



**Tamil Nadu  
Food Processing Policy  
2018**

Government of Tamil Nadu







**Government of Tamil Nadu**

# **Tamil Nadu Food Processing Policy 2018**



**Department of Agricultural Marketing and  
Agri Business**





# Contents...

---

|  |    |
|--|----|
| Introduction   | 1  |
| Tamil Nadu- A profile  | 2  |
| Major Thrust areas for<br>Food Processing sector               | 2  |
| Market Overview  | 4  |
| Preparatory Document   | 7  |
| Tamil Nadu Food Processing<br>Policy Vision                    | 8  |
| Policy Targets and Objectives                                  | 8  |
| Impact Envisaged   | 9  |
| Quality, Health and<br>Safety Aspects envisaged                | 10 |
| Policy Validity  | 10 |
| Policy Purview / Eligibility                                   | 11 |
| Nodal Agency   | 11 |
| Supersession   | 12 |
| Definitions  | 13 |
| Strategies Envisaged   | 14 |
| Incentives and Support Measures                                | 19 |
| Annexure I - Value Added products                              | 22 |
| Annexure II - Items and Activities<br>Covered under the Policy | 24 |
| Annexure III - Government of India<br>Incentives               | 25 |



# TAMIL NADU FOOD PROCESSING POLICY 2018

## 1 INTRODUCTION

Food processing has been a part of Indian culture since time immemorial. The advancement of technology in the recent decades has spurred exponential growth in the Food Processing industry, contributing to value addition, preservation of food, reduction in food losses, round the year availability, increased employment, export opportunities and change in food habits. Besides, increasing the shelf life of perishables like fruits and vegetables it has also resulted in increasing of farmers' income and in controlling price fluctuations.

Food processing industry accounts for 32 percent of India's total food market, 14 percent of manufacturing Gross Domestic Product (GDP), 12 percent of India's exports and 6 percent of total industrial investment. However, the present level of processing is less than 2% in Fruits and Vegetables, 8% in Marine, 35% in Milk and 6% in Poultry. India's share in World's processed food production is just 1%.

The current level of processing of agricultural commodities is less than 2% in Tamil Nadu also and the State government envisages to increase the percentage of processed food, especially Fruits and Vegetables to 10%.

As a part of the overall reforms in the sector and to give more impetus to achieve objectives such as increasing farmers' income, reducing wastage of food products, value addition to farm products, etc., Government of Tamil Nadu has decided to evolve an exclusive Policy for food processing sector in the State.



## 2

### TAMIL NADU – A PROFILE

Tamil Nadu is one of the bigger States of the country with an area of 1,30,058 Sq. Kms and a population of 72 million as per 2011 census. The State has a coastline of 1076 Kms and its climatic conditions are basically tropical and subtropical. There are 7 Agro climatic zones suitable for cultivation of various crops. The State benefits both from Southwest and Northeast monsoons and the predominant soils in the State are red loam, laterite, black, alluvial and saline soil. Favourable factors such as the above enable Tamil Nadu to produce a vast variety of Agricultural, Horticultural, Aqua-cultural and Animal Husbandry produces. Tamil Nadu is well connected to Major National and International Trade Centres through its 4 major ports, 4 International Airports, 2 lakh Kms of road network and vast rail connectivity. The State is endowed with scientific and research talent pool, with 38 Agricultural and Horticultural Research Stations. These factors provide vast scope for scaling up of the food processing sector in the State.

## 3

### MAJOR THRUST AREAS FOR FOOD PROCESSING SECTOR

Food processing industries sector provides a vital link between Agriculture and Industrial sectors. Strengthening this link is of critical importance to achieve the objectives laid and spelt out by this policy.

The following have been identified as the areas that require thrust to promote and develop food processing industry in the State.



- (I) Promoting innovative measures for fostering group co-operation in adoption of pre and post-harvest technologies.
- (ii) Changing the cropping pattern and adoption of high-tech agriculture for quality produce to meet the requirements of food processing units.



(iii) Speedy development of infrastructure to promote food - processing industry.



(iv) Removing statutory / legal hurdles affecting growth of food processing industry and introducing new provisions to facilitate food processing.

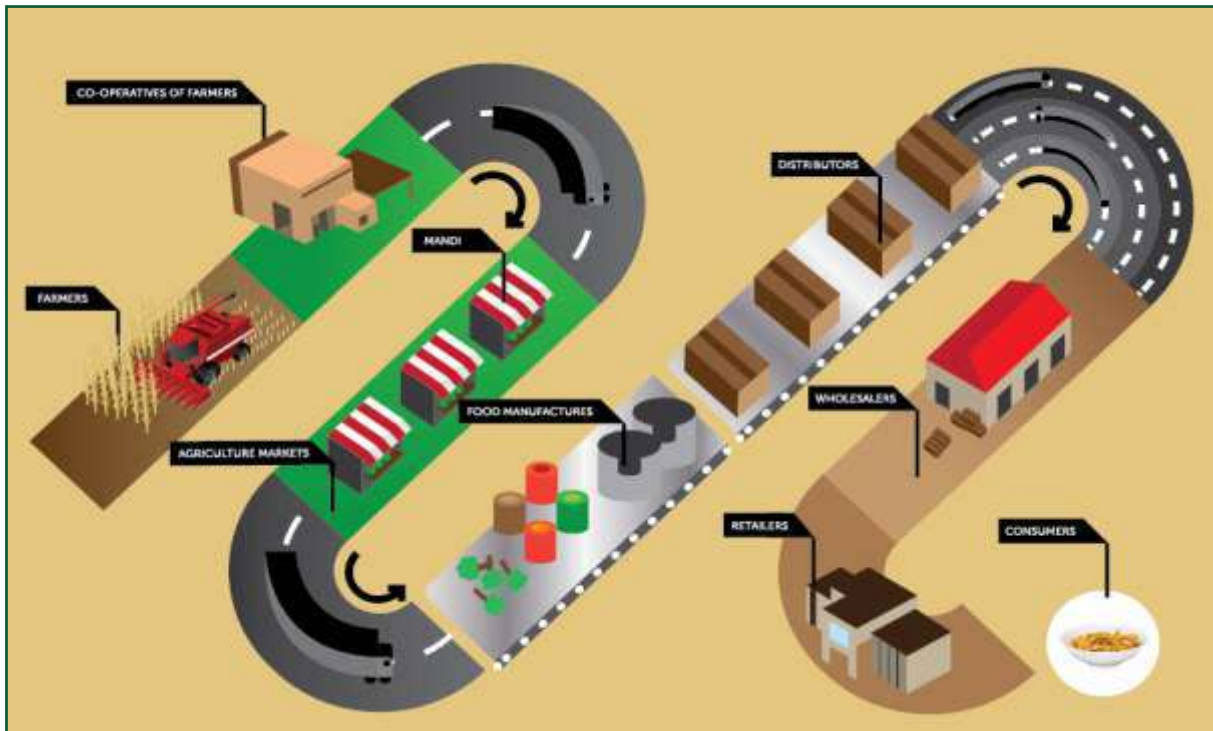
(v) Facilitating financial assistance to entrepreneurs, considering the high risk factor and capital-intensive nature of the industry.

(vi) Creation of reliable information network, data bank etc., so as to provide the entrepreneurs, suppliers and buyers necessary information and services under one roof.

(vii) Adopting an integrated and coordinated approach in respect of allied sectors such as agriculture, horticulture, floriculture, aquaculture and animal husbandry activities (dairy, poultry).

(viii) Upgrading processing standards by introduction of mechanized cleaning, sorting, grading of agricultural produce and providing facilities for establishing integrated cold chain within the State for perishable produce like fruits, vegetables, poultry, meat, dairy products, marine products, etc., and for processed foods.





## 4 MARKET OVERVIEW

### 4.1 National Scenario

India is one of the biggest producers of banana, mango, papaya, chickpea, garlic, ginger and okra in the world. The country also ranks second in the production of sugarcane, rice, potato, wheat, garlic, groundnut (with shells), dry onion, green pea, pumpkin, gourds, cauliflower, tea, tomato, lentils and cow milk.

Indian food processing sector has grown at 6.87% in 2015-16 and contributed Rs.1.62 lakh crore to Gross Value Added (GVA) at 2011-12 prices.<sup>1</sup>

### 4.2. Tamil Nadu Scenario

Tamil Nadu is a leading player in Agro processing sector and has about 24,000 food processing firms registered as Small and Micro Enterprises (SMEs) and about 1,100 medium and large units. The State contributes about 7% of India's food processing output. This is made possible due to State's competitive advantage in terms of abundant agro resources, growing

<sup>1</sup>National Account Statistics 2016/Central Statistics office.





demand potential and excellent access to National and Export markets. As such, agriculture and allied activities provide sustenance to about 40 percent of Tamil Nadu's population and contribute about 12 percent of Gross State Domestic Product (GSDP).

The State produces about 120 lakh MT of food grains, 140 lakh MT of fruits and vegetables, contributing about 3 percent of India's food grain produce, 7 percent of vegetable produce and 12 percent of fruit produce.

Tamil Nadu is one among the biggest producers of Banana, Tapioca and Cloves. The State is also one of the leading producers of Maize, Tamarind, Grapes, Turmeric and Pepper in the country.

Besides this, the State produces 77.42 Lakh Metric Tonne of milk per annum. It ranks 4th in marine fish production and 6th in inland fish production.

Tamil Nadu is also amongst the leading states in the country in broiler production with 4.41 Lakh Metric Tonne production in 2017-18. The State is second in egg production, producing over 1,741 crore eggs with farmers and processors concentrated in the poultry belt of Namakkal, Erode and Coimbatore.<sup>2</sup>

---

<sup>2</sup>Season and Crop Report 2015-16

The key production statistics of Tamil Nadu (2015-16) are presented below:

| <b>S. No.</b> | <b>Crops</b>      | <b>Lakh Metric Tonnes (LMT)</b> |
|---------------|-------------------|---------------------------------|
| 1             | Sugarcane         | 255                             |
| 2             | Rice              | 73.74                           |
| 3             | Maize             | 25.32                           |
| 4             | Groundnut         | 8.92                            |
| <b>S. No.</b> | <b>Fruits</b>     | <b>Lakh Metric Tonnes (LMT)</b> |
| 1             | Banana            | 36.10                           |
| 2             | Mango             | 8.69                            |
| <b>S. No.</b> | <b>Vegetables</b> | <b>Lakh Metric Tonnes (LMT)</b> |
| 1             | Tapioca           | 23.66                           |
| 2             | Tomato            | 3.43                            |
| 3             | Onion             | 2.83                            |
| 4             | Brinjal           | 1.04                            |



### 4.3. Export Potential

India has the potential to develop as a major base for the export of processed foods due to its strategic geographical location and proximity to food-importing nations. The value of exports has been showing an increasing trend with Average Annual Growth Rate (AAGR) of 20.53% for five years ending 2013-14. The value of processed food exports during 2013-14 was of the order of US\$ 37.79 billion (total exports US\$ 312 billion) constituting 12.1% of India's total exports.<sup>3</sup>

Tamil Nadu is one of the leading food exporters of various food products like Marine products, Rice, Cereal products, Dairy products etc. The value of export of Agro processed food from Tamil Nadu during 2013-14 was US\$ 1490 Million.<sup>4</sup>



The State is also taking initiatives for setting-up of Modern Terminal Market Complexes – One at Kancheepuram and another at Madurai, which will operate on Hub-and-Spoke Model by encouraging private investment on Built, Own and Operate basis on Public Private Partnership (PPP) mode. These Terminal Market Complexes will pave way for export of agricultural produce.

## 5 PREPARATORY DOCUMENT

A Vision document was also got prepared in August 2017 by the Department of Agricultural Marketing and Agri-Business, Government of Tamil Nadu for developing and promoting food processing industry in the State. The document recognizes the dynamic role of Markets and Agro / Food processing industries in Tamil Nadu as "necessary engines for achieving national development goals" envisaged such as economic growth, poverty alleviation, employment and wealth creation, leading to increased income of

<sup>3</sup> Directorate General of Commercial Intelligence and Statistics.

<sup>4</sup> State Industrial Profile of Tamil Nadu ([www.ibef.org](http://www.ibef.org))

farmers manifold. To develop food processing in the State, it lays down strategic themes which include transition to value added agri production, enhancement of raw material availability through cluster development, promotion of processing, facilitation for growth of identified end product segments, increase penetration of processed food, assurance of food safety standards and quality assurance, promotion of exports, etc.

## 6

### **TAMIL NADU FOOD PROCESSING POLICY VISION**

To steer Tamil Nadu as the premier food processing hub of India by harnessing its production strength, deep industrial culture, skilled manpower, favourable agro-climatic conditions and excellent connectivity. To capitalize on rich and diverse food production base of the State and to provide fillip to this sector.



## 7

### **POLICY TARGETS AND OBJECTIVES**

- 7.1 Focus on Crop/Commodity based Farming Clusters and to enable a planned and focused approach to cater to the Food Processing Industry.
- 7.2 To reduce wastage, increase value addition, ensure better price for farmers while ensuring availability of affordable and quality produce to consumers.
- 7.3 To identify and bridge the infrastructure gap besides promoting innovations, Research & Development and Technology Upgradation especially in Food Packaging, Food Testing and Quality.
- 7.4 To enhance raw material availability, facilitate ease of

procurement by processors and to encourage farmers to grow more remunerative crops.

- 7.5 To promote processing and create adequate infrastructure facilities by active involvement of Private Sector, Cooperatives as well as Public-Private Participation, adopt state-of-the-art technology and innovation to make food processing industry competitive and establish institutions and procedures to ensure traceability, food safety and quality assurance.
- 7.6 To generate employment opportunities in the Agro and Food Processing Sector.
- 7.7 To make Tamil Nadu a preferred destination for food processing industries and attract new investments.

## **8** **IMPACT ENVISAGED**

### **8.1 Socio Economic Impact**

The growth of the food processing will have a vast impact on the social and economic development of the State considering that 40% of the population is involved in agriculture and allied activities. The policy outlines various initiatives of the State like promotion of food processing clusters, development of food parks, entrepreneurship promotion, establishing skill centres, supporting Farmer Producer Organizations (FPOs) etc., which are expected to contribute significantly in the following:-

- (i) Decreasing post-harvest losses due to better technologies and improved value chain, besides ensuring food availability and nutritional requirements.
- (ii) Improving farm gate price to farmers thereby enabling increase in farm income.
- (iii) Clusterisation of farmers and enabling to develop entrepreneurial skills in addition to improvement



in the range of processed food products through establishment of new food processing units.

- (iv) Increasing employment opportunities and thereby improving socio economic condition of the people of the Tamil Nadu.
- (v) Making available hygienic and wholesome food with longer shelf life to consumers throughout the year.
- (vi) Raising State GDP through the food processing sector and,
- (vii) Improving the export potential for processed food from the State.

## **8.2 Environmental Impact**

The Food processing policy of Tamil Nadu advocates adoption of sustainable environmental practices including energy generation from bio waste and proposes to incentivize industries that adopt such measures to ensure adherence to environmental regulations.

# **9**

## **QUALITY, HEALTH AND SAFETY ASPECTS ENVISAGED**

Food processing Industry must meet International standards to ensure highest quality, hygiene and safety of food. The Industry is to adhere to standards regarding health and safety of the workers involved throughout the food handling process.

The policy seeks to enforce compliance of Food Safety Regulatory requirements as specified under the Food Safety and Standards Act, 2006 and seeks to promote a regime of self-regulation amongst food processors in the State.

# **10**

## **POLICY VALIDITY**

The Food Processing Policy will be reviewed by a Committee as and when required.





# 11

## **POLICY PURVIEW / ELIGIBILITY**

1. The Food Processing Policy 2018 covers the sub-sectors of Agriculture, Horticulture, Agricultural Marketing, Animal Husbandry, Dairy, Poultry and Fisheries.
2. Food Processing units that are eligible to avail incentives under this Policy are mentioned in Annexure- II

# 12

## **NODAL AGENCY**

- 12.1 Department of Agricultural Marketing & Agri-Business (DAM&AB) shall be the Nodal agency to implement the Policy and will coordinate with other departments, Government of India (GOI) and other agencies and facilitate Food Processors, entrepreneurs and investors in availing the incentives provided under this Policy and from Government of India.
- 12.2 Department of Agricultural Marketing & Agri-Business (DAM&AB) will also act as knowledge support center where anyone can approach and get relevant information and also shall empanel consultants for pooling and dissemination of information in the food processing sector and to develop new





products and processing technology . The knowledge center will collaborate with institutions such as Indian Institute of Food Processing Technology (IIFPT), Thanjavur, Central Food Technological Research Institute (CFTRI), Mysuru and NABARD.

- 12.3 A Program Management Agency (PMA) will be set-up to aid the DAM&AB in evaluating proposals submitted as per this policy and in monitoring implementation of projects sanctioned.
- 12.4 A State Level Empowered Committee will be constituted to oversee the implementation of the Policy and shall act as the Project Sanctioning Authority.
- 12.5 DAM&AB shall prepare detailed guidelines to facilitate implementation of the Policy directives contained herein and shall, from time to time, initiate proposals to make changes in the Policy components as may be required.

## **13** SUPERSESSION

This Policy supersedes any previous policy regarding Food Processing sector by the State.

# 14 DEFINITIONS

## 14.1 Cluster

A Cluster as defined by the Ministry of Micro, Small and Medium Enterprises (MSME), Government of India, is a group of enterprises located within an identifiable and as far as practicable, contiguous area and producing same/similar products/services. The essential characteristics of enterprises in a cluster are (a) similarity or complementarity in the methods of production, quality control and testing, energy consumption, pollution control, etc (b) similar level of technology and marketing strategies / practices (c) channels for communication among the members of the cluster (d) common challenges and opportunities.

## 14.2 Consumer

Consumer means persons and families purchasing and receiving processed food products in order to meet their personal needs.

## 14.3 Food Processing

Food processing shall include process under which any raw product of agriculture, dairy, animal husbandry, meat, poultry or fishing is transformed through a process (involving employees power, machines or money) in such a way that its original physical properties undergo a change and if transformed,





the product has commercial value and is suitable for human and animal consumption. It also includes process of value addition to produce products through methods such as preservation, addition of food additives, drying with a view to preserve food substances in an effective manner, enhance their shelf life and quality.



#### **14.4 Food Business Operator / Entrepreneur**

As defined in the Food Safety and Standards Act, 2006, Food business operator in relation to food business means a person by whom the business is carried on or owned and is responsible for ensuring the compliance of the Act.

#### **14.5 Food Safety**

As defined in the Food Safety and Standards Act, 2006, Food Safety means assurance that food is acceptable for human consumption according to its intended use.

#### **14.6 Food Parks**

Food Parks will be a place where food processing units are established predominantly for production of processable agriculture, horticulture, animal husbandry, meat, poultry, dairy and fisheries products and notified under specific norms as may be prescribed.

#### **14.7 Small Enterprises**

Small enterprises include Micro, Small and Medium Enterprises as defined in Micro, Small and Medium Enterprises Development Act 2006 as amended from time to time.

## **15 STRATEGIES ENVISAGED**

### **15.1 Promote Collective Farming**

The Government of Tamil Nadu, through its Collective Farming Scheme and such other initiatives will encourage collaborative farming and



integration with cultivators, especially Farmer Producer Organizations (FPOs) / Cooperatives / Farmer Producer Groups (FPGs) for the benefit of farmers and industry so that the raw material production gets augmented and the interests of both the stakeholders are equally taken into consideration.

### **15.2 Contract Farming Act**

Government of Tamil Nadu is in the process of enacting the Tamil Nadu Agriculture Produce and Livestock Contract and Services (Promotion and Facilitation) Act 2018 to encourage contract farming for the mutual benefit of farmer producers and processors.

### **15.3 Supply Chain Management for Fruits and Vegetables**

Government of Tamil Nadu is establishing a network of primary processing centres to connect farm gates with the terminal markets/food processing centres in a Hub-and-Spoke model in 10 Districts for Vegetables and Fruits. This will facilitate a seamless marketing logistics support to both farmer producers and food processors in the supply chain.



### **15.4 Commodity Based Cluster Development**

In order for farmers to take advantage of development of food processing industry and to make raw material available to the industry, the Government of Tamil Nadu will develop commodity based clusters and enable food processing industry to tap the food production strengths of respective locations. This will also help address critical issues such as human capital, workforce, logistics, infrastructure planning, community development and availability of raw material. Spatial integration of the clusters and food parks will be ensured so as to reduce wastage in post-harvest handling and effective backward and forward integration. Farmer Producer Organizations (FPOs) will be encouraged to take part in the cluster development programme.

## 15.5. Infrastructure Development

The existing infrastructure facilities particularly those connected with the handling of perishables like fruits, vegetables, meat, fish, poultry etc., will be augmented to facilitate faster growth of food processing sector. Besides, financial incentives will be provided to incentivize private sector players to create infrastructure like cold storage, reefer trucks, sorting / grading systems etc.

## 15.6 Incentives

In addition to the existing incentives / subsidies for the food processing industries as provided by Central Government, additional incentives / subsidies are provided by the Government of Tamil Nadu as described separately in this Policy. Further, the concessions / incentives provided in the State Industrial Policy etc. will also be suitably applied for Food Processing Industries and Food Packaging Industries.

## 15.7 Convergence with Other Schemes

DAM&AB will facilitate convergence of start-up MSMEs and other entrepreneurs with the schemes of Government of India like Pradhan Mantri Kisan SAMPADA Yojana (Scheme for Agro Marine Processing and Development of Agro Processing Clusters –SAMPADA), Ministry of Food Processing Industries (MoFPI), Micro Small and Medium Enterprises (MSME), National Horticulture Board (NHB), National Horticulture Mission (NHM), etc., in addition to the benefits available under this Policy, subject to assistance not exceeding 50% of project cost except in cases where assistance allowed is already above 50%.



## 15.8. Ease of Doing Business

The Government shall introduce the following set of initiatives to ease the compliance procedures for new and existing food processing companies.

### 15.8.1 Single Window Clearance facilitation

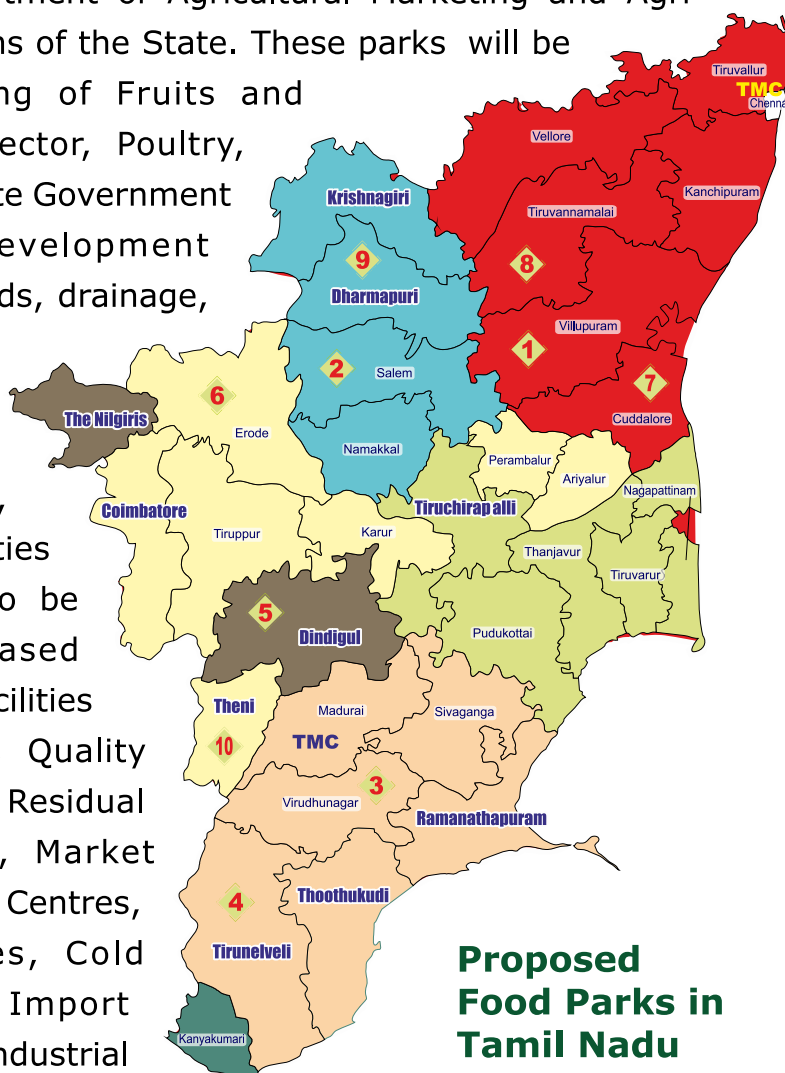
- (a) For small Industries, the single clearance desk at Directorate of Industries and Commerce and for large industries, the Single Window Clearance under Tamil Nadu Industrial Guidance and Export Promotion Bureau would be applicable.
- (b) A Facilitation Desk to liaise with these two entities and facilitate clearance for Food Processing Industries proposals will be set up by Department of Agricultural Marketing and Agri Business.

### 15.8.2 Labour Concessions to be extended

Existing labour related concessions and standards under the TN Industrial Policy 2014 will be applicable to the Food Processing Industries.

### 15.9 Promotion of Food Parks

Government of Tamil Nadu has initiated action to set up Food Processing Parks through the Department of Agricultural Marketing and Agri Business in various regions of the State. These parks will be the hubs for processing of Fruits and Vegetables, Fisheries sector, Poultry, Dairy, Meat, etc. The State Government will undertake site development activities like internal roads, drainage, water supply, electricity supply, solid waste management plant, effluent treatment plant, telecommunication facilities etc. Food parks will also be provided with need based common infrastructure facilities like Food Testing Labs, Quality Control Units including Residual Analysis Testing Units, Market Yards, Trade Facilitation Centres, Logistics, Pack Houses, Cold Storages, Export and Import centers etc., Developed Industrial



Plots of various sizes will be offered at concessional rates to entrepreneurs including Farmer Producer Companies, Private Food Processors, Packaging Industries, etc., to invest in the Food Parks.

### **Food Processing Parks will be setup in 3 categories as follows**

#### **15.9.1 Small Food Parks (SFPs)**

Food Parks which are set up in an area of upto 10 acres are designated as SFPs. Land and common facilities will generally be developed by the Government. SFPs will be eligible for capital subsidy as per Tamil Nadu Industrial Policy, 2014 depending on the level of investment and are eligible to avail grants and subsidies under Government of India schemes.

#### **15.9.2 Mega Food Parks (MFPs)**

Food Parks which are set up in an area between 10 acres and 50 acres with minimum of 20 processing units will be designated as MFP. Land will be developed by the Government whereas common facilities may be developed either by private entrepreneurs or by the Government of Tamil Nadu. MFPs will be eligible for capital subsidy as per Tamil Nadu Industrial Policy, 2014 depending on the level of investment and are eligible to avail grants and subsidies under Government of India schemes.



#### **15.9.3 Ultra Mega Food Parks (UMFPs)**

Food Parks which are set up in an area more than 50 acres with a minimum of 30 food processing units will be designated as UMFPs. UMFP will be provided with modern state-of-the-art food processing zones with common processing facilities, market infrastructure and farmer facilitation centers. Land for the processing zones may be developed either by private entrepreneurs or by Government. UMFPs will be eligible for capital subsidy as per Tamil Nadu Industrial Policy, 2014 depending on the level of investment and are eligible to avail grants and subsidies under Government of India schemes.



# 16

## INCENTIVES AND SUPPORT MEASURES

### 16.1. Land allotment

- a) Priority will be given for allotment of land to Food Processing units in SIPCOT / SIDCO lands and Industrial complexes as per Tamil Nadu Industrial Policy, 2014.
- b) Mega Food Processing enterprises with investment above Rs.10 crores are eligible for long lease of upto 99 years of SIPCOT / SIDCO lands for establishment of food processing parks.
- c) Small and micro enterprises are eligible for outright sale or lease based sale as per extant SIDCO policy.



### 16.2. Provision of Water Supply

Water will be made available on priority basis to Food Processing Industries.

### 16.3. Provision of Power Supply

Electrical Power of consistent quality is an important input for food processing industries across its value chain. Government of Tamil Nadu is committed to supply 24x7 reliable quality power to the Food Processing Industry.

### 16.4. Extension of Capital Subsidy

To catalyze investment in the Food Processing Industry, Capital subsidy will be provided as per the Tamil Nadu Industrial Policy in vogue.

### 16.5 Provision of Interest Subsidy

For food processing units and cold chain infrastructure, Primary Processing Centres, Primary Collection Centres, etc., Government of Tamil Nadu will provide interest subvention of 3% per annum on the term loan

availed for fixed capital investment. If Government of India's interest subsidy is also available, the Food Processing Industry may avail either the GoI subsidy or the State Subsidy referred to above according to suitability.

### **16.6. Increased interest subsidy for Women or Scheduled Castes / Scheduled Tribes Entrepreneurs**

New enterprises led by Women or Scheduled Castes/Scheduled Tribes Entrepreneurs are eligible for an additional interest subvention of 2% per annum on the term loan availed for fixed capital investment.

### **16.7 Tax Incentives - SGST**

The Government of Tamil Nadu will reimburse the gross State Goods and Services Tax (SGST) paid by the New Industrial Units with an investment above Rs.10 crore excluding land cost for processing of Fruits & Vegetables, Medicinal plants, Minor Millets, Meat, Poultry and Fish for 3 years from the date of commencement of business. In the case of units with higher investment, Tax Incentive Policy adopted for larger industries under TN Industrial Policy 2014 shall apply.

### **16.8 Stamp Duty exemption**

Stamp duty exemption as existing in the Tamil Nadu Industrial Policy, 2014 will be applicable to Food Processing Industries in the notified Food Parks and also in the other notified Industrial Parks.

### **16.9 Market Fee exemption**

Fruits and vegetables that are purchased directly from Farmer Producer Organizations (FPOs) and brought to Food parks for processing will be exempted from Market Fee.

### **16.10. Marketing Assistance**

- a) Necessary Technical Assistance will be provided to the Food



Processing Industries in branding, packaging, training, etc., by the Department of Agricultural Marketing and Agri Business

- b) Subsidies applicable to Micro Small and Medium Enterprises (MSMEs) under the Department of Industries and Commerce are applicable for Food Processing Industries, such as,
  - (i) Exemption in Earnest Money Deposit (EMD) for participation of tenders
  - (ii) Granting 50% subsidy for hall rent for participation in exhibitions.
- c) 50% cost of participation in trade fairs and exhibitions in Tamil Nadu will be reimbursed, as applicable.

### **16.11. Quality Certification/Patent Registration facilitation**

Department of Agricultural Marketing and Agri Business, Government of Tamil Nadu, will assist Food Processing Industries in getting quality certification as per MSME norms or as per other applicable norms in vogue.

### **16.12 Transportation assistance**

Government of Tamil Nadu will facilitate subsidies provided under Ministry of Food Processing Industries, National Horticulture Mission (NHM), and Mission for Integrated Development of Horticulture (MIDH), etc., for the purchase of reefer vehicles to food processing units.

### **16.13 Export Incentives**

The export incentives offered to Micro Small and Medium Enterprises (MSMEs) under Department of Industries and Commerce or as per other applicable norms in vogue are eligible to food processing units also.

### **16.14 Skill Development Initiatives for worker in the Industry**

The Food Processing Units within Food Processing Parks will be eligible to avail the financial support for providing skill building training to the new employees under State Skill Building Mission.

### **16.15 Research and Development and Testing Labs to be facilitated**

Government of Tamil Nadu shall endeavor to set-up Research & Development Laboratories and Quality Testing Laboratories as a common facility in Food Parks. The latest technology developed by Tamil Nadu Agricultural University and other State Universities will also be prioritized for these laboratories.

# Annexure - I

## Value Added Products

An indicative list of value added products that can be derived from various Horticultural, Agricultural, Dairy, Poultry and Fish products is highlighted below :

|                              |             | <b>FRUITS</b>  |
|------------------------------|-------------|--|
| 1.                           | MANGO       | Pulp, Concentrate, Juice, Squash, Pickle, Jam, Jelly, Candy, Dehydrated Slices, Mango frozen     |
| 2.                           | BANANA      | Juice, Chips, Puree, Jam, Jelly, Banana Cheese, Flour  |
| 3.                           | PAPAYA      | Papaya Puree, Ready to Serve (RTS) Juice, Pickle, Jam, Jelly, Squash, Concentrate, Tutty Fruity. |
| 4.                           | GUAVA       | Jam, Jelly, Candy, Pulp, Juice, Concentrate  |
| 5.                           | LIME        | Pickles, Juice, Dried Lime Peel  |
| 6.                           | COCONUT     | Water, Milk, Milk Powder, Desiccated coconut, Chips, Candy, Flour, Neera                         |
| 7.                           | CASHEWNUT   | Dried nuts, Nut powder, Candy, Shell liquid  |
| 8.                           | POMEGRANATE | Ready to Serve (RTS) Juice, Jam, Jelly, Frozen Arils,  |
| 9.                           | OIL PALM    | Edible Oil, Sludge oil   |
| 10.                          | TAMARIND    | Concentrate, , Tamarind Slabs Pulp, Paste  |
| <b>Vegetables and Spices</b> |             |  |
| 1.                           | TOMATO      | Puree, Ketchup, Sauce, Jam, Paste, Dried Powder  |
| 2.                           | ONION       | Onion Flakes, Powder, Paste  |
| 3.                           | CARROT      | Diced Carrot   |
| 4.                           | TAPIOCA     | Sago, Starch Powder, Starch Syrup  |
| 1.                           | CHILLI      | Chilli Sauce, Pickle, Chilli Powder  |
| 2.                           | TURMERIC    | Powder, Turmeric Dried Rhizomes, Curcumin.   |



| <b>Agriculture Crops</b> |             |  |
|--------------------------|-------------|--|
| 1.                       | RICE        | Rice Flour, Rice Bran Oil, Parboiled Rice, Rice Flakes.                                    |
| 2.                       | SUGAR CANE  | Raw Sugar, Juice   |
| 3.                       | MAIZE       | Corn Syrup, Corn Flour, Corn Flakes, etc.  |
| 4.                       | GROUNDNUT   | Edible Oil, Dried Powder, Cheese/ Puree  |
| <b>Animal Husbandry</b>  |             |  |
| a)                       | DAIRY       | Cheese, Ice Cream, Pasteurized and Flavoured Milk, Butter, Paneer, Ghee, Butter Milk, Curd |
| b)                       | POULTRY     | Egg Powder, Processed Chicken  |
| c)                       | SHEEP/ GOAT | Processed Meat   |
| <b>Fisheries</b>         |             |  |
| 1.                       | FISH        | Seaweed, Lobsters, Prawns, Inland Fish, Fish Fingers etc.,                                 |

## **Annexure - II**

---

### **Items and activities covered under the Policy**

1. Cereal and Pulse based product including instant mix.
2. Meat and Fish Processing.
3. Fruits and Vegetable Processing Industries.
4. Nuts and Oil Seeds Processing.
5. Protein Foods.
6. Starch Derivatives.
7. Spice Products.
8. Bread and Biscuits.
9. Potato Chips.
10. Roasted and Salted Cashew Nuts.
11. Papain Powder.
12. Fruit, Vegetable processing including dehydration, Individual Quick Freezing (IQF) and preservation, export in fresh form including grading sorting and cleaning.
13. Cold chain cold storage systems used for transport and storage of agro based products.
14. Tissue culture-specific to crops for food processing industries.
15. Hybrid seeds - specific to crops for food processing industries.
16. Poultry / Egg Processing.
17. Milk based Products.
18. Processing, preservation and packing of fish and other products.
19. Promotion of modern and hygienic packing of food products.
20. Distillation and fermentation of agro based products like grapes.
21. Additives / preservatives / colours / fragrances for the food industry.
22. Ready to eat / cook, convenience foods, including millet based products.
23. Health Food, Health Drinks, Energy Drinks
24. Nutraceuticals, Functional Foods, Dietary Supplements and Food Additives.
25. Consumer food products like Bakery, Confectionery items.
26. Medicinal Preparations with Herbs, Medicinal and Aromatic Plants, Forest Products.

## Annexure - III

### GOVERNMENT OF INDIA INCENTIVES

#### A. Pradhan Mantri Kisan SAMPADA Yojana - Scheme for Agro-Marine Processing and Development of Agro Processing Cluster(SAMPADA)

[Ministry of Food Processing Industry, GOI – Scheme grant in aid details as per F.No.16 -MFPI / 14 – Mega FP dated 19.05.2017. (www.mofpi.nic.in)]

| Sl. No. | Scheme Name   | Financial Assistance  |  |
|---------|---|---|--|
| 1.      | <b>Mega Food Park (Ongoing)</b>   | 50% of eligible project cost in general areas and 75% in NE Region. <b>Subject to a maximum of Rs. 50 crores per project.</b> |  |
| 2.      | <b>Integrated Cold Chain and Value Addition Infrastructure. (Ongoing)</b> | Storage infrastructure including pack houses, pre-cooling units, ripening chamber and transport infrastructure.               | 35% of the total cost of plant and machinery and technical civil works in General areas and 50% for NE region and difficult areas. |
|         |   | Value addition and processing infrastructure including frozen storage/deep freezers associated and integral to the processing | 50% of the total cost of plant and machinery and technical civil works in General areas and 75% for NE region and difficult areas  |
|         |   | <b>Subject to a maximum of Rs.10 Crore per project</b>  |  |

| Sl. No. | Scheme Name  | Financial Assistance  |  |
|---------|--|---|--|
| 3.      | <b>Creation/ expansion of Food Processing and Preservation Capacities.</b> | 35% of the cost of plant and machinery and technical civil works in General areas and 50% for NE region and difficult areas. <b>Subject to a maximum of Rs.5.00 crore per project</b>   |  |
| 4.      | <b>Infrastructure for Agro Processing Clusters</b>                         | <b>Basic Enabling Infrastructure :</b><br>Development of industrial plots, boundary wall, roads, drainage, water supply, electricity supply including power backup, effluent treatment plant parking bay, weigh bridges, common office space, etc.,         | 35% of eligible project cost in general areas and 50% in NE region. <b>Subject to a maximum of Rs.10.00 crore per project.</b> |
|         |  | <b>Core infrastructure common facilities :</b><br>Testing laboratory, cleaning, grading, sorting and packing facilities, dry ware house, cold storage, pre-cooling chambers, ripening chambers, steam generation boilers, IQF, specialized packaging, etc., |  |



| Sl. No. | Scheme Name   | Financial Assistance  |  |
|---------|---|---|--|
| 5.      | <b>Creation of Backward and Forward Linkages</b>  | Minimum processing facilities at farm level<br>Distribution hub and retail outlets<br>Mobile pre-cooling trucks and reefer trucks   | 35% of eligible project cost in general areas and 50% in NE region. <b>Subject to a maximum of Rs.5.00 crore per project</b> |
| 6.      | <b>Food safety and Quality Assurance Infrastructure</b>   |   |  |
| i.      | <b>Setting up / Upgradation of Quality Control/ Food Testing Laboratories Grant in aid includes Technical civil works, furniture &amp; fixtures</b> | Central/State Government organizations/ universities  | 100% of the cost of equipment  |
|         |   | Private organizations/ universities   | 50% of the cost of equipment for others in general areas and 70% in NE region  |
| ii.     | <b>Hazard Analysis &amp; Critical Control Points (HACCP)/ ISO Standards/ Food safety/Quality Management systems.</b>                                | Reimbursement of expenditure @ 50% of eligible project cost in general areas and 75% in NE region. <b>Subject to a maximum of Rs.17.00 lakh and Rs.22.00 lakh respectively.</b> |  |

| <b>Sl. No.</b> | <b>Scheme Name</b>  | <b>Financial Assistance</b>   |   |
|----------------|---|---|---|
| 7.             | <b>Human Resources and Institutions</b>   |   |   |
| i.             | <b>Research Development in Food Processing sector</b>                           | Government organizations / universities / institutions                          | 100% of cost of equipment, consumables and expenditure related to project for a period of three years   |
|                |   | Private organizations / universities / institutions                             | 50% equipment cost in general areas and 70% in NE states.   |
| ii.            | <b>Promotional Activities, Advertisements, Publicity, Studies &amp; Surveys</b> | All India level seminars, workshops, fairs and exhibition                       | 50% of the cost of the event or maximum Rs.5.00 lakh  |
|                |   | Studies/Surveys   | Grant in aid shall be decided on the merit of the proposal.   |
| iii.           | <b>Skill Development</b>  | Development of course curriculum for training modules                           | Rs 5.00 lakh per Qualification packs for development  |
|                |   | Infrastructure for Skill training centers                                       | 50% of cost of plant and machinery. <b>Subject to a maximum of Rs.15.00 lakh per training module</b> and limited to two training modules per training centre. |
| iv.            | <b>Strengthening of Institutions</b>  | National Institute of Food Technology, Entrepreneurship and Management (NIFTEM) | Rs.100.00 crore for creation of academic and administrative infrastructure.   |
|                |   | Indian Institute of Food Processing Technology (IIFPT)                          | Rs.75.00 crore to expand its activities and programmes.   |









**NODAL AGENCY**  
**Department of Agricultural Marketing and Agri Business**  
Guindy, Chennai - 600 032.  
Phone : 044 2225 3865, E-mail : [tnsnamd@gmail.com](mailto:tnsnamd@gmail.com)