



Agri and Food Processing

Government of Karnataka





1 India's Leading position in Agri and Food Processing sector

2 Karnataka undisputed leader in Agri and Food Processing

3 Ecosystem Integrators

4 Policy Push

5 Future Opportunities

India leading in the Agri and Food Processing Sector



- Total **foodgrains production** in the country is estimated at **252.2 MT (2015-16)**
- As per WTO's Trade Statistics, the **share of India's agricultural exports and imports** in the world agriculture trade in 2015 were **2.26% and 1.74%**, respectively

Agri- business



- Largest producer of **milk and milk products, buffalo meat**
- 2nd largest producer of **fruits and vegetables, goat meat, egg production**
- **Fastest growing sector** is consumer foods including packaged food, aerated soft drinks, packaged drinking water and alcoholic beverages

Food Processing

Contributes 17% to the country's GVA

Cumulative FDI inflow for **agriculture services & machinery: INR 9,791 crores and INR 2,362 crores** (April 2000 to March 2017)

Cumulative FDI inflow of **INR 45,131 crores** (April 2000 to March 2017)

Constituted **28.4% of country's exports** in FY 16

Animal products the most exported product in FY16, followed by basmati rice



Unorganised sector accounts for 42% of India's food processing industry.

By 2024, food processing is expected to employ 9 million people in India

Sector Snapshot Karnataka



Karnataka's Undisputed Leader in Agri and Food Processing

Over 65% of the state's geographical area is under agriculture

Large Resource Base

Coffee, Gherkins, Silk, Green Chilli, Tamarind and Sunflower, Maize, Coarse Cereals, Sugarcane, and Pulses

Agriculture & allied activities contributed 11.68% to GSDP in 2016-17

Strong Input Base

Leading Producer

Rose onion, Byadgi chilli, cashew nut, gherkins, coffee

2nd largest milk producing cooperative

Marine Production

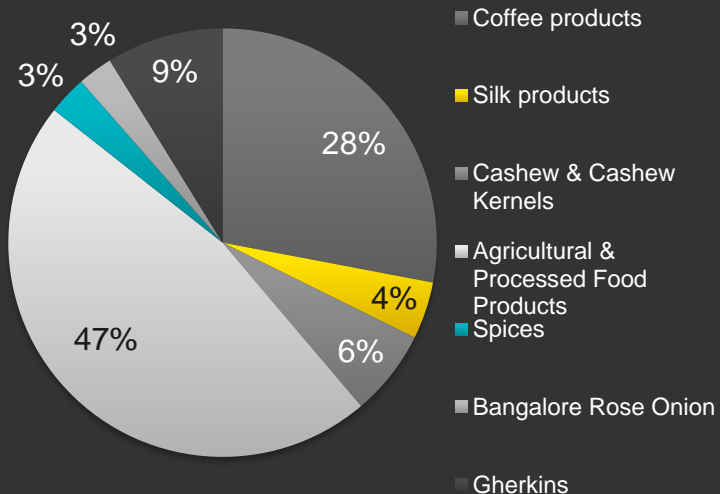
320 km coastline yields annual marine production of 3.93 lakh tonne. State offers varieties like Oil Sardines, Indian Mackerel, Threadfin Breems and Squids

Special Produce

- ▶ Excellent Supporting Infrastructure & Skilled Workforce
- ▶ Established Market Linkages
- ▶ Availability of Land- around 380 acres in Food Parks across the state
- ▶ Investor friendly, proactive and well defined sector specific policies

Booming Export market of Karnataka

Share of Commodity wise Exports in Karnataka for the FY2015-16



Spices

- ▶ Major contributor of spices like vanilla, cinnamon, tamarind, chilli and ginger.
- ▶ Spice exports from Karnataka stood at USD49.34 mn in 2015-16
- ▶ Spice growing regions include Dakshina Kanada, Coorg and Chickamagaluru

Rose Onion

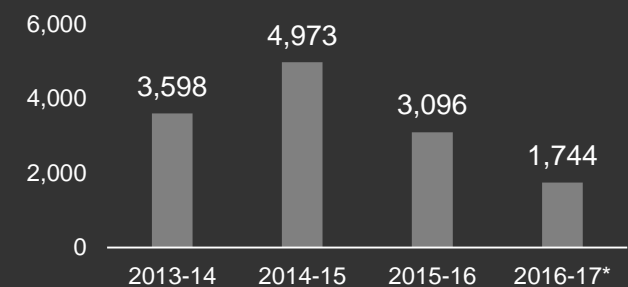
- ▶ Covers about 10,000 acres mainly in Bengaluru rural and Chikkaballapura districts
- ▶ Exports from the State s at USD 45.87 million during 2015-16

Gherkins

- ▶ Largest exporter in the country, stood at USD 201 million in 2015-16
- ▶ Export destinations include USA, France, Germany, Australia, Spain, South Korea, Canada, Japan, Belgium, Russia, China, Srilanka, Israel



Export performance of Coffee (Rs crore)



Destination countries for coffee exports include Italy, Germany, Belgium, Jordon

Millets Our Home Grown Superfood

- ▶ Millets: Low Glycemic Index, Gluten Free, High in Fibre and Nutrition
- ▶ Karnataka is Millet Hub of India with 18 lakh hectare cultivated
- ▶ Health and wealth increasingly important
- ▶ A huge opportunity for agri- business
- ▶ Trade Fair: Organics and Millets 2018



Ecosystem Integrators



Karnataka's Agri and Food Processing Clusters

Jaggery Processing

- ▶ Bagalkote
- ▶ Belagavi

Rice and Puffed Rice

- ▶ Ballari
- ▶ Chitradurga
- ▶ Mandya

Raisins

- ▶ Vijayapura
- ▶ Belagavi

Food products and processing

- ▶ Chikkamagaluru
- ▶ Gadag
- ▶ Kalaburagi
- ▶ Uttara Kannada

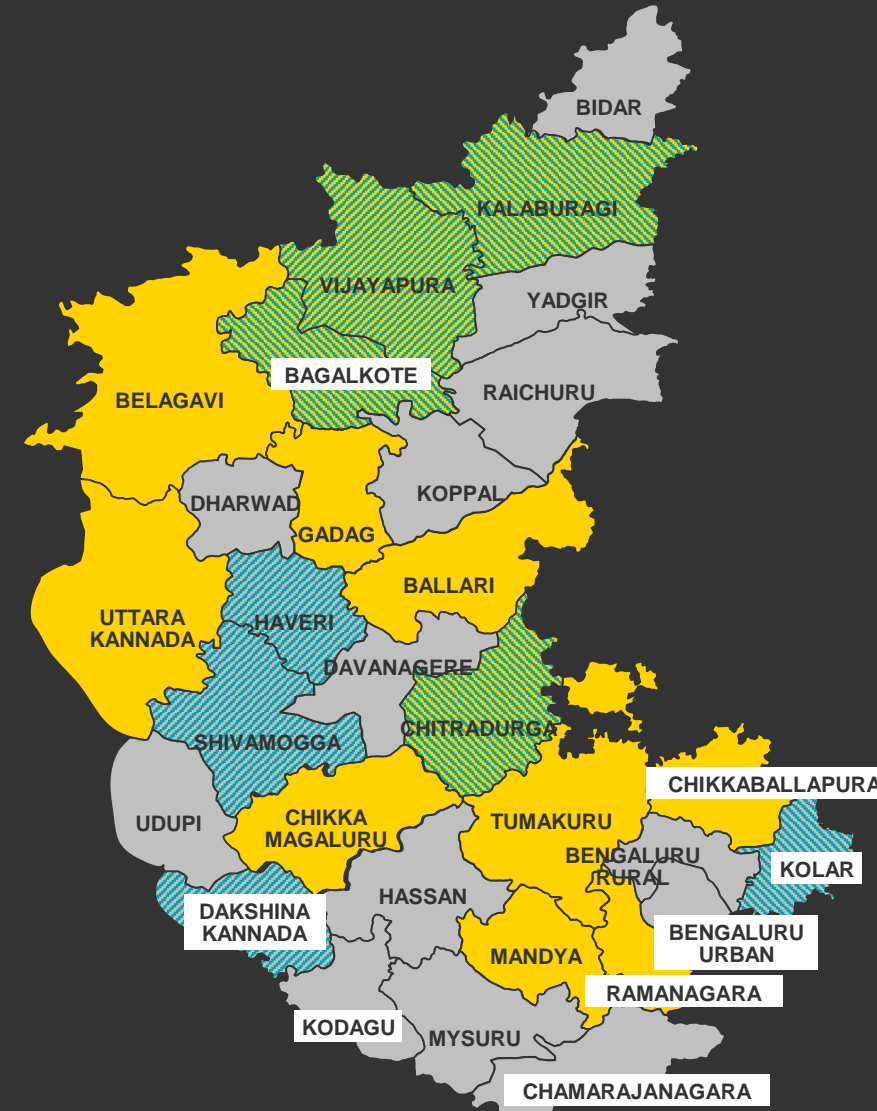
Dessicated Coconut

- ▶ Tumakuru

Cashew Processing

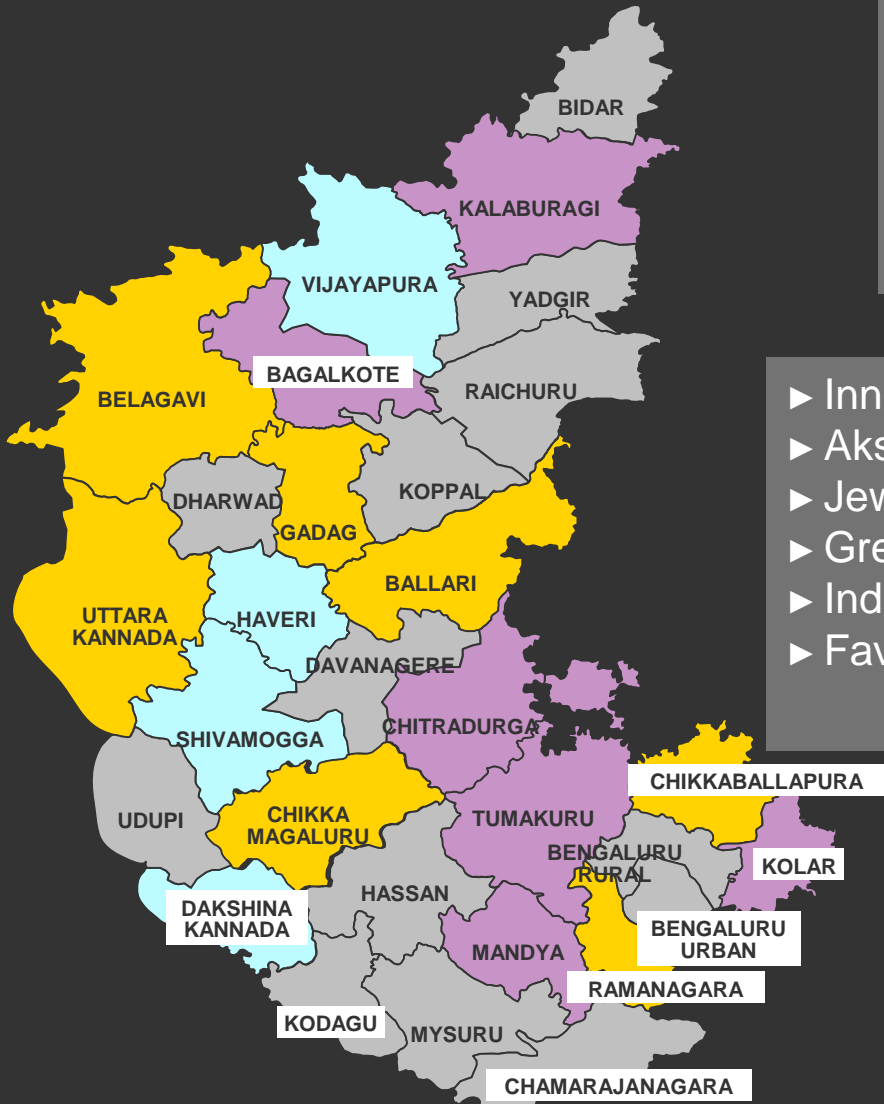
- ▶ Uttara Kannada

**APPROVED
CLUSTERS**



Source: Karnataka State Industrial Profile 2015-16

Karnataka's Agri and Food Processing Parks



- ▶ Sea food park in Mangaluru, Dakshin Kannada, 30 Acres
- ▶ Shivammoga Food Park, 97 Acres
- ▶ Vijayapura Food Park, 75 Acres
- ▶ Spice park at Byadagi, Haveri, 50 Acres

PROPOSED PARKS

- ▶ Innova Agri Bio Tech Park, Malur, Kolar, 89 Acres
- ▶ Akshaya Food Park Limited, Hiriyr, Chitradurga, 100 Acres
- ▶ Jewargi Agro Food Park Limited, Kalaburagi, 100 Acres
- ▶ Green Food Park Limited, Bagalkot, 100 Acres
- ▶ India Food Park, Tumakuru, 86 Acres
- ▶ Favorich Mega Food Park, Mandya

PARKS UNDER CENTRAL AND STATE SCHEME

Proposed Technology Parks Unique Agro Markets

- ▶ Rice Technology Park, Koppal, 315 acres
- ▶ Maize Technology Park, Koppal, 315 acres
- ▶ Tur Technology Park, Kalaburagi, 250 acres
- ▶ Coconut Technology Park, Bidar, 100 acres

Support Infrastructure

Warehousing Capacity

Agency	Capacity (MT)
Central Warehousing Corporation in Karnataka	5,78,436
Karnataka State Warehousing Corporation (KSWC)	15,19,380
KAPPEC	8,400
Food Corporation of India in Karnataka	2,36,000
Additional Warehousing Capacity & Cold Storage (by end of March 2018)	25,00,000 40,000

Source: KSWC Bengaluru

Projects to promote Exports

Two major Cold Chain Facility for Export of Mango and other Horticulture Products, Storage and Packing Facilities are completed in APMC Yard, Hubballi and KIADB, Bagalkote by ICAPPEC

International Flower Auction Centre has been established with coordination from Horticulture Department in Bengaluru

Cashew Technology Development Centre at Kumta in Uttara Kannada District

Upgradation / Modernization of infrastructure facility for Marine products in Tadadi port, Kumta Taluk, Karwar District



Abattoirs for Sheep & Goat

- ▶ Project cost-INR 26 crore
- ▶ Land- 20 acres
- ▶ Location- Cheelanahalli, Tumakuru District



Policy Push

Karnataka Agribusiness
and Food Processing
Policy 2015



Robust Policy Environment

Develop Karnataka as a leading agro processing destination along support infrastructure, increasing returns and employment

**Karnataka
Agri-Business
& Food
Processing
Policy 2015**

Aim and Objectives

- ▶ 10% of the agro processing sector of India by 2020, and 25% by 2025
- ▶ Reduce wastage and increase industry value-add
- ▶ Maximize direct & indirect employment generation opportunities
- ▶ Increase the flow of investments across the supply chain from farm to market

**Unified e-trading
Platform**

**Farmers Producers
Organisation**

**Group Crop Insurance
Scheme**

**Establishment of
Facilitation Cell**



INCENTIVES

- ▶ Investment Promotion Subsidy
- ▶ Stamp Duty Exemption
- ▶ Concessional Registration Charges
- ▶ Reimbursement of Land Conversion Fee
- ▶ Exemption of Entry Tax
- ▶ Subsidy for setting up Effluent Treatment Plant
- ▶ Interest Subsidy for Micro Enterprises
- ▶ Tax exemptions on Electric Tariff

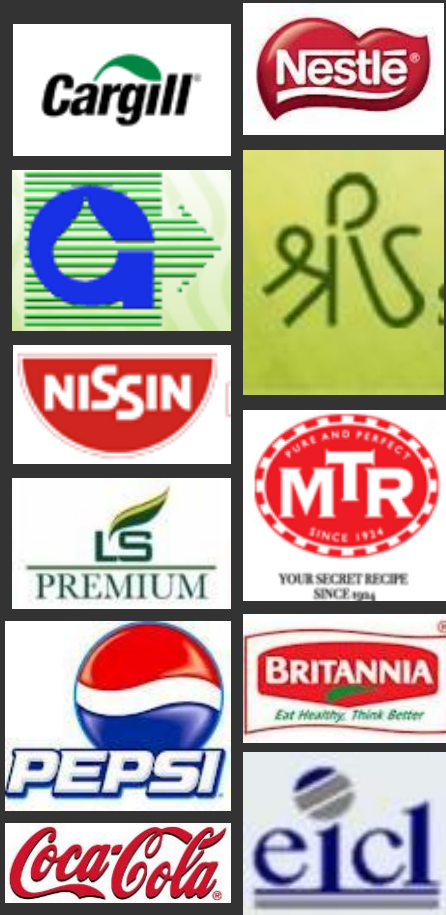
**PIONEERING
REFORMS**

Future Opportunities



Future Opportunities

KEY PLAYERS



Establishment and Strengthening Agri-Infrastructure

1

2

Enhancement of the Level of Processing of Perishable Agriculture Raw Materials

Maintaining Global Standards in Production, Packaging and Delivery

3

4

Modes and Mechanisms to Reduce Agricultural Produce Wastage

Growth of organic sector through agglomerations of food processing units

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Increased Financing Processed Food Sector



Thank You