



**Government of Chhattisgarh,
Department of Commerce and Industries
Mantralaya, Raipur (C.G.)**

Notification

Raipur, Dated 26th October, 2012

S. No. F 20- 87/2012/11/(6), Government of Chhattisgarh hereby, declares "Agro and Food Processing Industries Policy - 2012". This policy will be effective from 1st November, 2012 for five years i.e. up to 31st October, 2017.

In addition to above, this policy is also published in English. In case of any dispute Hindi version of the policy will prevail.

**By the order and in the name of
Governor of Chhattisgarh,
-sd-
(Dinesh Shrivastava)
Secretary,
Government of Chhattisgarh,
Department of Commerce and Industries**





Government of Chhattisgarh
Department of Commerce and Industries
Mantralaya, Raipur

AGRO & FOOD PROCESSING INDUSTRIES POLICY – 2012

Raipur, Date- 26th October, 2012

No. F 20- 87/2012/11/(6), To promote the downstream industries in the state, Government of Chhattisgarh hereby declares, “Agro and Food Processing Industries Policy – 2012” for value addition of rich natural agro & food Products of the state.

(1) PREFACE

- (1.1)** “Chhattisgarh, among the fastest growing & emerging states of India, is enriched with natural resources. About 80 % population of the State depends on the Agriculture and Agro based activities. Nett Agricultural crop area in the State is 47.70 Lacs Hectares. There are total 32.55 Lac farmer-families in the State. After formation of the State, production of the Food grains, Pulses, Oilseeds etc. is on constant rising trend. During the Year 2010-11 production of the Rice was 61.59 Lac Metric Tonne and of other Cereals (Corn and Wheat) was 3.12 Lac Tonne, Pulses 5.35 Lac Tonne and of Oilseeds, it was 2.13 Lac Tonne. In addition among Fruits and Vegetables sufficient quantity of Tomato, Papaya, Chili, Cashew nuts etc. are also produced.
- (1.2)** About 34.59 percent of the total geographical area of the State is Nett Agricultural Crop area. After formation of the State traditional industries have developed in the Agro based and Food processing industries sector. Keeping in view of the increased production of Agriculture Crops, Pulses, Oilseeds, Fruits and Vegetables in the State, there is a need of planned and balanced development of the Agro based

and Food processing industries.

- (1.3) The State being equidistant from the important cities and centers of the eastern, western and southern ends of India, is a beneficial geographical location, due to which marketing of Agro and Food processing Industries products is easily possible with Orissa, Maharashtra, Madhya Pradesh, Jharkhand, Andhra Pradesh, Uttar Pradesh etc.
- (1.4) After formation of the State, Industrial development took place mainly in Core sector. Efforts of the Government of Chhattisgarh are to accelerate the value addition activities in the Agro and Food processing sector which should become the main base pillar of economic system and employment of the state.
- (1.5) Industrial Policy 2009-14 of Government of Chhattisgarh covers “Automatic agricultural implements” and “Tractor based agricultural implements”, Sericulture, Horticulture, Bio- fertilizer, Floriculture, Pisciculture etc. under agro sector And Food processing and Agro based industries (excluding Rice mill) as defined by Government of India are listed in the Priority sector. However to make this sector investment competitive in comparison to the other states and To make the State leading in the Food processing industries & keeping in view for the need of new Agro & Food processing Industries Policy, a separate “AGRO & FOOD PROCESSING INDUSTRIES POLICY -2012” has been formulated.

On implementation of this policy, a complete qualitative development will take place in the agro and food processing sector, income of the farmers of the State will get increased, new opportunities of employment and self employment will be generated and the state will become prosperous.

(2) OBJECTIVES

- (2.1) To enhance the income of the farmers of the State.
- (2.2) Value addition of the Agriculture produce, Fruits & Vegetables and Pulses & Oilseeds in the State.
- (2.3) Generation of new opportunities of employment in the agro and food processing sector.
- (2.4) Provision the secured storage for Agriculture produce, Pulses & Oilseeds and Fruits & Vegetables etc. in the State.

- (2.5) Ensure better price of agriculture produce to the farmers of the state.
- (2.6) Reduction in cost of production of the agro and food processing products and to make its marketing easy.
- (2.7) Ensure availability of the food materials to the public of the State of good quality at justified prices.
- (2.8) To encourage farmers of the State to diversify for farming of fruits & vegetables and other cash horticulture crops as alternatives of paddy by development of the Agro & Food Processing Industries.

(3) EXTENT & EFFECTUALITY

“Agro & Food Processing Industries Policy – 2012 ” will be effective from 1st November, 2012 for five years i.e. up to 31st October, 2017.

(4) DEFINITIONS

- (4.1) “New Industry” means such industry which shall commence commercial production after implementation of this policy and shall be in possession of E.M. Part-1 / I.E.M. / Industrial License / Letter of Intent, issued by the competent authority for the purpose, (as the case may be) And shall make or shall propose to make capital investment of minimum Rs. 1.00 Crore in plant and machinery Or shall execute M.O.U. with the State Government if the capital investment exceeds Rs. 100 Crores.
- (4.2) Under this policy Definitions of Micro, Small & Medium Industry, Large Industry, Mega Project, Scheduled Caste / Scheduled Tribe, Industry established by Scheduled Caste/ Scheduled Tribe, Women entrepreneur, Handicapped, Retired Soldier, Person affected from naxalism, Non –Resident Indian / 100 % F.D.I. investor, Skilled labour, Unskilled labour, Managerial / Administrative categories, State Domicile, Date of commencement of commercial production, Commercial production certificate and others shall be same as notified in the Industrial Policy in force at that time.
- (4.3) Definitions of the Investments in Land, Factory-shed, Building, Plant and

machinery, Electricity supply system and Water supply system, included in fixed capital investment shall be same as defined in the Industrial Policy in force at that time.

- (4.4) Under Agro & Food Processing Industries Policy, definitions which are not defined in this policy and also not defined in the Industrial policy 2009-14, the definitions issued and in force by the Ministry of Food Processing industries, Government of India shall be applicable for implementation of this policy .

(5) STRATEGIES

- (5.1) To establish cluster based Agro & Food Processing small industrial areas in consonance with the Industrial policy of the State.
- (5.2) Entrepreneurship Development and Skill Development programmes shall be organized in the field of Food Processing.
- (5.3) Opening Degree and Diploma courses in the technical sector of Food Processing and Participation of the industries of the State shall be ensured in the National seminars/workshops and Trade Fare programmes.
- (5.4) Food Processing Training Centre shall be established.
- (5.5) Cluster approach shall be adopted for improvement of horticulture crops in the State.
- (5.6) To ensure availability of the improved seeds and plants easily.
- (5.7) To ensure the establishment of Cold storage, Cold chain and warehouse at district and tahsil level, so that farmers get the suitable price of horticulture crops.
- (5.8) To encourage use of improved irrigation system for assured production of horticulture crops.
- (5.9) To provide intensive training to the farmers for use of scientific methods for enhanced production of horticulture crops.

(6) ACTION PLAN

- (6.1) Chhattisgarh State is the Energy surplus state. Therefore uninterrupted electrical supply arrangement with quality shall be available to the units established for food

processing. 24 hours electricity supply would be available at the competitive price in comparison to other states to these units.

- (6.2) State Mission Director Office (Nodal Agency) shall be made effective so that the State should get the effective benefits of plans of Ministry of Food Processing Government of India.
- (6.3) Budgetary provision of the State Government share for implementation of the National Mission on Food Processing shall be ensured.
- (6.4) For implementation of the Agro & Food Processing Policy, benefits of basic infrastructure and Industrial infrastructure of the State shall be provided to the industries of this sector.
- (6.5) Model Project profiles of the industries under category of Food Processing sector shall be made available to the entrepreneurs at District Trade & Industry Centers.

(7) IMPLEMENTATION OF THE PLANS OF NATIONAL MISSION ON FOOD PROCESSING (NMFP)

Cooperation and coordination will be given to the industries, farmers, young entrepreneurs of the State, to avail the benefits of the plans of National Mission on Food Processing, released by the Ministry of Food Processing, Government of India, under following

1. Establishment of new industries, technical up gradation and modernization.
2. Cold storage, Cold chain, value addition and preservation infrastructure for non horticulture products.
3. Human Resource Development (H.R.D.).
- 4 Organize promotional programmes such as Workshops, Fair, Educational Survey and Seminars.

(8) ELIGIBILITY CRITERIA FOR INDUSTRIAL INVESTMENT INCENTIVES UNDER “AGRO & FOOD PROCESSING INDUSTRY POLICY-2012” -

- (8.1) Subsidy/ Exemption / Concessions for 'Industrial Investment Incentives' shall be available to those Industrial enterprises, which will provide employment to the -

minimum 90 %, in case of unskilled workers, minimum 50 % skilled Workers subject to availability and minimum one third at administrative / managerial posts to bonafide residents of the state.

- (8.2) For establishment of the project, model Rehabilitation Policy of Chhattisgarh State as amended therein from time to time, will have to be followed.
- (8.3) Minimum fixed capital investment of Rs. 1.00(One) Crore has to be made in head of plant & machinery.
- (8.4) Fixed capital investment as above, should be made within two years from the date of execution of M.O.U. with the State Government / Date of issue of I.E.M. / E.M.Part-1. For extension of time-period, effective steps taken would be reviewed. Execution of M.O.U. with the State Government shall be compulsory if the capital investment exceeds Rs. 100 Crore.

(9) INVESTMENT INCENTIVES TO AGRO & FOOD PROCESSING INDUSTRIES :-

- (9.1) Under this policy industries included in Appendix – 1, (List of Ineligible Industries) shall not be eligible for any subsidy, exemption and concessions, notified under this policy.
- (9.2) Investment promotion under this policy shall be applicable in the following cases:-
 - (1) Establishment of new industries,
 - (2) Expansion of the existing industries.
- (9.3) Under “Agro & Food Processing Industries Policy – 2012 ” those industries shall be included, which will establish new industries (excluding Appendix – 1) in Food and Agro products / have expansion under expansion scheme and for this, will invest minimum of Rs. 1.00 (One) Crore in fixed capital investment in the plant & machinery head.

(9.4) Subsidy, Exemption and Concessions –

To these industries, in addition to facilities declared by Government of India, additional special facilities, as shown in the table, shall be provided :-

S.No.	Subsidy/ Exemption	Brief Details / Period / Quantum
1	Reimbursement Concession in Value Added Tax and Central Sales Tax	<p>Maximum limit is 150 % of the fixed capital investment, up to maximum period of 10 years, whichever will be completed earlier.</p> <p>This exemption shall be equal to the amount of Value Added Tax and Central Sales Tax Act paid in connection with the sale of goods produced by the food processing units. This exemption will be in the form of capital incentive assistance.</p> <p>The unit will have option that they should get this “Incentive Assistance” under this policy or avail benefit of fixed capital investment subsidy applicable under Industrial Policy of the State Government, in force at that time.</p> <p>Calculation of assistance amount will be done on the basis of Value added Tax payable on sale and Central Sales Tax payable on the interstate sale.</p>
2	Entry Tax	100% exemptions for the period of 7- years from the date of commencement of commercial production.
3	Electrical Duty exemption	100% exemption for the period of 10 years from the date of commencement of commercial production
4	Mandi Tax exemption	Total exemption of Mandi tax leviable on the agro products (excluding ineligible industries shown in Appendix -1) shall be granted to the Agro & Food Products Processing units from the date of first purchase of raw materials from the Mandies of the State for the period of five years, maximum limit of the exemption will be equal to 75 percent of the fixed Capital investment of the processing unit

5	Facility on Contract Farming	Provisions of the Chhatt isgarh Krishi Upaj Mandi Act – 1972 are applicable in the State. Under relevant provisions of this Mandi, along with The Seller (Producer) and The Buyer, will execute tripartite agreement and through this ‘contract farming’ will be carried out and interest of both the parties will be safeguarded.
6	Single License System	On the basis of single license, Sale – Purchase could be done in the notified Krishi Upaj Mandies in whole state.
7	Schemes conducted by the Agriculture department	Benefits of the schemes will be provided to the producing farmers connected with the processing units. Electricity lines extension subsidy, subsidy on tube well, subsidy on pump transfer, exemption in electrical duty, loan facility on concessional rate shall be available to the producing farmers.
8	Facilities in accordance with N.H.M, R.K.V.Y. etc.	Benefits of the necessary facilities for the infrastructure to the processors in accordance with the provisions under N.H.M, R.K.V.Y. will be given such as Cold storage chain, Packaging house, Net shed, Green house, Ripening chamber etc.
9	In addition to the above subsidy, exemption & concessions mentioned in “Agro & Food Processing Industries Policy – 2012”, eligibility of the other subsidies, exemption and concessions , in accordance with the Industrial Policy of the State, as applicable from time to time, will be available as per rules , such as – Interest subsidy, Exemption / concession in the land -premium on land allotment in Industrial areas, Stamp fee exemption, Project report subsidy, Quality certification subsidy, Technical patent subsidy, Margin money subsidy for scheduled cast/scheduled tribe and Industries prize scheme .	

Notes :

(1) It is clarified that such subsidy, exemption and concession, which are declared by both Governments i.e.- Government of India & Government of Chhattisgarh, the option will be available to the unit to take the benefit from any one source only.

(2) If the unit does not take effective steps, to establish the unit within the period of three years, the stamp duty exemption may be cancelled.

(9.5) At present, Industrial Policy 2009-14 is in force in the state, under which the Agro & Food processing units which commence commercial production till October 2014, will get Industrial investment incentives at the rates and within maximum limits prescribed for priority sector Industries in Industrial Policy 2009-14.

(10) Under this policy notifications will be issued to give benefits of subsidies / exemptions / concessions for Industrial investment incentives, to eligible units, and administrative instructions will also be issued under relevant laws.

(11) Under this policy, the State Government will have the rights to review the provisions of this policy from time to time, in view of the development of Agro & Food Processing Industries in the State and to take lawful action for inclusion of new provisions therein or for amendments.

By the order and in the name of
Governor of Chhattisgarh,

-sd-

(Dinesh Shrivastava)

Secretary,

Government of Chhattisgarh,
Department of Commerce and Industries

List of Ineligible Industries

1. Rice Mills,
2. Paddy par-boiling and cleaning,
3. Poha and Murmura,
4. Huller Mill,
5. Pan Masala, Betel nuts, Tobacco, Gutkha making,
6. Mineral Water,
7. All types of Soft Drinks,
8. Alcoholic Drink,
9. Public Sector Undertakings of Government of India and any State Government,
10. Such other industries as notified by the State Government from time to time.

-sd-

(Dinesh Shrivastava)

Secretary,

Government of Chhattisgarh,

Department of Commerce and Industries