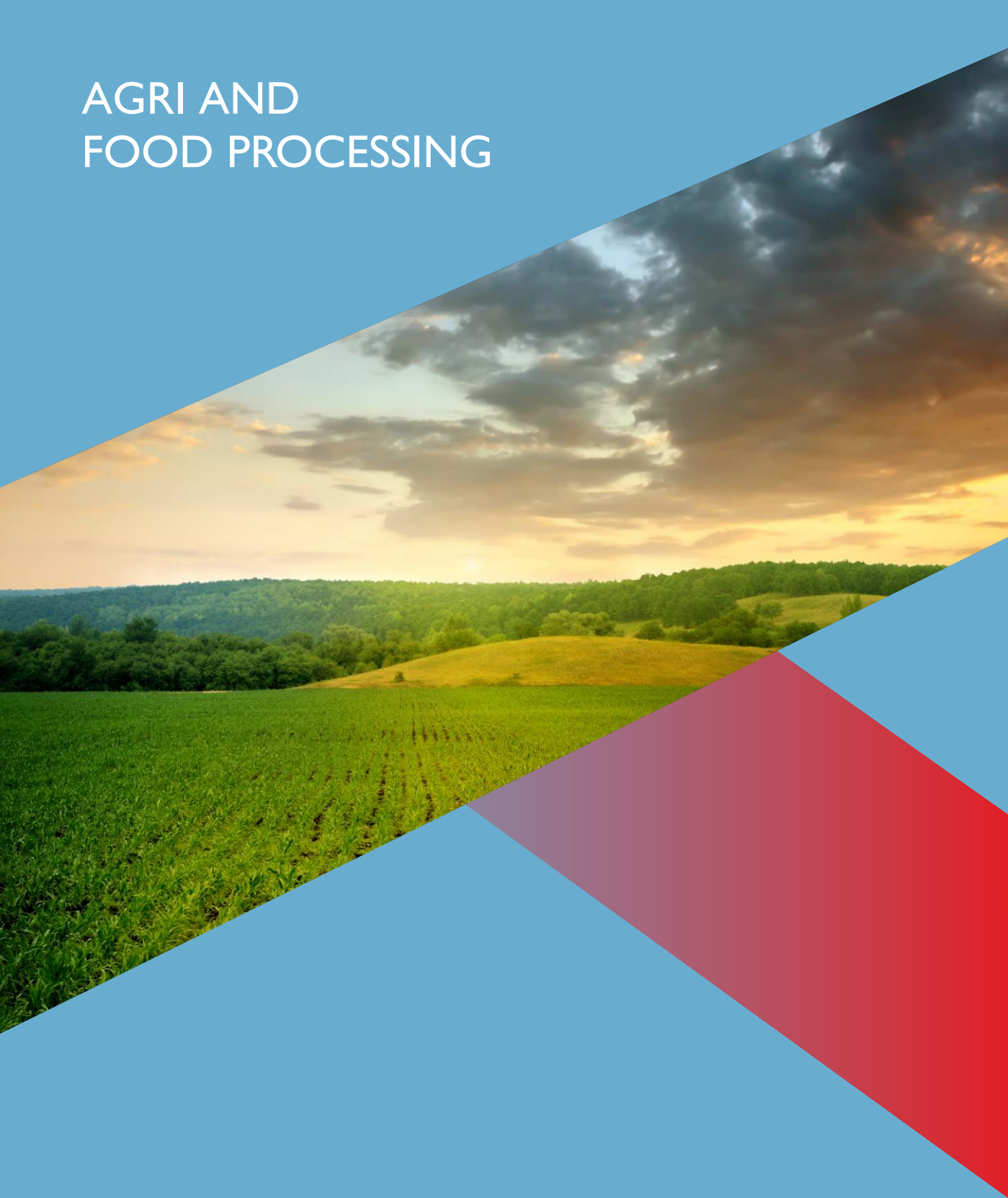


AGRI AND FOOD PROCESSING





SUB SECTOR-WISE SNAPSHOT

Agriculture

- Pioneer in Organic Agriculture.
- First State in the Country to bring out separate policy on Organic Farming.
- Every Agricultural University in the state has a separate Organic Farming Research Institute.
- One of the highest food grain producing States.
- One of the largest producers of coarse cereal, sunflower and Areca Nut.
- Recognized under the Group I States in the Krishi Karman Awards.
- Recipient of many domestic and international awards for Productivity, Quality and Excellence in Oil Seed production.
- The State, with more than 2 million MT warehousing and more than 3,00,000 MT cold. storage capacity, offers quality infrastructure for warehousing requirements of farmers.

AREA AND PRODUCTION OF MAJOR CROPS IN THE STATE

Crop/Group	2015 -16*		2014 -15**		Average growth over previous year (%)	
	Area	Production	Area	Production	Area	Production
Cereals	45.58	97.50	48.73	112.32	-0.06	-0.13
Pulses	29.92	12.50	23.16	13.90	0.29	-0.10
Total food grains	75.50	110.00	71.89	126.22	0.05	-0.13
Oilseeds	13.54	9.60	13.73	9.59	-0.01	0.00
Cotton #	6.13	14.04	8.75	23.11	-0.30	-0.39
Sugarcane>	6.34	405.00	6.91	437.76	-0.08	-0.07
Tobacco	0.99	0.82	0.94	0.67	0.05	0.22

#Lakh bales of 170Kg.lint, **Final Estimates of DE&S, * Revised Advance Estimates of Agriculture Dept.
Area in lakh hectares / Production in lakh tonnes

Source - Economic Survey 2015-16



Horticulture

- Contributes 40% share to the economy of agriculture and allied sectors in the state.
- Horticulture produces contributes 5.74% to the State GDP.
- Average productivity of Horticultural crops in the state is 8.46 Metric Tons per Hectare.
- Annual value of Horticultural produce in the state is Rs.35,307 crores.
- In many dry regions of the State, Horticultural crops have evolved as an alternative crop to agricultural crops.

Source - Economic Survey 2015-16

Floriculture

- Second highest producer of flowers in the country.
- Leader in floriculture, accounting for 75% of India's total flower production.
- The state has the highest area under modern cut flowers, and 40 flower growing and exporting units.
- International Flower Auction Bangalore (IFAB) Limited is a joint venture company of public and private shareholders and is the first International Flower Auction Company in Asia.
- At present daily average volume of flowers auctioned in IFAB has gone up from 20,000 to 1,00,000.
- World class cold storage infrastructure available at Kempegowda International Airport, Bengaluru has resulted in boosting of the floriculture sector.

Karnataka Animal Husbandry & Dairy

- During the last four decades of Cooperative Dairy Development by KMF, the dairy industry in Karnataka has progressed from a situation of milk-scarcity to that of milk-surplus.
- State has a well established Animal Husbandry industry.
- Leader in the country in the sale of Tetra-fino UHT milk.
- Karnataka Milk Federation (KMF) is the second largest milk producing and largest curd producing cooperative in India.
- KMF also has the distinction of being first-ever World Bank funded Dairy Development Program in the country.
- 97% of the Dairy Cooperative Societies (DCS) are profit making.



Fisheries

- Karnataka produces nearly 5 Lakh Tones of fish annually.
- Major varieties include Marine Fish, Oil Sardine, Indian Mackerel, Threadfin breams, Squids, Ribbon fishes, Scads – Decapterids, Other Sardines.
- Fisheries in Karnataka is a high growth sector with production and export growing at 24% and 30% CAGR respectively, in 2010-15

Length of Coastline	320 Km
Continental Shelf Area	27000 Sq. Km
Brackish Water Area	8000 Hectare
Fish Production in 2015-16	4.32 lakh metric tons

Excellent fisheries infrastructure available

MARINE	FARMS (INLAND)	FISHERIES COOPERATIVE SOCIETIES:	COLD STORAGES:
HARBOURS: 8	PRODUCTION: 27	346 (INLAND) , 109 (MARINE)	24(INLAND), 29 (MARINE)
JETTIES AND BEACHLANDING CENTRES: 88	REARING:28	FEDERATION: 1 (INLAND), 2 (MARINE)	ICE PLANTS: 67 (INLAND) 186 (MARINE)
SHRIMP HATCHERY: 5	TALUK LEVEL NURSERY:72		FROZEN STORAGE: 1 (INLAND), 14 (MARINE)
			TRAINING CENTRES: 4 (INLAND)

Source: Department of Fisheries



WHY AGRI & FOOD PROCESSING, KARNATAKA?

- Favoured destination for Agri-business and Food Processing industry with abundant raw material base, skilled workforce, strong supporting ecosystem, and an industry friendly policy environment.
- Home to 10 Agro-climatic zones on the basis of soil structure, topography, vegetation, elevation and rainfall which supports a wide variety of crops.
- Karnataka is the largest producer of coffee in the country, contributing 70% to national production.
- Largest producer of Silk in the country accounting for 35% of the Silk production in the country containing 49 Silk Farms and 92 Silk cooperatives.
- Only producer of Rose Onions in the country, which are exported to Malaysia, Singapore, Indonesia, Brunei, Bahrain, and UAE.
- Karnataka is among the top producers of pomegranate, grapes, mango, lime/lemon and orange creating opportunities for manufacturing products like juice, pulp, squash and jams
- Surplus supply of milk in the State, creating opportunities for production of cheese, butter, ghee, yogurt and a large varieties of value added products
- Home to many award winning (Decanter World Wine Awards) and enticing wines like KRSMA and Grover Zampa.
- Karnataka is the R&D hub of the country with presence of 5 national level R&D institutes in Agriculture and Horticulture.





INVESTMENT OPPORTUNITIES

PPP PROJECTS IN LOGISTICS INFRASTRUCTURE

- Operation & Management of 1 million MT installed capacity of State warehouses
- PPP for combined 150 MW capacity for solar roof tops at warehouses
- PPP for Integrated Horticulture Development (PPP-IHD) along with Farmer Producer Organizations
- Development of agri-logistics hub with total investment requirement of INR 712 Crore

DEVELOPMENT OF DEDICATED PRODUCT FOOD PARKS

- Sea Food Park near Mangaluru is in the conceptualization stage
- Rice Technology Park at Karatagi in Koppal district, over 315 acre land
- Maize Technology Park in Haveri district, over 60 acre land
- Spice Technology Park in Haveri district, over 100 acre land

OPPORTUNITIES IN DAIRY SECTOR

- INR 1,880 Crore dairy projects in various districts under KMF and other Cooperatives
- Many projects in the pipeline including fully automatic liquid milk plants, automated milk conversion plants, fully automated UHT Plant, UHT in flexi pack facility

DEVELOPMENT AND MARKETING OF PROCESSED FOOD PRODUCTS

- Startup policy supports use of food processing technology and abundant raw material base in the State for development of processed food products for domestic and global markets
- Potential in production and marketing of organic rice, jowar, ragi, minor millets, tur, Bengal gram, green gram, groundnut, spices, sugarcane, cotton, coffee, mango, coconut and vegetables





INVESTMENT OPPORTUNITIES

Horticulture

- Farmers - Work in peer groups at specific location for specific crops and Co-operative response to new technologies
- Farmer Producer Organisation (FPO) – Create collection centre, cold storage facility, refrigerated transport facility, processing and value addition centres
- Department of Horticulture- Provide technical support to the growers in collaboration with suitable technical organizations
- Extend available subsidy linkage to farmers through FPO

Investment opportunities in infrastructure and Technology Adoption

- Production and marketing of farm productivity improvement machinery, grain and stock handling equipment
- Investment in Food Processing machinery development, Food Engineering, and Food Technology facilities
- Production and marketing of innovative farm technology including solar powered pumps, and drip irrigation systems
- R&D collaboration for new variety of products to meet the changing consumer demand and vast export market
- Technology collaboration in the areas of Organic Farming
- Development of Cold Chains including Storage and Reefer Trucks.

GOVERNMENT INITIATIVES

INVESTOR FRIENDLY 'KARNATAKA AGRI-BUSINESS AND FOOD PROCESSING POLICY 2015'

- Entire State defined as single zone for availing incentives
- Investment promotion subsidy @ 35% of fixed assets for MSME (capped at INR 65 lakh).
- Interest subsidy to micro enterprises @ 6% per annum for 7 years
- Subsidy for technology adoption from recognized national labs, 50% of the cost (max INR 1 lakh)
- Other incentives like exemption from Stamp duty, Entry tax, Electricity Tax, and reimbursement of Land Conversion Fee upto 100%
- First State to establish a unified, e-trading platform - Rashtriya e-Market Services Limited (ReMS) in 2014
- First State to introduce a Multi-Sector Startup Policy in 2015 which supports new product development in Agri-business and Food Processing
- 'Karnataka Wine Board' and 'Grape Processing and Wine Policy 2007' are the first of its kind in the country



AGRI & FOOD PROCESSING COMPANIES MAKING IN KARNATAKA

