

**A draft of Rajasthan Agri Business – Agro Industries Policy 2009 is placed below. Your valuable Comments and Suggestions are solicited on the draft policy.**

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**DRAFT**  
**RAJASTHAN AGRI BUSINESS -AGRO INDUSTRIES POLICY 2009**

1.Preamble: Agriculture in the basic sense of produce of the field is hardly remunerative to the farmer. With over 60% population of the State depending upon it for livelihood, it is imperative that it should be made sustainable and remunerative. In other words agricultural operations must now mark a shift in approach from being merely a field harvesting of crops - local mandi disposal operations to demand driven activity with an increased focus on processing and value addition. Value addition is to be created through diversification of use of produce and emphasis on quality production. Bold measures now need to be taken to encourage agri business and industries based on agricultural produce so that producer gains significantly in returns.

The major area of the state is characterized by arid and semi-arid climatic conditions with low, erratic and uneven distribution of rainfall. Out of a total of 21.6 mn ha cropped area, that with assured irrigation is just 6.4 mn hectares, implying a high dependence on the monsoon. Despite this drawback, the State is the leading producer of coarse cereals, pulses, gram, oilseeds and seed spices and also ranks first in the livestock population in the country. A huge untapped opportunity thus lies waiting for prospective investors and collaborators, in conventional and new agricultural initiatives in a host of high-value segments.

There is a high degree of correlation between SGDP growth rate and developments in the agriculture sector. But for any significant increase in agricultural incomes new investment from the private / corporate sector is essential along with public investment. In fact Government of India has estimated that to achieve 4% growth in the agriculture sector during the XI Five Year Plan an investment of Rs. 6.00 lac crore would be called for whereas the actual government investment by the Govt. would be just about Rs. 2.00 lac crore. In this

context, therefore, instead of confining ourselves to production aspects only, it is all the more important to lay greater emphasis on the value addition chain through the promotion of private sector agri business and agro industries to obtain a six to ten time increase from agriculture produce.

2. What is Agri business?

Any activity related to or associated with agriculture operations, before, during and after crop production is agri business and includes-

- 1 Rural agri business stores -meeting comprehensively the requirements of farmers for agricultural inputs, equipments and associated needs.
- 2 Retail stores which emphasise the marketing of graded, super quality, fresh or straight from the farm produce.
- 3 Quality assessing bodies like oil content determining labs, soil testing labs, residue testing labs etc.
- 4 Warehouses, state of the art warehouse complexes which include cold storages, pack houses, ripening chambers, refrigerated vans etc.
- 5 Research work and seed production and certification, Human Resources development

This is only an illustrative list .

3. What is Agro industry ?

An 'agro industry' means a unit which adds value to agricultural produce / intermediates / residues; both food and non-food; by processing them into products which are marketable or usable or edible, or by improving storability, or by providing a link from farm to the market or a part thereof. Agro industry also includes hitech agriculture, biotechnology based agriculture and the certified/ truthful label seed producing industry.

'Agricultural products' would include produce of Agriculture - Horticulture - Sericulture - Floriculture - Medicinal plants - Fisheries - Poultry - Apiculture - Dairy products and also includes minor forest produce and live stock based products.

It would also include industries which are engaged in the utilisation of agriculture waste or its disposal.

#### 4. Objectives of the Policy

- To make Rajasthan a destination for investors and processors, both global and domestic.
- To evolve strategies to strengthen the marketing infrastructure through improvement of density of regulated market yards equipped with grading, cleaning and packaging facilities, market information and auction systems in which private sector investment will be encouraged.
- Creation of a modern supply-chain,
- To provide, close interface between research, extension and industry and farmers in the agriculture sector.
- To provide assistance to small scale agro based units to improve their competitiveness in global markets and increasing exports of value added agriculture products.
- Create job opportunities particularly in the rural areas.
- To increase total flow of investment of both skills and capital, to agro industries.

To give impetus to growth in this sector, the State Government will provide assistance for strengthening backward linkages from the processed food industry to primary agriculture, horticulture, floriculture, sericulture, milk, meat, poultry, fisheries and other production systems, for establishing of post harvest infrastructure and cold chain facilities for the food processing sector, for the setting up/ expansion /modernization of the food processing industry, food processing industrial estates/food parks, research and development on food processing, development of traditional food products, processes and packaging, and utilization of by-products of the primary food production system and of the food processing industry

5. Approach                   The government would play a facilitator's role in attracting private sector investment in agriculture produce industries in the State. An integrated and coordinated approach would be made to develop infrastructure to ensure healthy competition of its utilization across the sector. We envisage developing a favorable environment by giving incentives, financial or other, to the local and foreign investors for setting up agro industrial projects in the State.
6. Strategy:                   The agri business - agro industrial sector is of a highly sensitive nature, being dependent on the seasonal availability of raw materials and the degree of perishability, both of which can contribute at times to high losses of revenues , leading to incapacity in debt repayment. This has resulted in some reluctance on the part of the financial institutions to lend to it.

Therefore, we propose an attractive package of financial support and incentives for agri business and agri produce industrial projects so that they are successfully conceived and implemented. Projects falling under the ambit of infrastructure, marketing, warehousing, research and development and facilitation too will be eligible for the incentives which would be available to both new units as well as existing ones undertaking technology upgradation, modernization, expansion or diversification.

#### 6.1 Incentive to establish private mandis/e- markets:

There exists a traditional marketing network in the form of mandis and market yards. There is an urgent need to strengthen the marketing infrastructure. To promote competitiveness and efficiency in the marketing chain. Government will encourage the establishment of private mandis /e-markets. Licensed private market would be allowed to retain 20% of the market fee collected by them for the purpose of developing and maintaining their activities of conducting and

regulating trading in notified agricultural produce. The State Government will also encourage standardization, grading and setting up of world class testing facilities accredited to internationally accepted agencies, national/regional commodity exchanges, auction houses, terminal market, retail chains, etc. Most of the facilities would be created as part of agri infrastructure either by co-operative sector or through private initiative and government facilitation .

## 6.2 Interest Subsidy:

- Back ended interest subsidy to Tiny, Small, Medium and Large agri business and agri produce industrial units will be admissible as under:

1. 6% per annum back ended interest subsidy for the first 7 years from commencement of operations the idea being , to make the cost of credit viable for an entrepreneur to set up/ establish any activity relating to agri-produce.

The aggregate interest subsidy will not exceed Rs.100 lacs. It will be available on the funds borrowed from financial institutions/banks for capital investments only. No interest subsidy will be available towards working capital loan or any other loan, which is not in the nature of a Term Loan taken for acquiring capital assets. The interest subsidy will be released so long as the eligible unit continues timely repayment of the loan and remains in production.

2. An additional subsidy of 1% will be available to entrepreneur who are from the SC/ST, ex servicemen/differently enabled groups. If the documented rate of interest is less than 6%, or 7% in the case of SC/ST, ex servicemen / differently enabled entrepreneurs, the entitlement of the interest subsidy would be limited to the documented rate of interest but will not include penal interest.

### 6.3 Financial assistance to agro processing units:

The Government will provide financial assistance in terms of subsidy for establishing agro processing units @ 50% of the total project cost or Rs. 1.00 crore whichever is less. This subsidy will be provided to the agro processing units of anola, isabgol, mandarin and other horticultural crops as specified by the Govt. and on such terms & conditions specified by the Govt. from time to time.

Department of Horticulture will be the nodal department for the disbursement of financial assistance.

### 6.4 Infrastructure Development:

Rajasthan faces major challenges in developing infrastructure. Inadequate infrastructure is a hurdle in promoting agro business and agro industrial development. Post harvest technologies-especially storage and transportation facilities are lacking in the State. The policy therefore, accords the highest priority to the creation of supply chain infrastructure and support services for the agro industrial sector to create modern infrastructure corridors integrated with appropriate surface transport connections, cold storages, auction centres and retail chains.

The State Government will offer the following incentives for projects providing common infrastructure facilities in the value chain of agro produce from farm to market .

1. Back ended interest subsidy for infrastructure projects :

6% per annum back ended interest subsidy for the first 7 years, from commencement of operations.

The aggregate interest subsidy will not exceed Rs.500 lacs. The interest subsidy will be available on the funds borrowed from financial

institutions/banks for capital investment only. No interest subsidy will be available towards working capital loan or any other loan, which is not in the nature of a term loan taken for acquiring capital assets. Interest subsidy will be released so long as a unit eligible for it continues timely repayment of its loan.

Agri infrastructure projects may include -

- Food and agro industrial parks .
- Cold chain for horticulture produce.
- Supply chain for agricultural produce
- Chain of retail outlets for perishable products.
- Technology demonstration centres.
- Terminal markets
- Warehouses

#### 6.5 Financial Assistance for preparation of project reports :

To prepare a project report to set up an agri business - agro industrial unit is an intricate exercise, and requires multi disciplinary expertise at times.

The State Government will reimburse 50% of the cost of preparation of project reports to set up new agri business and agro industrial units subject to a ceiling of Rs.6.00 lacs. Financial assistance will be released only after the business or unit is set up and commences its operations.

#### 6.6 Financial support for setting up centres of excellence, crop development institutes, etc. :

The State proposes to encourage the private sector, apex co-operatives institutions, APMCs etc. to come forward and set up such centres/ institutes. The State Government will support such projects by providing land at concessional rates and 50% of the initial capital investment as



assistance subject to a ceiling of Rs.6.00 crores with the condition of a matching contribution from the industry.

In case a centre for excellence is incorporated as a company under the Companies Act, Government support will be treated as equity.

Such institutes / centres will take up demonstration of agronomic practices, R&D (varietal and derivatives), domestic and international market certification, quality assurance, standards, logistics, patenting, brand promotion, upgradation of technology for processing and packaging, improving and professionalizing the terms of trade in the whole chain and other promotional activities.

#### 6.7 Other incentives

- Market fee payable on farm produce processed in or based in the field of farmers will be levied at only 50% of the prevailing rates.
- For proprietary enterprises owned by women, all Government concessions and exemptions available to any enterprise as per this policy will be enhanced by 5%.
- Reduce VAT from 4% to 1% on all food products processed and packed using local produce and on packaging materials with the exception of any material which has adverse health hazard.
- Complete waiver of mandi tax and VAT for companies engaged in collaborative farming.

Details of financial assistance available from different agencies of Govt. of India for agri produce business/processing sector are annexed.

## 7. Land

Easy availability of land is a very important input for promoting industrial development. Its cost plays an important role in determining a prospective investors choice.

Agri business - agro industry being directly related with farmers well being must be distinguished from other industries and merits special treatment and consideration, in land being made available to it easily at reasonable prices.

The revenue laws do not at present permit non agricultural use of agricultural land without getting it first converted for other use . They do not also allow/ permit leasing of tenanted land. When an entrepreneur acquires land of his own accord inordinate delay usually occurs before he is able to obtain it and have it converted.

The State Govt. has recently notified the Rajasthan Land Revenue (Allotment of land for setting up of power plant- based on renewable energy sources) Rules, 2007 and the Rajasthan Land Revenue (Allotment of waste land for bio-fuel plantation and bio-fuel based industrial and processing unit) Rules, 2007 to encourage setting up of power plant based on renewable energy sources and bio-fuel plantations.

To attract prospective investors and entrepreneurs in the field of agri business and agro industries special concessions / provisions will have to be made to enable them to quickly acquire suitable land at reasonable cost. The following proposals are submitted in this regard:-

7.1 At present Govt. land is being allotted for industrial purposes under the Rajasthan Land Revenue (Industrial Area Allotment ) Rules, 1959. The Department of Agriculture will be

similarly authorized under the Rajasthan Land Revenue Act 1956 to allot Government land for agri business and agro produce industries and new rules may be formed for the purpose.

Suitable amendments / provisions would be made in the Tenancy Act to enable entrepreneurs to hold private agriculture land on extended sub lease, say for 15 years, extendable by another 15 years.

Sections 45 - 46 of the Rajasthan Tenancy Act, 1955, deal with the provisions of letting / sub letting of holdings. The provisions of Section 45 are as follows:-

(1) No holder of Khudkashi shall let and no Khatedar tenant or his mortgagee shall sub-let the whole or any part of his holding at any one time for a term exceeding five years.

(2) Where a lease or sub-lease has once been granted for any term under sub-section (1) no further lease or sub-lease, as the case may be, in respect of the same land shall be granted within two years of the expiry of the first mentioned lease or sub-lease.

(3) No Gair Khatedar tenant shall sub-let the whole or any part of his holding for a term exceeding one year.

(4) No sub-tenant or tenant of Khudkasht shall sub-let the whole or any part of his holding except in circumstances mentioned in Section 46.

(Section 46 of the Rajasthan Tenancy Act reads as follows:-

Letting or sub-letting in exceptional cases -

(1) The restrictions imposed by Section 45 on letting by a holder of Khudkasht and on sub-letting by a tenant shall not apply to-

- (a) a minor, or
- (b) a lunatic, or
- (c) an idiot, or
- (d) a woman who is unmarried or divorced

or separated from her husband, or is a widow, or  
(e) a person incapable disability of cultivating his holding by reason of blindness or other physical disability or infirmity, or  
(f) a person who is a member of the armed force of the Union, or  
(g) a person who is suffering detention or confinement in prison, or  
(h) a person not exceeding twenty-five years of age, who is a student prosecuting his studies in a recognized institution:

Provided that where a holding is held jointly by more person than one the provisions of this section shall not apply unless all such persons are of one or more of the descriptions specified therein.

(2) A lease or sub-lease which would be invalid but for the provisions of sub-section (1) shall not remain in force for more than two years after the lessor dies or ceases to come within any of the description specified therein.)

A proviso may be added to Section 45 as follows:-

Provided that the above condition shall not apply for a Khudkasht or a Khatedar who sub lets his holding for the purpose of agri business / agro processing industries. The term of lease in such cases will be for 15 years. Such a lease after expiry of the earlier period could be extended for a similar period on mutually agreeable terms.

## 7.2 Land Conversion in Rural Areas:-

The Rajasthan Land Revenue (Conversion of Agricultural Land for Non-agricultural Purposes in Rural Areas) Rules, 2007, deal with the conversion of agriculture land for non-agriculture purposes. Rule 6 of the above rules provides as under:-

Rule 6 - Use of Khatedari land for

establishment of small scale industries & Kjava - Notwithstanding any thing contained in these rules, no permission for conversion shall be required where a khatedar tenant establishes a small scale industrial unit on his own khatedari land upto an area not exceeding 2500 sq. meters. The area so used shall continue to be in his khatedari.

7.2.1 It is proposed to add the following expression after '2500 sq. meters' in the above rule - 'and in case of agri business and agriculture produce industry upto an area not exceeding 10000 sq. meters.

7.2.2 No conversion charges shall be payable for land proposed to be put to agro industrial use for upto 10 hectares in rural areas. For land exceeding 10 hectares the conversion charges will be Re. 1 per sqm. instead of Rs. 5 per sq mt or 5% of the DLC rate of agricultural land, whichever is higher as provided in rule 7 (iv) of the Rajasthan Land Revenue (Conversion of Agricultural Land for Non-agricultural Purposes in Rural Areas) Rules, 2007 .

7.2.3 In the present set of rules for conversion of agricultural land for non-agricultural purposes in rural areas the prescribed authority for land conversion upto 1 hectare, excluding tourism unit, is the SDO and upto 10 hectares the Collector. It is proposed to authorise the Collector of the district to convert upto 25 hectares in case of agri business and agro industries.

7.2.4 There should be a deemed provision that if the conversion order is not passed within the stipulated time by the authority concerned the land should be deemed to have been duly and automatically converted.

#### 7.4 Leasing of Government land for captive consumption to Agro Industrial Units

- The Govt. would make available Government land on long lease (upto 30 years) for captive production and consumption by agro industries including bio-fuel crops, certified / truthful labeled seed producing companies, (including Rajasthan State Seed Corporation), within the State on such terms & conditions as the Government deems fit depending upon the nature of the industry. The land will be made available to reputed companies with proven technical capability and financial track record to successfully conceive and implement agri produce industrial projects. Such units as seek land for captive consumption, must directly invest in plant & machinery at least Rs. 50 crores for setting up an agro industrial unit related to the use of produce grown on such allotted land in the State. Since the requirement of land in such cases will be relatively large allotment will be made by Rajasthan Investment Promotion Board (RIPB).

#### 7.5 Allotment of land to agro processing units in close proximity to urban areas.

- The very nature of the activities of agro processing units , warehouses is such that they may have to be located near big cities / urban centres with high concentration of population. The high conversion charges in the urban areas dissuade entrepreneurs from investing in these activities.

- Agri business / agro processing industries are essentially commercial in nature and therefore the land allotted to them will be used for commercial purposes. So far as the present allotment rules in two JDAs / UITs / municipal bodies are concerned, there is no provision for allotment of land for commercial purposes. Land can be made available for commercial purposes by such bodies only by way of auction. Therefore, if land is to be allotted in the JDAs / UITs / Municipal Areas, for the purposes a special provision will have to be made in their Land Disposal Rules. It is worth mentioning here that allotment of land for residential / institutional purposes is made by the local authority concerned on the residential / institutional reserve price of that area. In case of institutional allotment the rate may be a certain percentage of the institutional price, as may be decided by the Government.
- To promote agri business and agro processing industries a special provision for allotment of land to such industries in the JDA region / UITs municipal limits on concessional rates which could be 50% of the institutional reserve price for that area may be incorporated in the policy.
- The allotment of land and the quantum of land to be allotted in such areas will be decided by the Rajasthan Investment Promotion Board.
- If an entrepreneur acquires land on his own the stamp duty on that land will be charged at 10% of the prevailing stamp duty rates.

- Government also believes in a cluster development approach for SMEs. Government land will be allotted at 25% of the DLC rates if such clusters are planned on government land. Government will also provide access to such sites at its own cost for such clusters. Government may also join in such ventures as an equity partner.
- The Department of Agriculture with Rajasthan State Agriculture Marketing Board as the nodal organization will provide a single window service for establishing of such private MSME clusters.

#### 7.6 ALLOTMENT OF LAND IN RURAL AREAS.

Allotment of land for industrial purposes in rural areas is governed by the Rajasthan Land Revenue (Industrial Area Allotment) Rules 1959.

Land is allotted on lease hold basis for a period of 99 years -

- (a) for setting up of a large scale industry anywhere in the State, by the State Government in the Industries Department and in the case of a large tourism unit, the allotment is made by the Government in the Tourism Department and
- (b) for setting up of other industries -
  - (i) in Jaipur district, by the Director of Industries, Rajasthan, Jaipur, provided that the case of a tourism unit the allotment shall be made by the Director of Tourism and
  - (ii) in any other district, by the Collector concerned.
- (c) All allotment of land under clause (a) is



to be made within a period of 60 days and under clause (b) within a period of 30 days from the date of receipt of the application in the prescribed performa.

Development charges (as prescribed in the rules) and the price of land, which will be equivalent to the prevailing market price of agricultural land in the vicinity, is to be paid for the land allotted under these rules. For IT Industries, it is 75% of the market price and for Tourism it is 25% of the market price. In similar fashion land will be allotted to agri business / agro processing industries @ 25% of the market price of the agricultural land in the vicinity.

It is proposed that in the case of allotment of land for agri business - agro industries, Department of Industries / Tourism, Director of Industries / Tourism will be replaced by Department of Agriculture, Agriculture Commissioner or the Director Agriculture as the case may be in above rules.

#### 7.7 ALLOTMENT OF LAND IN MANDI PREMISES FOR ASSOCIATED ACTIVITIES

There is a need to improve infrastructure in the existing KUMS. Land should be made available for activities associated with agricultural produce marketing such as cold storage, normal storage, ripening chambers, sorting, grading equipments and packing line, weigh bridges, testing laboratories etc. Provisions for land allotment for these activities do exist in the Immovable Properties Allotment Policy, 2005 of the Department of Agriculture Marketing but the prices on which the allotment can be made are very high and require a downward revision. Then in most cases, at present, allotment is made by way of auction and the reserve price for

the purpose of auction has been fixed equivalent to the prevailing DLC rate of RIICO. It is proposed that this rate should be brought down to 50% of the RIICO rate.

8. Road :

The importance of rural road development for improving transportation and communication cannot be over emphasized. Agriculture produce cultivated in the rural areas is transported to distant places at consuming centres, processing units and for exports. 'Connecting mandi roads' will be constructed by the concerned Mandi Samiti on priority through MDF to give easy access to the Industrial Unit.

9. Power :

The State Government will declare agro-food processing industry as a seasonal industry to make them eligible for relaxation from the payment of minimum charges of electricity and water during a closure period.

Agri business and agro processing units are not uncommonly located in the rural areas where power supply is often intermittent. Such units are compelled to have their own power backup arrangements. It is proposed to give 25% subsidy on Diesel Generating sets as is permitted in the Rajasthan Industrial Policy 2003.

Power connections will be released on priority immediately on the sanction of a project. Delay in the release of power connection not only leads to losses to the entrepreneur but also deprives the State of economic activities and employment generation, particularly needed in rural areas. Out of turn power connections will also be released to units establishing green houses for commercial production and to units to which government land has been allotted for captive use.

100% exemption on electricity duty would be given for 7 years in case of agro processing and agro industries.

10. Human Resource Development:

HRD is the key in all improvement through technological innovation and productivity. The State will encourage the private sector to commence

courses in food packaging, processing, biotechnology, information, technology in agriculture and allied fields in State.

11. Financial Assistance for Patent Registration: The State Government will encourage patent registration by providing financial assistance of 50% of the cost of registering a patent within a ceiling of Rs.5.00 lacs.

12. Global positioning of crops: The State Government will promote global positioning of crops in which the State has a prominent position in the overseas market through generic promotion, participation in exhibitions abroad & creating brands for agro products of Rajasthan through special campaigns in association with APEDA. Progressive farmers, farmers co-operatives, exporters & agri processors would be sent to international exhibitions.

13. Retail marketing of processed food Food retailing chains are key drivers in the food chain by agglomerating demand and streamlining the supply chain with regard to quality, standard, packaging, and pricing. Such chains exert considerable influence for producing what is in demand and reducing losses and cutting costs all across the supply chain.

Government will encourage the setting up of chains of retail outlets in different part of the State as a crucial link between consumers and producers. The support will be given in the form of quick approvals for land allocation.

14. Food Parks : Food Parks are developed as industrial estates specifically for setting up food processing industries. The development of food parks enables small and medium scale food enterprises particularly to attain viability by defraying the cost of major common facilities such as R&D, laboratory, cold storage, warehousing, pack house, food testing and analysis lab, common effluent treatment plant, common processing facilities, power, water supply, etc. Financial concessions will be admissible to the developers as per the provisions of this policy.

## 15. Exports:

- Rajasthan has a significant potential for exports in guar, coriander, cumin, fenugreek, medicinal plants, buffalo meat, milk and milk products. There is considerable demand for kinnow from south India, milk in Delhi and U.P, seed spices in Gujarat and M.P., isabgol and aswagandha in Gujarat , fresh vegetables in Delhi, mustard in the northern and eastern States.
- The State Govt. intends to encourage the export of agri products from the State under the Govt. of India EXIM policy product specific Agri Export Zones (AEZ). AEZs for cumin and coriander are already in place in the State and a Spice Park is proposed to be set up at Jodhpur. The main objective of an AEZ is to provide higher returns to the farmers by enhancing their accessibility to exporters and by extending their capacity to produce export specific quality products. The State would support AEZs through the existing schemes .
- An air cargo complex for perishable products already functions at the Jaipur Airport . Vegetables are being exported to Dubai.
- Financial assistance for exporters:
  - Freight subsidy is being given by the State Govt. to exporters of Rajasthan agriculture produce at the rate of Rs.3.50 per kg or 20% of FOB value whichever is less.
  - Air freight subsidy @ 25% on air freight on orange, kinnow and such other horticultural products including vegetables as are specified by the State Government from time to time will be available, subject to a ceiling of Rs.10.00 lacs per beneficiary/per annum.

The State Government will provide subsidy (within a ceiling of Rs. 50,000- per beneficiary) for sending samples for test marketing etc. abroad. The State and the Central Government assistance should not exceed 50% of the cost of sending samples. The

- beneficiary can avail such grant only once for sending samples to a single country. The product should be of Rajasthani origin.
16. Research and Development: With a view to encourage modernization, research and development activities in the State, the Government will provide assistance to agri industries for sponsored research work undertaken in association with reputed research institutions, upto 50% of the cost, within a ceiling of Rs.20.00 lacs.
17. Information Technology: Farmers , agri business and agro industries are dependent on market intelligence. A strong information base in the food processing centre should be a thrust area. Government will promote investment in the field of preparation of software for agribusiness including availability and cost benefit analysis of inputs, documentation of best agronomic practices for various crops and varieties, weather forecast, market information, price projection, etc.
- The market information network is very weak in the State. An Internet-based information system connecting all the markets, which compiles and analyzes parameters like prices, arrivals and demand-supply situation in the markets to give market intelligence to farmers, would be developed.
- Agri IT kiosks will be set up in Krishi Upaj Mandi Samitis, consuming centres etc. and would have connectivity with related departments and organizations like the Agriculture universities, Industry and international markets. E-markets will be promoted.
18. Certification Agency for organic agri produce: Organic produce gets premium rates. The State will facilitate the setting up of internationally recognized quality testing and certification laboratories in Rajasthan to make its organic produce readily acceptable to the international market.
19. Venture Capital Fund: The State Government intends to create a venture funds for agro industries in association with financial institutions/ banks, etc. for a faster development in the agriproduce and processing industry.

20. Utilization of agri waste : Agri waste has a vital role in an agri economy and needs to be optimally utilized to provide additional returns to the farmer and maintain its competitiveness in the global environment by full utilization of all of its resources. The State government, therefore, intends to support projects based on agri waste, by treating them at par with agro industrial infrastructure projects for the purpose of incentives.

21. Miscellaneous: Government support for other requirements like pollution control clearances , water supply etc. and other parameters not specifically provided herein above will be on lines of the Industrial Policy 2003.

22. Nodal Agency: The Department of Agriculture through the Rajasthan State Agriculture Marketing Board (RSAMB) shall be the Nodal Agency to promote agro produce processing industries.

23. Implementation: Government of Rajasthan will ensure the expeditious implementation of the Agribusiness and Agro Industries Development Policy in the State. There will be a committee under the Chairmanship of the Pr. Secretary, Agriculture and Horticulture which will take appropriate decisions to access, special assistance from Government, if required, in order to attract large scale inland and FDI investments in this sector.

The decisions of the Committee, shall be final and no further approvals will be necessary. The other members of the committee will be Pr. Secretaries in the Department of Finance, Revenue, Industry, Urban Development & Housing, Pollution Control and Environment. The member secretary of the Committee will be the Administrator, Rajasthan State Agriculture Marketing Board. The Committee will be the sanctioning authority for large and medium scale projects under this policy. The nodal department will issue letters of approval as per the decisions of the Committee and disbursement will

be made through Rajasthan State Agriculture Marketing Board.

The RSAMB will be appropriately strengthened and transformed into a multi-specialty agri business - agro industry promoting organisation with in house expertise. Its main role henceforth will be to promote, in all these aspects, agri business - agro industries.

## Anexure-1

### **Financial assistance given by various agencies for Agri-Business**

Financial assistance by way of grants/loans are being provided by Ministry of Food Processing Industries, Government of India, New Delhi and National Horticulture Board. Gurgaon for establishing Post-Harvesting infrastructure and Cold Chain facilities beside processing and preservation. APEDA is providing various types of incentives/assistance to exporters of agriculture produce.

1.

Ministry of Food Processing Industries, Government of India		
S.N	Scheme	Pattern of Assistance
I	Establishment of Post-harvest Infrastructure & Cold Chain facilities	50% grant/loan of the cost of capital equipment and civil work available up to Rs. 25 to Rs. 75 lakhs depending upon the area and applicants category. Only one form of assistance i.e. Grant or loan is available
II	Establishment of Food Park	Grant up to Rs. 4 crore for creation of common facilities.
III	Infrastructure facilities for preservation processing of Fish	50% of the cost of capital and technical civil, work up to Rs. 25 lakhs depending upon the type of area and type of beneficiary
IV	Setting-up/expansion and modernisation of Food Processing Unit	50% of cost of capital equipment and technical civil work upto Rs. 150 lakhs to Rs. 200 lakhs depending upto type of area and type of sector, as loan Or Grant of 50 of cost of capital equipment and technical civil work upto Rs. 25 lakhs to Rs. 50 lakhs is available depending upon area and type of Sector
V	Scheme for modernization of Pulse Milling Unit	50% of the cost of the dryer & dust control system up to Rs. 5 lakhs as grant



VI	Setting-up of mobile fruit & vegetable processing unit	50% of the cost up to Rs. 40 to Rs. 60 lakhs as grant depending upon type of area/sector
VII.	Dissemination of low cost preservation technology	Actual cost of technology & plant and equipment up to Rs.5 lakhs as loan/grant depending upon the type

## 2. Schemes of APEDA

### Development of Infrastructure

S.N	Scheme	Pattern of Assistance
I.	Assistance for purchase of specialized transport units for animal products, horticulture and floriculture	25% of the cost (Max Rs 2.50 Lakhs per project)
II.	Assistance to exporters/ producers/cooperative organization and Federation for Horticulture and Floriculture sector	25% of the cost ( Rs.5.00 lakhs per project).
III.	Mechanization of harvest operation of produce:	25% of the cost ( Rs.5.00 lakhs per project).
IV.	Setting up of sheds for intermediate storages and grading and cleaning of Produce.	25% of the cost ( Rs. 10 lakhs per project)
V.	Setting up of Mechanized handling facilities including sorting, grading ,washing, waxing, ripening, packaging and palletisation	25% of the cost ( Rs. 10 lakhs per project)
VI.	Setting of precooling facilities with proper air handling system/cold storage for storing of produce:	25% of the cost ( Rs. 10 lakhs per project)
VII.	Providing facilities for pre-shipment treatment such as fumigation, X ray	25% of the cost ( Rs. 10 lakhs per project )

	screening, hot water dip treatment, water softening plant:	
<b>VIII</b>	Setting up of Integrated post harvest handling system(pack houses/green houses with any two or more of the above facilities:	25% of the cost (Rs. 25.0 lakhs per project)
<b>IX.</b>	Setting up of vapour heat treatment electronic beam processing or irradiation facilities:	50% of the cost( Rs.25.0 lakhs per project)
<b>X.</b>	Assistance for setting up of environmental control system eg. Pollution control, effluent treatment etc.	25% of the cost ( Rs. 25.0 lakhs per project)
<b>XI.</b>	Setting up of sterilized store facilities such as high humidity cold storage, deep freezer, storage	25 % of the cost( Rs. 10 lakhs per project)

### 3. Schemes of Market Development

S.N	Scheme	Pattern of Assistance
<b>I.</b>	Assistance to exporters for use of packaging material as per standards and specifications developed or adopted by APEDA.	30% subjected to the ceiling of Rs. 1.50 lakhs per beneficiary
<b>II.</b>	Assistance to growers organizations, trade associations for conducting surveys, feasibility studies:	50% of the total cost subject to ceiling of Rs.2.0 lakhs per beneficiary.
<b>III.</b>	Assistance to semi-Govt, State govt, Public sector under taking for conducting surveys ,feasibility studies.	50% of the total cost subject to ceiling of Rs. 10.0 lakhs per beneficiary.
<b>IV.</b>	Supply of material samples	100% of the cost.

	product literature, development of website and market promotion advertisements etc. for publicity /fairs/ events organized/ sponsored by APEDA:	
<b>V.</b>	Publicity and promotion through preparation of literature/publicity material Advertisement film etc. by APEDA:	100% of the cost
<b>VI.</b>	Brand publicity through advertisement etc.:	40% of the cost subjected to a ceiling of Rs.1.0 lakh per beneficiary
<b>VII.</b>	Export promotion by APEDA undertaking activities like buyer seller meet product promotion exchange of delegated, participation in fairs, events, exhibitions:	- 100% of the cost

#### 4. Schemes of Quality Development

S.N	Scheme	Pattern of Assistance
<b>I.</b>	Assistance to exporters producers, trade associations, public institutions etc. For setting up / strengthening of laboratories:	50% of the total cost subjected to a ceiling of Rs. 5.00.lakhs per beneficiary.
<b>II.</b>	Assistance to exporters and producers for installing quality assurance and quality control system.	50% of the cost of project subjected to Rs. 2.00 lakhs per beneficiary per system.
<b>III</b>	Up gradation and recognition of labs for export testing:	- For up-gradation up to 50% of cost of private labs. - Up to 100% of the cost of Central/State/University labs subjected to a maximum of 50 lakhs.

<b>IV</b>	Testing of water, soil , residue of pesticides, veterinary drugs, hormones, toxins, contaminants in agriculture produce /products.	Payment shall be made direct to laboratories and not to individual exporters.
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#### 4. Schemes of National horticulture Board

S.N	Scheme	Pattern of Assistance
<b>I</b>	<b>Development of Commercial Horticulture</b>	Back ended capital subsidy up to 20% of the project cost with a maximum of Rs.25 lakhs per project. For tribal, hilly areas maximum limit of subsidy Rs 30.0.lakhs per project. For project in cooperative sector funded by NCDC subsidy would be through NCDC.
<b>II</b>	<b>Capital investment subsidy for construction/Expansion/ Modernization of cold storage /storages of horticulture product.</b>	25% back ended capital investment subsidy by NHB not exceeding Rs.50.00s per project Northern eastern states, maximum subsidy admissible would be @ 33 1/3 % up to Rs. 60.00 lakhs.
<b>III</b>	<b>Horticulture Promotion Services</b>	100% cost of study to be born by the Board <ul style="list-style-type: none"> <li>• <b>Mode of Payment:</b>  25% on award of work  50% on submission of Draft Report  25% on submission of final report after acceptance by the concern Board/Concern state Govt /Organizations</li> </ul>

## 5. Schemes of Ministry of Food Processing Industry

S.N	Scheme	Pattern of Assistance
<b>I.</b>	<p><b>Scheme for Infrastructure Development</b></p> <ul style="list-style-type: none"> <li>• Food Park</li> <li>• Packaging Centre</li> <li>• Modernized Abattoirs</li> <li>• Integrated Cold chain Facilities</li> <li>• Value Added Centres</li> <li>• Irradiation Facilities</li> </ul>	<p>All implementing agencies 25% of the project cost in general areas and 33.33% in difficult areas subjected to a maximum of Rs. 4 crores for provision of common facilities like cold storage, food testing, and analysis lab. effluent treatment plant, common processing facilities, power and water supply.</p>
<b>II</b>	<ul style="list-style-type: none"> <li>• <b>Scheme for Technology up gradation/Establishment/ Modernization of Food Processing Industries</b></li> </ul> <p>Scheme will cover Setting up / expansion/modernization of food processing industries, covering all segments viz. fruits, vegetables, milk products meat, fisheries ,cereals, pulses, oil seeds, agri horticulture sector leading to value addition and shelf life enhancement including food flavors and colors, oleoresins, spices, coconut, mushroom etc</p>	<p>The assistance would be in the form of grants subjected to 25% of the plant &amp; machinery and technical civil works subject to a maximum of Rs. 50 lakhs in general areas and 33.3% up to 75 lakhs in difficult areas.</p> <p>All pulse milling units would be eligible for assistance to the extent of 50% of the cost of drier and dust control system upto Rs. 2.50 lakhs for drier and Rs. 0.25 lakhs for dust control system.</p> <p>Implementing agencies desirous of setting up mini pulse processing units will be eligible to get assistance upto 50% of the total cost of the equipment subjected to a maximum of Rs. 35000/-per unit The assistance would be routed through CFTRI</p>