

Possibilities of Food Processing, Integrated Cold Chain, Primary Processing Centers, Milk & Milk Products



**In the
State of
RAJASTHAN**

Introduction

Rajasthan, with its diverse agro-climatic conditions is richly endowed in the cultivation of variety of crops. The State is the largest producer of guar and seed spices like coriander, cumin, fenugreek, fennel, etc. The State is the largest producer of mustard, second largest producer of oil seeds and third largest producer of soybean. It is also the largest producer of gram and second largest producer of moth bean. Rajasthan has 10.4% of India's Land area, 51.01% of which is under cultivation. This makes up for 20.67% of the State GDP, with 62% of total workers of the State dependent on this for livelihood. In 2013-2014, the total production of food grain of the State was estimated as 199.88 lakh tons.

Rajasthan has proximity to large consumer markets in the region (close to NCR) which has a large share of food consumption in the country. Infrastructure like Agro Food Parks at Kota, Jodhpur, Sriganganagar and Alwar has been developed by RIICO. Rajasthan also offers immense opportunities in the areas of organic farming, contract farming and in the field of post-harvest infrastructure such as special ware-houses, cold chains, testing & certification facilities.

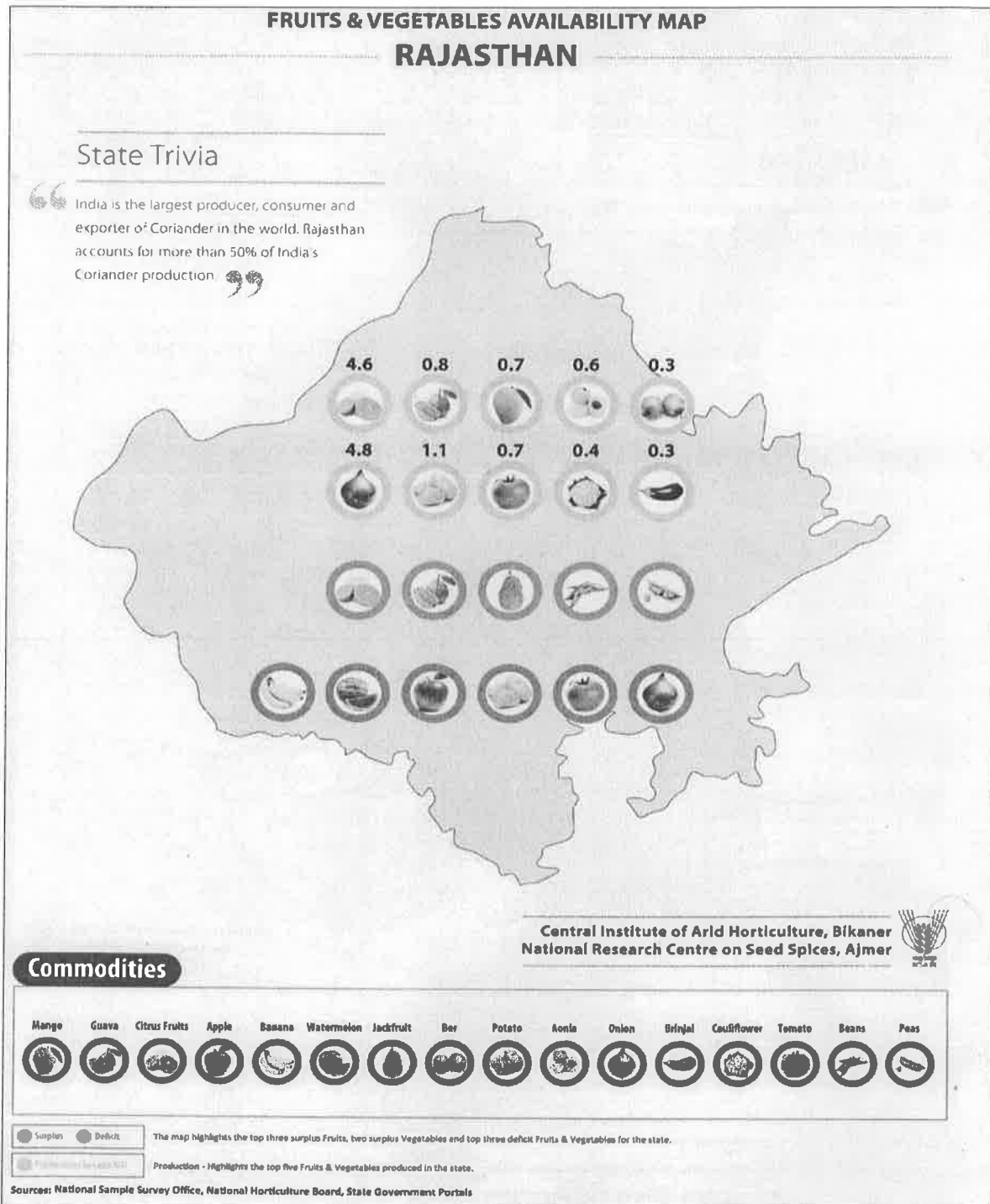
Rajasthan's contribution in national agriculture

- The State stands at 4th position after UP, Punjab, AP, in food grain production
- Fourth largest producer of Wheat and largest producer of Coarse grains
- Second in production of Gram, largest production of Moth Beans
- Second largest Producer of Oil Seeds and Largest producer of Mustard, 3rd producer of soya bean and 4th largest producer of groundnut.
- Largest producer of Guar seed, Spices like fenugreek, coriander, cumin, fennel
- Rajasthan has the distinction of having largest population of cattle, sheep and camels. State accounts for about 6.03% of cattle, 10.55% of buffaloes, 15.31% of goats, 16.11% of Sheep and 81.62% of camels in the country. State Contributes 12% of milk, 35% of goat meat & 40% of wool of the country's production. There are eight well defined breeds of sheep's, which produce quality carpet wool, and three breeds of goats

Major production areas of horticulture crops:

No.	Cluster	Crops	Main production areas
1	Fruits	Mandarin	Jhalawar, Kota, Baran, chittorgarh, Bhilwara
		Kinnow	Sri Ganganagar, Hanumangarh
		Aonla	Ajmer, Alwar, Jaipur, Jalore, Nagaur, Karauli, Tonk
		Ber	Jodhpur, Barmer, Ajmer, Alwar, Jalore, Jhunjhunu, Pali, Nagaur, Jaisalmer
		Pomegranate	Ajmer, Bhilwara, Jaipur, Jalore, Jhunjhunu, Jodhpur, S. Madhopur, Tonk, Ganganagar
		Bael	Alwar, Jaipur, Jhunjhunu, Nagaur, Pali, Tonk
		Mango	Banswara, Chittorgarh, Dungarpur, Sirohi, S. Madhopur
		Guava	Kota, Baran, Chittorgarh, Bhilwara, Banswara, Jaipur, Bundi, Karauli, S.Madhampur, Udaipur, Tonk
		Papaya	Jaipur, Ajmer, Alwar, Tonk, Nagaur, Chittorgarh, S.Madhampur, Kota, Sirohi
		Lime/ citrus	Jaipur, Ajmer, Alwar, Pali, Jodhpur, Banswara, Bundi, Karauli, S.Madhampur, Bhilwara, Dungarpur, Bundi Barmer, Baran, ,Sirohi, Udaipur, Jhunjhunu, Tonk, Chittorgarh, Kota, Nagaur, Ganganagar
		S. Orange	Alwar, Chittorgarh, Ganganagar
2	Spices	Coriander	Kota, Baran Jhalawar, Chittorgarh, Karauli, S.Madhampur, Bhilwara, Bundi
		Cumin	Jodhpur, Pali, Jalore, Barmer, Nagaur, Jaipur, Tonk, S.Madhampur, Bhilwara, Jhunjhunu, Sirohi
		Merthi	Jaipur, Nagaur, Jhalawar, Kota, Baran, Pali, Banswara, S.Madhampur, Jhunjhunu
		Fennel	Jodhpur, Pali, Jalore, S.Madhampur, Tonk
		Garlic	Jodhpur, Chittor, Baran, Jhalawar, Jodhpur, Banswara
3	Flowers	Desi Rose, Losse	Jaipur, Ajmer, Alwar, Sri-Ganganagar, Kota, Tonk Chittorgarh, Banswara, Karauli, S.Madhampur ,

MAP Depicting Availability of Fruits & Vegetable in Rajasthan
 (Source: Yes Bank Report)

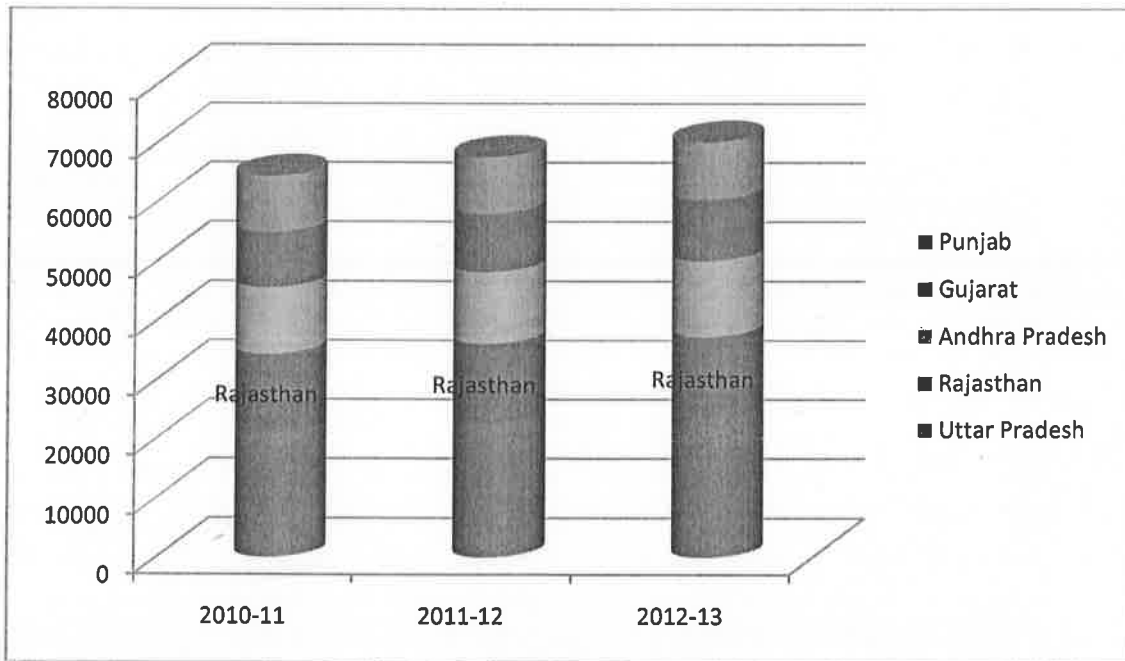


Statement showing Milk Production in India(State wise) for the years 2010-11 to 2012-13

Estimates of Milk Production-Statewise ('000 Tonnes)			
States	2010-11	2011-12	2012-13
Uttar Pradesh	21031	22556	23330
Rajasthan	13234	13512	13946
Andhra Pradesh	11203	12088	12762
Gujarat	9321	9817	10315
Punjab	9423	9551	9714
Other States	57636	60380	62364
Total in India	121848	127904	132431

Source: Department of Animal Husbandry, Dairying & Fisheries, Ministry of Agriculture, GOI

The above statement shows that in the year 2012-13, the State of Rajasthan is the Second Largest Milk Producing State and holds about 10.53 % in the Total Milk Production in India.



Existing Infrastructure promoting Agro Food Processing Industries:

1. RIICO AGRO FOOD PARKS

To boost agro processing in the State, RIICO has established Agro Food Parks at Ranpur near KOTA, Boranada near Jodhpur, Udyog Vihar in Sriganganagar and MIA in Alwar.

Location	Ranpur, Kota	Boranada, Jodhpur	Udyog Vihar, Sriganganagar	MIA, Alwar
Areas (Acres)	139.80	193.54	81.14	185.94
No. of Plots Planned	151	233	77	201
Expansion				
Areas (Acres)	99.50	66.24		
No. of Plots Planned	155	78		

Existing incentive and benefits available to the Processing Units:

A. The Rajasthan Investment Promotion Scheme-2014

- ❖ The scheme has come into effect from 8th October, 2014 and shall remain in force up to 31st March, 2019.
- ❖ Under the scheme subsidy consisting of investment subsidy and Employment Generation Subsidy shall be allowed for a period of seven years (Ten years for MSME located in the notified area), The maximum amount of subsidy shall be 50% of the total amount of tax (es) that is VAT and CST, which have become due and have been deposited into the government exchequer, however an additional subsidy to the extent of 10% of the amount of the said tax (es) which have become due and have been deposited into the government exchequer shall be allowed to Women/SC/ST/Person with disability (PwD) entrepreneur, by way of additional investment subsidy.
- ❖ The scheme also provides for following exemption (s)-
 - 50% exemption of Electricity Duty, Land Tax and Mandi fee for seven years (Ten years for MSME located in the notified area)
 - 50% exemption of Stamp Duty on purchase or lease of Land and construction/improvement on such land.
 - 50% exemption of conversion charge payable for change of Land use

- ❖ The State Government may grant customized package to any enterprise such as; New enterprises having investment more than Rs.500 crores or providing employment to more than 500 persons
- ❖ Benefits to Dairy Sector (notified as thrust sector) ; Enterprises making a minimum investment of Rs.25 Crores in this sector shall be granted the following benefits:
 - Investment Subsidy of 50% of VAT and CST which have become due and have been deposited by the enterprise, for 10 years;
 - Employment Generation Subsidy upto 10% of VAT and CST which have become due and have been deposited by the enterprise, for 10 years;
 - 50% exemption from payment of Entry Tax on capital goods, for setting up of plant for new unit or for expansion of existing enterprise or for revival of sick industrial enterprise.

B. Policy for Promotion of Agro Processing and Agri Business, 2010:

Agro processing and agri-business are entitled to the following category of incentives :

- ❖ Incentive admissible under the Rajasthan Investment Promotion Scheme, as amended from time to time
- ❖ Additional incentive/concessions under this Policy. This will include :
 - Incentive for new employment creation : Rs.4000/- per year for each new employees (Rs.6000/- for women/SC/ST)
 - Electricity duty concession : 50% exemption/remission for 7 years
 - Stamp duty concession : 50% exemption in Food Parks
 - Concession in Land related issued
 - Incentive for Market Development and diversification (Subsidy of 50%, maximum Rs.50,000/- for tests abroad, 20% of FOB or Rs.3.50 per kg, maximum Rs.10 lakh subsidy on exports, Subsidy of 25% of rail freight, maximum Rs.10 lakhs)
 - Incentive for quality and standards
 - Concession on direct purchases and market fee
 - Incentive for new project development

Possibilities of Food Processing in Rajasthan :

Rajasthan have tremendous possibilities for development of agro processing, food processing, integrated cold chain, primary processing centre and milk processing facilities etc. Most of the agro produce of State is being exported to other States or abroad in the raw form, while it can be processed and more value addition benefits can accrue to State. For example Zeera, Dhania, Isabgol etc. are produced here in large quantity but all are processed and packed outside State. State is loosing benefit of value addition in terms of investment, employment and taxes etc. Similarly in the milk processing sector, tremendous opportunities lies in the State as Rajasthan is second largest producer of milk and there is no large integrated milk processing plant in the State except Saras. Opportunities is also ample in the field of allied activities like Refrigerated Van, Transportation, Cold storages & Warehousing facilities etc.

INVESTMENT POTENTIAL:

Indicative list of Food Processing Facilities in Rajasthan:

Locations	Availability	Prospective Processing Facilities
Jhalawar	Orange	Juice Line
Choumu	Tomato	Tomato Puree Unit
Alwar	Amla	Juice Plant. Dehydration Unit, Candy Plant
Nagaur	Spices	Cleaning, Grading, Sorting Unit
Swai Madhopur	Guava	Guava pulping plant
Chittaurgarh	Garlic, Onion	Dehydration Unit
Jodhpur	Alovera	Alovera Pulping Plant
Shahpura	Vegetables	Cold Chain Unit
Kota,Bundi	Mustard, Paddy, Peas	Seed Processing Unit, IQF Unit
Sriganganagar	Kinnow	Cleaning, Grading, Sorting, Waxing Unit, Juice Plant
Udaypur	Maize	Starch Unit

Bikaner, Jodhpur, Alwar & Jaipur are the major milk producing areas where there is plenty of scope for setting up of Integrated Cold Chain infrastructure with chilling plants etc. to preserve and storage of milk and processing thereof.