



MAKE IN INDIA

Opportunities in the Food Processing Sector



Advantage India

1. Fastest growing economy in the world – 4th largest economy in terms of purchasing power parity
2. Among top 3 investment destinations of the world
3. 1.2 billion consumers with increasing demand for branded food
4. Largest producer of several agri commodities available for sourcing and processing
5. Availability of world class ports, logistics & supply chain infrastructure
6. Rich demographic dividend with high focus on skill development, availability of skilled personnel
7. Strategic geographic location & proximity to food importing nations makes India favorable for export of processed food.
8. Proactive Government policies and attractive fiscal incentives



Advantage India: Key incentives for Food processing

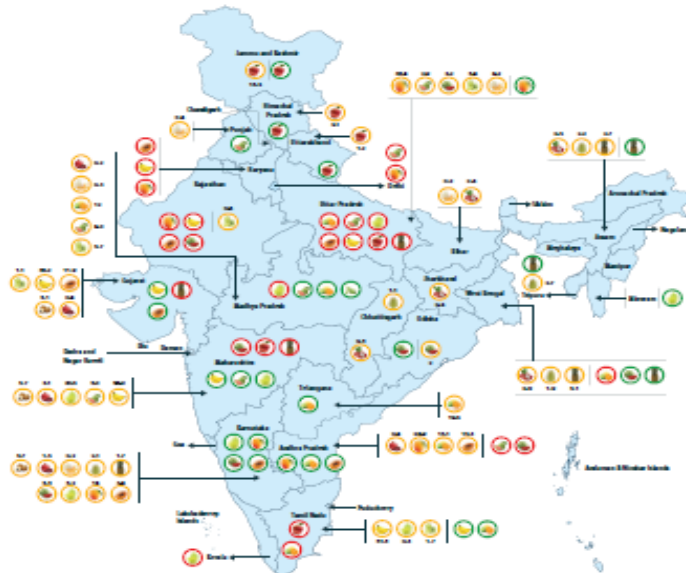
1. Government rolled out 42 mega food parks with investment of INR 98 billion.
2. 100% FDI is permitted in the automatic route for most food products
3. Special fund of INR 2,000 crores with NABARD for designated food parks and processing units
4. Loan to processing units and Cold Chain under Priority Sector Lending (PSL) subject to aggregate sanctioned limit of INR 100 crore.
5. Pre-conditioning, pre-cooling, ripening, waxing, retail packing, labeling of f&v exempted from Service Tax
6. Concessional Customs Duty applicable on imported equipment.
7. Income tax deductions on capital expenditure @150% for cold chain or warehouse.
8. 100% IT exemption for new food processing, preservation and packaging units for first 5 years and 25%-30% thereafter.



Advantage India : State wise indicative opportunity



Fruits Availability Map of India



Commodities



The map highlights the top three export and import destinations for major horticultural products.

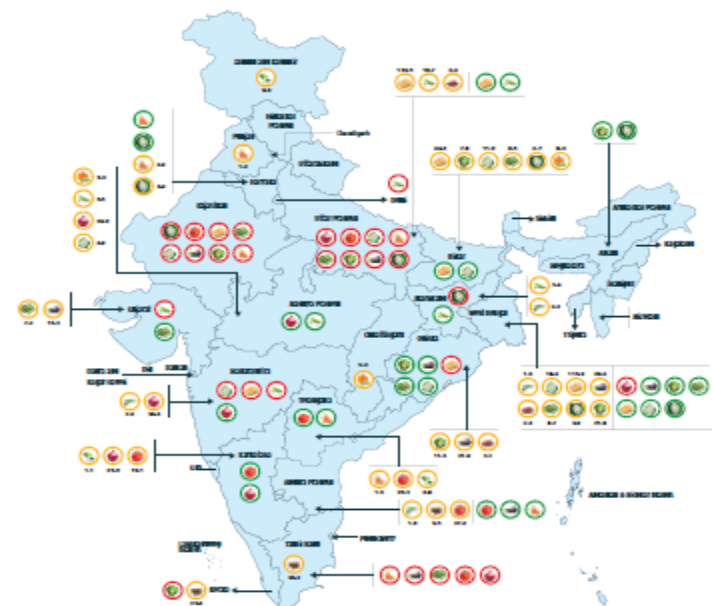
The map highlights the top three production states for major horticultural products.

Source: Hort and Veg. Survey Office, National Horticulture Board, State Horticulture Societies

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Vegetables Map of India



Commodities



The map highlights the top three export and import destinations for major vegetable products.

The map highlights the top three production states for major vegetable products.

Source: Hort and Veg. Survey Office, National Horticulture Board, State Horticulture Societies

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Infrastructure Availability – Mega Food Park (MFP) Scheme

- Assistance up to INR 50 crores for modern FP infrastructure on 50-100 acres
- 42 MFPs with investment of INR 98 billion rolled out.
- Parks have about 1,200 developed plots (of approx. 1 acre each) with common infrastructure
- Enable entrepreneur to lease space for food processing and ancillary units.

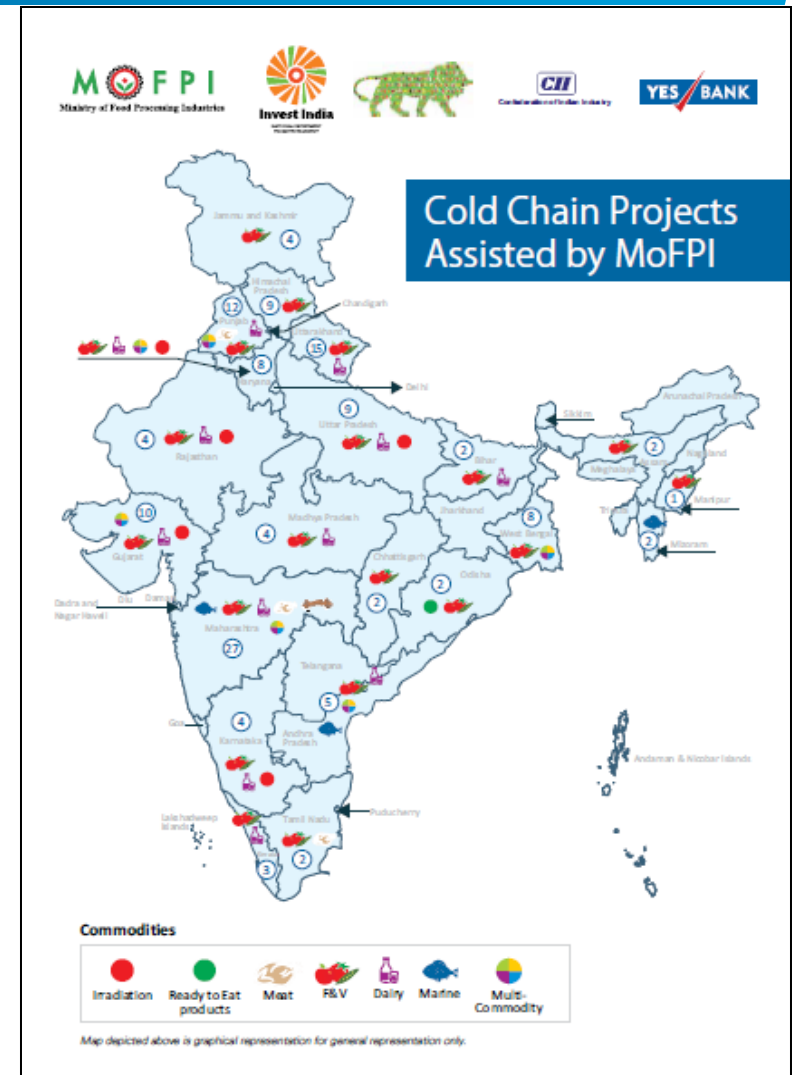


Infrastructure Availability – Cold Chain

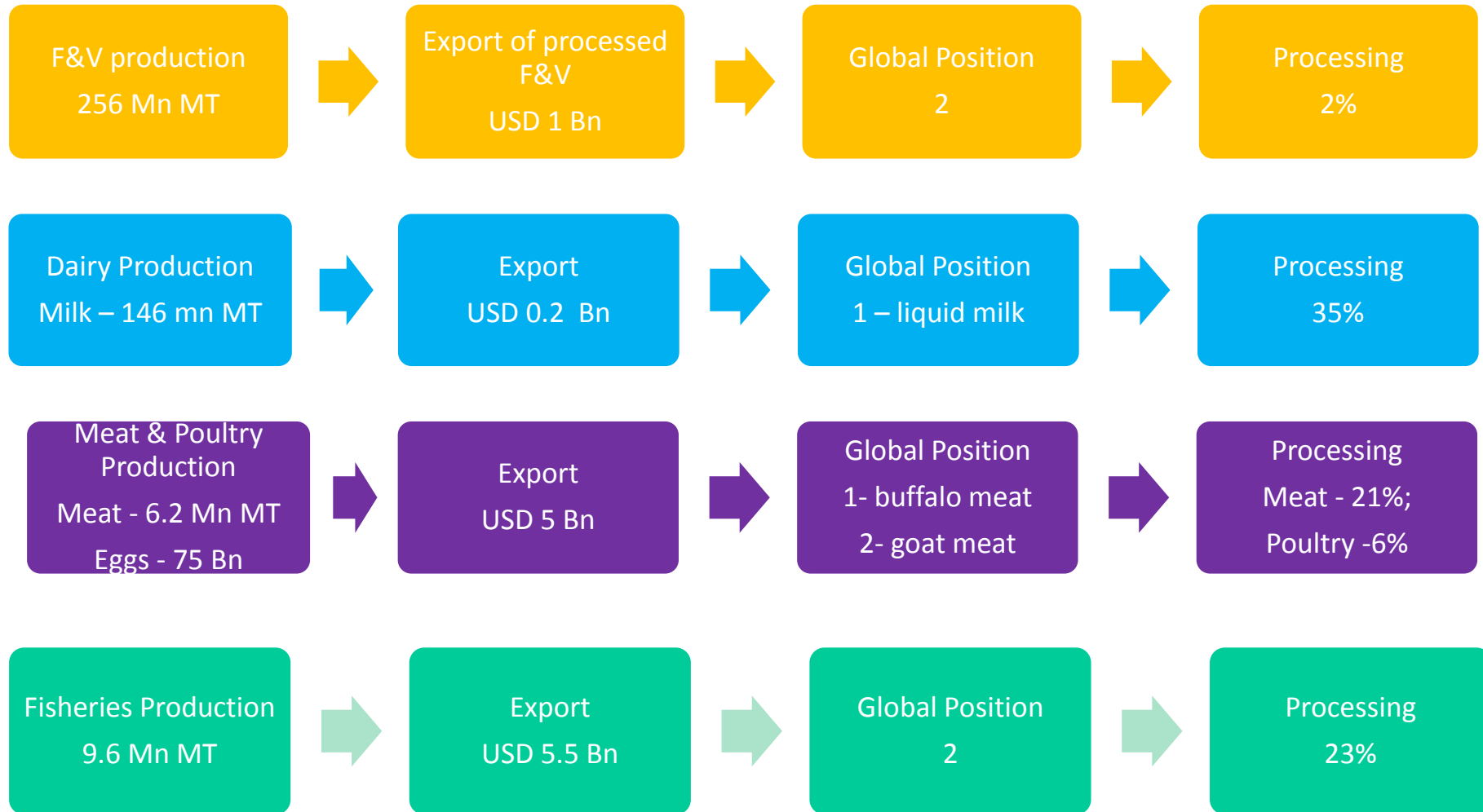
1. Cold chain capacity estimated at 26.85 Mn MT
2. Estimated 5,367 cold storages available
3. Average capacity utilization is 75%- shows sustainability of the cold chain business.
4. Opportunity for cold chain development lie in Tamil Nadu, Maharashtra, West Bengal, Bihar, Kerala and Gujarat.

Opportunities in Technology and Equipment Upgradation

- New technology in Cold chain/ CA /MA
- Energy efficient technologies
- Farm level storage solutions
- New packaging technology



Key Sub-Sectoral Opportunities



Opportunities in the food processing sector



Infrastructure opportunities

Cold chain for perishables

IQF facilities for frozen fruits and vegetables and ripening chambers for bananas and mangoes

Modern pack houses for fruits and vegetables

R&D in new varieties- processable varieties, high yielding, seedless varieties, pest resistant etc



Processing level

Processing of various sub segments of food in the country is very low –

- Fruits & vegetables- ~2%
- Marine produce ~ 23%
- Poultry ~ 6%
- Meat ~ 21%



Technology and Equipment suppliers

- New technology in F&V processing, cold storage, reefers, IQF, pack houses, packaging
- Technology for new value added products
- Energy efficient technologies
- Food testing labs



Processing players

New products – Fortified products, health food, tradition Indian food, convenience food

New Packaging technology for enhanced shelf life, retaining taste and texture, attractive, easy to handle and space efficient



India Beckons

Come Invest in India
Invest in the Indian food processing sector



Contact

Ministry of Food Processing Industries, Govt. of India

Tel: +91-11-26492216/ 26492174/ 26493227/
26490933

Email: miiweekfpi@gov.in

INVEST INDIA, Investor Facilitation Cell, Make in India

Tel: +91-11-23487411, 23487278, 23487533,
23487534,

Email: info@investindia.org.in;
makeinindia@nic.in

YES BANK Ltd.

Tel: +91-124- 4619136, 4619008

Email: fasar@yesbank.in

Confederation of Indian Industry (CII)

Tel: +91-11-46344614

Email: miiw.fpi@cii.in

Web: www.cii.in

