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
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

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

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 FY16

Unorganised sector accounts for 42% of India’s food processing industry. By 2024, food processing is expected to employ 9 million people in India

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Animal products the most exported product in FY16, followed by basmati rice
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
- Marine Production
  - 320 km coastline yields annual marine production of 3.93 lakh tonne. State offers varieties like Oil Sardines, Indian Mackerel, Threadfin Breams and Squids
- Agriculture & allied activities contributed 11.68% to GSDP in 2016-17
- Leading Producer
  - Rose onion, Byadgi chilli, cashew nut, gherkins, coffee
  - 2nd largest milk producing cooperative
- Strong Input Base
- 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

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Booming Export market of Karnataka

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

- Coffee products: 28%
- Silk products: 4%
- Cashew & Cashew Kernels: 6%
- Agricultural & Processed Food Products: 4%
- Spices: 9%
- Bangalore Rose Onion: 3%
- Gherkins: 3%

Rose Onion

- Covers about 10,000 acres mainly in Bengaluru rural and Chikkaballapura districts
- Exports from the State stood 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, Sri Lanka, Israel

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

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

**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, Hiriyur, 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
► Rice Technology Park, Koppal, 315 acres
► Maize Technology Park, Koppal, 315 acres
► Tur Technology Park, Kalaburagi, 250 acres
► Coconut Technology Park, Bidar, 100 acres

Proposed Technology Parks Unique Agro Markets
Support Infrastructure

### Warehousing Capacity

<table>
<thead>
<tr>
<th>Agency</th>
<th>Capacity (MT)</th>
</tr>
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<tbody>
<tr>
<td>Central Warehousing Corporation in Karnataka</td>
<td>5,78,436</td>
</tr>
<tr>
<td>Karnataka State Warehousing Corporation (KSWC)</td>
<td>15,19,380</td>
</tr>
<tr>
<td>KAPPEC</td>
<td>8,400</td>
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<tr>
<td>Food Corporation of India in Karnataka</td>
<td>2,36,000</td>
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<tr>
<td>Additional Warehousing Capacity &amp; Cold Storage (by end of March 2018)</td>
<td>25,00,000 40,000</td>
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</tbody>
</table>

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, Hubbali 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

<table>
<thead>
<tr>
<th>KEY PLAYERS</th>
<th>Opportunity Description</th>
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<tbody>
<tr>
<td>Cargill, Nestlé</td>
<td>Establishment and Strengthening Agri-Infrastructure</td>
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<td></td>
<td>Enhancement of the Level of Processing of Perishable Agriculture Raw Materials</td>
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<td>Maintaining Global Standards in Production, Packaging and Delivery</td>
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<td>Modes and Mechanisms to Reduce Agricultural Produce Wastage</td>
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<td></td>
<td>Growth of organic sector through agglomerations of food processing units</td>
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<tr>
<td></td>
<td>Increased Financing Processed Food Sector</td>
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Thank You