

Promoting Growth through Food Processing Industry in NE Region

AS, Ministry of Food Processing Industries

Potential of Food Processing Sector

- 1) Benefits Farmers, consumers alike
- 2) Generates Employment
- 3) Reduces Wastages, increases Value addition
- 4) Social Benefits – Health, Rural areas, Women
- 5) Food safety critical for health
- 6) Formalization of FP sector

Constraints in Promoting FP Sector

- Entrepreneurship
- Promoter's Capital
- Institutional Credit
- Unregistered enterprises
- Lack of access to modern technology, skill training, Entrepreneurship Development
- Difficulties in availing services for Food testing, quality certification, Branding impacting Market access
- Limited Cold Storage facilities

NER : Registered and Unregistered FP Enterprises

S. No	North Eastern States	No. of Registered FP Units	No. of Unregistered FP Units
1.	Arunachal Pradesh	30	145
1.	Assam	1,409	65,997
1.	Manipur	28	6,038
1.	Meghalaya	26	3,268
1.	Mizoram	-	1,538
1.	Nagaland	21	3,642
1.	Sikkim	19	101
1.	Tripura	95	13,998
NER Total		1,628	94,727
All India Total		39,748	24,59,929

Prime Minister's Kisan Sampada Yojana

Eligible Agencies:

1. Central/State PSUs, FPOs, SHGs, Corporate Entities, Individuals
2. Assistance from MoFPI is 50% of eligible Project Cost
3. Projects require bank credit: 20% of Project Cost
4. Promoter's Contribution: 10% of Project Cost + Net Worth of 1.5 times grant
5. Assistance range: Rs. 5 cr to 10 cr. Over two to four installments
6. Projects include: Agro Processing Cluster, Units, Cold Chain, Forward/Backward Linkages
7. Land title must; 10 acres for Agro-Processing Cluster
8. Minimum Project Cost: Rs. 5 cr. Outside MFP, Rs. 1 cr. In MFP
9. Project cannot start before sanction by MoFPI

SCHEMES UNDER PMKSY

- 1) Agro Processing Clusters
- 2) Creation/ Expansion of Food Processing/ Preservation Capacities (Unit Scheme)
- 3) Scheme for Creation of Backward and Forward Linkages
- 4) Integrated Cold Chain & Value Addition Infrastructure
- 5) Quality Assurance Infrastructure
- 6) Human Resources & Institutions

Suggested Way Forward

- 1) Awareness Generation through State Industry Depts
- 2) Training in Technology, Entrepreneurship (IIFPT, Gauhati)
- 3) Hand-holding Camps, Credit camps
- 4) Buyer-Seller meets within and outside region
- 5) Marketing support (NERAMAC)
- 6) Dissemination of Success Stories, experience sharing

Thank You

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<http://mofpi.nic.in/>

<http://www.foodprocessingindia.co.in/>

<https://www.worldfoodindia.in/>

<https://indiainvestmentgrid.com/portal/>

Creation of Infrastructure for Agro-processing Clusters (APC)

Objectives : To create Modern infrastructure for facilitating food processing units to be set up in the Cluster closer to production areas.

Financial Assistance from MoFPI: 50% Eligible Project Cost for SC/ST/ NE, Hill & Difficult areas subject to maximum of 10 Crore.

Eligible organizations/ Eligibility Conditions:

- FPOs / FPCs / SHGs /Companies/Cooperatives/ Central and State PSUs/ Proprietorship firms etc.
- Combined Net-worth of promoters should not be less than 1.5 times of grant sought.
- Term loan should not be less than 20% of project cost.
- Promoters' equity should not be less than 10% of Project cost
- Minimum Land Area: 10 Acres, Minimum Investment: 25 Crores, Minimum no. of FPU: 5

Target for 2019-20: Two Clusters in NE



State-wise
Allocation

Creation/ Expansion of Food Processing/ Preservation Capacities (Unit Scheme)

Objectives : To Create processing and preservation capacities and modernization /expansion of existing food processing units.

Financial Assistance from MoFPI: 50% of the Eligible Project Cost subject to maximum of Rs. 5 Crore.

Eligible organizations/ Eligibility Conditions:

- Units will be set up only in Mega Food Parks & Agro Processing Clusters
- Minimum eligible project cost (i) Rs. 3 Crores for general areas & (ii) Rs. 1 Cr. For NE states.
- In addition, SC/ST promoters can set up Food Processing Units anywhere in India subject to Minimum Eligible Project Cost Rs. 5 Cr.
- Term loan should be at-least 20% of total Project cost.
- Promoters' equity should not be less than 10% of Project cost (not applicable to Govt. proposals).
- Date of commercial production should not be prior to the date of submission of proposal.

EOI closing date for submission of online proposals – 30.06.2019

Target for NE in 2019-20: Eight units

Creation of Backward and Forward Linkages

Objectives :

- Provide effective and seamless backward and forward integration for processed food industry by plugging the gaps in supply chain.
- Applicable to perishable horticulture and non-horticulture produce.

Financial Assistance from MoFPI:

- 50% of the Eligible project cost subject to maximum of Rs. 5 Crore.
- The grants-in-aid will be provided only in respect of technical civil work and eligible plant & machinery.

Eligible organizations/ Eligibility conditions:

(Central and State PSUs/ Joint Ventures/ FPOs / NGOs/ SGHs/ LLPs/ Proprietorship firms etc.)

- Term loan should be at-least 20% of total Project cost.
- Promoters' equity should not be less than 10 % of Project Cost (not applicable to Govt. proposals).

EOI closing date for submission of online proposals by NER / ST promoters– 30.04.2019

Target for 2019-20 for NE Region: 4

Integrated Cold Chain & Value Addition Infrastructure

Introduction :

- To provide integrated cold chain and preservation and value addition infrastructure from farm gate to consumers

Components of scheme: Farm level Infrastructure, Distribution Hub, Refrigerated vans, Irradiation facilities.

Financial Assistance from MoFPI:

- The grant will be provided only in respect of technical civil works and eligible plant & machinery subject to maximum of 10 Crore.
- **For Storage infra.** – 50% for NE, Hilly, Difficult areas.
- **For Value addition / processing infra.** – 75% for NE, Hilly, Difficult areas.
- **For Stand alone Irradiation facilities** - 75% for NE, Hilly, Difficult areas.

Eligible organizations/ Eligibility Conditions:

- The combined Net-worth of the promoters/ proposed shareholders should not be less than 1.5 times of the grant sought.
- Term loan should be at-least 10% of total Project cost, in NE
- Promoters' equity should not be less than 10% of Project cost (not applicable to Govt. proposals).
- Date of commercial production should not be prior to the date of submission of proposal.

EOI closing date for submission of online proposals – 29.03.2019

Target for NE Region in 2019-20:

Food Safety & Quality Assurance Infrastructure : Food Testing Labs

Objectives :

- Setting up / Up-gradation of Food Testing laboratories to ensure safety and quality of food products.

Financial Assistance :

- **Central/State Government and its organizations /universities (including Govt. owned deemed universities) :** Grant @100% of equipment & 35 % of technical civil works to house the associated furniture & fixtures for difficult areas. and 80% of the monthly emoluments for two technical staff for two years from the date of completion of the laboratory.
- **All other implementing Agencies:** Grant 50 % of cost of laboratory equipment and 33 % technical civil work to house the furniture & fixtures for difficult area and 70% of equipment.

Food Safety & Quality Assurance Infrastructure

Objectives :

To motivate the food processing industry for adoption of food safety and quality, assurance mechanism and to face global competition to adopt HACCP/ISO Standard/Food Safety/Quality Management Systems

- To Keep Indian Food industry technologically abreast of international best practices

Financial Assistance :

- Reimbursement of expenditure 70 % in NE, difficult areas of eligible project cost subject to maximum of Rs. 22 Lakh.

Eligible organizations/ Eligibility conditions:

- Central/ State Government and its organizations/ universities/ deemed universities/ private sector organizations.
- Proposals of units processing perishable items like fruits, vegetables, milk, meat, poultry, seafood and fish will only be considered eligible.
- The units which have been operating from at least 3 years prior to the date of application will be eligible to apply.

Human Resources: Research & Development

Objective:

- Financial assistance to undertake demand driven R&D work for the benefit of food processing industry in terms of product and process development, efficient technologies, improved packaging, value addition etc. with commercial value along with standardization of various factors Price stabilization for producers and consumers.

Eligible organizations:

- All Universities, IITs, Central/State Government Institutions, Government funded Organisations, R&D laboratories and CSIR recognized R&D units in private sector

Financial Assistance:

- **For the Government organizations/universities/institutions:** 100% of cost of equipment, consumables and expenditure related to salaries of project staff specific to the project of specified duration for maximum of three years.
- **For Private organizations/universities/institutions :**50% of equipment cost in general areas and 70% in difficult areas.

Promotional Activities, Studies & Surveys

Objective:

- To organize, co-sponsor, participate in all India level seminars, workshops, fairs and exhibitions for food processing sector to encourage investment in food processing.

Eligible organizations:

- APEDA, CFTRI, ITPO Industry Associations, Government/Academic Bodies, National Level Industries Associations like FICCI, CII, ASSOCHAM, PHDCCI, ICC, and AIFPA etc.

Human Resources: Skill Development

Objective:

- To Develop training/ Course modules in English, Hindi and recognized regional languages based on the Qualification Packages (QPs) validated by the NSDA

Eligible organizations:

- Recognized Central/State/Deemed University or its Department of Food Processing Technology, Colleges/Institutions of Food Technology, affiliated with Central/ State Govt. Universities, Govt. approved (ITIs) etc.

Financial Assistance:

- **For Development of Course Curriculum/ Training Module:** Maximum of Rs. 5 lakhs per QP
- **Establishing Training Center (TC) / Expansion of Existing Training Centre:** 50% of cost of plant & machineries required for a NSDA/NSDC validated training module subject to a maximum of Rs.15 lakh per training module.

Unorganised Food Processing Sector: Strength

- Accounts for for 7.1% of investment in P&M, providing 74% employment (2015) in FP sector;
- Low capital requirement per worker (Fixed Capital: Unregistered Rs 2.58 lakh vs. Registered Rs 11.69 lakh; P&M:Unregistered Rs 25,000 vs. Registered Rs 9.47 lakh);
- Value Addition per unit of investment in P&M: 3.0 for Unregistered & 0.6 for Registered segment;
- Better use of locally available Agri-Resources: Minimum lead distance & time to processing units.
- Low or negligible investment requirement on supply chain infrastructure.
- Scope for diversification of farm activities leading to higher farm income