HARYANA GOVERNMENT
INDUSTRIES & COMMERCE DEPARTMENT

Notification

The 4th June, 2018

No. 1/35/2017-41B-I. Pursuant to the Inter-Departmental consultation and approval of the Haryana Agri and Business Policy 2018 by the Cabinet, and also approval by the Empowered Ministerial Committee constituted by the CMM, the Governor of Haryana is pleased to notify Haryana Agri and Business Policy, 2018 which will be effective from the date of its Notification.

The Policy details of which are given in Annexure ‘A’ has been concurred by the Finance Department vide their U.O.No. 11/15/2017-IFD-III/32643 dated 21.11.2017.

DEVENDER SINGH
Dated Chandigarh
29.05.2018
Additional Chief Secretary to Government of Haryana
Industries & Commerce Department.

Enclosure: Annexure ‘A’

Endst. No. 1/35/2017-41B-I Dated 04.06.2018

A copy is forwarded to the Superintendent Cabinet O/o Secretary, Council of Ministers, Civil Secretariat, Haryana, Chandigarh with reference to his U.O.No. 9/70/2018-2Cabinet dated 27.2.2018 for information please.

Superintendent Industries -II
for Additional Chief Secretary to Government of Haryana,
Industries & Commerce Department, Chandigarh.

Endst. No. 1/35/2017-41B-I Dated 04.06.2018

A copy is forwarded to the Director General of Industries and Commerce, Haryana for information and necessary action.

Superintendent Industries -II
for Additional Chief Secretary to Government of Haryana,
Industries & Commerce Department, Chandigarh.

Endst. No. 1/35/2017-41B-I Dated 04.06.2018

A copy is forwarded to the Controller, Printing & Stationary Department, Sector 18, Chandigarh for publication in Haryana Government Extra Ordinary Gazette. You are requested to supply 200 copies in English version to this office for record.

Superintendent Industries -II
for Additional Chief Secretary to Government of Haryana,
Industries & Commerce Department, Chandigarh.
Haryana Agri-Business and Food Processing Policy 2018

Department of Industries & Commerce
Government of Haryana
haryanaindustries.gov.in
Preamble

Food processing industry plays a significant role in the development of Indian economy through the integration and synergy it provides between agriculture and industry, the two pillars of economic prosperity. The growth of food processing sector is essential to meet the twin objective of “inclusive growth” and “food security”.

The Food Processing sector in India is poised for immense growth and higher level of contribution to the world food trade. Number of initiatives have been taken by Ministry of Food Processing Industries (MoFPI) such as scaling up infrastructure for storage, transportation, together with tackling the issue of food wastage in the country and promoting value addition across the entire value chain from farm gate to food plate. These measure will benefit both farmers and end consumers thus facilitating foreign and domestic investment in the sector. Foreign Direct Investment (FDI) limits for the Food Processing sector has been maximized to 100% through automatic route.

‘Haryana Agri-Business and Food Processing policy 2018’ endeavors to give the required impetus to the Food processing industry in the state. Further by establishing efficient forward and backward linkages, it aims to create greater employment opportunities across the entire food value chain, thus promoting agriculture and rural prosperity.

Food processing is the bridge between the industry and farming and the policy aims at doubling the farmer’s income through large scale promotion of fresh produce of Haryana specially fruits, vegetables, milk and fish.

The Enterprise Promotion Policy 2015 has identified Food processing as a thrust sector and has offered attractive fiscal incentives for sector promotion. In addition, this policy lays equal emphasis on providing skilled manpower, robust infrastructure and conducive business climate for all round development of sector. New drivers of growth such as Agro-marketing reforms, development of Mega Food Parks and Mini Food Parks, encouragement to Farmer Producer Organizations, support to agri and food cooperatives, promotion of start-ups in agri-business space have been
given due emphasis in the policy. This new policy envisions to redefine the benchmarks of growth for Food Processing sector in the State and in the country
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1. Introduction

Haryana is one of the smaller States in India with 4.4 million hectares of land, forming 1.34 percent of the total geographical area of the country. Despite this, Haryana is one of the largest contributor of food grains to India’s central pool with a share of around 15.6%. The State has accorded high priority to agriculture & allied sectors since its creation in 1966. Strong infrastructure facilities coupled with support for agriculture research and efficient network to disseminate the information related to improved farm practices to farmers have yielded tangible results. The State has been converted from a food deficient to a food surplus State.

1.1 Haryana Potential as a Food Processing Hub

i. Agriculture is one of the biggest employment generators providing employment to more than 50% people in State. Even in case of industrial employment, share of agriculture based industries is more than 31%.

ii. The state occupies a premier position in the country’s agribusiness industrial scenario with significant contribution in agriculture, horticulture, dairy, poultry and fisheries.

iii. Agriculture sector in Haryana contributed around 17.3% to state’s GSDP (constant prices) in 2015-16.

iv. Government has created strong agriculture marketing infrastructure in Haryana with a network of 108 Principal Yards, 177 Sub Yards and 193 Purchase Centers

v. 54 Mandis of state are covered under E- National Agriculture Market (E-NAM) initiative.

vi. Food processing sector has been identified as a focus sector in the Haryana Enterprise Promotion Policy 2015 (EPP 2015).

vii. To promote Haryana as an investor friendly destination, the government is proactively
taking measures and is fully determined to create an ecosystem in which the ‘Ease of Doing Business’ in the State matches and even exceeds the best global standards. In the recent assessment of DIPP, Haryana was ranked as 6th best state in country and 1st in North India.

1.2 Haryana Food processing sector

i. Haryana has more than 3000 operative food processing units.

ii. The state is equipped with 4 food parks with 2 fully functional food parks at Rai and Saha. Mega Food Parks at Barhi and Rohtak are being set-up with the state of the art common infrastructure facilities under Ministry of Food Processing scheme of Mega Food Parks.

iii. 9 cold chain projects are currently being implemented under MoFPI assistance. Out of these, 4 projects have already been completed and 5 are on-going.

1.3 Snap-shot of Haryana Agriculture

i. The main agricultural crops produced in the state are rice, wheat, sugarcane, cotton, oilseeds, pearl millet, gram, and barley

ii. More than 60% export of Basmati Rice from India is taking place from Haryana alone.

iii. During 2015-16, the gross sown area in the State was 64.71 lakh hectare. The contribution of area under wheat and paddy crops to the total gross sown area in the State was 60.73% during 2015-16. The area under wheat crop was 25.76 lakh hectare while that under paddy crop was 13.54 lakh hectare in 2015-16. The area under commercial crops i.e. sugarcane, cotton and oilseeds has shown fluctuating trends.

iv. The total food grain production in the State was 163.33 lakh tons in 2015-16. The production of rice was 41.45 lakh tons, wheat was 113.52 lakh tons, while those of oilseeds and sugarcane was 8.67 lakh tons and 69.92 lakh tons respectively during 2015-2016.

v. Liberalized contract farming norms have been introduced in Haryana while provision
such as land on long lease for industrial use is under consideration

1.4 Snap-shot of Haryana Horticulture

i. Haryana is a fast emerging and one of the leading States in the field of horticulture in India. Almost all type of fruits, vegetables, spices, mushroom & flowers are being grown here. Out of total area under horticulture, around 85% area is under Vegetables & rest is under fruits, spices, flowers etc.

ii. Horticulture produce covers an area of 4.90 lakh hectare, which is 7.58% of the gross cropped area of the State. Production of horticultural crops in the State was 70.50 lakh MT during the year 2015-16.

iii. Haryana is one of the major pea growing states in India and second largest producer of green peas. The state is 3rd largest producer of button mushrooms in India.

iv. More than 13 vegetables are grown in Haryana throughout the year. Cucurbits, cauliflower, potato and onion occupy highest area under cultivation along with leafy vegetables and radish. As per production, cucurbit, cauliflower and potato top the list followed by onion, tomato and radish.

v. Haryana’s climatic conditions favor the conducive growth of citrus fruits. Kinnow is the most prominent citrus fruit having maximum production followed by mango and guava.

1.4.1 Initiatives in Crop-Diversification

i. To encourage crop-diversification, the horticulture departments envisions to bring 14% of total cropped area under Horticulture crops to achieve optimum crop diversification by 2022.

ii. Under the latest initiative of state government, a total of 340 villages have been declared as “Baagwani villages/ Horticulture villages” and are being developed in phased manner with the development of Infrastructural facilities, provision of funds and extension services. Currently, in the 1st phase, 140 clusters with horticulture potential have been
selected and work has started for the development of infrastructure facilities.

1.5 Snap-Shot of Animal Husbandry, Dairy and Fisheries

i. Dairy Farming is an essential part of Haryana’s rural economy.

ii. Known for its “Murrah” Buffaloes and desi cattle, the state contributes 5% to the national dairy production.

iii. The per capita milk availability in Haryana is the second highest in the country; i.e. 805 gm per capita per day against the national average of 309 gm per capita per day.

iv. Livestock sector contributes 30% to Haryana’s agriculture GDP.

v. In egg production, the State occupies 4th position with an annual production of 45,790 lakh eggs.

vi. In meat production, the State stands 8th with an annual production of 381 thousand tons

1.6 Opportunities for Agro and Food processing

The agriculture and allied sector has thrown open tremendous opportunities for the successful establishment of vibrant and potentially profitable agro-processing units in Haryana. Being the major producer of various agri-produce, Haryana offers vast potential in processing of high value added products.

Below provided is an indicative data on agriculture and horticulture produce of Haryana.

<table>
<thead>
<tr>
<th>Produce</th>
<th>Annual Production (2015-2016)</th>
<th>Some regions of growth</th>
<th>Value Added Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paddy</td>
<td>41.45 lakh tons</td>
<td>Karnal, Kaithal, Panipat, Jind, Sonipat, Sirsa</td>
<td>Rice Flour, Rice Bran Oil, Parboiled Rice, Rice Flakes</td>
</tr>
<tr>
<td>Wheat</td>
<td>113.52 lakh tons</td>
<td>Sirsa, Jind, Sonepat Hisar</td>
<td>Suji, wheat bread, wheat flour, bakery products</td>
</tr>
</tbody>
</table>
Sugarcane | 8.67 lakh tons | Sonipat, Karnal, Jhajjar | Raw Sugar, Juice

**Opportunity:** Units producing Cereals for high Fructose, low fat products, Barley for malt purpose

<table>
<thead>
<tr>
<th>Horticulture</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Produce</strong></td>
</tr>
<tr>
<td>Guava</td>
</tr>
<tr>
<td>Mango</td>
</tr>
<tr>
<td>Kinnow</td>
</tr>
</tbody>
</table>

**Opportunity:** Units for drying, dehydration & processing units for canned juices, marmalades, squash, fruit Juice, Concentrate, Jam, Hi-tech nurseries for fruit plant sapling production, Agro Food Parks, Refrigerated warehousing

<table>
<thead>
<tr>
<th>Vegetables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Produce</strong></td>
</tr>
<tr>
<td>Cauliflower</td>
</tr>
<tr>
<td>Potato</td>
</tr>
<tr>
<td>Produce</td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td>Tomato</td>
</tr>
<tr>
<td>Onion</td>
</tr>
<tr>
<td>Carrot</td>
</tr>
<tr>
<td>Green Peas</td>
</tr>
<tr>
<td>Mushroom</td>
</tr>
</tbody>
</table>

**Opportunity:** Processing units for vegetables like cauliflower, potato, tomato, Waxing plants, pack houses and cold chain for fruits and vegetables, Green houses for off season and exotic vegetable production, Agro Food Parks, Refrigerated warehousing

### Spices

<table>
<thead>
<tr>
<th>Produce</th>
<th>Annual Production (2015-2016)</th>
<th>Some regions of growth</th>
<th>Value Added Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ginger</td>
<td>710 million tons</td>
<td>Panchkula</td>
<td>Ginger Powder, Ginger paste</td>
</tr>
<tr>
<td>Chili</td>
<td>10587 million tons</td>
<td>Bhiwani, Ambala, Hisar</td>
<td>Chili Sauce, Pickle, Chili Powder</td>
</tr>
<tr>
<td>Turmeric</td>
<td>330 million tons</td>
<td>Yamunanagar</td>
<td>Powder, Turmeric Dried Rhizomes, Curcumin</td>
</tr>
</tbody>
</table>

**Opportunity:** Setting up of spice processing units for raw seed, powder seed

### Dairy
### Produce

<table>
<thead>
<tr>
<th>Produce</th>
<th>Annual Production (2016-2017)</th>
<th>Some regions of growth</th>
<th>Value Added Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk</td>
<td>7.04 million tons</td>
<td>Ambala, Bhiwani, Mewat, Kurukshetra</td>
<td>Cheese, Ice Cream, Pasteurized and Flavored Milk, Butter, Paneer, Ghee, Butter Milk, Curd</td>
</tr>
</tbody>
</table>

**Opportunity:** Establishment of commercial dairy units, Setting up of processing unit of camel milk and goat milk which has therapeutic utility

### Animal Husbandry

<table>
<thead>
<tr>
<th>Produce</th>
<th>Annual Production (2015-2016)</th>
<th>Some regions of growth</th>
<th>Value Added Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poultry</td>
<td>45,790 lakh eggs</td>
<td>Karnal, Panipat, Jind, Yamunanagar, Ambala etc.</td>
<td>Egg powder, Processed eggs</td>
</tr>
<tr>
<td>Meat</td>
<td>0.3 million tons</td>
<td>Mewat</td>
<td>Chicken/Meat Processing</td>
</tr>
<tr>
<td>Fishery</td>
<td>11,11,203</td>
<td>Hisar, Palwal, Panchkula, Rewari, Mahendragarh, Sonipat, Jind etc.</td>
<td>Fish export/Fish processing, Canned Fish</td>
</tr>
<tr>
<td>Piggery</td>
<td>7,000 kilograms</td>
<td>Mewat</td>
<td>Pork</td>
</tr>
</tbody>
</table>

**Opportunity:** Setting up of Livestock feed units, Establishment of poultry processing units. The potential of meat processing can be explored in Mewat district of the State.
2. Vision, Goals and Objectives

2.1 Vision
Government of Haryana envisions to create a prosperous rural economy by achieving accelerated growth in farm sector through creation of strong value chain linkages, thrust on research and establishment of state of the art infrastructure in agro and food processing sector.

2.2 Our 5 year Goals

- Attract investments of INR 3500 cr. throughout the value-chain of food processing sector
- Increase farmer’s income through agri-marketing reforms, enabled mandis and through integrated value chain infrastructure
- Employment for 20,000 people in Food processing sector
- To bring 14% of total cropped area under Horticulture, up from a level of 7.58% and achieve optimum crop diversification
- To increase the level of processing in perishables by 10% (fruits, vegetables, dairy, fishery etc.) in the next five years
- To bring all 108 state mandis under E-trading, National Agricultural Marketing (E-NAM) initiative

2.3 Objectives

i. To make Haryana a clear destination of choice for investments in Food processing sector

ii. To promote value addition in Agriculture and allied sectors as Dairy, Horticulture, Livestock, Fishery and Poultry etc.

iii. To strengthen infrastructure by investing in Food Processing clusters thus developing strong and robust value chain.
iv. To Strengthen Farmer Producer Organizations (FPOs) registered in Haryana and Agro/Food Cooperatives through market linkages and capacity building initiatives

v. To promote farm-gate processing of Fresh Food specially fruits, vegetables, milk and fish

vi. To promote start-ups in agri-business space

vii. To enable the farmers to increase their income through new agro-marketing reforms

viii. The industries to be set-up would work as Level changer, and the areas having sufficient production of a particular produce would be considered for the establishment of that kind of units in that particular area.

ix. Since, the Government is working for targeting the NCR and National Capital Delhi for supplying of fresh horticulture, milk and dairy and allied products to the largest population of NCR, being the state’s command area nearest to this largest market of NCR for daily needs, peri-urban concept, initiated by Government, would be kept in consideration by the units to be set-up.

x. These units would concentrate on supplying of the produce in international market also, having advantage of the IGI airport and such units, if set-up in vicinity, would help in supplying of fresh fruits and vegetables and dairy and other allied products to the demanding international markets.
3. **Policy Purview/Eligibility**

i. Haryana Agri-Business and Food Processing Policy covers the enterprises in Agriculture and allied sectors such as Horticulture, Animal Husbandry, Dairy / Poultry, Fishery etc.

ii. Agro and Food Processing Units, All Agriculture and Cooperative Institution of farmers, milk producers, fishery/poultry etc., Farmer Producer Organizations (FPOs) are eligible to avail the incentives in this policy.

iii. Ancillary units such as Food Packaging facilities/Food Packaging companies etc. will also be eligible for incentives under the policy.

iv. This policy shall come into effect on the date of its notification in the Government of Haryana official gazette and shall remain in force till it is amended or superseded by the Government.

v. Unit which commences commercial production during the operative period of this policy post the date of notification of this policy shall be eligible for incentives under this policy.

vi. Industrial units not eligible for benefits covered under this policy including market fee exemption given in Annexure-1.
4. Definitions

**Agri-business**

An agribusiness is a line of business (LOB) that focuses on the processing, warehousing, distribution and marketing of agricultural produce. Agri-business activities include setting up of primary processing centers, collection centers, advanced Tissue Culture Labs etc. These activities are to be treated at par with Primary Processing centers and any incentives provided to primary processing centers shall be applicable for agri-business activities also.

**Food Processing**

Food processing shall include process under which any raw product of agriculture, dairy, animal husbandry, meat, poultry or fishery is transformed through a process (involving employees, power, machines or money) in such a way that its original physical properties undergo a change and the transformed product has commercial value and is suitable for human and animal consumption. It shall also include processes of value addition to produce through methods such as preservation, addition of food additives, drying with a view to preserve food substances in an effective manner, enhance their shelf life and quality.

Food Packaging which enhances the shelf life of food shall also be considered as a part of food processing and shall be eligible for the all the provisions covered under this policy.

**Agro and Food processing units**

Agro-Industrial and Food Processing units in sub-sectors – Agriculture and allied sectors i.e. Horticulture, Animal Husbandry, Dairy / Poultry, Fishery etc.

**Food Safety**

As defined in The Food Safety and Standards Act, 2006, Food Safety means assurance that food is acceptable for human consumption according to its intended use.
**Food Parks**

Food Parks will be a place where food processing units are established predominantly for production of processable agriculture, horticulture, animal husbandry, meat, poultry, dairy, fisheries etc. products.

**Fixed Capital Investment**

Fixed capital investment means original value of investment in Plant & Machinery before a unit commences expansion/diversification/ modernization

Note: In calculating the investment in Plant & Machinery, cost of pollution control, research and development, industrial safety devices and such other items as may be specified by notifications shall be excluded.

**New Enterprise/ unit**

An enterprise which commences commercial production during the operative period of this policy post the date of notification of this policy. Existing enterprise setting up a new facility with new Plant & Machinery at new/different location will be considered as new enterprise.

**Existing Enterprise**

Existing Enterprise means the enterprise which has filed UAM with the concerned DIC or IEM with Government of India and is implementing expansion/ diversification in the project for carrying out activity indicated in this resolution.

**Expansion/ Diversification**

Existing units taking up expansion and/or diversification with or without forward/backward integration, with at least 50% additional investment in plant and machinery for expansion/diversification as on date of initiating expansion/diversification and commencing production of said expansion/diversification during the operative period of the scheme shall be treated as undertaking Expansion/Diversification.
Large Enterprise

Where the investment in Plant & Machinery is more than INR 10 crore (or over and above of limit of Medium units defined under MSMED Act, 2006 time to time).

MSME

MSME means Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as amended from time to time shall be applicable.
5. Policy Interventions

5.1 Fiscal Interventions for Agro and Food Processing Enterprises

5.1.1 Capital Investment Subsidy for Agro and Food Processing units:
   i. 25% Capital Investment Subsidy on FCI (fixed capital investment) limited to INR 1 Cr. made available to new units to be set-up in ‘C’ and ‘D’ category blocks.

5.1.2 Capital investment subsidy for Farmer Producer Organizations (FPOs) Agro/Food Cooperatives
   i. To promote registered Farmer Producer Organizations (FPOs) and Agro/Food Cooperatives, assistance of 25% Capital Investment Subsidy on FCI (fixed capital investment) limited to INR 1 Cr. shall be made available to new units to be set-up only by registered FPOs and Agro/Food Cooperatives only in “C” and “D” category blocks.
   ii. Agro/Food Cooperatives cover all agriculture and cooperative institution of farmers, milk producers, fishery/poultry/piggery etc.

5.1.3 Assistance for individual units to set-up in Food Parks in “C” and “D” category blocks
   i. Capital Investment Subsidy: 25% Capital Investment Subsidy on FCI (fixed capital investment) limited to INR 1 cr.
   ii. SGST reimbursement: 100% (net tax) reimbursement for a period of 10 years, from the date of commencement of commercial production with cap of 100% of fixed capital investment (FCI)
   iii. The incentives under this provision shall be applicable to new/expansion/diversification units setting up in old food parks and new units to be set-up in Mega Food Parks/Mini Food Parks in “C” and “D” category blocks.
5.1.4 Assistance for individual units to set-up in Food Parks in “A” and “B” category blocks

i. Capital Investment Subsidy: 25% Capital Investment Subsidy on FCI (fixed capital investment) limited to INR 50 lakhs.

ii. SGST reimbursement: 100% (net tax) reimbursement for a period of 10 years, from the date of commencement of commercial production with cap of 100% of fixed capital investment (FCI)

iii. The incentives under this provision shall be applicable to new/expansion/diversification units setting up in old food parks and new units to be set-up in Mega Food Parks/Mini Food Parks in “A” and “B” category blocks

5.1.5 Assistance to promote Women Entrepreneurs

i. Women Entrepreneurs/ Women Co-operatives/Women Self Help Groups (SHGs) shall be provided 8% interest subsidy on term loan up to limit of INR 12 lakh per year for 5 years per units across state. The subsidy shall not exceed amount of net SGST paid during the relevant year

5.1.6 Special Assistance for acquisition of Packaging technology

i. Assistance of 50% of project cost for developing/acquiring packaging technologies leading to increase in shelf life of products, limited to INR 20 lacs per unit

5.1.7 Support for Quality and Certification

i. Patent and Design Registration: Reimbursement of 50% of expenditure incurred in obtaining patents and other IPR subsidy including the consultant fee, government fee etc. limited to INR 2 lakh per patent

ii. Quality Certification: Reimbursement of 50% of the cost of certifications such as
HACCP, GMP, ISO 9000, ISO 22000, GLP and TQM for food processing units, up to a limit of INR 2 lakh per unit.

5.1.8 State Awards
The state government shall constitute Haryana State Agro awards to encourage industrial units’ set-up in Haryana to nurture organic linkages with farming community thus enabling farmers to prosper along with industry. The award shall carry a cash price and a citation.

Note:

i. Enterprises availing a kind of incentive under this policy will not be eligible to avail incentive under similar head as given in Haryana EPP 2015 however will be eligible for other incentive not specified in this policy. All incentives specified above shall be in addition to incentives available under any GOI scheme. The maximum limit of the sum of all fiscal incentives shall not exceed 100% of Fixed Capital Investment (FCI).

5.2 Infrastructure Augmentation measures:
To strengthen agro and food processing infrastructure, the benefits covered under infrastructure augmentation measures will be provided across state.

5.2.1 Mini Food Park scheme:

a) The state government shall focus on developing agro-processing clusters in the form of Mini-Food parks by promoting food processing industry near production areas i.e. rural and backward regions:

i. Creating modern infrastructure for food processing closer to production areas

ii. Providing integrated and complete preservation infrastructure facilities from the farm gate to the consumer

iii. Creating effective backward and forward linkages by linking groups of producers/farmers
to the processors and markets through well-equipped supply chain.

b) The Mini Food Park scheme shall be applicable to only “C” and “D” category blocks to support the growth of backward regions and to promote the balanced regional development.

c) The Mini food park shall be set-up on minimum of 10 acre with provision of at least 5 food processing units to be set up in the park.

d) To set-up Mini Food Park in “C” and “D” category blocks, Government shall provide assistance to developer/promoter for developing:

i. Basic enabling infrastructure: It shall include support for site development such as industrial plots, boundary wall, roads, drainage, water supply, electricity supply including power backup, effluent treatment plant, parking bay, weigh bridges, common office space etc. The cost of basic enabling infrastructure not exceeding 40% of the eligible project cost would be eligible for grant under this scheme.

ii. Core infrastructure/ common facilities: The common facilities will be based on the needs of the units which will be set up in these clusters. The common facilities of capital intensive nature may include like testing laboratory, cleaning, grading, sorting and packing facilities, dry warehouse, cold storage, pre-cooling chambers, ripening chambers, steam generation boilers, IQF, specialized packaging, etc.

iii. Creation of common facilities in a cluster may vary depending upon requirements of food processing units existing outside the cluster or to be set up in a cluster.

iv. The above mentioned facilities are only illustrative and the exact nature of facilities may vary from project to project based on requirements of the units in the cluster and surplus agriculture/horticulture produce in the catchment area of the project.

v. Units can be set up simultaneously along with creation of common infrastructure
e) Financial assistance: 50% of total project cost with maximum limit of INR 10 crore to be provided to promoter/developer only for developing any of above given facilities as approved by the state government.

**Note:** Maximum of 10 developers/promoters shall be eligible to avail this incentive to set up Mini-food parks in “C” and “D” category blocks during the policy period. Any developer availing the Government of India SAMPADA Yojana (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) under similar head will not be applicable for availing under this scheme.

5.2.2 Support for Integrated cold chain and value addition infrastructure:

i. 35% Capital Investment Subsidy on project cost limited to INR 5 cr. for storage infrastructure, packaging houses, transportation infrastructure, value addition and processing infrastructure and irradiation facilities.

ii. The support for integrated cold chain and value addition infrastructure shall be applicable only to “B”, “C” and “D” category blocks.

iii. For reefer vehicles and any other movable infrastructure, assistance of 50% of capital investment subsidy will be limited up to INR 50 lacs per project and up to 4 reefer vehicles/movable infrastructure per project.

iv. List of facilities eligible for assistance is enclosed in Annexure-2

**Note:** Maximum of 10 projects shall be eligible to avail this incentive during the policy period. Any developer availing the Government of India SAMPADA Yojana (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) under similar head will not be applicable for availing this scheme.

5.2.3 Special Support to promote milk processing of indigenous breed of cows in Haryana

i. In addition to point 5.2.2, the state government shall promote the milk processing of indigenous breed of cows in Haryana. The state government shall provide this additional
support to the tune of 10% in capital investment subsidy (i.e. 45% capital investment subsidy) up to 5 Cr. to units setting-up infrastructure in form of separate processing and packaging line for milk of indigenous breed of cows in “B”, “C” and “D” category blocks.

5.2.4 Support for establishing Backward Linkage and Forward Linkages in rural areas

i. 50% Capital Investment subsidy on project cost limited to INR 2.5 cr. for rural areas across state and 50% Capital Investment subsidy on project cost limited to INR 3.5 cr. in rural areas in “C” and “D” category blocks.

ii. This support is for creating effective backward & forward linkages for perishable agri-horti produce through setting up of minimum processing facilities such as primary processing centers/collection centers at farm gate, distribution hub and retail outlets at the front end.

iii. The support is applicable to both perishable horticulture and non-horticulture produce such as: fruits, vegetables, dairy products and fish.

iv. For reefer vehicles and any other movable infrastructure, assistance of 50% of capital investment subsidy will be limited up to INR 50 lacs per project and up to 4 reefer vehicles/movable infrastructure per project.

v. List of facilities eligible for assistance is enclosed in Annexure-3

Note: Maximum of 20 projects will be eligible to avail this incentive under this scheme during the policy period. Any person availing the Government of India SAMPADA Yojana (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) under similar head will not be applicable for availing this scheme.

5.2.5 Special support to promote integrated packaging of horticulture produce i.e. Fresh Fruits and Vegetables grown in the state

i. Food especially fresh fruits and vegetables is perishable in nature and requires farm gate
infrastructure to process/package and sell at the right time.

ii. Hence, in addition to point 5.2.4, the state government of Haryana shall promote integrated Pack-house(s) for horticulture produce i.e. fresh fruits and vegetables. The state government shall increase the upper limit of capital investment subsidy (as provided in 5.2.4) to the tune of up to INR 3.5 Cr. (50% capital investment up to the limit of INR 3.5 cr.) to units setting-up infrastructure in form of Integrated Pack-house(s) (washing, electronic and mechanized sorting & grading line/ packaging line/ waxing line/ staging cold rooms/cold storage, etc.) for fresh fruits and vegetables grown in the state.

5.2.6 Support for setting up/upgradation of Food Testing and Calibration Labs:

i. The state government shall promote setting up of National Accreditation Board for Testing and Calibration Laboratories (NABL)/FSSAI approved full-fledged testing labs, including antibiotic testing facilities, for common usage by food processing units in the state. The assistance limited to 25% of project cost would be provided for setting up/up-gradation of such laboratories focused on food processing sector, limited to a maximum of INR 75 lacs.

ii. All Agro and Food Processing Units, Universities, State Government Institutions, Government Funded Organizations, R&D laboratories and CSIR recognized units in private sector are eligible to set-up/upgrade labs under this scheme.

5.2.7 Enhanced Availability of Affordable Land Parcel for Industrial Purpose:

To ensure availability of affordable land parcels for industries, Government shall explore the possibility of making available Panchayat land on long lease basis for industrial development.

5.2.8 Relaxation in FSI / FAR:

There shall be a relaxation of up to 150% in FAR. Further, additional FAR beyond 150% may be purchased by paying premium of up to a limit of 200% with no proportionate increase in EDC. The amount collected as premium shall be used to create fund for development of critical infrastructure in that area.
5.2.9 Establishment of workers hostels/dormitories:

To provide a safe and secured accommodation for the workforce especially in industrial clusters and Mega Food Parks/Mini Food Parks and Agro-processing Clusters, HSIIDC/HUDA shall earmark area in the industrial colonies for affordable labor housing as per rules and regulations of the Department of Town and Country Planning Haryana.
5.3 Regulatory Simplification for Agro and Food processing industries:

5.3.1 Constitution of Haryana Agro and Food processing Advisory Board:
The state government shall constitute Haryana Agro processing Advisory Board under the chairmanship of Hon’ble Agricultural Minister Haryana comprising of Additional Chief Secretary to Government Haryana Cooperation Department, Additional Chief Secretary to Government Haryana Animal Husbandry and Diary Department, Principal Secretary to Government Haryana Industries and Commerce Department, Principal Secretary to Government Haryana Agricultural and Farmer Welfare department, Chief Administrator State Agriculture Marketing Board Haryana, Vice Chancellor CCS Haryana Agricultural University Hisar, Vice Chancellor NIFTEM Sonipat along with representatives from food exporting units, traders association, Farmer Producer Organizations (FPOs), sector experts etc. The advisory board shall act as an empowered body and shall be instrumental in developing synergy between primary producers, manufacturers, exporters and researchers. The primary objective of the board shall be to develop a common vision, strategy and action plan after due consultation with various stakeholders leading to symbiotic growth of farming community and industry in the state.

5.3.2 Declaration of Seasonal Industry status to certain food processing units:
Government of Haryana shall accord the food processing units the status of seasonal industry on case to case basis depending on the nature of operation so that such units may be exempted from payment of fixed electricity demand charges during the closure period/off-season. The approval for the same will be provided by HEPB (Haryana Enterprise Promotion Board).

5.3.3 Environmental Clearance:
Agro-Processing clusters and Food Processing units using fruits and vegetables as raw materials will be issued combined CTE and CTO as issued to green category of industries, with industry submitting an undertaking regarding expected date of start-up of production and intimate SPCB at least 15 days in advance before start-up of commercial production.
5.3.4 Change in Land Use:
All Food processing units/enterprises will be allowed to establish on agricultural land/agricultural zone in low, medium and high potential zones. Further, there will be exemption of CLU charges for all food processing enterprises establishing on agricultural land/agricultural in high, medium and low potential zones.

5.3.5 Removal of Milk cess:
To improve the viability of milk processing plants, there will be exemption of milk cess to the enterprises/FPOs/co-operatives who are involved in secondary and tertiary level milk processing i.e. high value add processing (e.g. manufacturing of cheese, curd, ice-cream, yogurt, pro-biotic etc.). The exemption is applicable from the date of enactment of policy.

Note: The units only involved in primary level processing (e.g. milk chilling plants/units involved in only liquid milk business) will not be eligible for exemption of milk cess.

5.3.6 Punjab Security of Land Tenures Act, 1953 (Haryana Amendment Bill 2017):
The amendment to Punjab Security of Land Tenures act i.e. Punjab Security of Land Tenures Act, 1953 (Haryana Amendment Bill 2017) is under the process of approval.

The act is being amended to enable legalized long leasing of land to corporate tenants without the fear of transfer of ownership rights to the tenants. It will be ensured that farmers/land owners will not be alienated from their ownership rights.

The amendment will ensure:

i. The land owner will revert back to the owner on expiry of lease period

ii. The lessee will have no tenancy rights upon expiry of lease period

5.3.7 Agricultural Marketing Reforms

Market Fee exemption: The state government shall provide 100% exemption of market fees in respect of procurement of agriculture / horticulture produce used as raw material by food
processing industries within state. Industrial units not eligible for market fee exemption covered under this policy are given in Annexure-1

Note: Finance Department, Haryana has no objection to the shortfall on the account of 100% exemption of market fee in respect of procurement of agriculture/ horticulture produce used as raw material by food processing industry within the state being fully reimbursed to HSAMB (Haryana State Agriculture and Marketing Board) on actual basis.

5.4 Promoting Human Capital Development in Agro and Food Processing sector:

5.4.1 Start-up Fund for innovation in Agri-business

To give the agricultural startup a much needed technological boost, Government of Haryana has decided to fund innovations in the agriculture sector.

In order to fuel the growth of innovative ideas in the agri-tech sector, State has set aside INR 10 crore fund of Haryana Entrepreneur and Start-up policy 2017 for agriculture innovation startups. The fund will be administered by the Haryana IT department and industries department. Funding shall be provided in the form of Fund of Fund and maximum funding of up to INR 25 lacs shall be provided to each selected start-up under this provision.

State will also connect start-ups with investors and provide incubation facility to select start-ups at NIFTEM and incubation centers at other places.

5.4.2 Incubation centers

To promote entrepreneurship in the food processing sector, the state government envisages setting up incubation centers in the state.

The state shall collaborate with NIFTEM (National Institute of Food Technology Entrepreneurship and Management) for utilization of incubation facilities by food processing enterprises. With NIFTEM facilitation. Government of Haryana shall target 10 business ideas to be incubated per year including start-ups formed in agri-space.
The government shall also be utilizing MSME ASPIRE scheme (Scheme for Innovation, Entrepreneurship and Agro-Industry) to build the Livelihood Business Incubators at district level.

5.4.3 Support for Skill development

i. To address the shortfall of skilled manpower in the Food processing sector, the state government shall provide assistance to Agro and Food Processing units/Farmers/FPOs by reimbursing 50% of the total cost of the training limited to INR 5,000 per trainee on obtaining industry recognized skill certifications from recognized institutions. The state government shall specially collaborate with the central institutes, NIFTEM Sonipat for assistance under this skill training initiative.

ii. The state government shall also collaborate with newly established Haryana Vishwakarma skill university at Palwal for providing skill training in food processing sector especially farm skill training. Skill training would be provided to farmers and rural youth on grading and sorting techniques, food Safety and hygiene in all food business etc.

iii. Universities in the state will be encouraged to commence courses in food packaging, food testing & quality, procurement, food processing and allied fields.
Annexures

Annexure-1: Industrial units not eligible for benefits covered under this policy including market fee exemption given as:

i. Extraction of oil from different kind of seeds
ii. Shelling, grading and polishing etc. of rice
iii. Primary Processing of millets
iv. All kinds of pulses/dals
v. Guar and Guar-gram units
vi. Manufacturing of flour, suji, and maida etc.

Annexure-2: Facilities identified for assistance under integrated cold chain, preservation and value addition infrastructure

i. Integrated Pack-house (washing, electronic and mechanized sorting & grading line/packaging line/ waxing line/ staging cold rooms, etc.)
ii. Ripening Chamber(s)
iii. Cold Storage Unit(s)
iv. Controlled Atmosphere (CA) storage
v. Frozen Storage/Deep freezers
vi. IQF line, Tunnel Freezer, Spiral Freezer, Blast Freezer, Plate Freezer
vii. Vacuum Freeze Drying
viii. Milk Chilling / Bulk Milk Cooling/ Milk Processing Unit
ix. Poultry/Meat/Fishery Processing Unit
x. Packaging line for chilled /frozen/temperature controlled products
xi. Food Irradiation unit
xii. Refrigerated/ Insulated transport

xiii. Pre Cooling Unit(s)

xiv. Mobile pre-coolers

xv. Retail refrigerated carts, temperature controlled solar powered retail carts (maximum 10 numbers to be assisted per project)

xvi. Reefer boats (maximum 10 numbers to be assisted per project)

xvii. Refrigerated Containers including multi-modal container units

xviii. Modified Atmospheric Packaging (MAP)

xix. Renewable/ alternate energy technologies (solar, bio-mass, wind etc.) for the project.

xx. Accessories/support infrastructure/ utilities such as fixed racking system in Cold/CA storage, fork lifts, reach trucks, bins, insulated fish boxes, pallets, dock levelers, mezzanine flooring, ETP, boiler, CIP unit, Depodder, Peeler, Slicer/Dicer, Blancher, sorting/grading line, etc.

xxi. In-house product testing laboratory

xxii. Any other modern technology for temperature controlled storage, processing, value addition and preservation infrastructure etc.

Annexure-3 Facilities identified for assistance for Backward and Forward Linkages

Backward Linkages:

i. Minimum Processing Facilities for perishable agri-horti produce at the farm level which may include facilities for weighing, cleaning, sorting, grading, packing, pre-cooling, Controlled Atmosphere (CA)/ Modified Atmosphere (MA), Cold Storage, Dry Warehouses and IQF as:

- Integrated Pack-house(s) (washing, electronic and mechanized sorting, grading line/ packaging line/ waxing line/ staging cold rooms/cold storage, etc.)
- Milk Chilling Centre(s)/ Bulk Milk Cooler(s)
- Pre Cooling Unit(s)/ Chillers
• Machinery & equipment for minimal processing and/or value addition such as cutting, dicing, slicing, pickling, drying, pulping, canning, waxing, etc.
• Machinery & equipment for packing/packaging.

Forward Linkages

i. Distribution hub and retail outlets for perishable agri-horti produce

ii. Retail chain of outlets including facilities such as frozen storage/deep freezers/ refrigerated display cabinets/cold room/chillers/packing/packaging, etc.

iii. Distribution center associated with the retail chain of outlets with facilities like cold room/cold storage/ripening chamber

Transport

i. Refrigerated/Insulated transport/Reefer Vans in conjunction with backward and forward linkages.

Note: The facilities mentioned above are illustrative only. The exact nature of infrastructure will be decided on the basis of surplus agriculture/horticulture produce in the catchment area of the project.