



FOOD PROCESSING INDUSTRY POLICY OF UTTAR PRADESH-2012

MOST OF IIA RECOMMENDATION ACCEPTED – MORE ARE REQUIRED

IIA Members,

We are happy to inform you that most of the recommendations made by IIA for Food processing Policy of Uttar Pradesh 2012 have been accepted and provisions have been made in the draft prepared by the Government. Details are attached herewith for ready reference.

The draft of the Food processing Policy is going through the final touches, as such Government have approached IIA once again for final comments if any.

You are therefore requested to go through the attached file and give your suggestions other than what is already included in the attached file. **Suggestions are required urgently .**

Chetan D.Bhalla
Co-Chairman
Food Processing Industry Working Group



Indian Industries Association

IIA Bhawan, Vibhuti Khand Gomti Nagar Lucknow-226010
Ph: +91-522-2720090, +91-522-3248178 Fax: +91-522-2720097
Website : www.iaonline.in

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From: sushil chauhan [<mailto:upfpmission@gmail.com>]

Sent: Thursday, August 30, 2012 2:58 PM

To: iaa@iaonline.in;

Subject: food processing policy

respected sir,

Kindly refer a meeting under the chairmanship of Secretary horticulture and food processing regarding food processing policy finalization. it is requested please send us recommendation for further necessary action.

With regards,
Dr. S.K. Chauhan
Nodal Officer Food Processing Department.

IIA

Suggestion received for food processing Policy 2012 (Draft)

S.No.	IIA Suggestion for proposed Food Processing Industries Policy-2012. vide letter no.03/agr/10060 dted. 10.05.12	Status of incorporation in the draft policy	draft policy provision points
1	To promote direct farmer-processor linkages, the payment of Mandi Fee will be made optional – to be paid only by farmers who wish to use the Mandi facilities.	Provision made	3.3.3
2	INTEREST SUBSIDY: As the establishment of modern food processing industry is capital intensive Government can help to reduce the burden of interest by Back ended interest subsidy as follows : a. 6% per annum back ended interest subsidy for first 5 years, from commencement of operations. b. The aggregate interest subsidy MAY not exceed Rs.500 lacs. c. The interest subsidy shall be available on the funds borrowed from financial institutions/banks for capital investments only. No interest subsidy may be available towards working capital loan or any other loan, which is not of the nature of Term Loan • meant for acquiring capital assets. d. The interest subsidy will be released so long as the eligible unit continues timely repayment of the loan. State will consider provision for interest free loan for facilitating availability of working capital where cumulative capital investment during the policy period is Rs 1.00 crore or more.	Provision made	3.2, 3.3.4, 3.3.5,
3	Reimbursement of 50% capital investment on plant & machinery for captive power generation/Diesel generating set with no upper limit	This point is likely to be taken careof in proposed UP Industrial policy 2012 which will be also be adopted accordingly.	
4	To help Food Processing Industries to comply with national &International standards(in case of exports) on food, reimbursement of 50% capital investment with upper limit of 5.00 lacs on setting up / up-gradation of quality control / food testing laboratories should be given.	Provision made	3.3.8,3.3.9,3.3.10
5	Electricity duty will be exempted for 05 years	Provision made for 10 years	3.3.1
6	Certain identified sectors in the food processing industry will be treated as a seasonal industry and, hence, would be eligible for relief from payment of minimum charges of electricity during the closure period.		
7	Brand makeover of UP as a "Food Bowl to the World" . Promoting Heritage UP food products like Kebabs, Biryani's, Mango, Amla, Guava, Petha etc through Food Festival across the world.	Provision made	3.3.2
8	Food Processing Zones in each District of UP is a absolute necessarily considering UP's economy is agriculture based.	Provision made	2.1
9	Skill development is a major issue & problem in the entire Food supply chain from Rearing to Retailing (Farm to Fork). Incentive & Focus on developing skill & entrepreneurship for Agro & Food processing sector	Provision made	2.3
10	UP is biggest producer of rice in the country however rice millers are required to be provided better/equivalent facilities compared to other competing States. As such:- • The level of rice levy may be increased from 60% to 75% . • The level of damage on levy purchase may be allowed at the rate of 4% as in Punjab . • Food grain storage facility in the state should be utilized for storage of food grains produced in the state on the priority and food grains from outside the state should be stored only in case spare capacity is available. • Sowing of "Satha Paddy" may be banned as is done in Punjab and Uttarakhand because this variety requires much more water which is taken out from underground resulting in lowering the quality of main crops of "Paddy"		
11	Master Chefs, Cooks & Bawarchis be given Artisan Status, & annual award to honor them should be incorporated to give them respected feeling.	may be covered under HRD	2.3

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12	Food Street to be created as a tourism in all cities, Street Hawkers & small food shops & Dhabas to be given support & should also have social support like health & insurance as given to Artisan & Weavers through cards.	Provision made	3.2
13	Stamp duty and registration fee waiver in lease/sale/transfer of land for setting up Units	Provision made	3.1.3
14	The Food Parks sanctioned under Mega Food Park scheme of Government of India would be considered for Tailor-made benefits on case to case basis.	Provision made . This suggestion is covered under scheme of Mega food park & Cold chain development.	2.1
15	Giving all Animal Husbandry including Meat & Poultry & its complete supply chain from Rearing to Retailing (Farm to Fork) an Industry status with focused policy as per the Election Manifesto of Samajwadi Party. Meat is the single largest export product from UP	Provision made . This suggestion is covered under scheme of Mega food park & Cold chain development.	2.1
16	ASSISTANCE FOR PREPARATION OF PROJECT REPORT: The State Government should reimburse 50% cost of preparation of the project report to set up new agro industrial units subject to ceiling of Rs.7.5 lacs. Financial Assistance may be released after the Unit is set up and commences its operations.	Provision made	3.1.1,3.1.2
17	Grant will not be provided to any unit including its sister concerns beyond two times. However, for grain milling (rice, flour and pulses processing including oil milling sector), grant to any unit including its sister concerns would be limited to one time only including setting up/modernization/ expansion of project.	As per GOI directives.	
18	To provide access and exposure to new technologies, machinery, equipments and to promote marketing of U.P Food Processing Industries, a National level Agro & Food Processing Industry Exhibition will be organized every year at Lucknow as was started in 2004 and continued till 2008 involving Industry Associations. Exhibitors will be provided MDA in the form of reimbursement of space charges to the extent of 85%, 75%, 50% and 25% for Micro, Small, Medium & Large Units participating from U.P. and exhibitors from outside the state who will exhibit Technology, Machinery and equipments. Micro and Small Units of the state will also be reimbursed travel & transportation expenses to the extent of 50%.	Provision made under NMFP (Promotional activities)	