process. Additionally, Investment Promotion and Facilitation Cells were created at both the State and District levels to handle investor concerns and complaints.<sup>70</sup>

 [kswift.kerala.gov.in](http://kswift.kerala.gov.in)



### Kerala State Industrial Development Corporation (KSIDC)

One stop-shop to set up an industry in Kerala, is a top government agency in Kerala that focuses on promoting industries and investments. KSIDC serves as the main point of contact for all investor-related activities in the State, providing support and guidance. It represents the State's values and acts as a bridge between the government and the industry. KSIDC is also responsible for implementing initiatives that make doing business in the State easier.

 [ksidc.org](http://ksidc.org)



### 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.

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



### **The Kerala Micro Small and Medium Enterprises Facilitation Act, 2019**

This policy has been created to grant a waiver from licenses, approvals, permits, and similar requirements outlined in different Acts for the initial three years. This waiver applies to all projects with capital investments of up to INR10 crores, as long as they are not classified under the red category determined by the Pollution Control Board.<sup>71</sup>

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### **Kerala Start-up Mission (KSUM):**



The main goals of this initiative are to create, organize, and oversee Technology Business Incubators across Kerala in order to encourage entrepreneurs who focus on technology. The aim is to support and promote start-up ventures that are based on knowledge and technology, specifically among local entrepreneurs. Additionally, the initiative seeks to facilitate connections and networking between industries and educational institutions.<sup>72</sup>



[startupmission.kerala.gov.in](http://startupmission.kerala.gov.in)



<sup>71</sup> Ease of Doing Business – Invest Kerala

<sup>72</sup> Kerala Start-up Mission | State Nodal Agency by Govt. of Kerala



Key incentives introduced by State Government of Kerala for the food processing industry under the Kerala Industrial Policy 2022 are summarized below<sup>73</sup>:

Incentive Category	Project Category	Description
Investment Subsidy on Fixed Capital	Large, Mega	10% subject to a maximum of INR 10 Cr.
SGST Reimbursement	Large, Mega	100% reimbursement on capital investment for 5 years
Electricity Duty Exemption	MSMEs	100% exemption for 5 years
Waiver of Stamp Duty & Registration charges	Manufacturing Sector	Up to 100% on lease deed/ purchase of land/ building for setting up manufacturing unit in Government and notified Private Industrial Parks
	Women & SC/ ST entrepreneurs	Up to 100% on lease deed/ purchase of land/ building for setting up manufacturing unit in Government and notified Private Industrial Parks
Interest Subvention	MSMEs	2% interest subvention on term loan taken for fixed capital investment, by priority sector units, from Govt. financial institutions, for a period of 5 years from the date of starting commercial operations
Reduction in Land Conversion charges	Large	Waiver of 50% of conversion charges as well as full exemption from remitting additional fees for the built- up space to be developed on the converted land, for setting up Manufacturing units and Logistics Parks having a minimum capital investment of INR 100 cr. (excluding land cost)

<sup>73</sup> Kerala Industrial & Commercial Policy | Department Of Industries & Commerce Government Of Kerala

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

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

### FOR STARTING OPERATIONS

S.No	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
1.	License for Cold Storage	State Licensing Authority
2.	Registration under FSSAI Act,2006, regulation 2011	Food Safety Kerala
3.	License under FSSAI Act,2006, regulation 2011	Food Safety Kerala
4.	Registration under GST (Goods and Services Tax Rules, 2017)	Kerala State Goods and Services Tax Department
5.	Consolidated Consent & Authorization under Water Act, 1974, Air Act, 1981 & Authorization under The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Kerala State Pollution Control Board
6.	Application for Pre-Operational Fire NOC (National Building Code, 2005)	Department of Fire and Rescue Services



## FOR SETTING UP OF BUSINESS

S.No	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
7.	Land allotment in departmental industrial estates	Kerala State Industrial Development Corporation (KSIDC)
8.	Application for Land / Plot Allotment	Kerala Real Estate Regulatory Authority (K-RERA)
9.	Application for new connection LT / HT line non-domestic / industrial	Kerala State Electricity Board Limited
10.	Application for Water Connection	Kerala Water Authority
11.	License under Contract Labour Act, (Regulation and Abolition), 1970	Kerala State Labour Department
12.	Application for building plan approval	Kerala State Town and Country Planning Department
13.	Application for Completion cum Occupancy Certificate	Kerala State Town and Country Planning Department
14.	Consent to Establish under Water (Prevention and Control of Pollution) Act, 1974	Kerala State Pollution Control Board
15.	Consent to Establish under Air (Prevention and Control of Pollution) Act, 1981	Kerala State Pollution Control Board
16.	Consent to Operate under Air (Prevention and Control of Pollution) Act, 1981	Kerala State Pollution Control Board
17.	Application for Pre-Establishment Fire NOC (National Building Code, 2005)	Department of Fire and Rescue Services
18.	Site Plan Approval under the Factories Act, 1948	Department of Factories and Boilers

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

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

NAME OF THE FIRM	LOCATION
ITC Limited	Thrissur
Synthite Industries P Ltd	Kolencherry
Plant Lipids Private Limited	Kolencherry
Kancor Ingredients Limited	Ernakulam
Synthite	Pancode
MTR Foods Private Limited	Adimally, Kothamangalam

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

NAME OF THE FIRM	LOCATION
Kerala Industrial Infrastructure Development Corporation (KINFRA)	Palakkad
Kerala State Industrial Development Corporation Ltd (KSIDC)	Alappuzha

### 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
Inkal Ventures Private Limited	Pattanamthitta
S H Cold Storage Pvt. Ltd.	Alappuzha
Abad Fisheries Pvt. Ltd	Kochi



**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 Chendayad Granites Private Limited	Wayanad
M/s Synthite Industries Private Limited	Ernakulam

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

NAME OF THE FIRM	LOCATION
Muralya Dairy Products Private Limited	Thiruvananthapuram

**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 Protech Organo Foods Pvt Ltd	Alappuzha
M/s Cacobean Chocolate Factory Pvt Ltd	Ernakulam
M/s Anthocyanin Naturals India Pvt Ltd	Palakkad
M/s Maak Natural Extractors Pvt. Ltd	Palakkad
M/s Leaven Essentials Private Limited	Palakkad
M/s AI Marine Products India Private Limited	Alappuzha
M/s Bioingredia Natural Private Limited	Palakkad
M/s Flavco Natural Products Private Limited	Palakkad
M/s Grain N Grace Food Ingredient Manufacturing Pvt. Ltd	Palakkad
M/s. Perfetto Naturals Pvt. Ltd.	Wayanad

## 13. LIST OF FARMER PRODUCER ORGANISATIONS

A total of 170 Farmer Producer Organisations (FPO) are present in the State of Bihar and out of these the following indicative list in below represents FPOs with major crop/produce production of the State. The details of FPOs in the State are available at APEDA Farmer Connect FPO Directory.

NAME OF THE FIRM	ADDRESS / CONTACT	COMMODITY
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, 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, Korai, Tapioca
Pachamalai Organic Farmers Producer Company Limited (KDOFPCL)	Topsenkattupatty, Thenpuranadu Panchayath, Pachamalai, Thur	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







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An aerial photograph of a tropical coastline. The top half of the image shows the dark blue ocean with white-capped waves. The bottom half shows a lush green shoreline with numerous palm trees and other tropical vegetation. A small, weathered wooden boat is beached on the shore, partially obscured by the trees. The overall scene is bright and vibrant, suggesting a sunny day.

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