



FOOD PROCESSING

Towards Sustainable Growth Opportunities

**DADRA & NAGAR HAVELI
AND DAMAN & DIU**

Dadra & Nagar Haveli and Daman & Diu





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ACRONYMS

ABBREVIATION	DEFINITION
AHIDF	Animal Husbandry Infrastructure Development Fund
APC	Agro Processing Cluster
APEDA	Agricultural and Processed Food Products Export Development Authority
ASI	Annual Survey of Industries
ASPIRE	A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship
CAGR	Compound Annual Growth Rate
CEFPPC	Creation/Expansion of Food Processing & Preservation Capacities
CLCSS	Credit Linked Capital Subsidy Scheme
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
F&V	Fruits & Vegetables
FAOSTAT	Food and Agriculture Organization Corporate Statistical Database
FDI	Foreign Direct Investment
FIDF	Fisheries and Aquaculture Infrastructure Development Fund
FME	Formalization of Micro Food Processing Enterprise
FPC	Farmer Producer Company
FPOs	Farmer Producer Organisations
FSSAI	Food Safety and Standards Authority of India
FTL	Food Testing Laboratory
GIS	Geographic Information System
GST	Goods and Services Tax
GVA	Gross Value Added
ha	Hectare
HACCP	Hazard Analysis and Critical Control Point
HT	High Tension
ICC	Integrated Cold Chain and Value Addition Infrastructure
ICD	Inland Container Depot
INR	Indian Rupee
ITES	Information Technology Enabled Services
Km	Kilometre
LEADS	Logistics Ease Across Different States
LLP	Limited Liability Partnership
LT	Low Tension
MIDH	Mission for Integrated Development of Horticulture
MoFPI	Ministry of Food Processing Industries

ACRONYMS

ABBREVIATION	DEFINITION
MoSPI	Ministry of Statistics and Programme Implementation
MSDE	Ministry of Skill Development & Entrepreneurship
MSEs	Micro and Small Enterprises
MSME	Micro, Small and Medium Enterprises
MT	Metric Ton
MW	Mega Watt
NABARD	National Bank for Agriculture and Rural Development
NAIFF	National Agriculture Infra Financing Facility
NDDB	National Dairy Development Board
NER	North Eastern Region
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
PM	Prime Minister
PMAY-G	Pradhan Mantri Awas Yojana- Gramin
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
PMSMA	Prime Minister's Matritva Suraksha Abhiyan
PSL	Priority Sector Lending
RBI	Reserve Bank of India
RTC	Ready to cook
RTE	Ready to eat
SFAC	Small Farmers' Agri-Business Consortium
SGST	State Goods and Services Tax
SHG	Self-Help Groups
SMEs	Small and Medium Enterprises
SNA	State Nodal Agency
SPV	Special Purpose Vehicle
Sq. KM	Square kilometre
SWC	Single Window Clearance
UDAN	Ude Desh ka Aam Naagrik
USD	U.S. Dollar
UT	Union Territory

DADRA & NAGAR HAVELI AND DAMAN & DIU



ABSTRACT

Establishing Strong Linkages between Industry and Agriculture:

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

Remarkable Growth in the Indian Food Processing Sector:

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

Significant Increase in Processed Food Exports:

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

Agricultural Strength and Development Focus in Daman & Diu:

Daman & Diu strongly focuses on agricultural growth and development. It is recognized for its thriving agricultural sector, which is supported by the availability of the lowest power tariffs compared to neighbouring states. Additionally, its strategic location near the coastline, ports facilities, and an inland container depot provides favourable conditions for agricultural trade and export. The region ensures uninterrupted 24x7 power supply, further enhancing the agricultural activities in the area.

Promising Opportunities in Daman & Diu:

Daman & Diu presents promising prospects for various sectors, with a particular emphasis on the food processing industry. The region primarily focuses on cultivating paddy, pulses, mangoes, and coconuts. UT offers abundant opportunities in the food processing sector, encompassing a diverse range of products. The UT provides streamlined business establishment processes through its dedicated Dadra and Nagar Haveli & Daman and Diu Single Window System and has received assistance/incentives from the Ministry of Food Processing Industries under its flagship schemes such as Pradhan Mantri - Kisan Sampada Yojana, Pradhan Mantri Formalisation Micro Food Processing Enterprises.

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

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

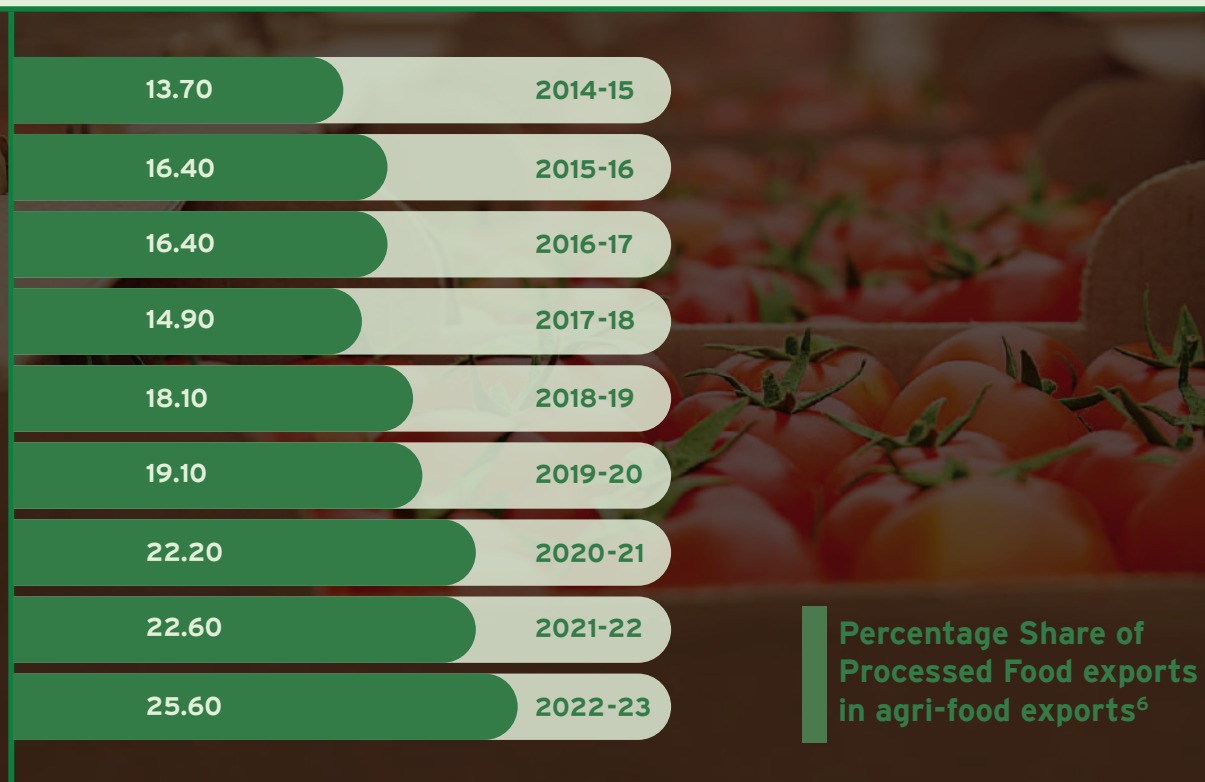


India's food and beverages market grew at a CAGR of 6.92% between 2017 - 22.³

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

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

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



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

⁵ MoFPI

⁶ Ibid

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

⁸ Ibid

02. UT OVERVIEW

On the 9th of December 2019, in accordance with the (Merger of Union Territories) Act, 2019, the Union Territory of Dadra and Nagar Haveli and Daman and Diu were amalgamated.⁹

The Union Territory of **Dadra Nagar** Haveli is bestowed with abundant natural resources, including lush forests, winding rivers, breath-taking waterfronts, murmuring streams, distant mountain ranges, and a diverse array of flora and fauna. The district's peaceful and rural ambiance makes it an ideal getaway.

Daman (Damao), a former Portuguese enclave, presents a distinctive destination that offers solace to travellers seeking peace and seclusion. Its allure lies in its magnificent forts and churches that exude the splendour of Portuguese heritage. The beauty of this Union Territory is evident in its former name, Kalana Pavri, signifying the Lotus of Marshlands. Daman is a charming town bisected by the Damanganga river, further enhancing its rustic allure.

Diu, a serene and picturesque island situated off the southern coast of the Kathiawad Peninsula in Gujarat, serves as an ideal retreat for those yearning for respite from the hectic pace of modern life. Its pristine beaches, rich history, and tranquil atmosphere make it a sanctuary for travellers. The island is blessed with abundant natural beauty, caressed by the Arabian Sea, creating a perfect harmony of sun, sand, and sea.

UT Capital

Daman

Geographic Area¹⁰

Dadra Nagar Haveli

491 sq. km

Daman

72.00 sq. km

Diu

40.00 sq.

km



⁹ The Dadra and Nagar Haveli and Daman and Diu (Merger of Union Territories) Act, 2019 No. 44 Of 2019 | Ministry of Law and Justice

¹⁰ UT at a Glance | UT of Dadra and Nagar Haveli and Daman and Diu

Population (Census 2011)¹¹

Dadra Nagar Haveli

3,43,709

Daman

1,91,173

Diu

52,074

Total Road Length (March 2019)¹²

Dadra Nagar Haveli

1133 km

Daman and Diu

274 km

Airports

**1 Domestic-
Diu**

Industrial Parks¹³

Dadra and Nagar Haveli

4

Daman and Diu

2

Installed power¹⁴

Daman and Diu

Thermal

208.08 MW

Nuclear

7.00 MW

Renewables

41.01 MW

Dadra and Nagar Haveli

Thermal

488.64 MW

Nuclear

9.00 MW

Renewables

5.46 MW

¹¹ UT at a Glance | UT of Dadra and Nagar Haveli and Daman and Diu

¹² RBI | Handbook of Statistics on Indian States | State-wise Length of Roads

¹³ Industrial parks and Industries in the Country | Ministry of Commerce & Industry

¹⁴ Central Electricity Authority | Installed Capacity Report (31.03.2023)

03. ADVANTAGE DADRA & NAGAR HAVELI AND DAMAN & DIU



Strategically positioned between Gujarat and Maharashtra's expansive industrial hubs¹⁵



Competitive and **affordable power tariffs**, lowest among neighbouring states¹⁶



Strategic **Coastal Connectivity** with Ports and Container Depot.¹⁷



Robust infrastructure - well-developed roads, extensive public facilities, and modern amenities.¹⁸



Streamlined process: Deemed Approval for delayed Authority approval.¹⁹



All permission granting authorities within a 3 km radius.²⁰



24 x 7 uninterrupted Power Supply²¹



Helicopter Services between Daman to Diu²²

¹⁵ Why Invest in DNH & DD | UT Administration of Dadra and Nagar Haveli and Daman & Diu

¹⁶ ibid

¹⁷ ibid

¹⁸ ibid

¹⁹ ibid

²⁰ ibid

²¹ Presentation by U.T. Administration of Dadra and Nagar Haveli and Daman & Diu | NITI Aayog

²² Presentation by U.T. Administration of Daman & Diu | NITI Aayog



Air connectivity from Ahmedabad to Diu under UDAN Scheme.²³



Recipient of "PM Award for Excellence in Public Administration for Promotion of Digital Payments" in April 2018.²⁴



Graded as **Aspirer** within UT cluster, as per DPIIT's LEADS 2022.²⁵



Figures amongst **Aspiring Leader**, as per **Start-up Ranking Results, 2021**.²⁶

²³ ibid

²⁴ ibid

²⁵ DPIIT| LEADS 2022: Logistics Ease Across Different States

²⁶ Results of Ranking of States' Exercise 2021 on Support to Start-up Ecosystems declared | Ministry of Commerce & Industry

04. LOCAL FOOD SYSTEM

4.1 INDIGENOUS PRODUCE

The primary staple crop cultivated in the Union Territory is paddy.

The region is home to excellent agro-climatic and soil conditions, which offer significant potential for cultivating horticulture crops such as Mango, Cashew, Custard apple, Guava, and Sapota.

During the Kharif season, crops such as paddy, Ragi, Red gram, Urad (Black gram), Niger (as an oilseed) in specific regions, and rainfed vegetables are cultivated.

4.2 KEY PRODUCTION HIGHLIGHTS



Vegetable production -
4.49 thousand MT²⁷



Coconut production is
0.38 thousand MT²⁸



The main food crops are paddy and pulses. Besides this, mangoes and coconut are also cultivated²⁹

²⁷ Department of Agriculture & Farmers Welfare | Government of Puducherry

²⁸ ibid

²⁹ NABARD

05. PRODUCTION CLUSTERS³⁰

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



FISH & ALLIED products

Daman, Diu



Dadar and Nagar Haveli

MUSHROOM based products

06. AGRICULTURAL MARKETING

Daman and Diu as well as Dadra and Nagar Haveli have an economy primarily based on agriculture, and their agricultural marketing system largely follows traditional practices. Nevertheless, the Government is actively working towards modernizing the system through the establishment of wholesale markets, processing units, and the provision of financial support and incentives for the export of agricultural products. Additionally, the Government provides agricultural extension services to offer technical guidance and training to farmers.

³⁰ ONE DISTRICT ONE PRODUCT– MoFPI

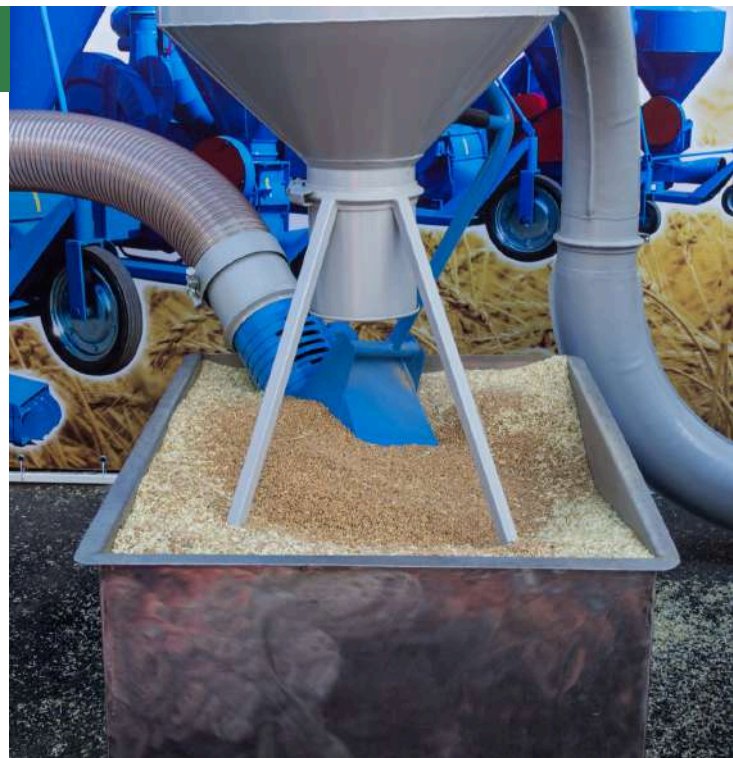
07. POTENTIAL OPPORTUNITIES

Daman and Diu and Dadra and Nagar Haveli have predominantly agricultural economy. With an overview of the UT profile and geographical conditions, following segments can be focused under food processing in the UT

RICE

UT is one of the major producers of Paddy, processed items from rice and paddy can be:

- Rice flour, which can be utilized in a variety of culinary applications, including baking, sauce thickening, and the preparation of rice vermicelli
- Rice bran oil
- Processed into foods such as breakfast cereals and it can be sold in various convenient forms such as parboiled rice and instant rice



INFRASTRUCTURE

The Union Territories of Daman and Diu, as well as Dadra and Nagar Haveli, present excellent opportunities for food processing, particularly with regards to infrastructure. The region offers a supportive industrial ecosystem, transportation facilities, and a conducive environment for establishing food processing units. These factors, combined with the presence of skilled labour and government initiatives aimed at facilitating the sector, enhance the prospects for food processing in these regions.



08. GOVERNMENT OF INDIA SCHEMES FOR FOOD PROCESSING

8.1 SCHEMES UNDER MINISTRY OF FOOD PROCESSING INDUSTRIES³¹

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

8.1.1 PRADHAN MANTRI KISAN SAMPADA YOJANA (PMKSY)

Brief of Scheme

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

PMKSY has the following component schemes.

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

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

³¹ MoFPI | Annual Report (2022- 2023)

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

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

8.1.2

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

Introduction

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

Objectives

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

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

Provisions under the Scheme

Support for setting up / upgradation of Micro Food Processing Enterprises

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

Support for setting up of common infrastructure Facilities

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

Support to Self-Help Groups (SHGs)

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

Branding and Marketing Support

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

Capacity Building

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

8.1.3

PRODUCTION LINKED INCENTIVE SCHEME FOR FOOD PROCESSING INDUSTRY (PLISFPI)

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

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

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

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

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

Approved Applications under PLISFPI Scheme

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

Achievements of MoFPI schemes in Dadra and Nagar Haveli and Daman & Diu (as on date: 31.05.2023)³²

PRADHAN MANTRI KISAN SAMPADA YOJANA (PMKSY)

SCHEME NAME	NO. OF PROJECTS APPROVED	TOTAL PROJECT COST (INR CR)
CEFPPC UNIT	1	26.34

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)	2 (as on 07-06-2023)

³² Ministry of Food Processing Industries

8.2 SCHEMES BY ALLIED MINISTRIES

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

1

Mission for Integrated Development of Horticulture (MIDH) Scheme³³

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) Scheme³⁴

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)³⁵

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.

³³ Mission for Integrated Development of Horticulture (MIDH)

³⁴ National Agriculture Infra Financing Facility

³⁵ Department Of Fisheries

4 Pradhan Mantri Matsya Sampada Yojana (PMMSY) Scheme³⁶

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)³⁷

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)³⁸

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)³⁹

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)⁴⁰

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 INR1 crore availed by them) for induction of well-established and improved technology.

³⁶ Pradhan Mantri Matsya Sampada Yojana

³⁷ Animal Husbandry Infrastructure Development Fund (AHIDF) | Department of Animal Husbandry and Dairy

³⁸ Dairy processing & Infrastructure Development Fund (DIDF) | Department of Animal Husbandry and Dairy

³⁹ Agriculture And Processed Foods Export Promotion Scheme of APEDA for the 15th Finance Commission Cycle (2021-22 To 2025-26)

⁴⁰ 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)⁴¹

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)⁴²

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)⁴³

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



⁴¹ Small Farmers' Agri-Business Consortium | Venture Capital Assistance Scheme

⁴² A Scheme For Promotion Of Innovation, Rural Industries & Entrepreneurship (ASPIRE) | Ministry of Micro, Small & Medium Enterprises

⁴³ Pradhan Mantri Koshal Vikas Yojana | Ministry of Skill Development & Entrepreneurship

8.3

GOVERNMENT OF INDIA INCENTIVES FOR THE FOOD PROCESSING SECTOR

Income tax incentive to the Food Processing sector⁴⁴

- 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.

⁴⁴ "Key Reforms in the Food Processing Sector Since 2014-15" | MoFPI

09. UT GOVERNMENT INITIATIVES AND SCHEMES

Daman and Diu and Dadra and Nagar Haveli have always endeavoured to provide a hassle-free business environment to enable investors. The UT Government has implemented numerous reforms to create a conducive and investor-friendly business environment for those interested in establishing their businesses within the UT. The table below highlights some of the key initiatives undertaken by the UT Government -

'Dadra and Nagar Haveli & Daman and Diu Single Window System'



The UT of Dadra and Nagar Haveli and Daman and Diu has implemented a Single Window System for Industries Clearance, which is an online platform for obtaining various clearances required for setting up and running industries in the region. The system aims to simplify the process of obtaining clearances and approvals from various departments and agencies, reduce the time and effort involved, and promote ease of doing business.

 swp.dddgov.in



Industrial Land Bank Portal:

A GIS-based portal covering approximately 4,000 industrial parks that provides a central repository for all infrastructure-related information, including connectivity, infra, natural resources and terrain, plot-level information on vacant plots, and contact information

 iis.ncog.gov.in

Key incentives introduced by UT Government of Daman and Diu and Dadra and Nagar Haveli for the food processing industry and other industrial units under its major policies are summarized in the table below:

Key Initiatives	Daman and Diu & Dadra and Nagar Haveli Industrial & Investment Promotion Scheme 2018 ¹
	Category of Enterprises: Micro/Small
Capital Subsidy	Subsidy @10% of investment made in plant and machineries with an upper ceiling of INR 25 lakhs
Interest Subsidy	Subsidy @ 5 % with an upper ceiling of INR 30 lakhs per annum for loans taken from financial institutions for a period of 5 years.
Subsidy on Power	Subsidy @ 75 % on energy audit conducted by a recognised institution subject to maximum of INR 50,000 will be reimbursed once during the operative period of scheme
Quality Certificate	50% of capital cost for installing Enterprise Resource Planning system, subject to a maximum of INR 50,000

10. REGULATORY FRAMEWORK: REGISTRATION/NOCS/ LICENSES

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

FOR SETTING UP OF BUSINESS

S.No	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
1.	Land allotment in departmental industrial estates	Department of Industries
2.	Application for Land / Plot Allotment	Department of Industries
3.	Application for new connection LT / HT line non-domestic / industrial	Electricity Department
4.	Application for Water Connection	Department of Industries, U.T Administration of Daman & Diu
5.	Application for Water Connection	Department of Industries, U.T Administration of Daman & Diu
6.	Application for building plan approval	Town and Country Planning department
7.	Application for Completion cum Occupancy Certificate	Town and Country Planning department
8.	Consent to Establish under Water (Prevention and Control of Pollution) Act, 1974	Pollution Control Committee
9.	Consent to Establish under Air (Prevention and Control of Pollution) Act, 1981	Pollution Control Committee
10.	Consent to Operate under Air (Prevention and Control of Pollution) Act, 1981	Pollution Control Committee
11.	Application for Pre- Establishment Fire NOC (National Building Code, 2005)	Department of Fire & Emergency Services
12.	Site Plan Approval under the Factories Act, 1948	Directorate of Industrial Safety and Health

FOR STARTING OPERATIONS

S.No	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
13.	License for Cold Storage	FSSAI, Government of India Food Safety Commissioner for Daman and Diu & Collector
14.	Registration under FSSAI Act,2006, Regulation 2011	
15.	License under FSSAI Act,2006, Regulation 2011	
16.	License under Contract Labour Act, (Regulation and Abolition), 1970	Office of the Labour Commissioner
17.	Registration under GST (Goods and Services Tax Rules, 2017)	Department of Value Added Tax & UTGST
18.	Consolidated Consent & Authorization under Water Act, 1974, Air Act, 1981 & Authorization under The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Pollution Control Committee
19.	Application for Pre-Operational Fire NOC (National Building Code, 2005)	Department of Fire & Emergency Services

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
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Single Window Portal for Industrial Clearances
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
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