Message

Creating a favourable atmosphere for boosting establishment of industries in Uttar Pradesh is one of the foremost priorities of the State Government. The Government is focusing on this priority area and galvanizing the necessary works. In view of large scale production of cereals, fruits & vegetables, milk and meat in the state, the resultant value addition through Processing Industry provides a better alternative to the farmers.

Accordingly the 'Food Processing Industry Policy-2012' of state has been formulated. The new policy provides a variety of incentives and concessions to the investors for establishment of new units and also promotes development of related infrastructure. Provisions related to assistance for certification of products and market development are expected to improve the quality of processed products as per International Standards.

This initiative of the State Government will also go a long way in providing remunerative prices to the farmers for their produce.

I am confident that the policy document which is in your hands will prove to be an instrument of transformation of the food processing sector in the state, promoting all round development.

I invite the investors to come forward and make use of the various facilities and incentives.

(Akhilesh Yadav)
MESSAGE

Promotion of food processing sector is one of the priorities of our state. The establishment of food processing industries will help in value addition to the farmers' produce and will create new avenues of employment generation in the state. The diversity of raw materials in the state provides ample opportunities for promotion of this sector.

Food Processing Industry Policy-2012 has been formulated to attract entrepreneurs in this sector which has immense possibilities. The assistance provided under National Food Processing Mission and U.P. Infrastructure and Industrial Investment Policy-2012 has also been incorporated in the document. Provision for development of infrastructure facilities, promotion for establishment of food processing industries, extension, modernization and technical up gradation of existing industries, assistance for human resource development and other requisite rebates and concessions has been made in this policy. Interest subsidy, exemption from Mandi fee & Cess for export oriented units, assistance for patent and design registration, research and development and market development activities is being provided under this policy.

As and initiative of the state government, Food Processing Industry Policy-2012 is before you. Honorable Chief Minister, Government of Uttar Pradesh has been generous enough for providing much needed rebates and concessions for development of this sector, for which I express my gratitude.

I am hopeful that through this policy, food processing industries will come up in a big way in the state and in this direction, I wish to ensure the investors that they will get full cooperation from the government.

(Raj Kishore Singh)
MESSAGE

Uttar Pradesh is one of the major producers of cereals, horticultural crops, milk, livestock and meat in the country. All these sub sectors have ample scope of food processing. Establishment of food processing industry can significantly reduce the post harvest losses through value addition and optimum utilization of surplus production. Besides, the income of the farmers and employment opportunities in the state can be increased.

Uttar Pradesh Government has formulated the Food Processing Industry Policy - 2012 in consultation with all the stakeholders, taking into consideration their expectations and the need to promote an investor friendly atmosphere and attract investment in food processing sector. This policy contains different rebates and concessions which include interest subsidy, exemption from mandi fee & cess for export oriented units, assistance for patent and design registration, research and development and market development activities.

I firmly believe that entrepreneurs will get encouragement to invest in food processing sector in the state through this policy. Uttar Pradesh Government is committed to extend full cooperation and support to the entrepreneurs.
<table>
<thead>
<tr>
<th>Chapter</th>
<th>Subject</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td></td>
<td>5-6</td>
</tr>
<tr>
<td>Chapter-1</td>
<td>Vision, objective &amp; strategy</td>
<td>7-8</td>
</tr>
<tr>
<td>Chapter-2</td>
<td>Priority sectors</td>
<td>9-13</td>
</tr>
<tr>
<td>Chapter-3</td>
<td>Financial grants &amp; concessions</td>
<td>14-24</td>
</tr>
<tr>
<td>Chapter-4</td>
<td>Human resource development</td>
<td>25</td>
</tr>
<tr>
<td>Chapter-5</td>
<td>Research &amp; quality development</td>
<td>26</td>
</tr>
<tr>
<td>Chapter-6</td>
<td>Marketing</td>
<td>27-28</td>
</tr>
<tr>
<td>Chapter-7</td>
<td>Implementation &amp; monitoring of the policy</td>
<td>29-30</td>
</tr>
</tbody>
</table>
INTRODUCTION

1. Food processing industries contribute significantly to the economic and social development. Food processing industry acts as a bridge between the agriculture and allied sector, and the industry sector, the two most important spheres of human entrepreneurship. Production under the agriculture and allied sector of Uttar Pradesh, which includes food grains, horticultural crops, dairy and meat, occupies a prominent place in the country's gross production. About two-third of the population of Uttar Pradesh depends on agriculture and this sector contributes about 25-30 per cent to the state's domestic product.

2. The production and consumption of high value products of Indian groceries such as fruits, vegetables, milk, meat and other farm and perishable edibles is going up, whereas earlier it was confined to only food grains. A consistent growth has been noticed in the demand of processed products as a result of changing food habits due to rapid urbanization, population growth, smaller families, increase in family income and busy life styles.

3. Uttar Pradesh is brimming with exciting possibilities of developing the food processing sector, investing capital in this sector, generating employment and increasing income of all the stakeholders. Following are the key strengths existing in the state for establishing and developing food processing industries:

   (i) **Abundant availability of raw produce round the year from primary sector:** Raw produce is available in ample quantity in the state. These include wheat, paddy and maize under food grain crops, potato, mango, aonla, pea, tomato, creepers & other vegetables and mushrooms under the horticultural crops and milk, meat, eggs and honey under animal husbandry, poultry and fisheries sub sectors.

   Since most of this produce is perishable in nature, the expected losses can be brought down by processing the surplus produce through post-harvesting management. Local availability of raw material helps in saving the transportation cost and a better backward linkage is ensured. Not only this, it is also possible to substantially increase the availability of raw material of primary sector by suitably tapping the favourable agro-climatic conditions of the state.
(ii) **Availability of market:** There exists a market in the state itself with a population of about 20 crore. Following the rise in income levels, a section has emerged whose food habits have changed. This section is a major consumer of quality processed products which are hygienic, nutritional and safe from health point of view. There also exist the opportunities for marketing these products outside the state through export.

(iii) **Availability of human resource:** Unskilled, semi-skilled and skilled workers are available in the state at a relatively low cost. Keeping in view the specific needs of the industries, man power can be made available as per the increased demand of the food processing industries, by imparting suitable training to these workers.

(iv) **Low production cost:** Traditional production areas exist in the state for providing the raw material for food processing, thereby lending opportunities for making high quality products at a relatively low cost by establishing appropriate food processing units.

(v) A conducive atmosphere exists in the state for setting up of the food processing industries.

4. The state government is committed for ensuring maximum investment in industrial sector, paving the path of economic growth and making available opportunities of employment. For this purpose, the Uttar Pradesh Infrastructure and Industrial Investment Policy- 2012, has been promulgated. In this very context, the Uttar Pradesh Food Processing Industry Policy-2012 is being enunciated in order to underline the specific importance of food processing industries and provide due benefits to all the stakeholders.
CHAPTER 1
VISION, OBJECTIVE AND STRATEGY

The Food Processing Industry Policy - 2012 aims at creating a favourable atmosphere for setting up of food processing units in the state through creation of infrastructure facilities, encouragement to capital investment and technological up-gradation, human resource development, development of marketing network, research & development promotion, quality & certification and grants and concessions.

1. Vision
To ensure balanced economic development of the state and provide maximum benefit to all stakeholders by establishing Uttar Pradesh as a leading state in the food processing sector.

2. Objective
It is proposed to achieve the following goals under the Food Processing Industry Policy- 2012 during the 12th Five Year Plan:
1. To promote setting up of food processing industries in the state.
2. To ensure fair and remunerative price by the produce to the growers in the primary sector.
3. To reduce the post harvest losses of the raw produce grown in primary sector.
4. To ensure value addition to the price of raw produce of primary sector and make available to the consumers hygienically processed products of high nutritional value and quality.
5. To make available to the consumers a variety of processed products at competitive prices.
6. To ensure a fair return on the investments made by the investors in the food processing sector.
7. To generate new avenues of employment in the food processing sector.
8. To build capacities, increase the skill level of man power in this sector and also make available additionally required man power.

3. Strategy
- Development of infrastructure facilities.
- Creation of a favourable atmosphere for setting up of food processing industries.
- Capital investment promotion.
• Promotion of technology up-gradation.
• Financial grants-in-aid and concessions.
• Market development and export promotion.
• Human resource development.
• Other promotional facilities.
• Keeping in view the vast scope of the food processing industries, constitution of a 'Project Facilitation & Monitoring Centre' (P.F.M.C.) at the headquarters to make available necessary managerial and technical skills to new entrepreneurs, facilitate and monitor projects.
• To prepare a Vision Document for the integrated development of the Food Processing Sector.

4. **Duration**
   This policy will remain operative till the end of the 12th Five Year Plan period (i.e. up to March 31, 2017).

5. **Following industries will be part of the food processing industries**
   (i) Processing of fruits and vegetables, flowers, spices, honey, medicinal & aromatic crops and mushrooms.
   (ii) Food grain milling processing (food grains, pulses and oilseeds).
   (iii) Processing of some other agri-produce such as milk powder, baby milk food, malted milk food, condensed milk, ghee and other dairy products, poultry & eggs and meat & meat products.
   (iv) Fish processing.
   (v) Processing of bread loaves, oilseeds, meals (edibles), breakfast cereals, sweets (including coco processing and chocolate products), malted extracts, protein isolates, higher protein food, weaning food and extracted food products.
   (vi) Beer.
   (vii) Non-molasses based alcoholic drinks.
   (viii) Aerated water/cold drinks.
   (ix) Specialized packaging for food processing industries.
CHAPTER 2

PRIORITY SECTORS

2.1 Development of Infrastructure Facilities

It is very important that quality infrastructure facilities are available for development of food processing industries in the state. This would facilitate setting up and running of the industries without any interruption at a low cost. These facilities would help not only in promoting trade and industrial activities, but also boosting the possibilities of healthy competition, attracting capital investment, generating employment opportunities and developing the social framework in the state.

Proposed provisions for development of infrastructure facilities in the Uttar Pradesh Infrastructure and Industrial Investment Policy-2012

The provisions for infrastructure facilities to the food processing industries include availability of land, roads, rails, air transportation, gas pipeline, energy, water supply & drainage, telecommunication, national investment & construction zones, special economic zones, special zones and special industrial parks, industrial complex development, commercial resources and medical facilities to workers.

Identification of Food Processing Zones

Food Processing Zones will be identified on the basis of availability and suitability of local raw material for setting up of food processing industries in different districts of the state. Food processing units in these zones will be strengthened through various schemes being implemented by the central and state governments. Priority will be accorded to the setting up of the suitable food processing units in these zones. The setting up of Food Parks, Mega Food Parks and Centres of Excellence will also be encouraged in these zones.

Development of Mega Food Parks & Cold Chain Facility

Thrust will be given on setting up of infrastructure facilities based on Mega Food
Parks and Cold Chain, financially assisted by the Ministry of Food Processing, Government of India in the suitable regions of the state.

2.2 To make available conducive atmosphere for setting up food processing industry

(1) The state government will make sincere efforts to meet the basic requirements of the entrepreneurs for setting up of food processing industries in the state. A conducive atmosphere will be generated for development of entrepreneurship in the state. Efforts will also be made to make available suitable areas as well as grants-in-aid and concessions admissible under the prevalent schemes and also under this policy to the investors promptly and in a time bound manner for setting up of food processing industries. Elaborate arrangements will be made for not only providing investment related information to the investors, but also for addressing their queries for attracting new investments.

(2) Rules and procedures have been simplified under the Uttar Pradesh Infrastructure and Industrial Investment Policy-2012. Under this simplification, it has been provided that the provisions related to labour, energy, environment, trade tax, agriculture marketing and agriculture foreign trade and other departments will also be applicable to the food processing units to be set up in the state. The provision mentioned in the Uttar Pradesh Infrastructure and Industrial Investment Policy-2012 with regard to industrial safety and investment assistance dispensation will also be admissible to the food processing industries.

(3) For prompt disposal of the problems facing the entrepreneurs, the offices of the Food Processing Department at Divisional level - those of Principal, Government Food Science Training Centre/Food Processing Officer will be strengthened locally.

(4) Under e-governance, computerization of the offices of Food Processing Department will be augmented so that information can be exchanged easily through internet and all information can be given to the entrepreneurs under one roof. These centers will act as a bridge for reinforcement of the backward and forward linkages. All these
offices will have facility of providing various information regarding the food processing sector.

(5) All the provisions regarding strengthening of Udyog Bandhu and its role mentioned in the Uttar Pradesh Infrastructure and Industrial Investment Policy- 2012 will also be equally applicable to the food processing industries of the state.

Simplification of Procedures

(1) A favourable atmosphere will be created for encouraging setting up of food processing industries in the state. Investors will be provided with investment related information for attracting investment and they will also be made conversant with various grants-in-aid and concessions admissible to them. Besides, elaborate arrangements will be made for disposal of their grievances. Benefits of the simplified rules and procedures as indicated in the Uttar Pradesh Infrastructure and Industrial Investment Policy- 2012 with regard to labour, energy, environment, trade tax, agriculture marketing and agriculture foreign trade and other departments will also be made available to the food processing industries.

(2) The facilities being made available under the policy will be integrated and implemented through the Food Processing Department, Uttar Pradesh and this will be obligatory for all concerning departments. The schemes related to various aspects of food processing and being implemented by different departments/institutions will also be integrated and implemented in coordination with Horticulture and Food Processing Department, Uttar Pradesh.

(3) The food processing department will evolve a single window system on the pattern of Udyog Bandhu for convenience of the investors. Besides, arrangements will also be made at divisional and district levels to give information to the investors regarding available facilities for setting up of food processing industries. At the same time, the food processing sector will also be included in the Single Window System set up under Udyog Bandhu.
2.3 Capital Investment Promotion

For setting up of the food processing industries, capital investment will be attracted through a package of grants-in-aid and concessions admissible under various schemes of the state and central governments and also under this policy.

2.4 Technology Up-gradation Promotion

The food processing industries already in existence in the state will be encouraged for technical modernization/up-gradation and expansion of available capacity through various schemes.

2.5 Financial Grants & Concessions

The state government will take appropriate steps including an array of concessions, financial assistance and grant for attracting investment towards food processing sector and sustaining growth of industries and competitive spirit. The Food Processing Industry Policy- 2012 incorporates provisions such as capital investment subsidy, interest subsidy, exemption from stamp duty, exemption from Mandi fee and development cess, exemption related to trade tax department, energy related financial provisions, research and quality development provision, quality certification provision, market development and brand promotion and human resource development. Details of concessions and grants proposed in these programmes have been given separately.

2.6 Market Development

The state government will take appropriate measures for promoting market development in food processing sector and sustaining growth of industries and competitive spirit amidst them. Farmers and entrepreneurs will be encouraged for ensuring remunerative prices of produce to the farmers as well as supply of quality produce to the processors. Marketing of perishable horticultural crops will be encouraged at the level of registered primary horticultural cooperative marketing
societies through UP State Horticultural Cooperative Marketing Federation (HOFED).

Under the food processing industry policy, an e-portal will be launched for backward-forward linkages, market development, global competition, quality and certification, e-governance and easy availability of information regarding food processing sector.

2.7 Human Resource Development

Specific training programmes based on employment oriented food processing activities will be conducted through the institutions of Government of India at the national/state level, agriculture universities etc. This training will be available to the personnel of state government as well as new entrepreneurs.

Availability of skilled human resource is emerging as a challenge so far as speedy growth of food processing and agriculture business is concerned. The state government will encourage introduction of study courses on food processing, packaging and agri-marketing in the universities of the state. Admissible financial assistance under the National Food Processing Mission will be provided to the technical institutions in private sector for setting up of the educational and training centre for food processing and agri-business.

2.8 Research and Quality Development

Assistance shall be provided to reputed public sector institutions in the state for research and development projects in food processing sector.
CHAPTER 3

FINANCIAL GRANTS & CONCESSIONS

3.1 Facilities being provided under the Food Processing Industry Policy-2012

The following concessions and subsidies will be available to the units set up under the Food Processing Industry Policy-2012:

3.2 Capital Investment Subsidy

(1) A subsidy amounting to 25 per cent of incurred expenditure on plant, machinery and technical civil works in respect of setting up, expansion and modernization / upgradation of the food processing units in the state will be provided under the National Food Processing Mission, subject to a maximum ceiling of Rs. 50 lakh.

(2) Creation of cold chain, value addition and processing infrastructure facilities:

A subsidy amounting to 50 per cent of the cost of plant, machinery and technical civil works for setting up of integrated cold chain and processing infrastructure in respect of non-horticultural produce will be provided under the National Food Processing Mission in order to create an integrated and complete cold chain and processing infrastructure right from the farm gate (producer) to consumer, subject to a maximum ceiling of Rs. 10 crore. Individual entrepreneurs, partnership firms, registered societies, cooperatives, companies and corporations will be considered eligible and they may avail financial assistance under the scheme.

3.3 Interest Subsidy:

(1) New food processing units set up in the state under the Uttar Pradesh Food Processing Industry Policy-2012 will be reimbursed the amount of interest accrued on the loan taken from banks/financial institutions for meeting the expenditure on plant, machinery and spare parts, at the rate of 7 per cent for a period of 5 years. Its maximum limit will be Rs. 50 lakh per year per unit.
(2) **Infrastructure interest subsidy scheme under the UP Infrastructure and Industrial Investment Policy-2012**

New industrial units set up in the state will be reimbursed the amount of interest accrued on the loan taken for development of infrastructure for their use such as road, sewerage, drainage, power line, transformer and power feeder, at the rate of 5 per cent for a maximum period of 5 years, subject to a maximum ceiling of Rs. 1 crore per unit.

### 3.4 Exemption from stamp duty

(1) As provided under the UP Infrastructure and Industrial Investment Policy-2012, new industrial units or units undertaking expansion and diversification will be given exemption from stamp duty in the following manner towards purchase or lease of land, shed or industrial tenement for the purpose from the state or central government or from any corporation, board, company, institution owned by these governments:

(a) **Units in the field of information technology, bio-technology, BPO Call centres, agro processing units, food processing units, food parks, solar energy and alternative energy in the state will be provided 100 per cent exemption from stamp duty.**

(b) **100 per cent exemption from the stamp duty will be provided to the private sector except under the public-private partnership (PPP), on purchase of land for the purpose of developing infrastructure facilities such as roads, bridges, over-bridges, wholesale market, transshipment centres, integrated transport and commercial centres, power generation, power transmission and distribution, water supply, water drainage, exhibition centres, warehouses, cold storages, airports, sewage treatment plants, solid waste management plants, railway commercial centres, cargo hubs, fire stations, gas booster and feeder stations, effluent treatment plants etc.**

(2) **On purchase of land from private sources, 100 per cent exemption from stamp duty**
will be extended to the units mentioned above in para (1).

(3) As provided in the UP Infrastructure and Industrial Investment Policy- 2012, the Developer of an industrial area or an industrial estate will be allowed to realize development cess for a period of 3 years from purchase of land and the Developer will be reimbursed at the rate of 25 per cent in respect of stamp duty provided that a minimum of 50 per cent land of the industrial area or industrial estate is sold out.

(4) As provided in the UP Infrastructure and Industrial Investment Policy- 2012, in such cases, wherein closed units are being attached and sold by PICUP, UPFC or a bank, stamp duty on sale price approved by the competent authority will be payable in place of circle rate.

(5) As provided in the UP Infrastructure and Industrial Investment Policy- 2012, if any parent company transfers land to its subsidiary company in which it is holding minimum 51 per cent shares, the subsidiary company will be reimbursed the amount of stamp duty, provided that it starts commercial production within three years.

3.5 Exemption from Mandi fees and development cess

(1) As provided in the UP Infrastructure and Industrial Investment Policy- 2012, exemption from Mandi fees on purchase of raw material to be consumed in the industry will be available for 05 years to new food processing units having capital investment of Rs. 5 crore or more in plant and machinery.

(2) Under UP Food Processing Industry Policy- 2012, exemption from Mandi fees and development cess will be available for 10 years to new food processing export oriented industries using perishable raw material, on the exported quantity.

3.6 Concessions relating to Trade Tax department

(1) As provided in UP Infrastructure and Industrial Investment Policy-2012, all new units to be set up in Poorvanchal, Madhyaanchal and Bundelkhand, having permanent capital investment of Rs. 5 crore or more as well as food processing units, livestock based units and units of information technology set up in any district of the state and
having permanent capital investment of Rs. 5 crore or more will be provided interest free loan, repayable after seven years from the date of the disbursement of loan, equivalent to the VAT and Central Sales Tax paid by them for ten years from the date of first sale or 10 percent per unit of the sales amount, whichever is less.

(2) As provided in the UP Infrastructure and Industrial Investment Policy- 2012, a scheme will be formulated to provide interest free loan equivalent to the amount paid as VAT and Central Sales Tax to units undertaking expansion under Investment Promotion Scheme as per the para 3.6 (1) given above.

(3) As provided in UP Infrastructure and Industrial Investment Policy- 2012, the raw material, processed material and packaging material used in manufacturing and packaging of processed products for sale, will be included in Schedule II Part (C) in the category of four percent payable tax and the Schedule will be accordingly expanded.

(4) As provided in the UP Infrastructure and Industrial Investment Policy- 2012, the facility of the refund/set off of input tax will be admissible to the manufacturers exporting outside India (in the course of export) through export house as per the provision of Sub Section (3) of the Section -5 of Central Sales Tax Act 1956.

(5) As provided in UP Infrastructure and Industrial Investment Policy- 2012, in the case of stock transfer out side the state, the deduction of input credit tax will be applicable at the rate of Central Sales Tax which is imposed as per form 'C' of Trade Tax for inter-state sales.

3.7 Financial provisions relating to energy for Food Processing Units

(1) As provided in the UP Infrastructure and Industrial Investment Policy- 2012, the concession in electricity duty for 10 years available at present for new units and 15 years for pioneer units will continue.

(2) As provided in the UP Infrastructure and Industrial Investment Policy- 2012, the power provided by captive power plant for self use will be exempted from the electricity duty.
3.8 Research and Quality Development Provisions

(1) Industrial Quality Development Subsidy Scheme as provided in UP Infrastructure and Industrial Investment Policy- 2012

The rate of interest payable on the loan taken for meeting expenditure on plant, machinery and equipment required for setting up of testing lab, quality certification lab and tool room by a group of industrial units or industrial organizations for the purpose of industrial research, product quality improvement and development will be reimbursed at the rate of 5 per cent for a period of 5 years, up a total limit of Rs 1 crore per lab/tool room.

(2) Under the U.P. Food Processing Industry Policy- 2012, the following facilities will be made available for research and development in the field of food processing:

2.1 Grant in aid for research and development projects - 100 percent subsidy towards the project cost subject to maximum of Rs 30 lakh per annum for a maximum period of three years will be provided to government institutions / universities/ public sector units.

(3) Under the U.P. Food Processing Industry Policy- 2012 the following facilities will be made available for development of protocol related to food processing in connection with the research and development works:

3.1 Grant in aid for protocol development project related to food processing - 100 percent cost of project subject to a maximum of Rs 10 lakh per annum for a maximum period of three years will be provided as subsidy to government institutions /universities/public sector units.

3.9 Provisions under the UP Food Processing Industry Policy- 2012 for promotion of Standardization

For the purpose of classification and standardization of products as per internationally accepted quality norms, environmental certification and accreditation such as ISO 14001/ISO 22000/ HACCP/ sanitary & phyto-sanitary certification, the state
government will provide 25 percent as fees reimbursement subject to maximum of Rs 0.50 lakh as a one time support. This facility will be admissible for such food processing units who have invested a minimum capital of Rs 25 lakh on plant, machinery and spare parts.

3.10 Provision for Patent / Design registration under the UP Food Processing Industry Policy, 2012

50 percent of the fees paid by units to the authorized organizations / institution subject to a maximum of Rs. 0.50 lakh will be reimbursed as subsidy as a one time support. This is subject to the restriction that the total amount of subsidy obtained from Government of India, State Government or other sources for the purpose will not be more than 50 percent of the total admissible cost. The proposed facility will be available only once. Also this facility will be available only to such units who have invested a minimum capital of Rs. 25 lakh on plant, machinery and spare parts.

3.11 Provisions for Market Development and Brand Promotion

The following concessions and subsidies will be available to new food processing units which have invested a minimum capital of Rs 25 lakh on plant, machinery and spare parts:

1. As provided in the UP Infrastructure and Industrial Investment Policy- 2012, a provision will be made for providing the facility of set off/refund tax to the manufacturers exporting products for sale through export house

2. As provided in the UP Infrastructure and Industrial Investment Policy- 2012, efforts will be made to set up maximum possible number of offices of export promotion societies of different industries in Uttar Pradesh

3. As provided in the UP Infrastructure and Industrial Investment Policy- 2012, the scheme of bearing 50 percent of transportation cost and rent of Fair area by the state Government in National and International Trade Fairs will continue and the rest 50 percent will be borne by the participating entrepreneur/unit.
(4) As provided in the UP Infrastructure and Industrial Investment Policy- 2012, due representation will be given to the bodies of the exporters in local and state level meetings.

(5) As provided in the UP Infrastructure and Industrial Investment Policy- 2012, small scale industries, which fulfill the prescribed eligibility, may be provided assistance for branding in order to make them viable. Such units may apply from the third year of production onwards and shall be entitled to a subsidy equivalent to 1% of the total marketed amount in that year subject to a maximum of Rs. 50000/-.

(6) The farmers will be provided maximum possible price of their produce through improvement of the marketing system, under the UP Food Processing Industry Policy- 2012. For this purpose, organized marketing system will be encouraged by strengthening the HOFED and affiliated cooperative institutions and direct contact will be established between consumers and farmers by organizing buyer seller meets and Fairs.

(7) Under the UP Food Processing Industry Policy- 2012, subsidy to the tune of 50 percent of the unit cost subject to a maximum of Rs. 50,000 per beneficiary will be provided for transport of samples of the processed food products for marketing in Non-SAARC countries. This subsidy will be admissible for one country and one sample only to a unit.

(8) With a view to promote the export of processed food products from the state to Non-SAARC countries, 25 percent of the actual transportation cost of the product up to the sea port/ airport subject to a maximum of Rs. 1 lakh per year will be provided for a period of three years to a beneficiary under the UP Food Processing Industry Policy-2012.

(9) With a view to promote the export of processed food products from the state to Non-SAARC countries, 20 percent of the F.O.B. price of the product subject to a maximum limit of Rs. 2 lakh per year will be provided for a maximum period of three years to a beneficiary under the UP Food Processing Industry Policy- 2012.
(10) Under the UP Food Processing Industry Policy- 2012, food safety standards will be extensively disseminated through publicity and awareness creation.

3.12 Provision of Human Resource Development

(1) Under the National Food Processing Mission, grant-in-aid up to Rs. 75 lakh may be provided towards expenditure incurred on infrastructural facilities such as modern library, pilot plant, laboratory and equipments, to the already established institutions/universities/state government/public enterprises/corporations/reputed voluntary organizations in the state for running degree/diploma/certificate courses in food processing. Land, Building, Staff and other facilities will be met by the institutions/promoters through their own resources.

(2) Under the National Food Processing Mission facility, subsidy will be made available for setting up of the Food Processing Training Centers (F.P.T.C) in the state, both Single Product Line as well as Multi Product Line. Grant of Rs. 4 lakh for machinery in addition to Rs. 2 lakh for seed capital/revolving fund for Single Product Line and Rs. 11 lakh for machinery in addition to Rs. 4 lakh for seed capital/revolving fund for Multi Product Line may be provided to the institutions/universities/state government/public enterprises/corporations/reputed voluntary organizations.

(3) Under the National Food Processing Mission, institutions of central or the state government; development and research institutions; universities Entrepreneurship Development Institution of India, Ahmadabad; professional organizations of entrepreneurship development, state level advisory organizations constituted by the state government, industrial organizations and reputed Non Government Organizations having competence of and experience in organizing such entrepreneurship development programmes, will be eligible for conducting entrepreneurship development programmes. For these programme subsidy of Rs 2 lakh per training programme will be provided in three installments.

(4) Under the National Food Processing Mission, specialized training on entrepreneurship development in the field of food processing will be provided at the
Central Food Technological Research Institute, Mysore, Defence Food Research Lab, Mysore and other reputed training institutions of state and Government of India. A grant of Rs. 1 lakh per training programme will be provided for a 10 day training programme for 20 new entrepreneurs/participants.

5. Under the National Food Processing Mission, one day awareness campaigns on food processing sector will be organized for progressive farmers / new entrepreneurs, on which a sum of Rs 20,000 per programme may be spent.

3.13 Promotional Facilities

1. With a view to encourage the food processing sector, seminars will be organized under the National Food Processing Mission, for which reputed industrial organizations/associations, state government/educational institutions, district level industrial organizations/private institutions and reputed Non Government Organizations having competence of and experience in organizing such programmes on food processing sector, will be eligible. For these programmes, grant of 50 percent subject to a maximum Rs. 3 lakh per programme may be made available in two installments.

2. Under the National Food Processing Mission, reputed industrial organizations / associations / FICCI / CIS / ASSOCHAM / P.H.D. Chamber of Commerce / AIFPA / state government / educational institutions / district level industrial organizations / private institutions and such reputed NGOs who have professional competence and experience in conducting study and survey in the field of food processing will be eligible to conduct studies and surveys with a view to encourage food processing sector in the state. For these programmes, grant of 50 percent subject to a maximum Rs. 03 lakh per programme may be made available in two installments.

3. With a view to encourage the food processing sector, exhibitions and fairs will be organized under the National Food Processing Mission, with the cooperation of the respective institutions of state government or the government of India, viz. APEDA, CFTRI, reputed industrial organizations / associations, FICCI, CII, ASSOCHAM,
PHD Chamber of Commerce, AIFPA, state government educational institutions / district level industrial organizations / private institutions and such NGOs who have professional competence and experience in organizing Exhibitions and Fairs.

(4) With a view to encourage food processing sector in the state under the National Food Processing Mission, study tours will be organized from time to time for entrepreneurs, departmental officers and employees which may help in setting up of food processing industries in the state.

(5) **Assistance towards preparation of bankable projects, under the UP Food Processing Industry Policy-2012**

Assistance will be provided to entrepreneurs for preparing bankable projects for setting up of the food processing and related industries. This assistance will be admissible for preparation of detailed project report (DPR) through the Project Facilitation and Monitoring Centre (PFMC) proposed to function under the Food Processing Department, UP or empanelled institutions on payment of fees. For establishment of new units in the state with minimum capital investment of Rs. 25 lakh on plant, machinery and spare parts, 50 percent of the expenditure incurred in preparation of detailed project report (DPR), subject to a maximum of Rs. 5 lakh, will be payable as grant to the beneficiary unit. The grant towards preparation of the detailed project report (DPR) will be linked to the setting up of the units. Cost of DPR will be deemed to be not more than 2.5 percent of the capital cost of the proposed project or the proposed actual DPR cost, whichever is less, towards which 50% of the cost will be admissible as grant.

### 3.14 Other Facilities

(1) **Institutional Strengthening and effective utilization of existing Institutions**

(a) Food processing centers / offices at district and divisional levels under the food processing department will be modernised and strengthened.

(b) Directorate of Food Processing, nominated as nodal agency for Food
Processing Mission, will be the Mission Directorate for the implementation and monitoring of this policy.

(c) The nominated nodal agency, besides looking after the above work, will also function as nodal agency for the assistance received from all other sources such as APEDA, NHB, NHM, AYUSH and other institutions and will facilitate the entrepreneurs in getting assistance from these agencies.

(2) Setting up of Receipt Mechanism for the goods stored in Warehouses: The entrepreneurs will fulfill all formalities of accreditation under the Warehousing (Development and Regulation) Act, 2007 for setting up of the receipt mechanism, so that loan facilities may be availed on the basis of the receipts issued by them.

(3) EPF reimbursement scheme as provided in UP Infrastructure and Industrial Investment Policy- 2012

New industrial units, providing employment to 100 or more unskilled labourers, may be reimbursed 50 percent of the amount deposited in EPF after three years from setting up of the unit, for the next three years.

3.15 Setting up of Mega Food Parks

Interested entrepreneurs / promoters desirous of setting up Mega Food Parks in the state under the National Food Processing Scheme in the state will be facilitated for preparing the proposal for the Ministry of Food Processing Industry, Government of India.
CHAPTER 4
CHAPTER 4

HUMAN RESOURCE DEVELOPMENT

(1) The availability of skilled human resources is fast emerging as a challenge in the development of the Food Processing Sector. Different training programmes will be organised for entrepreneurs, managers, technical experts and skilled labourers to impart training in latest Food Processing Technologies.

(2) The state government will encourage private and public sector universities, colleges and institutes, commercial institutions to commence graduation and post graduation level classes in Food Processing, Packaging and Marketing. Assistance admissible under the Food Processing Mission and other schemes may be made available to such institutions.

(3) Setting up of food processing training centers will be encouraged in private and public sectors with a view to promote processing of local raw materials together with entrepreneurship development and technology transfer in rural areas.

(4) With the aim of ensuring availability of skilled human resources in the field of food processing, besides organizing entrepreneurship development training programmes, high level special training programmes will be organized in dhabas, fast food, restaurants training, food hygiene and sanitation awareness and Central Food Processing Technological Research Institute (C.F.T.R.I.), Defence Food Research Lab (D.F.R.L.) and other prestigious institutions.

(5) Seminars, exhibitions, study-survey and study-cum-tour programmes will be organized under the promotional programmes.

(6) One day awareness programmes will also be organized so that new entrepreneurs and progressive farmers are made aware of the benefits of the food processing activities at farm gate level.
CHAPTER 5

RESEARCH AND QUALITY DEVELOPMENT

(1) With the aim of assisting the Food Processing industries, research and development works undertaken by Research and Analysis Centers will be encouraged.

(2) Research and development projects will be promoted in the state for the development of protocols for products covered under the food processing sector.

(3) Setting up of research and analysis facilities for the gradation and standardization of the products of food processing sector will be encouraged.

(4) Food processing industries will be promoted for registration of patent / design of their products, on the basis of the regional utility in the state, by authorized organization / institutions.

(5) Regional Food Research and Analytical Lab (RFRAC), Lucknow will be strengthened for playing an important role in food research and quality development.
CHAPTER 6

MARKET DEVELOPMENT

6.1 Backward and Forward linkages

Farmers and entrepreneurs will be encouraged for ensuring supply of quality produce to food processors and also ensuring payment of remunerative price to the farmers. Direct and uninterrupted supply of produce fit for processing will be ensured. Market expansion programmes will be encouraged with a view to ensure forward linkage for food processing industries and for making available the products of small and medium level entrepreneurs in the market.

6.2 Promotion of Brand development

(1) Special emphasis will be given on development of brands of quality products of food processing industries set up in the state.

(2) Encouragement will be provided to develop the products identified in the special regions of food processing zones as regional brands.

6.3 Global Competition, Quality and Certification

Subsidy will be made available for registration of patent and design and quality certification (ISO 14001/ISO 22000/HACCP/Sanitary/phyto - sanitary certification fees and testing charge).

(1) Awareness will be created for the quality and standardization of food products. Quality testing laboratories will be set up in the private sector, which may be provided assistance admissible under various schemes.

(2) The Government of India has set up the Food Safety and Standards Authority of India (FSSAI) with a view to check the adulteration in food and for ensuring clean food products. In this connection, efforts will be made to bring awareness among food processing units, hotels, restaurants, dhabas, fast food corners and other such units.
6.4 E-Governance

The U.P. Government will start an e-portal for providing grass-root information relating to the food processing sector of the state. Besides making available the basic information for setting up of the food processing industry, the information regarding grants available in the food processing sector, procedure for submitting applications and formats of applications will also be provided on the portal. Also, use of the information technology will be encouraged for compilation of data regarding production and marketing, their comparative examination & analysis and exchange of information.
CHAPTER 7

IMPLEMENTATION AND MONITORING OF THE POLICY

7.1 State Level Empowered Committee

A State Level Empowered Committee will be constituted under the chairmanship of the Chief Secretary for the implementation and monitoring of the provisions of the policy. The Principal Secretaries / Secretaries of different departments will be members of this empowered committee. Principal Secretary / Secretary of the Food Processing Department will be the Coordinating Secretary of the committee. Representatives of the Industry Associations will be invitee members. The meeting of the committee will be convened at least once in every three months.

7.2 Division Level Monitoring

A Division Level Committee will be constituted under the chairmanship of the Commissioner for the implementation and monitoring of the policy at the divisional level. The District Magistrates and Chief Development Officers and officers of concerned departments will be the members of the committee. The Principal of Food Science Training Centre / Food Processing Officer will be the Member Secretary of the committee.

7.3 Nodal Agency / Nodal Department

(1) Food Processing Department will be the Nodal department for the implementation of this policy.

(2) Directorate of Food Processing will be the Nodal agency for the implementation of this policy.

(3) Formats will be developed for obtaining concessions, facilities, grant and subsidy, which will be given shape by the nodal department in coordination with the concerned departments.
(4) Applications along with prescribed forms / fees / records may be submitted to the Principal, Food Science Training Centre or Food Processing Officer at the divisional level and to the Director, Food Processing at the state level.

7.4 Scrutiny of Applications / Projects

(1) Examination / scrutiny / appraisal / evaluation of applications / proposals of projects will be made by the empanelled agencies as per prescribed procedure.

(2) A technical committee and a financial committee will be constituted at the state level for appraisal of applications / projects received. The applications / project proposals recommended by the committee will be presented before the State Level Empowered Committee, or an institution or committee to which such powers may be delegated by it, for the purpose of sanction and fund allocation. The implementation and monitoring at divisional level will be done by the Divisional Level Monitoring Committee and at state level by the State Level Empowered Committee.

7.5 Miscellaneous

(1) The State Level Empowered Committee will be competent for explanation of any provision of this policy and for clarifying any issue.

(2) Time bound implementation of the policy will be ensured by issuing necessary government orders and formulating appropriate rules by the concerned departments.

7.6 General

All the concessions underlined in the Infrastructure and Industrial Development Policy, 2012 will also be admissible to the Food Processing Industries.

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Disclaimer: It is hereby clarified that the above text is the translation of the original Hindi version of the U.P. Food Processing Industry Policy – 2012. In case of any discrepancy between the English and the Hindi versions, the latter shall be final and binding.