



Agro & Food

Processing sector India



Agriculture and Food Processing Scenario in India

1

Largest Producer:

Areca nut, bananas, castor oil seeds, chick peas, chillies & peppers dry, ginger, lemon & limes, mangoes, guavas, millet, okra, papayas and pigeon peas.

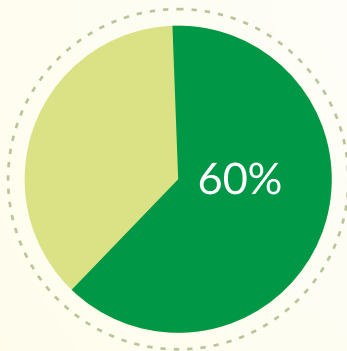
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Second Largest Producer:

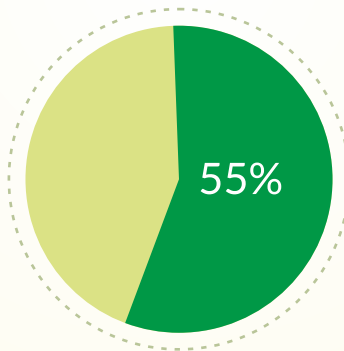
Anise, coriander, beans-dry, cabbages and other brassicas, cauliflower & broccoli, eggplants, garlic, groundnuts with shell, lentil, onions dry, green peas, potatoes, pumpkins, squash and gourd, rice, safflower seed, sugarcane, tea, tomato and wheat.

279.5
Million Tonnes

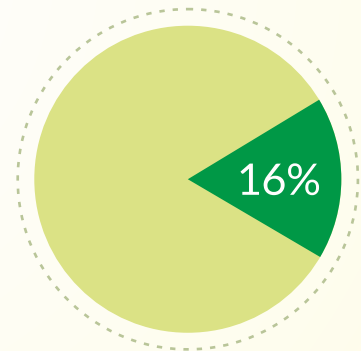
Foodgrain production in 2017-18; highest annual production till date.



Land under agriculture against a global average of 11%



Population engaged in agriculture and allied activities (census 2011)



Contribution to GDP of India

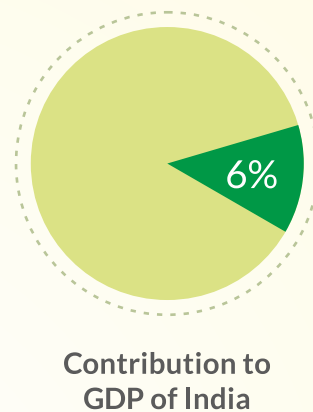
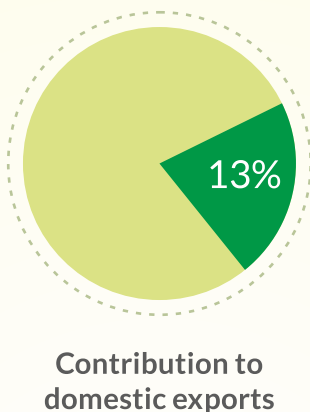
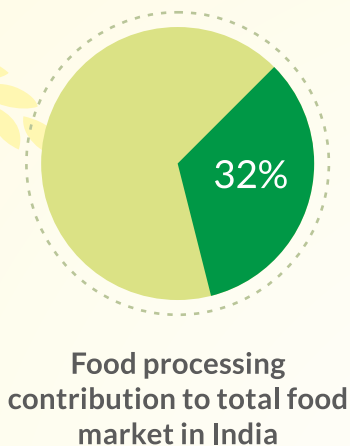


Food Processing Scenario in India (1/3)

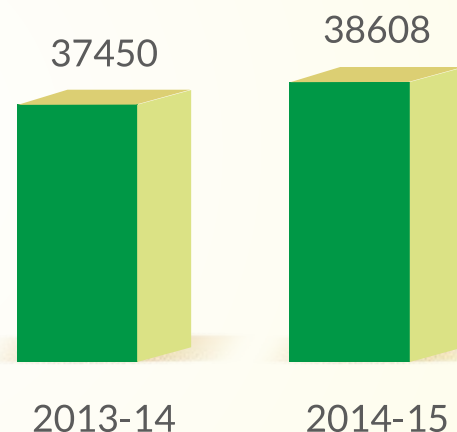
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Food Processing

- 5th largest industry in India in terms of production, consumption, export and expected growth.
- The industry is expected to show impressive growth owing to available domestic retailing, export opportunities and policy support.



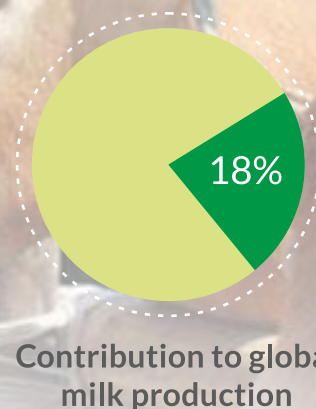
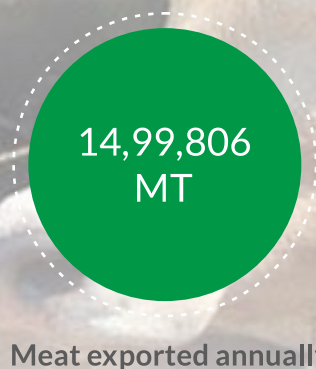
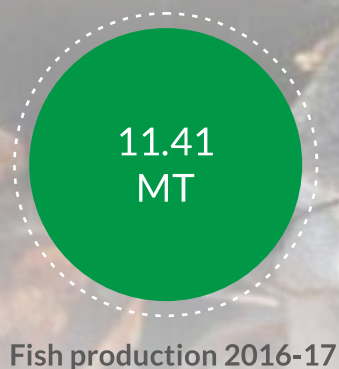
Number of food processing units present in the country



Food Processing Scenario in India (2/3)

Dairy & Livestock

- Largest producer of milk in the world
- 165.4 million tonnes of milk produced in 2016-17
- Highest buffalo population in the world
- 2nd largest population of goat & cattle
- 3rd largest population of sheep
- 5th largest population of ducks & chicken
- 10th largest population of camel



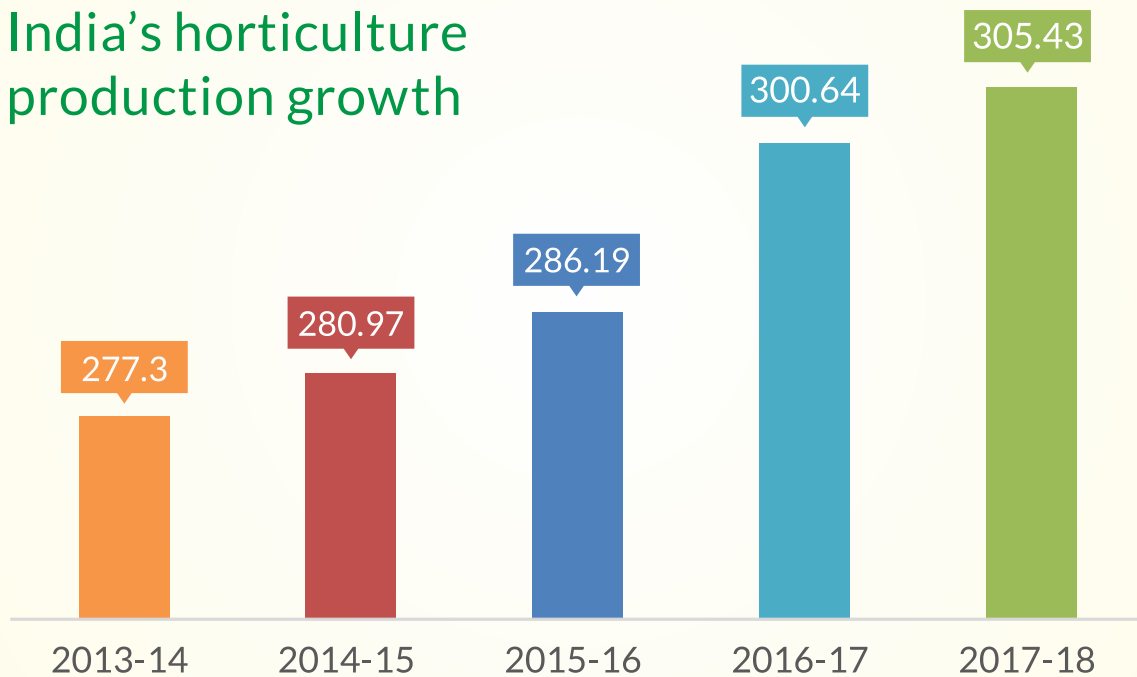
Food processing scenario in India (3/3)



Horticulture

- India witnessed huge increase in horticulture production over last few years
- 5.1% growth in plantation crops & 3.3% growth in vegetables

India's horticulture production growth



Horticulture crop production (million MT)



Policies and initiatives by Ministry of Food processing, Govt. of India

100% FDI in trading, including through e-commerce, for food products produced and/or manufactured in India

- 100% FDI permitted through automatic route in food processing sector
- Basic custom duty reduced on refrigerated containers from 10% to 5%

100 % Income Tax Deductions on:

- Capital expenditure for cold chain / warehouse
- Profit for new food processing, preservation and packaging units

GST implementation to harmonize the tax regime-seamless operations across states

Food Safety Standards harmonized with international standards.

Various schemes from Government of India

Scheme for
Mega Food Park
(MFP)

Integrated Cold
Chain and Value
Addition
Infrastructure

Food Safety
and Quality
Assurance
Infrastructure

Creation /
Expansion of
Food Processing
and Preservation
Capacities

Human
Resources
and Institutions

Agriculture scenario in Tamil Nadu

Contributes 4.5% to India's food grain produce, 3% to India's vegetable produce and ~5.5% to India's fruit produce.

- State received award for best performance in total food grain production – 2015-16
- Global Agriculture Leadership Award - 2016
- SKOCH Platinum Award 2016 for IT best practices implementation in Agriculture sector
- Best Big Agriculture State Award from India Today Magazine
- Food Production Leadership Award - 2015
- State Agriculture Leadership Award - 2013

Source: Department of Agriculture Cooperation & Farmers Welfare, Government of India; Ministry of Food Processing Industries, Government of India; Agriculture today magazine

2nd largest producer of poultry & dairy in India

3rd largest producer of tea & coffee in India

7th largest Producer of fruits in India

Rank	Key agri / food product from Tamil Nadu
1	Banana, tapioca, cloves; flowers, maize, groundnut and oilseeds
2	Coconut, tamarind, rice, cereals and sugarcane
3	Grapes, gram, pepper, turmeric and jowar

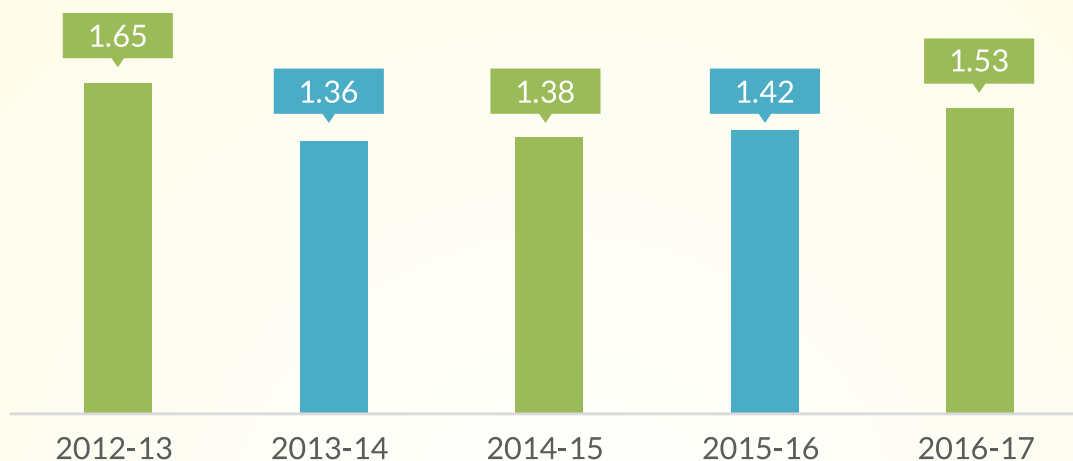
Tamil Nadu Vs national average		
Particular	Tamil Nadu	National average
Net sown area (%)	45.44	35.4
Cropping intensity (%)	118.10	140
Fertilizer usage (Kg/Hect)	235	140
Seed replacement (SRR) (%)	35.4	33
Farm power (kw/hect)	0.78	1.84

Source: <http://www.mospi.gov.in/statistical-year-book-india/2017/171>

Agriculture scenario in Tamil Nadu

- Leading producer of spices and cashew nuts
- 70% of the population is engaged in agriculture and allied activities for their livelihood
- Contributes 7% to India's food processing output

Agro & food processing exports from Tamil Nadu (USD billion)



Commodity

Non- basmati Rice
Orchids
Groundnut (processed)
Roses
Sesame (processed)
Banana
Small onion
Mango pulp
Red chillies
Mango
Turmeric
Tea
Moringa

Export Destinations

UAE, Malaysia, South Africa, USA
UK, Netherlands, Germany
USA, Germany, UK
UK, Netherlands, Germany
USA , Canada, UK
UAE, Iran, South Africa, Kuwait
Gulf Countries and South East Asian Countries
USA, Gulf Countries, UK
Gulf Countries and South East Asian Countries
UAE, South Africa, UK
USA, Japan, Europe
Russia, US, Dubai, Saudi
Qatar, UAE, Oman, Malaysia

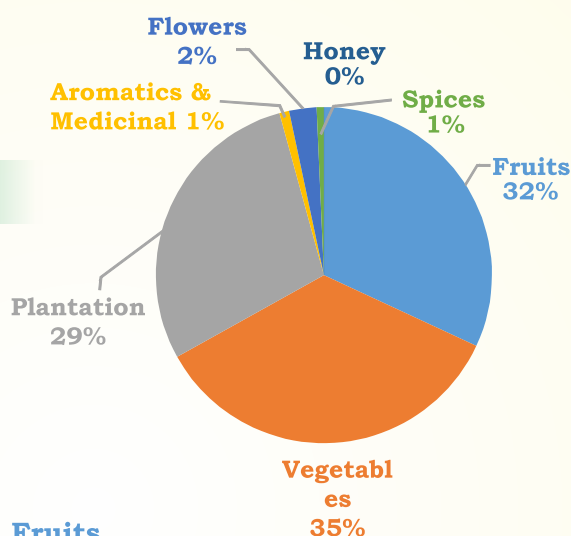
Horticulture scenario in Tamil Nadu

Plantations

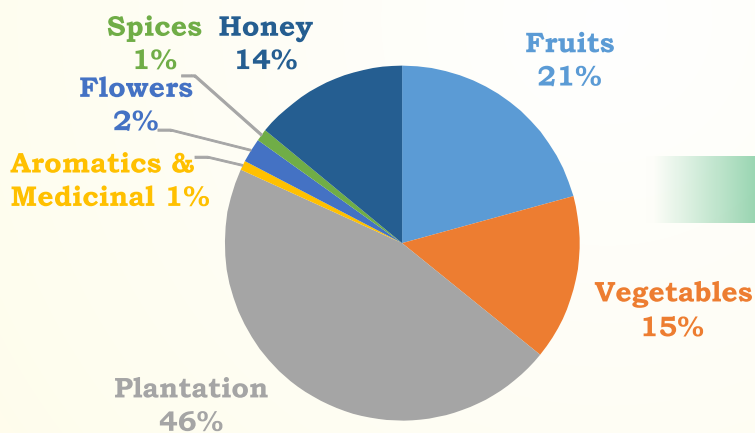
2nd largest producer of coconut

- Wide varieties of fruits, vegetables, flowers produced by the state for domestic consumption and export
- Highest productivity (Yield/Ha) for
 - Fruits – Banana, papaya, pomegranate, sapota, sweet orange (mosambi)
 - Vegetables – Beans, cabbage, tapioca

Horticulture production in TN



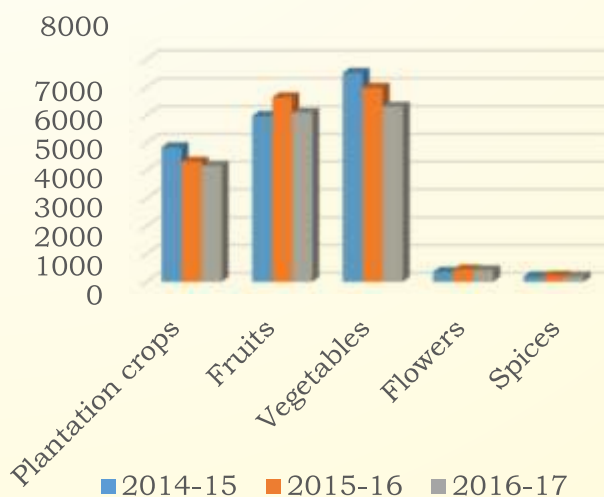
Vegetables
35%



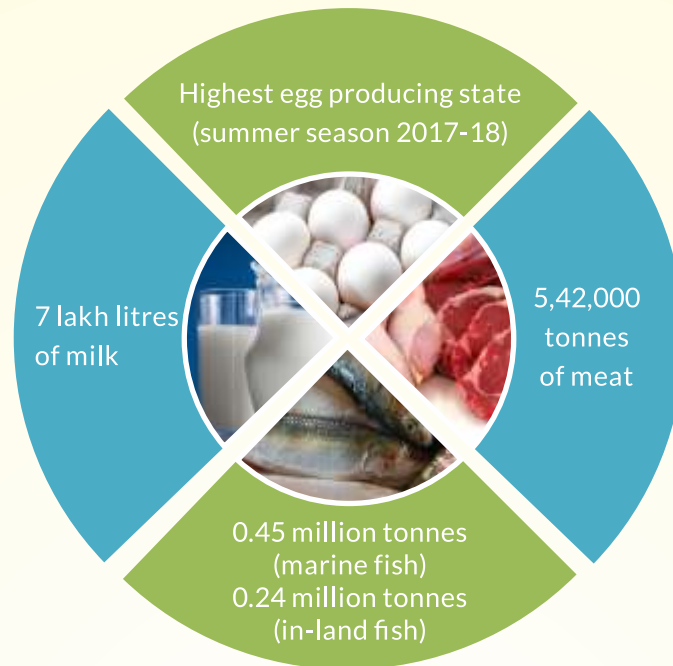
Area for horticulture development in TN



Production (in metric tons)



Milk processing & livestock scenario in Tamil Nadu



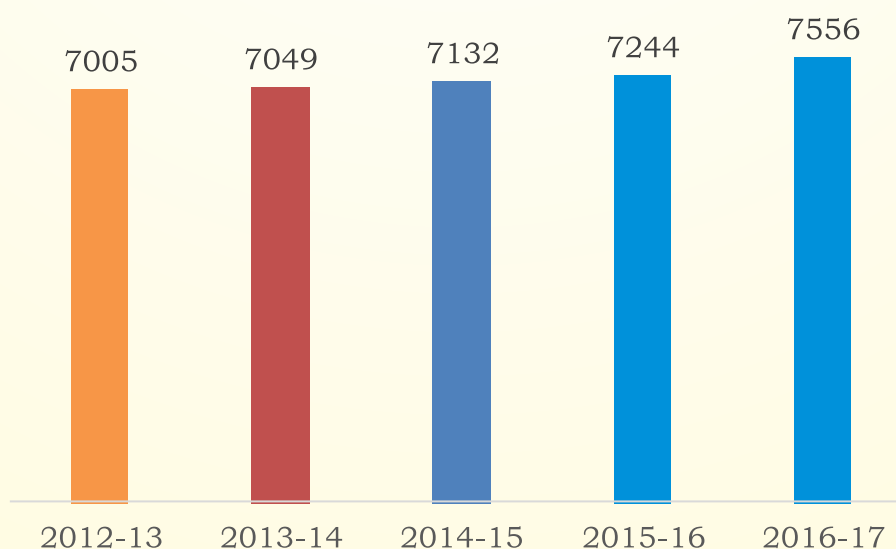
4 Lakh people associated with milk production in the state

4.57% Share of milk production in India in 2016-17

11000+ Milk cooperative societies

17000 Milk producing unions

Milk production in Tamil Nadu ('000 T)



Source: Ministry of Food Processing Industries

Fisheries Scenario in Tamil Nadu



One of the leading states in India in fisheries Development

There are 13 coastal districts in the state

The state has 3.7 lakh hectare of waterspreads suitable for fish culture

The state reached 1.97 lakh tonnes fish production

The state has around 6,16,633 fisheries cooperatives

Tamilnadu is also endowed with rich cold water fishery resources

Inland fishery resources of Tamil Nadu yield 0.87 lakh metric tones of fishes.

The state has around 9,85,478 fisher folk population

Tamil Nadu has around 608 marine fishing villages

In Coastal Aquaculture about 56,000 ha. of potential coastal areas suitable for farming activities are available.



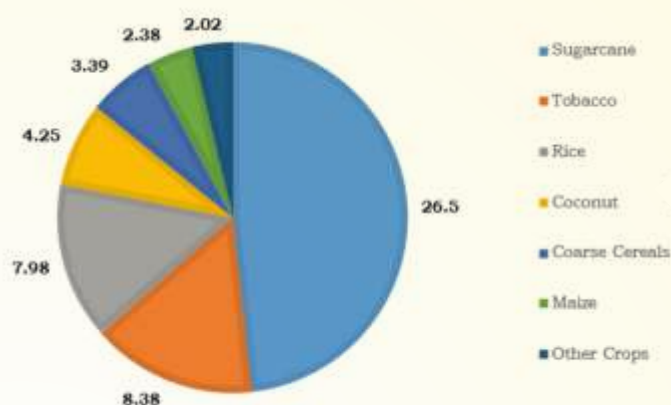
Food production in Tamil Nadu and its contribution to India

Tamil Nadu's contribution to India in terms of food production

Product	Percentage
Coconut	30.28%
Groundnut	13.07%
White Millet	12.46%
Maize	10.97%
Coarse cereals	8.95%
Rice	7.68%
Sugarcane	7.54%
Sunflower	2.63%
Others	6.42%






Source: MoFPI Annual Report – Opportunities in Food Processing in India

Production of food grains in Tamil Nadu (in 1000 metric tonnes)



Food processing sector value chain in Tamil Nadu

Ranked 2nd in registered food processing unit factories with 5,161 factories (14%) out of a total 37,175 units in India

	Primary	Secondary	Tertiary
 Horticulture	Cleaning, sorting, grading and cutting	Slices, pulps, flakes, paste, preserved & flavoured	Ketchups, jams, juices, pickles, preserves, candies, chips etc
 Grains	Sorting and grading	Flour, broken rice, puff, malt and milling	Biscuits, noodles, flakes and cakes
 Live Stock	Sorting and refrigerating	Cut, fried, frozen and chilled	Ready to eat meals
 Dairy	Grading and refrigerating	Cottage cheese, cream, skimmed and dried milk	Processed milk, spreadable fats (butter and cheese), yoghurt
Marine Fisheries 	Chilling and freezing	Cut, fried, frozen and chilled	Ready to eat meals

Climate and infrastructure in Tamil Nadu

Agro climate regions of Tamil Nadu

Divided in seven agro climatic zones based on soil characteristics, rainfall distribution, irrigation pattern, cropping pattern and other ecological and social characteristics suitable for growing a variety of agro commodities.

North-Western zone

Sorghum, rice, millet, groundnut, horse gram, cotton, sugarcane, tapioca, cotton, gingelly, chillies, vegetables, mango, banana, tobacco, pulses

Western zone

Sorghum, pulses, groundnut, rice, millets, cumbu, cotton, sugarcane, ragi, black gram, sunflower, green gram, gingelly, red gram, turmeric, maize, banana, onion, castor, spices & plantation crops, tobacco, vegetables, tuber crops, flower

High altitude zone

Wheat, garlic, lemon, lime, pomegranate, pineapple, beans chowchow, cotton, pepper, coffee, potato, banana, mandarin, orange, pear, cardamom



North-Eastern zone

Rice, pearl millet, sorghum, gingelly, finger millet, groundnut, red gram, sugarcane

Cauvery delta zone

Rice, cumbu, maize, cholam, ragi, black gram, green gram, coconut, gingelly, castor, groundnut

Southern zone

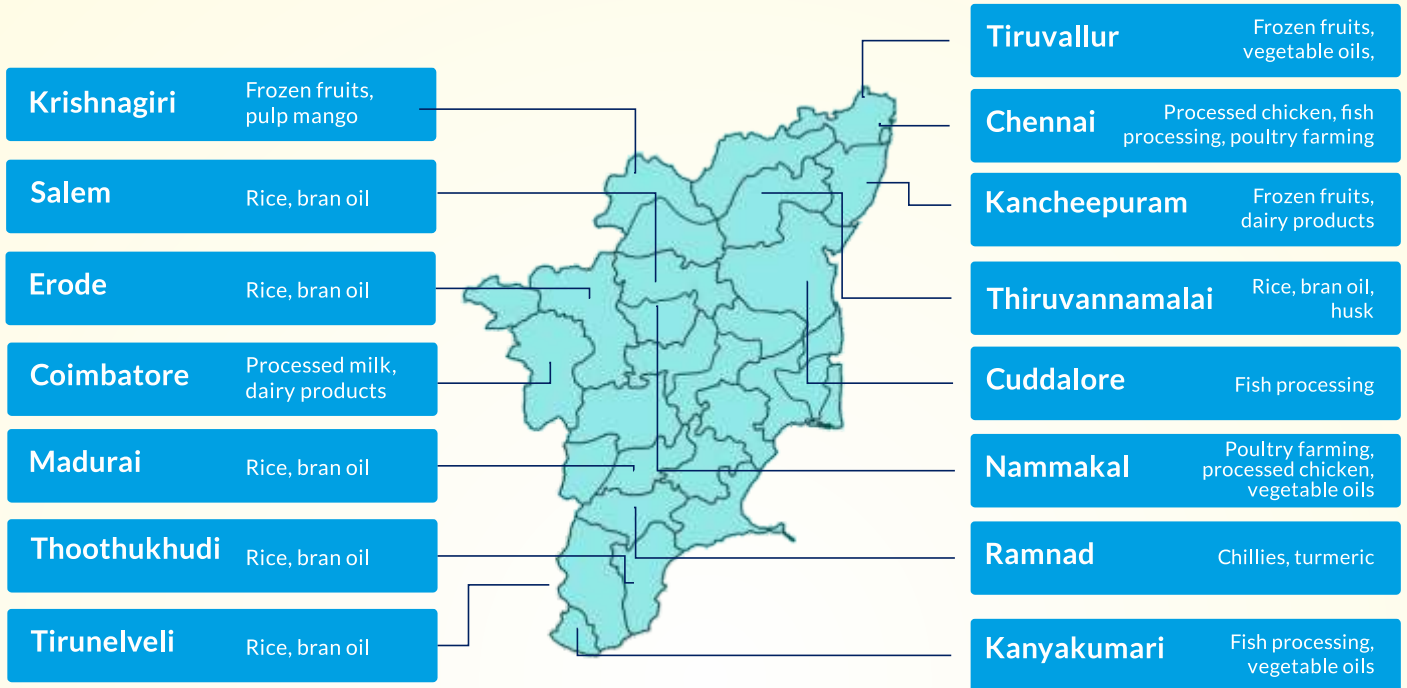
Rice, maize, cumbu, cholam, ragi, black gram, green gram, groundnut, fodder crops, gingelly, castor, cotton

High rainfall zone

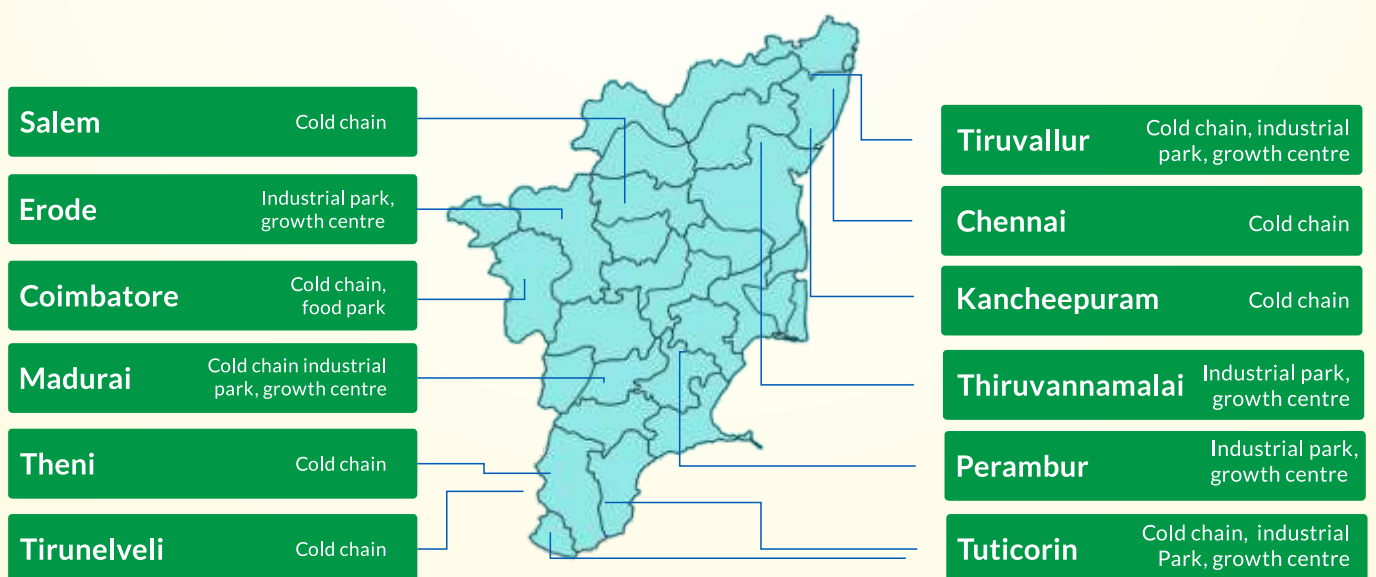
Rice, banana, jackfruit, mango, tapioca, cashew nut, coconut, palmary, clove, vegetables, tamarind

Processing clusters in Tamil Nadu

Food processing clusters



Infrastructure clusters in Tamil Nadu



Robust training infrastructure in agri & allied sector

Agricultural research institutions

- Tamilnadu Agricultural University , Coimbatore & its constituent colleges
- Agricultural College & Research Institute, Madurai
- Agricultural Engineering College & Research Institute, Coimbatore
- Anbil Dharmalingam Agricultural College & Research Institute, Tiruchirappalli



Fisheries & marine research institutions

- Central Institute of Brackish Water Aquaculture, Chennai
- Fisheries College and Research Institute, Tuticorin



Forest research institutions

- Forest College and Research Institute, Mettupalayam, Coimbatore
- Institute of Forest Genetics & Tree Breeding, Coimbatore



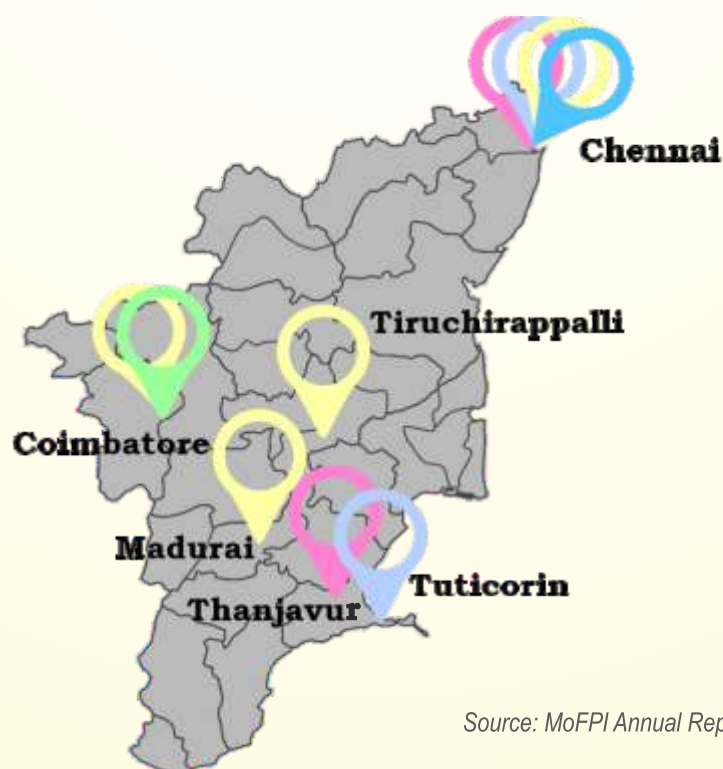
Veterinary research institutions

- Tamil Nadu Veterinary and Animal Sciences University, Chennai
- Post Graduate Research Institute in Animal Sciences, Chennai
- Madras Veterinary College, Chennai



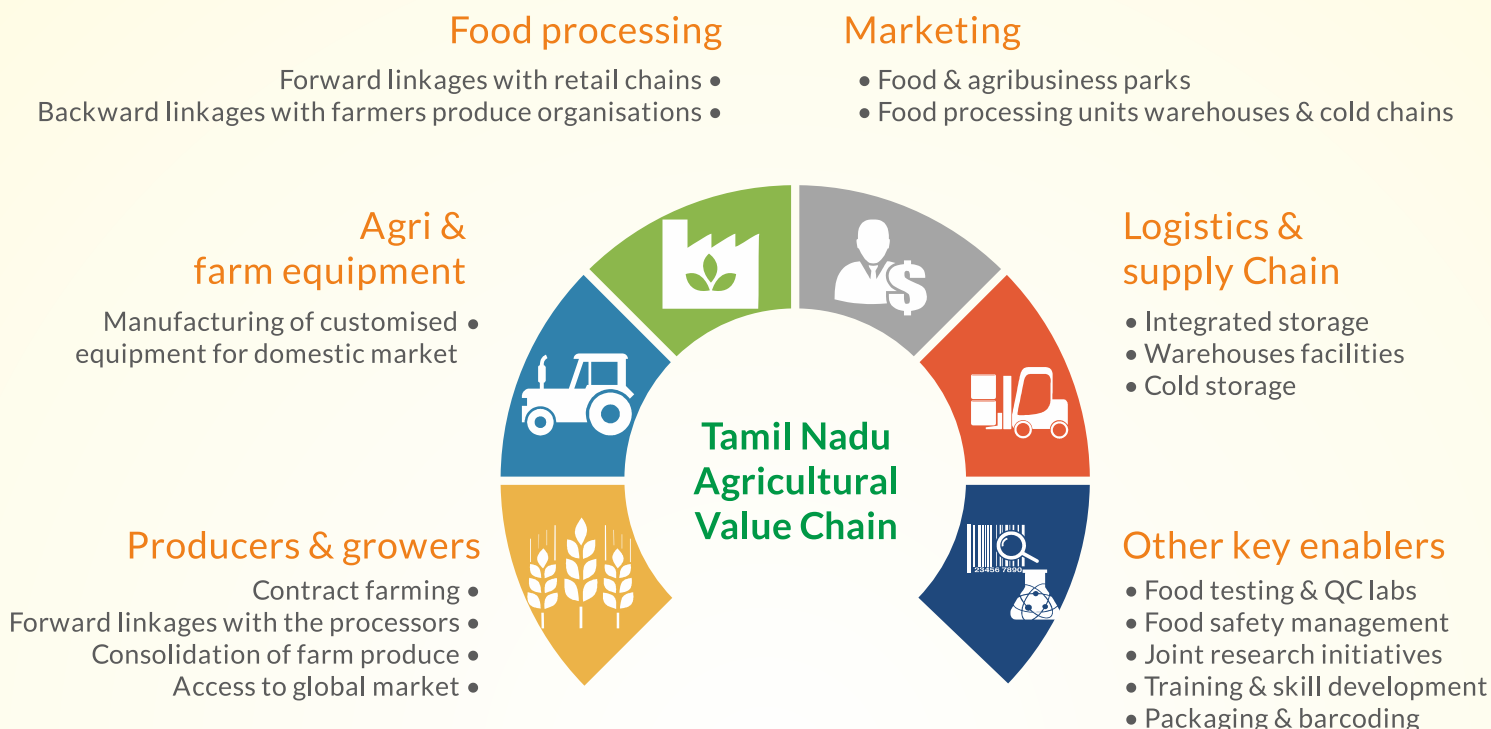
Food & dairy research institutions

- Institute of Food & Dairy Technology Chennai
- Indian Institute of Crop Processing Technology, Thanjavur



Source: MoFPI Annual Report 2013-14

Opportunity & potential across agricultural value chain



Investment landscape in Tamil Nadu

Shelf of projects available



Our partners in food processing



Reasons to invest in Tamil Nadu



Production

- Leading player in the agro-processing sector
- Contributes over 7% to India's total food processing output
- 2nd largest producer of poultry & dairy in India

Infrastructure

- Enabling infrastructure for food processing industry, cold chains & warehouses
- State has one mega food park, eight industrial parks and four Agri-Export zones
- Backward & forward linkages



Connectivity

- Excellent connectivity - only state in India with 4 international airports connecting 20+ countries worldwide
- Robust road, rail, air and sea connectivity
- Easily accessible to ASEAN market through sea route

Skilled Labour

- High literacy rate of 80.33%
- Robust training infrastructure in agriculture & allied sector
- Workforce participation rate stands at 45.6% well above national rate of 39.8%



Government policy support

Category	Investment range (INR crores) (Area wise)		
	A Districts (Chennai, Tiruvallur, Kancheepuram)	B Districts (Other than A & C)	C Districts (Southern districts)
Mega Projects	Above 500 – 1500 and creating an employment of 300 in 3 years	Above 350 – 1000 and creating an employment of 200 in 4 years	Above 200 – 500 and creating an employment of 100 in 4 years
Super Mega A	Above 1500 – 3000 and creating an employment of 400 in 5 years	Above 1000 – 2000 and creating an employment of 300 in 5 years	Above 500 – 1500 and creating an employment of 250 in 5 years
Super Mega B	Above 3000 – 5000 and creating an employment of 600 in 6 years	Above 2000 – 4000 and creating an employment of 400 in 6 years	Above 1500 – 3000 and creating an employment of 350 in 6 years
Ultra Mega	Above 5000 and creating an employment of 700 in 7 years	Above 4000 and creating an employment of 600 in 7 years	Above 3000 and creating an employment of 500 in 7 years

“Southern Districts” means the Districts of Theni, Dindigul, Madurai, Sivagangai, Ramanathapuram, Virudhunagar, Tirunelveli, Thoothukudi and Kanniyakumari

Standard Incentives

Capital Subsidy

- Subsidy ranging from INR 30 Lakhs to INR 2.25 crores
- 50% additional subsidy For industries set up in SIPCOT Industrial Parks (other than Southern districts)
- For investments made in B & C category districts, an additional 10% & 25% subsidy for industries located outside the SIPCOT Industrial Parks

Environmental promotion infrastructure subsidy

- Subsidy of INR 30 lakhs or 25% of Capital cost whichever is less
- Apart from the above, Industries adopting Zero Effluent or Waste Water Discharge, Clean Development Mechanism and Emissions Trading Mechanism will be given a higher amount of subsidy

Stamp duty concession

- 50% to industries located in SIPCOT parks in A & B districts and 100% in the case of Southern Districts

Electricity tax exemption

- Period of exemption depends upon the quantum of investment and the employment criteria prescribed

Incentives for Industrial Promotion in Southern Districts

- Higher fiscal benefits
- SIPCOT will allot lands at 50% of the cost in its existing and new industrial parks
- SIPCOT will acquire & allot Land for new ventures in case SIPCOT Industrial parks are not available
- 50% exemption from stamp duty for land privately purchased by investors; 100% exemption in case of units in SIPCOT Industrial Parks
- 25% additional back ended capital subsidy; linked to investment and employment in the case of industries located outside SIPCOT Industrial Parks

Investment promotion facilitators - Key contacts

TN Industrial Guidance and Export Promotion Bureau

19-A, Rukmani Lakshmipathy Road, Egmore, Chennai-600 008
Phone: 91-44-2855 3118 Website: www.investingintamilnadu.com

Tamil Nadu Industrial Development Corporation Limited (TIDCO)

19-A, Rukmani Lakshmipathy Road,
Egmore, Chennai-600 008
Phone: 91-44-2855 4421
E-mail: cmd.tidco@nic.in
Website: www.tidco.com

State Industries Promotion Corporation of Tamil Nadu (SIPCOT)

19-A, Rukmani Lakshmipathy Road,
Egmore, Chennai-600 008
Phone: 91-44-2855 4787
E-mail: sipcot@md3.vsnl.net.in
Website: www.sipcot.c

Tamil Nadu Industrial Investment Corporation Limited (TIIC)

New no: 692, Anna Salai,
Nandanam, Chennai-600 035
Phone: 91-44-2433 1203
Fax: 91-44-2434 7209
E-mail: ho@tiic.in
Website: www.tiic.org

Tamil Nadu Urban Infrastructure Financial Services Ltd.

19, T P Scheme Road, Raja Muthaipuram,
Ramakrishna Nagar.
R A Puram Chennai – 600 028
Phone: 91-44-24643103
E-mail: md@tnuifsl.com
Website: www.tnuifsl.com

Electronics Corporation of Tamil Nadu Limited (ELCOT)

692, M.H.U. Complex, II Floor, Anna Salai,
Nandanam, Chennai-600 035
Phone: 91-44-6551 2330
E-mail: secyit@tn.nic.in
Website: www.elcot.in

Tamil Nadu Small Industries Development Corporation (TANSIDCO)

Thiru Vi Ka Industrial Estate,
Chennai - 600 032
Phone: 91-44-2250 1461, 2250 1422,
2250 0185, E-mail: sidco@vsnl.com
Website: www.sidco.tn.nic.in