


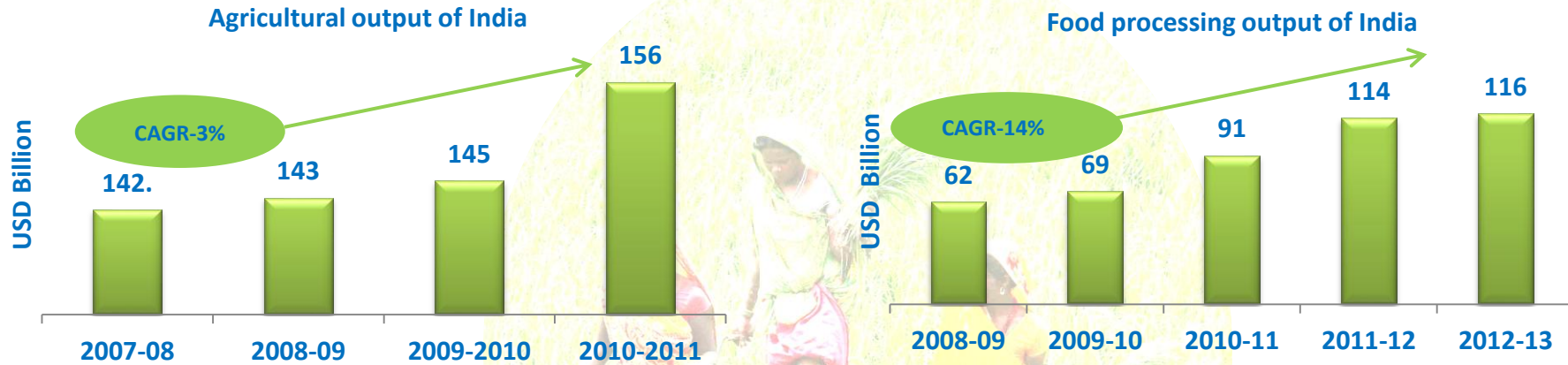


Agro and Food Processing SECTOR PROFILE

AGENDA

-  Agro and Food Processing : Indian Scenario
-  Agro and Food Processing : Tamil Nadu Scenario
-  Investment Opportunities

Agro and Food Processing : Indian Scenario



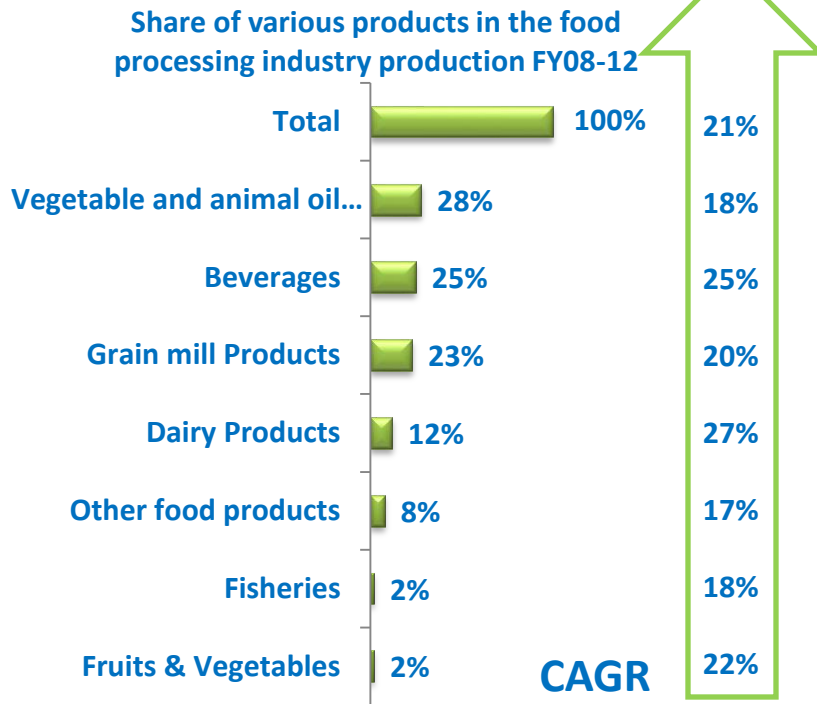
- ✎ World's 2nd largest producer of food products
- ✎ Ranks 2nd in Fruits and Vegetables
- ✎ Ranks 3rd in Food grains
- ✎ Agriculture sector contributes 18% of the Indian GDP
- ✎ Employs ~ 50 million directly and indirectly.
- ✎ Contributes 14% of the manufacturing GDP of India
- ✎ Expected to grow to USD 175 billion by 2025

Indian output has a strong presence across all the agro commodities and a growing food processing sector

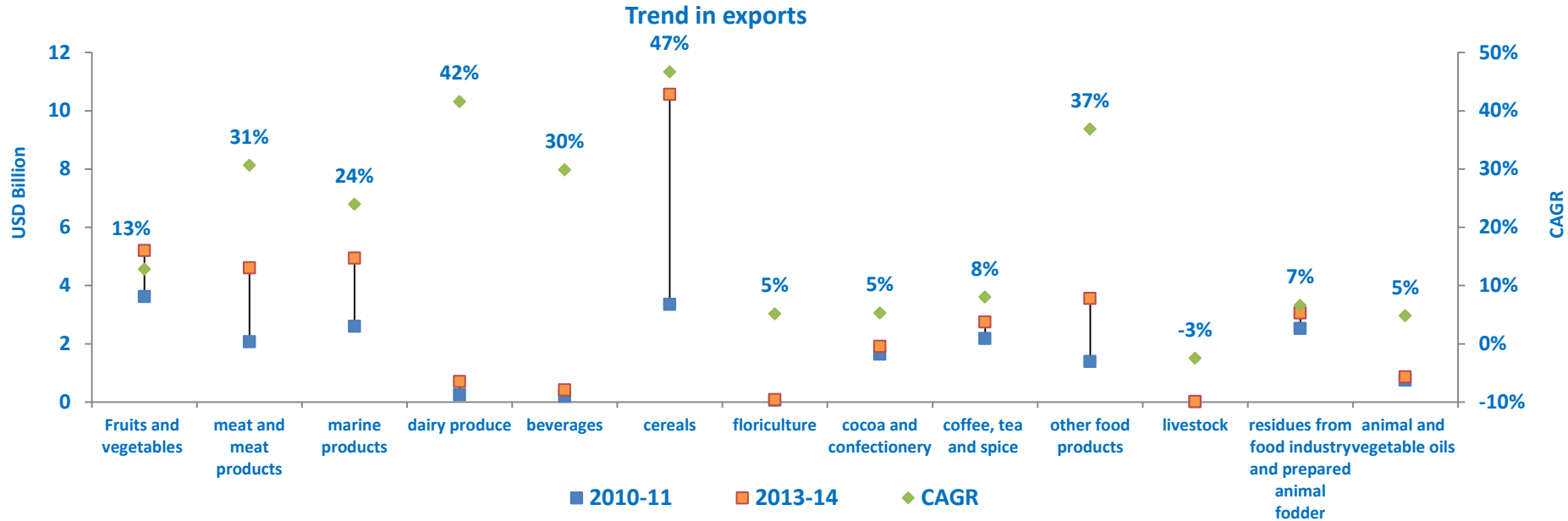
Agro Presence

Agro products	India's rank in world production	India's % share in world production
Fruits	2	12.6%
Vegetables	2	14%
Milk	1	17.2%
Fish	2	5.4%
Wheat	2	11.4%
Rice	2	21.4%
Tea	1	28.3%
Jute	1	52.5%
Pulses	1	26%
Groundnut	1	28.6%
Sugarcane	2	22.6%

Agro Presence



Exports of agro and food products has been consistently growing in India



Dairy produce and cereals have a high export growth potential with a CAGR of 42% and 47% each.



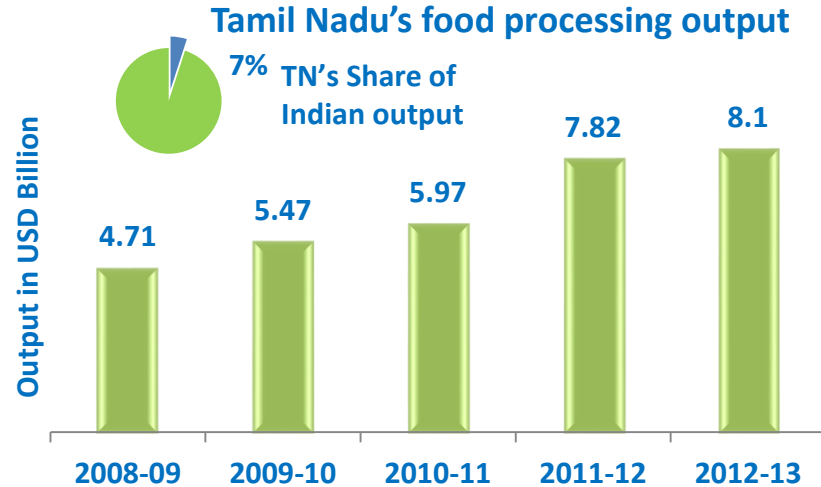
The major destinations are Saudi Arabia, Bangladesh, UAE, Egypt, Nepal, Singapore and Pakistan



Other high growth commodities are meat and meat products, beverages, fruits and vegetables

Agro and Food Processing : Tamil Nadu Scenario

Tamil Nadu is a strong player in agro food processing industry



Food processing in Tamil Nadu has grown at a CAGR of 14% from FY09-FY13

Agricultural output has grown at CAGR of 5% as compared to the CAGR of 3% of the Indian agricultural sector from 2008-12.



#2 largest producer of poultry and dairy products in India



#1 producer of banana in the country



#3 largest producer of tea and coffee in the country

Tamil Nadu's Competitive Advantage

Tamil Nadu has diverse soil and climatic conditions across 7 agro climatic zones which provides ample opportunity to grow a variety of horticulture crops.

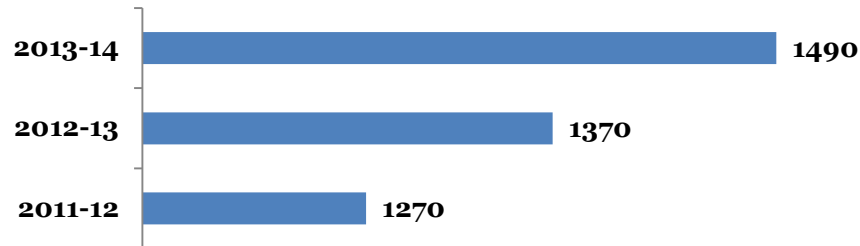
Climatic Zones	Districts	Suitable Crops
North-eastern Zone	Kancheepuram, Thiruvallur, Vellore, Thiruvannamalai, Villupuram and Cuddalore	Rice, Shorghum, Pearl millet, Finger millet, Redgram, Sugarcane, Groundnut, Gingelly.
Cauvery Delta Zone	Trichy, Thanjavur, Thiruvarur and Nagapattinam, Karur, Pudukottai, Ariyalur and Cuddalore	Rice, Maize, Chola, Cumbu, Ragi, Blackgram, greengram, Groundnut, Coconut, Gingelly, castor.
Southern Zone	Theni, Madurai, Pudukkottai, Ramnad, Sivaganga, Viruthunagar, Thirunelveli, Tuticorin and Ramanathapuram	Rice, Maize, Chola, Cumbu, Ragi, Blackgram, greengram, Groundnut, Cotton, Fodder crops, Gingelly, castor.
North-western Zone	Dharmapuri, Krishnagiri, Salem and Namakkal	Sorghum, rice, Groundnut, Finger millet, Horse gram, Little millet, Tapioca, Cotton, Sugarcane, Cotton, Gingelly, Kodomillet, Vegetables, Mango, Tobacco, Chillies, Banana, Pulses.
Western Zone	Erode, Coimbatore, Karur, Dindigul, Tiruppur, Theni, Namakkal, Perambalur and Ariyalur	Sorghum, groundnut, Rice, Pulses, Millets, Cumbu, Sugarcane, Cotton, Ragi, Blackgram, Greengram, Gingelly, Sunflower, Redgram, Turmeric, Maize, Banana, Castor, Onion, Tobacco, Vegetables, Spices & Plantation crops, Tuber crops, Flower & others.
High Rainfall Zone	Kanyakumari District	Rice, banana, Mango, Jackfruit Tapioca, Cashewnut, Coconut, Tamarind, Palm, Clove, Vegetables.
High Altitude	Nilgiris & Kodaikanal (Dindigul District)	Wheat, Garlic, Lime, Lemon, Pomegranate, Beans Chowchow, Cotton, Pineapple, Pepper, Cardamom, Coffee, Potato, Banana, Mandarin, Orange, Pear

*Only partial zones in some District

The State is also among the top producers in a variety of fruits and Vegetables in the Country

Products	Ranking of Tamil Nadu at All India Level Production	Units of Production (2012-13)
Bananas	1 st	47.75LMT
Fruits	4 th	4.83 MMT
Sugarcane	4 th	317.60 LMT.
Rice	9 th	40.49 LMT
Turmeric	2 nd	1.90 LMT
Spices	6 th	0.85 MMT
Tea	3 rd	174.7 MMT
Coffee	3 rd	18775 MT
Loose Flowers	1 st	2.61 LMT
Vegetables	9 th	6.15 MMT

Exports of Agricultural & Processed Foods in USD million

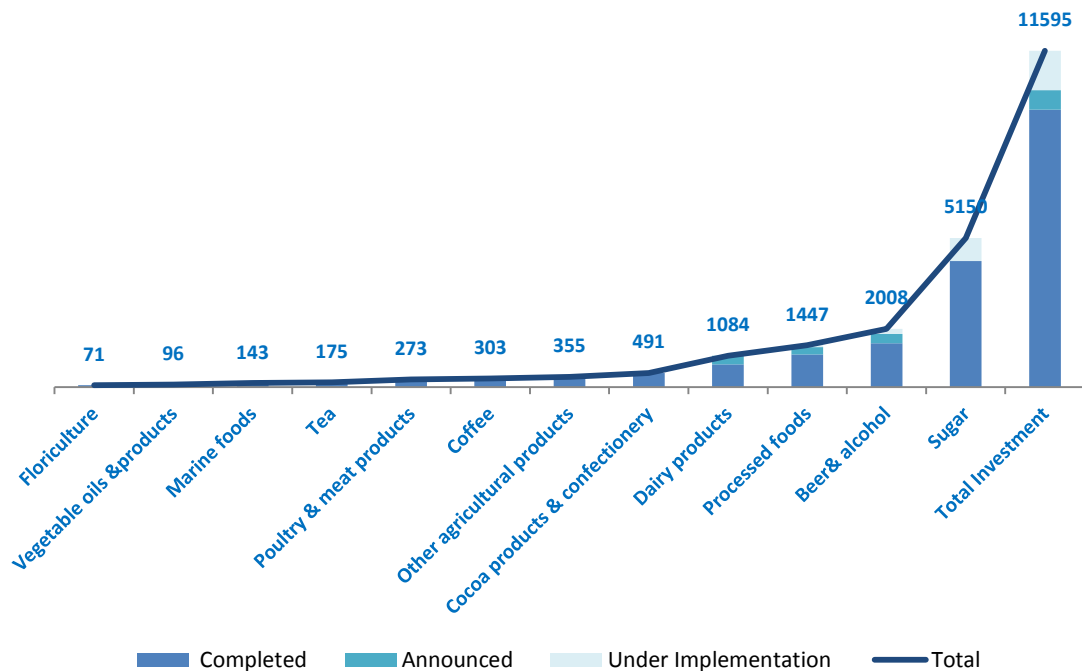


Seafood and Spices are among the major agricultural export items of Tamil Nadu

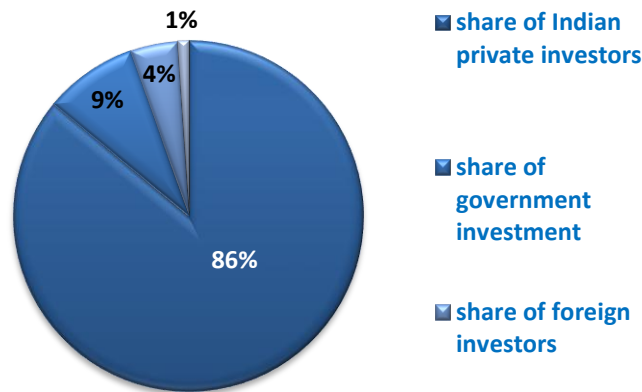
Commodity	Export Destination s
Non-Basmati Rice	UAE, South Africa, USA, Malaysia
Maize	Malaysia & Gulf
Groundnut (Processed)	USA, UK , Germany
Sesame (Processed)	USA , UK , Canada
Small Onion	South East Asian Countries and Gulf Countries
Red Chillies	South East Asian Countries and Gulf Countries
Turmeric	USA, Europe , Japan
Moringa	Qatar, Oman , Malaysia, UAE
Tea	Russia, Dubai , Saudi , US
Mango	UAE, UK , South Africa
Mango Pulp	USA, UK , Gulf Countries
Banana	UAE, South Africa, Kuwait , Iran
Roses	UK, Germany , Netherlands
Orchids	UK, Germany , Netherlands

Investment in food processing industry in Tamil Nadu

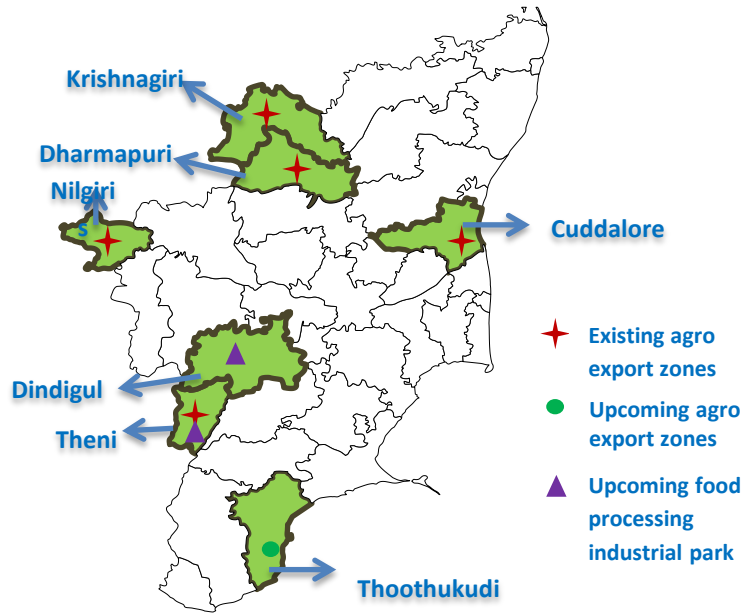
Product-wise investment (USD Million)



% share of investments by private and government sectors



Existing and upcoming industrial infrastructure



74.66 Acres of Land is available as on 28.02.2015 for allotment in DTA (Domestic Tariff Area)

New industrial parks for Food Processing Industries at Dindigul, Theni, Virudhunagar Districts with common facilities like cold storage and warehouse

Marine based industries at Thoothukudi and Kanyakumari

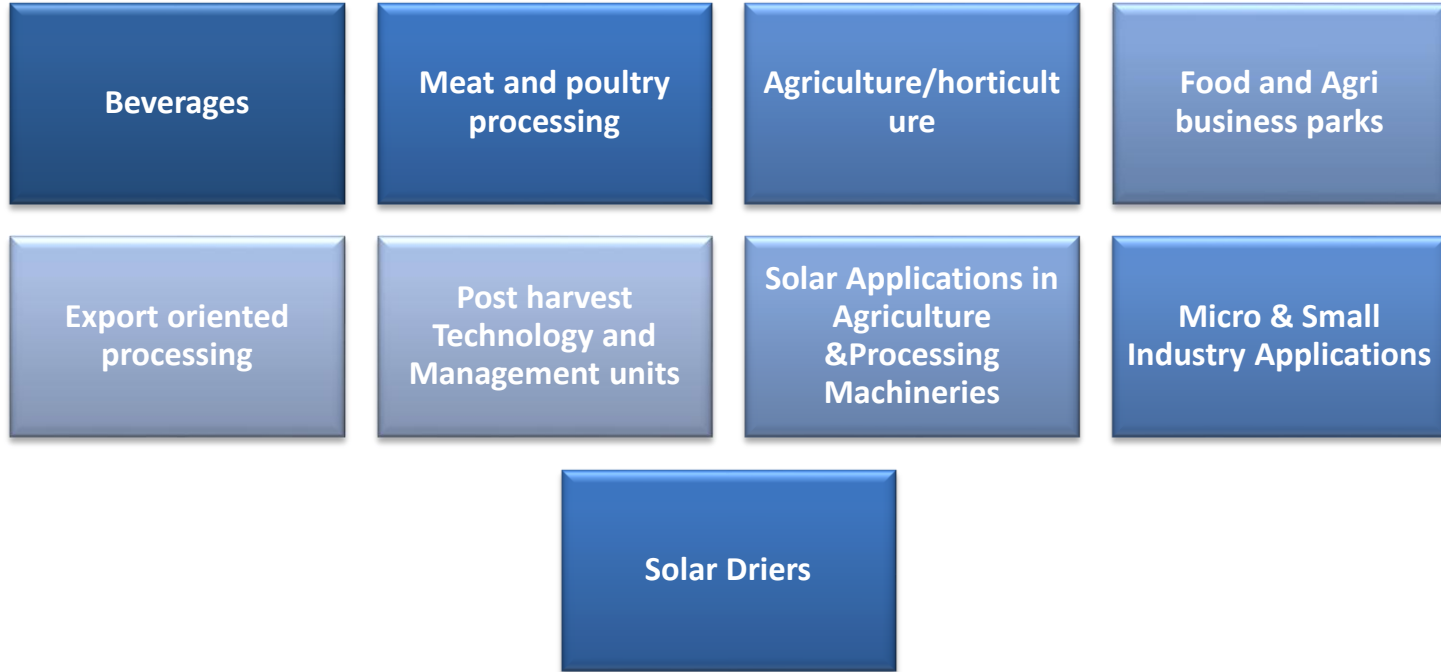
Ministry of Food Processing Industries has so far sanctioned three cold-chain projects.

Upcoming Pearl City Food port SEZ near Tuticorin.

Major Players in Tamil Nadu



Opportunities for Investment in Tamil Nadu



Government Support

Food processing policy initiatives in Tamil Nadu

- ✦ *No industrial license* is required for almost all food processing industries with the exception of some items.
- ✦ *Automatic investment approval up to 51%* foreign equity is allowed for most of food processing sector, except few items.
- ✦ Up to a maximum of *24% foreign equity is allowed in SSI sector.* MRTP (Monopolies & Restrictive Trade Practices Act) rules and FERA (Foreign Exchange Regulation Act) regulations have been relaxed to encourage investment and expansion by large corporates.
- ✦ Most of the items *can be freely imported and exported*
- ✦ *Capital goods are also freely importable*, including second hand ones in the food processing sector.
- ✦ *Free trade zones (FTZ) and export processing zones (EPZ)* have been set up with all infrastructure. Also, setting up of 100% Export oriented units (EOU) is encouraged in other areas.
- ✦ Capital goods, including spares up to 20% of the Cost Insurance and Freight (CIF) value of the Capital goods may be imported at a *concessional rate of Customs duty.* Export linked duty free imports are also allowed.
- ✦ Units in EPZ/FTZ and 100% Export oriented units can *retain 50% of foreign exchange receipts* in foreign currency accounts.
- ✦ *All profits from export sales are completely free from corporate taxes.* Profits from such exports are also exempt from Minimum Alternate Tax (MAT).



Additional Chief Secretary - Government of Tamil Nadu

Industries Department

Phone: 91-44-25671383 Fax: 91-44-25670822

Email: indsec@tn.gov.in, jsindgim@tn.gov.in

Nodal agency

Tamil Nadu Industrial Guidance and Export Promotion Bureau

19-A, Rukmini Lakshmipathy Road,

Egmore, Chennai-600 008

Phone: 91-44-2855 3118

Email: directorguidance@gmail.com

Visit us at www.tamilnadugim.com