

Key Financial Incentives under U.P. Food Processing Industry Policy- 2012

New Food Processing policy sows the seeds of growth...

With the objective to create a favorable atmosphere for setting up of food processing industries in the state, Government of Uttar Pradesh has announced its new Food Processing Industry Policy-2012.

New policy aims to ensure a fair and remunerative price of the produce to the growers by encouraging value addition. With the implementation of this policy perishable losses will be reduced and products will be made available at competitive prices. It will generate new avenues of employment in food processing sector during the 12th plan period.

Key Fiscal Incentives

Exemption from Stamp Duty

- 100% exemption on purchase, lease or acquisition of land by new food processing industrial units anywhere in the state.

Exemption from Mandi Fees

- 100% exemption from Mandi fee for 10 years to all new export oriented units using perishables with an investment of INR 5 crore and above in plant & machinery and spare parts and for 15 years to such units with an investment of INR 10 crore and above.

Interest subsidy

- New food processing units will get reimbursement at 7 percentage points of interest rate on the loan taken for plant, machinery and spare parts maximum up to INR 50 lac in a year for a maximum of 5 years.

Capital Investment Subsidy

- 25 % subsidy subject to a maximum ceiling of INR 50 lac on the cost of plant, machinery and technical civil works for setting up, expansion and modernization/ up-gradation of the food processing industrial unit under the National Food Processing Mission.
- 50 % subsidy subject to a maximum of INR 10 crore on the cost of plant, machinery and technical civil works for setting up of integrated cold chain and processing infrastructure for non-horticultural produce under the National Food Processing Mission.

Research & Development Grant

- 100 % grant up to INR 30 lac per institution per year for government or semi government institutions for 3 years for research & development projects related to food processing industry.
- 100 % grant up to INR 10 lac per institution per year for government or semi government institutions for 3 years for protocol development projects related to food processing industry.



Assistance for Global competitiveness, quality & standardization

- To facilitate internationally accepted quality or environmental certification, viz. ISO 14001, ISO 22000, HACCP, Sanitary- Phytosanitary certification, one time grant of 25% of fees and testing charges, maximum up to INR 50,000 will be available to new units investing minimum INR 25 lac on plant, machinery and spare parts.

Assistance for Patent/ Design Registration

- One time grant of 50% of fee paid for Patent or Design Registration maximum up to INR 50,000 will be available to new units investing minimum INR 25 lac on plant, machinery and spare parts.

Assistance for Market Development

- Available to new units with minimum investment of INR 25 lac on plant, machinery and spare parts.
- 50% reimbursement, maximum up to INR 50,000 per beneficiary for expenses made on sending the sample of a processed food product of U.P. for test marketing in non SAARC countries. This assistance will be available only for one sample and to one country.
- 20% reimbursement of F.O.B. value maximum up to INR 2 lac per beneficiary per year for 3 years on export of processed products by Air/Sea to non SAARC countries.

Assistance for Human Resource Development under National Food Processing Mission

- Grant up to INR 75 lac for expenditure incurred on infrastructural facilities for running degree/ diploma/certificate courses in food processing in the state.
- Grant of INR 4 lac for machinery, in addition to INR 2 lac for seed capital /revolving fund for single product line Food Processing Training Centre.
- Grant of INR 11 lac for machinery, in addition to INR 4 lac for seed capital/ revolving fund for multi product line Food Processing Training Centre.
- Grant up to INR 2 lac for Entrepreneurship Development Programme (EDP).

Other Facilities

- Implementation of Warehouse receipt system for availing the loan facility on the issued receipts by the accredited Warehouse under Warehouse Act.
- Provision of reimbursement of 50 per cent of EPF contribution for their workers for a period of 3 years by new units after 3 years from the date of establishment of the units, if the new units give employment to 100 or more unskilled workers.

