

Agro & Food Processing Sector- Overview

Introduction

Global Food and Beverage industry has been valued at US \$ 3668.3 billion in the year 2005. In the Global food processing industry Asia-pacific is accounting for 31.10 % of global market. India is the World's second largest producer of food, next to China and has potential to be number one.

India- Resources Overview

- Agriculture sector contributes one-fourth of the country's GDP.
- India is the largest producer of milk, fruits, pulses, cashew nuts, coconuts and tea in world and accounts for 10 % of the world fruit production.
- India's food grain production is expected to rise to 208.5 million tones by March 2006, from 204.6 million tones in 2005.
- Horticulture sector contributes 30 % of the agriculture GDP and accounts for 8.5 % of cultivated area.
- Cotton production for FY 2005-06 has increased to 18.4 million bales, compared to the previous forecast of 17 million bales.
- Basmati exports in FY 2005 grown to USD 596 million from USD 432 million in previous year.
- Non-Basmati rice exports grew to USD 880.0 million in FY 2005 from USD 483.8 million in previous year.
- Agriculture output expected to grow by 3% in 2005-06, compared with 1% in 2004, as per a Confederation of Indian Industries (CII) study.
- Joining the list of biotech mega countries, India now has 14 biotech crops under consideration
- CII has estimated that the food processing sector has potential of attracting USD 33 billion (Rs.150, 000 Crores) of investment in next ten years.
- The food processing industry is one of the largest industries in India. It is ranked fifth in terms of production, consumption, export and expected growth.
- On the basis of strengths developed in basic resources, it is estimated that the total food production in India is likely to double in the next ten years.

These developments are touching the domestic and global markets and hence India is viewed as **"Future Global Food Factory"**.

Gujarat – Leading state, Impressive Agricultural Performance

- Gujarat witnessed Impressive Agriculture Performance in the last five years (2001-05), with an average growth rate of 24.11 %.

- **Major crops:**
Agriculture crops:
Wheat, Rice, Maize, Groundnut, Mustard, Sesame, Pigeon pea, Green Gram, Gram, Cotton, Sugarcane, Tobacco.
Horticulture Crops:
Guava, Potato, Onion, Cumin and Fennel
- Gujarat is the largest producer of, Castor, Tobacco, Isabgul (Psyllium), second largest Producer of Sesame seeds, Cotton and Groundnut in the country.
- Gujarat has highest productivity in, Mustard, Castor and Cotton, Second highest productivity in Groundnut and Bajara, third highest productivity in Gram, Guar, Banana and Isabgul in India.
- Gujarat is one of the few states which has comprehensive Agro-Industrial policy & Vision 2010 document for integrated development of Agriculture and Agro based industries.
- Gujarat is one of the most industrialized states in India and has strengths in Agro based industries in terms of natural resources, established industrial infrastructure, vast pool of technically skilled manpower, and enterprising farmers.
- Gujarat is launching “Agri-net”, issuing soil health-cards to farmers, stream lining land records etc; and creating Knowledge centre “Krishi Gyan Vignan Kendra”-SATCOM as a part of e-governance project.
- A VSAT based real time multi commodity exchange is in operation at Ahmedabad,

Investment Opportunities in Gujarat

Keeping in view the above facts about Gujarat, several opportunities have been scanned and identified and which offers commercial potential for attracting industrial investors from within India or Overseas. These opportunities have been broadly categorized in the following groups and Investment Project Profiles have been prepared for the same:

- **Agri / Horticulture Infrastructure Projects :**
Onion Cold Storage, Fresh Fruits-Pack house, Vegetables-Pack house, Mechanized Grain handling and storage at port, Food Parks, Terminal Markets, Spices and Isabgul Irradiation center.
- **Export Oriented Processing**
Peanut Butter, De-hulled Sesame seed & Roasted Sesame oil, Roasted, salted & coated nuts, Integrated Shrimp farming & processing.
- **Value added Processing based on local resources**
Tomato, Potato Flakes & Powder, Specialty grades- Guar Gum powder, Refined Sugar, Egg Powder, Baker’s Yeast, Fish oil extraction.

- **Natural Resources based Opportunities**

Natural food colors, Medicinal Herbs extraction, Neem / Tobacco Oil base Bio-Pesticides, Food Processing Enzymes, and Fish meal base bio-fertilizer.

- **Newer Technology Base Projects / Opportunities**

Spices Cryo grinding, Freeze Dried Fruit processing Unit, Instant Vegetables in Retort Pouches, Potato Fabricated Chips.

- **Innovative Opportunities**

Organic Milk & Milk Products, Ice Cream Balls, Castor Derivatives base Perfumery raw materials, Banana Fibre extraction and Textiles production.