

# FOOD PROCESSING

Towards Sustainable Growth Opportunities



**ANDHRA PRADESH**



**ANDHRA PRADESH**



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## ACRONYMS

ABBREVIATION	DEFINITION
AHIDF	Animal Husbandry Infrastructure Development Fund
APC	Agro Processing Cluster
APEDA	Agricultural and Processed Food Products Export Development Authority
ASEAN	Association of Southeast Asian Nations
ASI	Annual Survey of Industries
APPCB	Andhra Pradesh Pollution Control Board
ASI	Annual Survey of India
B.Sc	Bachelors in Science
BC	Backward Classes
CAD	Command Area Development
CAGR	Compound Annual Growth Rate
CIS	Capital Investment Subsidy
CEFPPC	Creation/Expansion of Food Processing & Preservation Capacities
CSR	Corporate Social Responsibility
CLCSS	Credit Linked Capital Subsidy Scheme
DIDF	Dairy Processing & Infrastructure Development Fund
DISCOM	Electricity Distribution Company
DPIIT	Department for Promotion of Industry and Internal Trade
DPR	Detailed Project Report
DT&CP	Department of Town and Country Planning
e-NAM	electronic National Agriculture Market
EoDB	Ease of Doing Business
FAOSTAT	Food and Agriculture Organization Corporate Statistical Database
FDI	Foreign Direct Investment
FIDF	Fisheries and Aquaculture Infrastructure Development Fund
FME	Formalization of Micro Food Processing Enterprise
FPC	Farmer Producer Company
FPOs	Farmer Producer Organizations
FSSAI	Food Safety and Standards Authority of India
GIS	Geographic Information System
GO SWIFT	Government of Odisha Single Window for Investor Facilitation and Tracking
GRIDCO	Grid Corporation of Odisha
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
INR	India Rupee
IDCO	Odisha Infrastructure Development Corporation
IT	Information Technology
IQF	Individual Quick Freezing
Km	Kilometer

## ACRONYMS

ABBREVIATION	DEFINITION
LEADS	Logistics Ease Across Different States
LT	Low Tension
MIDH	Mission for Integrated Development of Horticulture
MoFPI	Ministry of Food Processing Industries
MSDE	Ministry of Skill Development & Entrepreneurship
MSEs	Micro and Small Enterprises
MSME	Ministry of Micro, Small and Medium Enterprises
MT	Metric Ton
MW	Mega Watt
NABARD	National Bank for Agriculture and Rural Development
NAIFF	National Agriculture Infra Financing Facility
NDDB	National Dairy Development Board
NGO	Non-governmental organization
NH	National Highway
NOC	No Objection Certificate
PFT	Private Freight Terminal
PLI	Production Linked Incentive
PLISFPI	Production Linked Incentive Scheme for Food Processing Industry
PLISMBP	Production Linked Incentive scheme for Millet-Based Products
PMFME	Pradhan Mantri Formalisation of Micro Food Processing Enterprises
PMKSY	Pradhan Mantri Kisan Sampada Yojana
PMKVY	Pradhan Mantri Kaushal Vikas Yojana
PMMSY	Pradhan Mantri Matsya Sampada Yojana
PSL	Priority Sector Lending
RBI	Reserve Bank of India
RTC	Ready to cook
RTE	Ready to eat
SEEI	State Energy Efficiency Index
SEZ	Special Economic Zone
SMEs	Small and Medium Enterprises
SC	Schedule Caste
SFAC	Small Farmers' Agri-Business Consortium
SGST	State Goods and Services Tax
SHG	Self-Help Groups
SNA	State Nodal Agency
SPV	Special Purpose Vehicle
Sq. KM	Square kilometre
SWC	Single Window Clearance
ST	Schedule Tribe
UDA	Urban Development Authority
ULB	Urban Local Bodies
USD	U.S. Dollar

## ABSTRACT

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

The food processing sector in India has witnessed remarkable growth, reaching an average annual growth rate of 9% since 2014-15. This sector plays a pivotal role in establishing strong connections between the industry and the agricultural sector.

### **Agricultural Strength and Economic Advantages of Andhra Pradesh:**

Andhra Pradesh, a State renowned for its robust agricultural sector, boasts a Gross State Domestic Product (GSDP) of USD 145.60 billion. The State enjoys a comprehensive advantage with the most affordable power and water costs. Furthermore, its second-longest coastline with four major ports facilitates robust trade with the Asia-Pacific region.

### **Significance in Food Processing and Export:**

Andhra Pradesh is home to numerous agro-processing units, encompassing fruits, vegetables, spices, and marine products. It holds the distinction of being the largest producer of fruits such as bananas, mangoes, papaya, citrus fruits, and cocoa in the country. The State leads in fish, shrimp, and egg production, as well as marine exports. Additionally, it proudly showcases its rich agricultural heritage with five food and allied geographical indicator tags.

### **Government Initiatives and Investment Opportunities:**

Andhra Pradesh has a well-established Single Window Clearance System known as the AP Industries Single Desk Portal, which facilitates ease of doing business. Under the Pradhan Mantri - Kisan Sampada Yojana scheme, the Ministry of Food Processing Industries has granted approval for multiple units, including cold chains, agro-processing clusters, food processing capacities, Operation Greens projects, and food testing labs units. The State has attracted significant investments under the Production Linked Incentive Scheme, highlighting its appeal to investors in the food processing sector.

### **Diverse Opportunities in Food Processing:**

Andhra Pradesh offers abundant prospects in the food processing sector, across diverse segments such as millets, eggs, cereals, grains, paddy, packed food, fruits, and vegetables. The state's accomplishments include ranking first in oil palm cultivation, fish production and fourth in meat production. With its favourable business environment and government support, Andhra Pradesh presents a promising landscape for the growth and development of the food processing industry.



# 01. FOOD PROCESSING IN INDIA

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

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

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



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

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

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

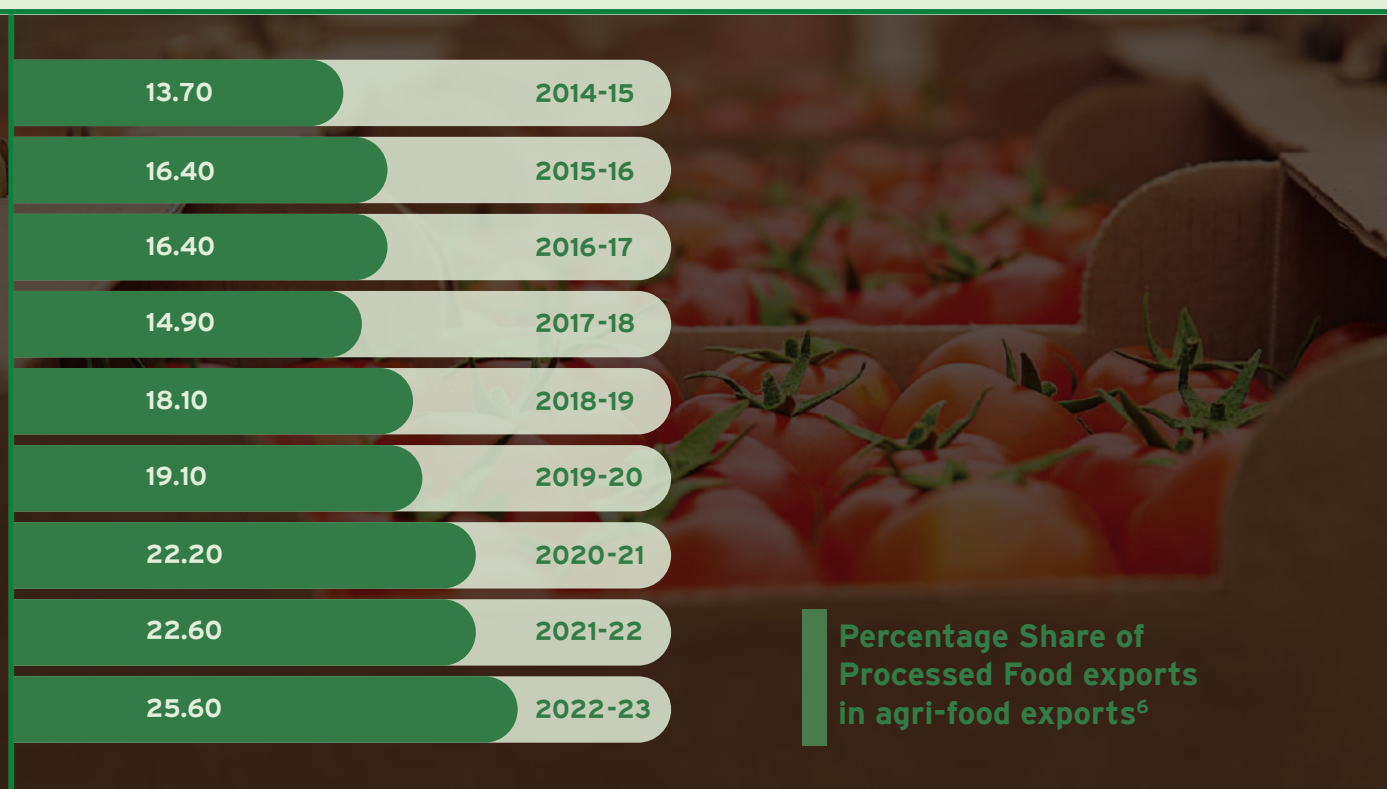
<sup>2</sup> MoFPI

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

<sup>4</sup> Ibid

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

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



As per market estimates, Asia Pacific emerged as the dominant region in the global food and beverages market with 41.5% share of the global food and beverages market in 2022. Within the Asia Pacific region, India's food and beverages market was the third largest, after China and Japan, in the said period<sup>7</sup>.

<sup>5</sup> MoFPI

<sup>6</sup> Ibid

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



## 02. OVERVIEW

Andhra Pradesh is a southern State along the Coromandel coast of India. It is the 8th largest State by area and the 10th most populous State. It is bordered by States like Telangana, Chhattisgarh, Odisha, Tamil Nadu, Karnataka, and the Bay of Bengal to the east.<sup>9</sup>

Andhra Pradesh is embarking on a path of sustainable development and inclusive growth. Bestowed with favourable geographical, agricultural, industrial, and infrastructural advantages, Andhra Pradesh nurtures a thriving industry across various sectors, supported conducive Government policies.

State Capital

**Amaravati**

Geographic Area<sup>10</sup>

**162,968 sq. km**

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

**84.58 Million**

Total Road Length (2019)<sup>14</sup>

**1,76,351 (km)**

Rail length (2021)<sup>15</sup>

**7,714 (Route km)**

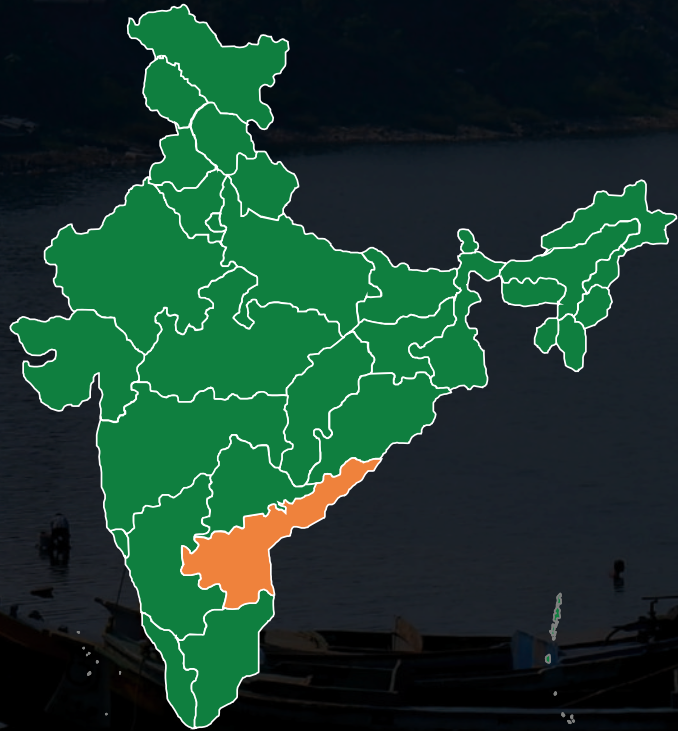
Industrial Area

**400 Industrial Parks<sup>16</sup>**

**47 SEZs<sup>17</sup>**

**3 Industrial Corridor<sup>18</sup>**

**50,573 acres Industrial Land<sup>19</sup>**



<sup>9</sup> Economic Development Board | Government of Andhra Pradesh

<sup>10</sup> Andhra Pradesh | Economic Development Board

<sup>11</sup> MOSPI – Population census

<sup>14</sup> RBI | Handbook of Statistics on Indian States | State-wise Length of Roads

<sup>15</sup> DPIIT | LEADS 2022 Logistics Ease Across Different States

<sup>16</sup> Industrial parks and industries in the country | Press Information Bureau

<sup>17</sup> Andhra Pradesh Industrial Infrastructure Corporation | SEZs in Andhra Pradesh

<sup>18</sup> Andhra Pradesh | Economic Development Board

<sup>19</sup> Andhra Pradesh Industrial Infrastructure Corporation

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

**USD 145.60 Billion**  
(2021-22)

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

**USD 2517.26**  
(2021-22)

Airports

Domestic Airports

**Kadapa, Rajahmundry,  
Cuddapah & Donakonda**

International Airports

**Visakhapatnam,  
Vijayawada & Tirupati**

Available Land<sup>20</sup>

Mixed Category  
**1,012.8 ha**

Food Processing Category  
**67.09 ha**

Agri Export Zone<sup>21</sup>

**5**  
(Mango Pulp & Fresh Vegetables)  
(Mango & Grape)  
(Mango)  
(Gherkins)  
(Chilli)

Infrastructure<sup>22</sup>

**1**  
Inland Container Depots (ICD)

**16**  
Container Freight Station (CFS)

**288**  
Railway Goods Sheds

**3**  
Private Freight Terminal (PFT)

**4**  
Air Cargo Terminals

**1.217**  
million MT warehouse capacity

**1.156759**  
million tonnes Cold Storage Capacity

Installed power<sup>23</sup>

Thermal  
**15514.68 MW**

Nuclear  
**127.27 MW**

Renewables  
**11033.78 MW**

of which, Hydro is  
**1673.60 MW**

<sup>12</sup> RBI | Handbook of Statistics on Indian States | Gross State domestic product | Exchange Rate as on 5th June 2023

<sup>13</sup> RBI | Handbook of Statistics on Indian States | Per Capita Net State Domestic Product | Exchange Rate as on 5th June 2023

<sup>20</sup> India Industrial Land Bank | DPIIT

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

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

<sup>23</sup> Central Electricity Authority | Installed Capacity Report | installed\_capacity.pdf (cea.nic.in)

## 03. ADVANTAGE ANDHRA PRADESH



A **360-degree advantage** in terms of affordable power and water costs nurturing agriculture and industries.<sup>24</sup>



**Total installed capacity of 25.7 GW**, 36% coming from non-fossil fuels like solar (4.2 GW) and wind (4.1 GW).<sup>28</sup>



Graded as **Achiever** within the Coastal cluster according to LEADS 2022.<sup>30</sup>



**Economic growth rate of 11.43%**, surpassing the national average.<sup>29</sup>



Ranks **1st in Ease of Doing Business** in India.<sup>27</sup>



**Second-longest coastline (974 Km coastline)** dotted with four large ports, all supporting robust trade with global markets.<sup>25</sup>



Top-ranked State in **marine exports**<sup>31</sup>. **45% share of Indian Marine Exports** are from Andhra Pradesh



**Ranks #5 in the coastal category**, by NITI Aayog in Export Preparedness Index 2021



**Home for several agro-processing units**, (including fruits and vegetables, spices) and marine products.



**Multi-product food park** at Chittoor

<sup>24</sup> Andhra Pradesh | Economic Development Board

<sup>25</sup> ibid

<sup>27</sup> Explore Investment Opportunities in Andhra Pradesh | India Investment Grid

<sup>28</sup> Andhra Pradesh | Economic Development Board

<sup>29</sup> ibid

<sup>30</sup> DPIIT | LEADS 2022: Logistics Ease Across Different States

<sup>31</sup> Focus Sector | Department of Industries | Government of Andhra Pradesh (for point 14-18)



**Ranks No. 1** in the implementation of **Energy efficiency** and conservation programs by the **World Bank**. **‘Achiever’** status in State Energy Efficiency Index (SEEI)-2020<sup>32</sup>



**Emerging Start-up Ecosystems**, as per **Start-up Ranking Results, 2021**<sup>26</sup>



One of India’s leading **Single Window Clearance System**



**180 large and mega** food processing units



**Ranks #1** in the cultivation of **Oil Palm**<sup>33</sup>



<sup>26</sup> Results of Ranking of States’ Exercise 2021 on Support to Start-up Ecosystems declared | Ministry of Commerce & Industry

<sup>32</sup> Andhra Pradesh | Economic Development Board | RENEWABLE ENERGY

<sup>33</sup> Andhra Pradesh | Economic Development Board | AGRI & FOOD PROCESSING (for point 19-22)

## 04. LOCAL FOOD SYSTEM

### 4.1 INDIGENOUS PRODUCE

Andhra Pradesh, with a wealth of diverse natural resources, is a leading player in India's agribusiness sector. The state's agriculture, horticulture, dairy, poultry, fisheries, and aquaculture industries make a significant contribution to its economy. With around 60%<sup>34</sup> of the population employed in agriculture, food processing is a key focus area. In 2020-21, the State had a gross sown area of 7.41 lakh hectares and a net sown area of 5.91 lakh hectares.<sup>35</sup>

Andhra Pradesh benefits from favourable climatic and soil conditions, making it a major agricultural region. The State is divided into 13 districts, grouped into the Coastal Andhra and Rayalaseema regions.<sup>36</sup> The State is also divided into six agro-climatic zones<sup>37</sup> based on rainfall patterns and distribution.

The primary food crops in the State are rice and maize, while the main cash crops include groundnut, castor, pulses, oilseeds, sunflower, cotton, sugarcane, millet, and wheat. The diverse agro-climatic conditions in the State are conducive to horticulture production. Andhra Pradesh is renowned for its cultivation of mangoes (Banganapalli, Suvarnarekha, Neelum, and Totapuri), lemon, banana, coconut, and various spices.<sup>38</sup>

STATE HAS RECEIVED 5 GEOGRAPHICAL INDICATOR (GI) TAGS FOR<sup>39</sup> -

- Guntur Sannam Chilli
- Bandar Laddu
- Banaganapalle Mangoes
- Araku Valley Arabica Coffee
- Tirupathi Laddu

<sup>34</sup> Snapshot | Economic Development Board | AGRI & FOOD PROCESSING | Overview of Agri and Food processing in AP

<sup>35</sup> RBI | Handbook of Statistics on Indian States














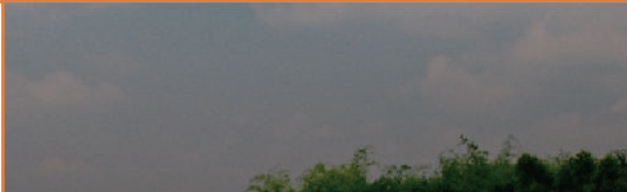
<sup>36</sup> Andhra Pradesh | Agriculture Statistics at a Glance 2021-21

<sup>37</sup> ibid

<sup>38</sup> APEDA | Mango

<sup>39</sup> Intellectual Property | Registration Details of Geographical Indications

## 4.2 KEY PRODUCTION HIGHLIGHTS

 <p><b>Ranks 1st in the production of shrimp in India.<sup>40</sup></b></p>	 <p><b>Ranked 1st in egg, and fish, production, showcasing its dominance in the seafood industry.<sup>41</sup></b></p>
 <p><b>Largest producer of fruits, accounts for 18% of total fruit production in India.<sup>42</sup></b></p>	 <p><b>Ranked #1 in bananas, mangoes, papaya, sweet orange, and lime/lemon.<sup>43</sup></b></p>
 <p><b>Ranked #2 in muskmelon, chikoo (sapota), and watermelon.<sup>44</sup></b></p>	 <p><b>Largest producer of Cocoa.<sup>45</sup></b></p>
 <p><b>Largest producer of red chillies.<sup>46</sup></b></p>	 <p><b>2nd largest producer of cashew-nut<sup>47</sup></b></p>
 <p><b>2nd largest producer of foot yam and tomatoes.<sup>48</sup></b></p>	 <p><b>3rd largest producer of beans and green chillies.<sup>49</sup></b></p>
 <p><b>4th largest producer of meat in India<sup>50</sup>(9.5 Lakh MTs) during 2020-21</b></p>	 <p><b>5th largest producer of milk, demonstrating its role in the livestock sector.<sup>51</sup></b></p>
 <p><b>Ranked 3rd largest producer of Jowar in India.<sup>52</sup></b></p>	

<sup>40</sup> Handbook on Fisheries Statistics - 2020.

<sup>41</sup> RBI | Handbook of Statistics on Indian States

<sup>42</sup> Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for 2021-22 (3rd Advance Estimates)

<sup>43</sup> ibid

<sup>44</sup> ibid

<sup>45</sup> ibid

<sup>46</sup> ibid

<sup>47</sup> ibid

<sup>48</sup> ibid

<sup>49</sup> ibid

<sup>50</sup> RBI | Handbook of Statistics on Indian States

<sup>51</sup> ibid

<sup>52</sup> APEDA | Millet | State Wise Millet Production

KEY PRODUCTION STATISTICS ARE PRESENTED BELOW<sup>53&54</sup>

## CROPS

'000 MT

COARSE CEREALS

**2321.8**

PULSES

**1094.6**

SUGARCANE

**4138.6**

RICE

**7882.2**

## FRUITS

'000 MT

MANGO

**5004.62**

SWEET ORANGE

**2955.17**

WATERMELON

**619.14**

BANANA

**6209.44**

## SPICES

'000 tonnes

TUMERIC

**74.69**

TAMARIND

**13.81**

GINGER

**3.14**

RED CHILLIES (DRIED)

**417.81**

## LIVESTOCK & FISHERIES

MILK

**14714** '000 tonnes

EGGS

**249639** lakh

MEAT

**954** '000 tonnes

FISH

**41.74** lakh tonnes

## VEGETABLES

'000 tonnes

BEANS

**261.08**

TOMATO

**2303.79**

GREEN CHILLIES

**495.27**

FOOT YAM

**203.37**

<sup>53</sup> Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for 2021-22 (3rd Advance Estimates)

<sup>54</sup> RBI | RBI Handbook of Statistics on Indian States

## 05. PRODUCTION CLUSTERS<sup>55</sup>

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

### GROUNDNUT products

Ananthapur



### COCONUT products

East Godavari



### SPICES (Chilli and Turmeric)

Guntur, Prakasam



### BANANA based products

Kadapa



### MANGO based products

Krishna, Vizianagaram





**TOMATO** based products  
Chittoor



**CASHEW-NUT** based products  
Srikakulam



**SUGARCANE** products  
Vishakhapatnam



**FISH & MARINE** based products  
West Godavari



**ONION** based products  
Kurnool



**CITRUS** based products  
Nellore



## 06. MILLETS IN ANDHRA PRADESH



Millets, also recognized as super-grain, superfood, and wonder-grain, have been acknowledged as one of the most ancient foods consumed by humans, and presumably the primary grain cultivated for domestic purposes. In the year 2021-22, the total production of millets in Andhra Pradesh stood at 5.07 lakh tonnes.<sup>56</sup>

Millets are called Nutri-cereals or dry-land cereals and are also referred to as Smart Food with high calcium, zinc, iron, and low glycemic index and are gluten-free.<sup>57</sup>

These are the 9 different varieties of millets that are grown in the State:

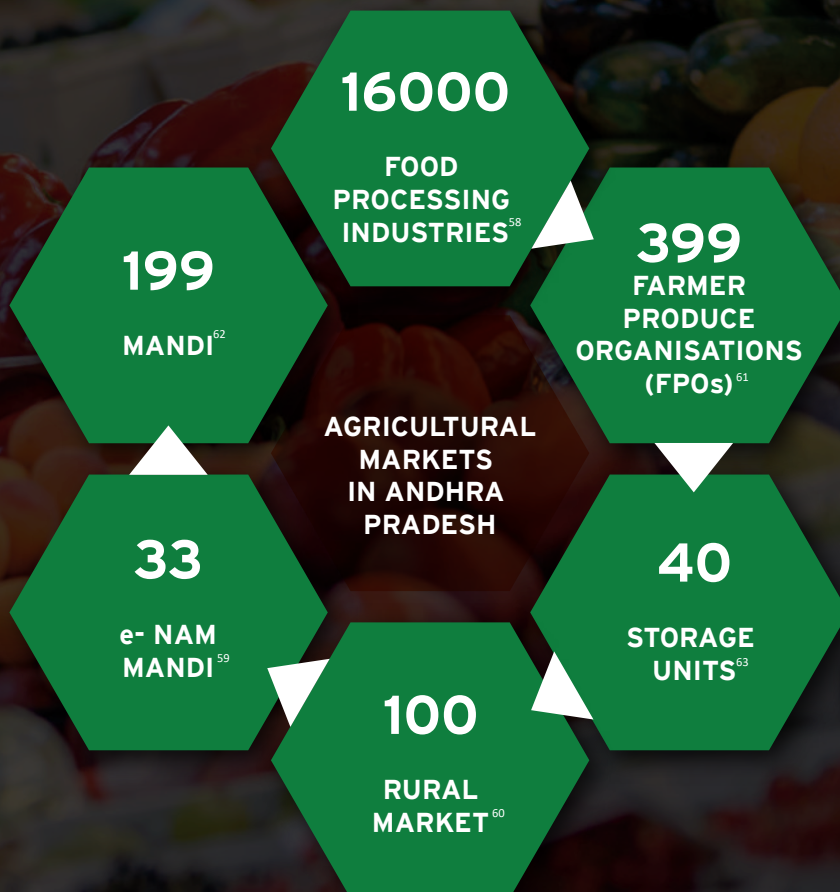
- Ragi (Chodi/Thaida/Finger millet)
- Korra (Italian millet/Foxtail millet)
- Variga (Proso millet/common millet)
- Sama (Little millet)
- Arika (Kodo millet)
- Ooda (Barnyard millet)
- Andukorra (Brown top millet)
- Jowar (Sorghum/Jonna/Great millet)
- Bajra (Sajja/Ganti/Pearl millet/Bulrush millet/Cat tail millet)

<sup>56</sup> APEDA | Millet | State Wise Millet Production

<sup>57</sup> E-Catalogue for Export of Millets and Value-Added Products ANDHRA PRADESH

# 07. AGRICULTURAL MARKETING

The State has a dedicated department, the Directorate of Agricultural Marketing and Agricultural Foreign Trade, which aims to enhance the agricultural marketing system and improve its efficiency. It also focuses on coordinating the work of the Agricultural Marketing Organization and Mandi Parishad/Mandi Committees. Additionally, the department provides facilities and support to exporters and producers, organizes conferences and seminars for the promotion of agricultural exports, and explores opportunities for exportable surplus.



<sup>58</sup> EDB | AGRI & FOOD PROCESSING

<sup>59</sup> e-Nam Directory | Department of Agriculture, Cooperation & Farmers' Welfare Ministry of Agriculture & Farmers' Welfare Government of India

<sup>60</sup> Agricultural Marketing Department | Government Of Andhra Pradesh | Rythu Bazars

<sup>61</sup> DATA OF REGISTERED FPOs | Ministry of Agriculture & Farmers Welfare

<sup>62</sup> Agmarket | Directorate of Marketing & Inspection (DMI), Ministry of Agriculture and Farmers Welfare

<sup>63</sup> Ministry of Consumer Affairs, Food & Public Distribution | Storage of Food Grains

## 08. POTENTIAL OPPORTUNITIES

Andhra Pradesh offers significant opportunities in the field of food processing. The state's abundance of agricultural resources and favourable climatic conditions make it an ideal location for food processing activities. Some of the key food processing opportunities in Andhra Pradesh include: -

### MEAT & MARINE

Andhra Pradesh is a leading State in fish and meat production within the country.

- **Canned fish and seafood, including tuna, sardines, and mackerel, offer long shelf life and convenience.**
- **New products value-added products frozen/chilled products, RTC/RTE, Indian ethnic products/snacks**
  - **Ready-to-eat fish and seafood snacks like fish/prawn crackers & chips.**
  - **Meat-based Soups and Stocks, Sausages and Deli Meats, and meat-based snacks** can be produced, such as chicken or mutton samosas, kebabs, sausages, and meatballs.
- **Given the evolving preferences of Indian consumers towards clean and safe meat and meat products, there is a significant opportunity in India for the development of modern abattoirs, logistics, processing facilities, and cold chain infrastructure**





## FRUITS AND VEGETABLES

Andhra Pradesh, being one of the largest producers of fruits and vegetables in India, offers great potential for the Fruit & Vegetable sub-sector. The State recorded a total fruit production of 1899.902 Lakh tonnes in 2021-22, with mangoes and bananas leading the way at 500.462 Lakh tonnes and 620.944 Lakh tonnes<sup>64</sup>, respectively. Andhra Pradesh is particularly known for its renowned mango varieties such as Banganapalli, Suvarnarekha, Neelum, and Totapuri. Following can be the suitable opportunities in the segment -

- **Fruit and Vegetable Juices:** Setting up fruit and vegetable juice processing units can cater to the increasing demand for healthy and natural beverages. Innovative techniques such as cold-pressed juices blends with unique flavour combinations and functional beverages can be explored.
- **Pulp and Puree Production:** Innovative packaging and formulations, including value-added variations such as fortified or organic pulps, can differentiate the products in the market. .
- **Dried Fruits and Vegetables:** Utilizing solar drying techniques and adopting innovative drying methods, such as vacuum drying or freeze-drying, can help produce high-quality dried fruits and vegetables. These products can serve as healthy snacks, ingredients for bakery and confectionery, or additions to ready-to-eat meals.
- **Freeze and Air-Blast Freezing:** Innovative freezing techniques like individual quick freezing (IQF) can help maintain the texture, flavour, and nutritional value of the produce.
- **Dehydrated Snacks and Chips:** Developing dehydrated fruit and vegetable snacks, including innovative variations like flavoured vegetable chips or fruit-based energy bars, can cater to the growing demand for healthy and convenient on-the-go snacks.
- **Value-added Products:** Exploring the creation of value-added products using fruits and vegetables, such as jams, jellies, sauces, chutneys, pickles, and spreads, can offer diverse options to consumers. Innovation in flavour profiles, ingredients, and packaging.

<sup>64</sup> Department of Agriculture & Farmers Welfare | Horticulture | State Level | Area and Production of Horticulture crops for 2021-22 (3rd Advance Estimates)

## MILLETS / NUTRI-CEREALS/ SUPER FOOD

The focus of the State on the revival of millet production in some parts of the State provides an immense opportunity for millet ready-to-eat and ready-to-cook industries.

- **Ready to Eat Products** - Biscuits, Cookies, Snacks, Sweets, Millet laddoo (sweets)
- **Ready to Cook Products** - Breakfast cereals mix such as Flour, Flakes, Noodles, Daliya, Pasta, etc.
- **Millet flour:** refined wheat flour in various recipes, offering a healthier alternative. Millet flakes, Noodles made from millets provide a nutritious alternative to traditional wheat-based noodles.



# 09. GOVERNMENT OF INDIA SCHEMES FOR FOOD PROCESSING

## 9.1 SCHEMES UNDER MINISTRY OF FOOD PROCESSING INDUSTRIES<sup>65</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>65</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 Andhra Pradesh (as on date: 31.05.2023)<sup>66</sup>

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

SCHEME NAME	NO. OF PROJECTS APPROVED	TOTAL PROJECT COST (INR CR.)
MEGA FOOD PARK	3	356.64
COLD CHAIN	33	1368.93
AGRO PROCESSING CLUSTERS	3	93.83
CEFPPC UNIT/FOOD PROCESSING UNIT	11	459.08
OPERATION GREENS	16	979.57
FOOD TESTING LABORATORY	5	41.44

#### 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)	35	1398.40

#### 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)	3121
INCUBATION CENTRES	2

<sup>66</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>67</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>68</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 and 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>69</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>67</sup> Mission for Integrated Development of Horticulture (MIDH)

<sup>68</sup> National Agriculture Infra Financing Facility

<sup>69</sup> Department Of Fisheries

## 4 Pradhan Mantri Matsya Sampada Yojana (PMMSY) Scheme<sup>70</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>71</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>72</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>73</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>74</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>70</sup> Pradhan Mantri Matsya Sampada Yojana

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

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

<sup>73</sup> Agriculture And Processed Foods Export Promotion Scheme of APEDA for the 15th Finance Commission Cycle (2021-22 To 2025-26)

<sup>74</sup> Credit Linked Capital Subsidy Scheme for Technology Upgradation | Ministry of Micro, Small & Medium Enterprises Credit Linked Capital Subsidy Scheme

9

**Venture Capital Assistance Scheme of SFAC (Small Farmers' Agri-Business Consortium)<sup>75</sup>**

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

10

**A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE)<sup>76</sup>**

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

11

**Pradhan Mantri Kaushal Vikas Yojana (PMKVY)<sup>77</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>75</sup> Small Farmers' Agri-Business Consortium | Venture Capital Assistance Scheme

<sup>76</sup> A Scheme For Promotion Of Innovation, Rural Industries & Entrepreneurship (ASPIRE) | Ministry of Micro, Small & Medium Enterprises

<sup>77</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>78</sup>

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



## Agro-Processing included in Priority Sector Lending

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



## 100% FDI permitted

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



## Automatic Route

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

## Government Route

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

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

## 10. STATE GOVERNMENT INITIATIVES AND SCHEMES

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



### 'Single Desk Portal is a dedicated single window System'

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

There is an online system to provide information regarding all approvals required by the industries to set up their businesses.<sup>79</sup>

 [apindustries.gov.in/APIndus/](http://apindustries.gov.in/APIndus/)



### A. State Industrial Land Bank

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

 [www.kpi.apiic.in:8443/KPI/apiicfi](http://www.kpi.apiic.in:8443/KPI/apiicfi)

### B. Central Industrial Land Bank Portal

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

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



### Andhra Industrial Development Policy 2020-23

To attain balanced and sustainable growth across regions, the policy focuses on promoting ease of doing businesses, supporting businesses throughout the value chain, building infrastructure, and providing requisite incentives to businesses.<sup>80</sup>

<sup>79</sup> Single Desk Portal | Single Window System, Government of Andhra Pradesh

<sup>80</sup> Andhra Industrial Development Policy 2020-23

Andhra Pradesh has a favourable business environment for setting up food processing units and offers investors robust infrastructure, support for capital investment and technology upgradation, a strong marketing network, rich and diverse human capital, quality assurance, and grants. Key incentives available for the food processing industry under major policies are summarized in below:

**KEY INITIATIVES ANDHRA PRADESH FOOD PROCESSING POLICY 2020-25<sup>81</sup>**

<b>Capital Investment subsidy</b>	<p>State Capital Investment Subsidy on the investment in the State as follows:</p> <ul style="list-style-type: none"> <li>■ 15% with a ceiling of 20 Lakhs for Micro and small enterprises</li> <li>■ 35% with a ceiling of 50 Lakhs for Farmer’s Producer Organisations</li> <li>■ 35% with a ceiling of 50 Lakhs for women of BC/Minority Communities</li> <li>■ 45% with a ceiling of 100 Lakhs for SC/ST Entrepreneurs</li> <li>■ 45% with a ceiling of 100 Lakhs for SC/ST Entrepreneurs</li> </ul>								
<b>Exemption from charges</b>	<ul style="list-style-type: none"> <li>■ Micro and Small Enterprises: 3% for 5 years</li> <li>■ Farmers Producers Organizations (FPOs): 3% for 5 years</li> <li>■ BC/ Minority Communities (Women): 3% for 5 years</li> <li>■ SC/ST Entrepreneurs: Up to 9% over and above 3% for 5 years</li> </ul>								
<b>Conversion of Land Use</b>	<p>25% Land Conversion Charges up to Rs. 10 lakhs for MSEs, FPOs, BC / Minority Communities (Women) and SC/ST Entrepreneurs.</p>								
<b>External Development Charges</b>	<p>50% rebate in land cost up to Rs. 20 lakhs for FPOs, BC / Minority Communities (Women) and SC/ST Entrepreneurs.</p>								
<b>Stamp Duty</b>	<p>100% Reimbursement for MSEs, FPOs, BC /Minority Communities (Women) and SC/ST Entrepreneurs.</p>								
<b>SGST Reimbursement for MSME</b> (for a period of 5 years)	<p>Micro and Small Enterprises: Reimbursement of 100% net SGST for 5 years. FPOs, BC/ Minority Communities (Women) and SC/ST Entrepreneurs: Micro and Small 100% enterprises</p>								
<b>SGST Reimbursement for Medium/Large Enterprises</b> (for a period of 5 years)	<p>FPOs, BC/ Minority Communities (Women) and SC/ST Entrepreneurs: For Large enterprises - 50% For Medium enterprises - 75%</p> <table border="1" data-bbox="574 1590 1220 1736"> <thead> <tr> <th>Employment generated</th> <th>SGST reimbursement</th> </tr> </thead> <tbody> <tr> <td>&lt;1000</td> <td>50%.</td> </tr> <tr> <td>1000 to 2000</td> <td>75%</td> </tr> <tr> <td>2000+</td> <td>100%</td> </tr> </tbody> </table>	Employment generated	SGST reimbursement	<1000	50%.	1000 to 2000	75%	2000+	100%
Employment generated	SGST reimbursement								
<1000	50%.								
1000 to 2000	75%								
2000+	100%								
<b>Tax-related incentives</b>	<ul style="list-style-type: none"> <li>■ 70% for the non-priority sector and 100% for the priority sector (project cost) for the Tax-related benefits (all new units)</li> <li>■ Additional 30% tax benefits given to all new Micro &amp; Small Units</li> <li>■ All new units are entitled to avail 80% reimbursement against the admitted SGST/ Entry Tax deposited, for a period of 5 years from the date of commencement of commercial production</li> <li>■ All new units shall be eligible for 100% reimbursement of the electricity duty on power, from the date of commencement of commercial production for a period of 5 years subject to overall limit.</li> </ul>								

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

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

### FOR STARTING OPERATIONS

S.No	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
1.	Registration under FSSAI Act,2006, regulation 2011	FSSAI, Health & Family Welfare Department, & Food Safety
2.	License under FSSAI Act,2006, regulation 2011	FSSAI, Health & Family Welfare Department, & Food Safety
3.	Registration under GST (Andhra Pradesh Goods and Services Tax Rules, 2017)	Commercial Tax-Department of Revenue
4.	Final approval from Electrical Inspectorate-Department of Energy-Chief Electrical Inspector	Chief Electrical Inspectorate-Department of Energy
5.	Registration of shops & establishments	Commissionerate of Labour -Department of Labour Employment Training and Factories
6.	Occupancy certificate from Fire Services Department	Directorate of Fire Services-Department of Home
7.	Boiler registration	Directorate of Boilers-Department of Labour Employment Training and Factories
8.	Registration of establishments deploying contractual workmen	Commissionerate of Labour -Department of Labour Employment Training and Factories
9.	<b>Consent for Operation/ Authorization</b> a) Green Category b) Orange Category c) Red Category d) Authorization of units handling hazardous wastes	Andhra Pradesh Pollution Control Board

## FOR SETTING UP OF BUSINESS

S.No	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
10.	Power Feasibility Certificate (Sanction of power supply Power Connection)	DISCOM-Department of Energy
11.	Electrical Inspectorate statutory approval for drawings	Chief Electrical Inspectorate-Department of Energy
12.	Building /Site Permission /Approval/License from Municipality/UDA/ DT&CP	Department of Municipal Administration & Urban Development
13.	Building /Site Permission from Gram Panchayat	Department of Panchayati Raj & Rural Development
14.	Approval for water supply from ULB s-MA & UD Department Water Connection	Department of Municipal Administration & Urban Department
15.	Permission to draw water from river/public tanks, & Permission to dig new wells from Ground Water Department	Irrigation & CAD Department
16.	Factory Plan Approval	Directorate of Factories-Department of Labour Employment Training and Factories
17.	Fire-No Objection Certificate	Directorate of Fire Services-Department of Home
18.	Consent for Establishment a) Green Category b) Orange Category c) Red Category	Andhra Pradesh Pollution Control Board
19.	Approval of change of land use for Industrial purpose	Land Administration-Department of Revenue
20.	Registration of Partnership Firms	Registration & Stamps- Department of Revenue

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

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

NAME OF THE FIRM	LOCATION
Foods And Inns Limited	Chittoor
ITC Limited	Guntur
MTR Foods Private Limited	Guntur
Parle Agro Private Limited	Vijayawada
Synthite Industries P Ltd	Madarametla
Tata Consumer Products Limited	Srikakulam & Visakhapatnam
Asvini Fisheries Private Limited	West Godavari
Avanti Frozen Foods Private Limited	Thondangi, and East Godavari
Choice Trading Corporation Private Limited	Guntur
Devi Fisheries Limited	East Godavari District, Visakhapatnam, & Jaggampetta
Devi Sea Foods Limited	West Godavari, Prakasam, Tanuku, & Singarayokonda
Falcon Marine Exports Limited	Nellore
Nekkanti Sea Foods Ltd	J Thimmapuram, and Nellore
Sandhya Aqua Exports Private Limited	Krishna District, Prakasam, West Godavari, Palakol
Parle Biscuits Private Limited	Chittoor

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

NAME OF THE FIRM	LOCATION
Srini Food Park Pvt Ltd	Chittoor
Godavari Mega Aqua Food Park Pvt Ltd	West Godavari

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

<b>NAME OF THE FIRM</b>	<b>LOCATION</b>
Synthite Industries Ltd	Prakasam
Nekkanti Sea Foods Ltd	East Godavari
Farm Gate Agro Milch Pvt Ltd	Chittoor
Devi Aqua Tech Private Limited	East Godavari
Sandhya Marines Ltd.	West Godavari
Sai Marine Exports Pvt Ltd	Visakhapatnam
Mourya Aquex Pvt Ltd	West Godavari
Sandhya Aqua Exports Pvt Ltd.	East Godavari
Sangam Milk Producer Company Limited	Chittoor
N K Marine Exports LLP	West Godavari
Srichakra Milk Products LLP	Anantpur
Fedora Sea Foods Private Limited	Nellore
Veerabhadra Exports Pvt. Ltd.	East Godavari
Coastal Corporation Limited	East Godavari
Varma Marine	West Godavari
Aparna Marine Exports	Guntur
Mulpuri Aqua Processors	Krishna

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

<b>NAME OF THE FIRM</b>	<b>LOCATION</b>
M/s Shivtara Grains Pvt. Ltd	Krishna
M/s Jallan Food Products Agro Drinks	Chittoor

## 13. LIST OF FARMER PRODUCER ORGANISATIONS

A total of 399 Farmer Producer Organisations (FPO) are present in the State and out of which the following indicative list in Table below represents FPOs with major crop/produce production of the State. The overall details of FPOs in the State are available at APEDA Farmer Connect FPO Directory.<sup>82</sup>

NAME OF THE FIRM	ADDRESS / CONTACT	COMMODITY
<b>Saahithy Mango Producer Company Limited</b>	Urlagadda Padu (V), Rly Kodur, Cuddapah	Banana, Mango, Papaya
<b>Aaditali Udyana Raitu Utpattidarula Producer Company Limited</b>	Gorada, Rayagadajammu Panchayat, Gummalaxmipuram (Mandal), Vizianagaram (Dist)	Papaya, Mango, Millets, Custard Apple
<b>Balaji Farmer Producer Company Limited</b>	84/1, AYYANKI VILLAGE, MOVVA MANDAL	Banana, Mango, Guava, Watermelon. Muskmelon, Papaya, Lemon, Okra, Tomato, Drumstick, Taro, Brinjal, Yam, Potato, Sweet potato etc.
<b>Kothapalem Coastal Marine &amp; Aqua Producer Company Limited</b>	Kothapalem, Nizampatnam	Marine fish
<b>Addanki Udhyana R ythula Producer Company Limited</b>	Addanki	Chillie, Paddy, Vegetables
<b>Amaravathi Farmers Producers company limited</b>	Chilakaluripeta	Chilli
<b>Aaremmacheruvu FPO Macs Ltd</b>	Aaremmacheruvu Raithu Utpathidharula Paraspara Sahayaka Sahakara Sangam, Door No: 3-31, Gundugallu	Millets, paddy, Tomato, Groundnut

<sup>82</sup> APEDA Farmer Connect | FPO/FPC/Cooperative Societies Directory



NAME OF THE FIRM	ADDRESS / CONTACT	COMMODITY
<b>Bhahuda FPO Macs Ltd</b>	Bahudha Fpo Macs Ltd. D. No.8-41t, 163 Opposite To Venkateswara Rice Mill, Kanduru Road, Nimmanapa	Groundnut, Paddy, Tomato, Ragi, Mulberry, Green Chilli, Potato, Mango
<b>SUSAG Millets Producers Company LTD</b>	Ground Floor Mamidipalem SHRDC building, Chodavaram road, Anakapalli -531032	Korra, Sama, millets (Ragi, Ragi powder, Sajja, Jonna)
<b>Visakha Millets Farmers Producer Company Limited</b>	C/O Venkataswamynaidu R, Opp. Petro Bunk, K. Kotapadu, Visakhapatnam, 531034	Millets
<b>Chinthapalli Adivasi Farm Products Producers Company Ltd</b>	Chinthapalli	Turmeric & Spices
<b>Organic Parthi Farmers Producer Company Limited</b>	Panchavati Villas, Airport Road, Puttaparthi, Sri Sathyasai Dist.	Mango, Guava, Sapota (Cheeku), Ashwagandha, Turmeric, Tamarind, Gooseberry, millets, Blueberry, jaggery Groundnuts, coconuts
<b>Manavanam Farmer Producer Company Limited</b>	10-35-88/1, Valandabhumulu, Opp. Sun School, Keathini Peta, Bheemunipatnam, Visakhapatnam district	Millets, Pulses, Spices, Fruits

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