

**West Bengal  
Food Processing  
Industry  
Policy  
2011**

## 1. Background

The intrinsic strength of West Bengal relating to its food production is its favourable agro-climatic conditions with six agro-climatic zones favouring cultivation of a multitude of crops, vegetables and fruits round the year, availability of perennial rivers and large water bodies for pisciculture, coastal area in the southern part of the State for marine production and substantial production of egg, poultry and meat.

2. The State is well connected, both nationally and internationally through rail, road, air and seaports. The State is served by –

- 16 national & 15 state highways
- 4 divisions of Indian Railways
- 2 airports at Bagdogra and NSCBI, Kolkata. There are proposals for new airports.
- 2 river ports at Kolkata and Haldia. Another seaport is proposed.
- It has international boundaries with Nepal, Bhutan and Bangladesh with ICPs through export/import takes place.

3. The power situation in West Bengal is favourable for industries.

4. The major agricultural produce of the State are food grains, particularly rice. Potato is the second most important crop of the State after rice. In the Horticulture sector, West Bengal is the major producer of fruits, viz., Mango, pineapple, litchi, mandarin orange, guava and vegetables, viz., tomato, cabbage, cauliflower, brinjal, cucurbits and okra. Major spices produced here are ginger, chilli, turmeric, garlic and coriander. The State also has a strong and vibrant livestock population. Overall, the State is one of the major producers of food material for the country having a strong agri-horticultural raw material resource base relating to Food Processing Industry.

5. Since production of food and agricultural raw materials is substantial, to ensure adequate return to the farmers and avoid losses due to perishable nature of the produces, value addition through processing has become very important and imminent. This would also enable export of food products to the markets world over and avoid glut in the local market.

6. The State Government has identified six crop specific Agri Export Zones to give target oriented boost to the production of such crops, in which the State has natural advantages. They are : Mango AEZ at

Malda comprising the districts of Malda and Murshidabad, Pineapple AEZ at Siliguri comprising the districts of Coochbehar, Jalpaiguri and Uttar Dinajpur, Litchi AEZ at Malda comprising the districts Malda, Murshidabad, South 24 Parganas and North 24 Parganas, Potato AEZ at Hoogli and comprising the districts of Hugli, Howrah, Bardhaman and Paschim Medinipur, Vegetables AEZ at North 24 Parganas comprising with districts Nadia, Murshidabad and North 24 Parganas and tea AEZ at Darjeeling.

7. Twelve food parks are currently being set up in the State: two at Siliguri and Malda in North Bengal and the remaining ten at Sankrail(Howrah), Haldia and Shankarpur (Purba Medinipur), Chakgeria, Sultanpur and Kakdwip (South-24Parganas), Nazat (North-24Parganas), Kandua (Howrah), Dankuni(Hoogli) and Murshidabad in South Bengal. Proposal for setting up of new food parks and Mega Food Parks as also terminal markets and auction centers are on the anvil.

8. Pack houses with multipurpose cold storage facility to facilitate export have come up at Malda and Barasat. One Perishable cargo complex is functioning at Kolkata airport and two are being set up at Bagdogara airport and at Haldia Seaport. Post Harvest Management system and cold chain infrastructure is being developed under the National Horticulture Mission.

9. With food safety norms becoming more stringent world over for production of hygienic and quality food products, it has necessitated adoption of tough quality control measures at every stage of Food Processing Industry. To keep pace with this requirement, Quality Control Laboratories have been established at Jadavpur University, Bidhan Chandra Krishi Vishwavidyalaya and Uttar Banga Krishi Vishwavidyalaya.

10. Already 382 no. of potato cold storages and 52 no. of multi purpose cold storages with total storage capacity of 54 lakh M.T and 56 no. milk chilling plants are operating in the State. Fruits, vegetables, fish, milk and meat Processing Units have already started operating in the State and processing units on UHT treated milk, frozen meat, alcoholic beverages, and ready to eat food products are in the pipe line.

## **2. Need for a policy**

Considering the fact that the State is immensely endowed with natural resources conducive for producing a vast range of agri-horti products, it is essential to lay down the road map to direct State's resources, independently as well as through Private-Public Partnership(PPP) for setting up of infrastructures, processing units and industries to produce value added processed food products, reduce wastages, generate additional income for the farmers/growers, create employment opportunities for the unemployed and earn revenue for the overall socio-economical development of West Bengal and its people and hence this policy document.

## **3. Policy Statement:**

To develop the Food Processing Sector, the State will endeavour to :

- augment export of both primary agricultural-horticultural produce and processed food products,
- produce and supply safe, hygienically processed balanced nutritious food to the domestic and export market,
- avoid wastage of primary agricultural-horticultural produce at all stages of production, encourage technology for up gradation and strive to create a brand image of the processed food products from West Bengal,
- create symbiotic partnership between farmers'/growers' co-operatives/ groups with the processing industries,
- produce raw materials conducive for processing and export through integration of research and extension facilities in all sectors of raw material production,
- dovetail policies and programmes of all the Depts. of the State Government responsible for agriculture and allied activities,
- encourage investors for creation of infrastructures of common facility and marketing.
- develop human resource base through Entrepreneurship Development Programme including information, education and communication.
- provide incentive in setting up of food processing industries

## **4. To achieve the Policy. . . .**

### **i) Setting up of the West Bengal Food Processing Development Council:**

To set the norms and advise the State Government on various aspects pertaining to the development of Food Processing Industries in the State, the West Bengal Food Processing Development Council (FPDC) will be set up with the Chief Secretary as the Chairman, Principal Secretary/Secretary, the Dept. of Food Processing Industries as the Vice-chairman, Director, Directorate of FPI as the Member-secretary and following as the members:

1. Various Depts. of the State Govt. having stake in the development of FPI in the State.
2. Research Institutes & Universities and Academia
3. Representatives from the Food Processing Industries
4. Representatives from the Chamber of Commerce
5. Financial institutions.
6. Director, The Directorate of Food Processing Industries  
Member-secretary

WBFPC will advise the State Government in formulating its policies and programmes for furthering the cause of Food Processing Industries in the West Bengal.

The Technical Advisory Committee (TAC) for examination of technical feasibility of different projects on food processing industries will continue to operate under the Department of Food Processing Industries and Horticulture.

### **ii) Simplification & Harmonization of law, rules and procedure:**

- amend, simplify and harmonise application of all Acts, Rules and Regulations governing the sector to fast track setting up of Food Processing Industries,
- process proposals received for investment under the Food Processing Sector in a time frame manner so determined by WBFPC,
- ensure strict implementation of the Prevention of Food Adulteration Act, 1954 and other such Acts, Rules and Regulations for production of processed food of highest quality and standard.

### **iii) Generation of rural employment:**

- identifying and fine tuning the traditional food processing skills under the Entrepreneurship Development Programme (EDP) to match and meet the requirements of the modern Food Processing sector,
- setting up of agro-processing units close to the source/centers of raw material production by creating common infrastructure facilities for processing,
- special incentives, like, grant/subsidy to small and marginal farmers, women entrepreneurs for creating infrastructure/setting up of units for value addition,
- encourage setting up of electronic connectivity to enable growers/ producers to access national and international markets,

### **iv) Creation of Infrastructure and Linkages:**

#### **a. Infrastructure:**

- a comprehensive Infrastructure Development Plan will be put into place within a fixed time frame to provide speedy access to the food parks/agri-export zones with the nearest State/National Highway, Marketing Centres and nearest Airport, Railway Station/ Seaport as well as with other centres of production, both for movement of primary raw materials and processed end products,
- power distribution system will be strengthened to ensure uninterrupted power supply to the processing industries Food-Agro Technology Parks and Agri Export Zones through dedicated feeder lines,
- the State shall set up a committee of experts to suggest on optimum size of land for setting up of various types of Food Processing Units,

#### **b. Linkages:**

- the state shall actively encourage formation of Farmers'/ Growers' cooperatives for linkage between production and processing,
- strategies for crop diversification will be worked out to make agricultural production market driven and conducive for use in the processing industries.
- the State will encourage and give priority in building symbiotic partnership between the producers/growers with the Food Processing Industries for mutual benefit of both the sectors.

- The State will make necessary arrangement for development of market/mandi for linkage between producer/grower and processors.

**v) R&D activities and linkage with Universities:**

- conduct field level studies/surveys by the administrative Departments to improve “food technology information base” of the State,
- encourage networking of organizations/stakeholders, particularly with the research institutions for development and implementation of appropriate processing technologies, modernisation and up gradation of the existing manufacturing/processing plants and units for large scale production of scientific and hygienic processed food, development of traditional and innovative products which are market driven.

**vi) Quality Control:**

- encourage and provide assistance to public and private sector, particularly the small and medium units to adopt latest quality assurance measures, such as, Good Manufacturing Practices (GMP), Hazards Analysis Critical Control Point (HACCP), and ISO 9000. Individual Quick Freezing (IQF), Good Laboratory Practices (GLP), Total Quality Management (TQM), Food Labelling, Food Packaging and Irradiation Technology etc. for production of safe and hygienic products.
- The Government shall facilitate setting up of new and up gradation of the existing Food Testing Facilities for food quality assurance at par with the international standards,
- Adoption of new technologies, such as genetically modified planting seeds, organically produced inputs and bio-technological tools/ advancements in production of raw materials after standardisation by GoI or its designated organisation.
- Modernisation and up gradation of rice mills and husking mills will be fast tracked to enable reduce wastages, production of more nutritious rice and other rice based by products.

### **vii) Creation of Cold Chain/pre and post harvest net work:**

- the Govt. will actively support creation cold chain, pre and post harvest net work near the production sites for meaningful utilisation of these facilities;
- the Govt. shall treat cold chain, pre and post harvest net work infrastructures in the private/public sector as a part of the processing industry and shall award priority sector status in providing of power, water connections, etc.
- Public-Private Partnership will be encouraged to establish cold chain, pre and post harvest net work infrastructures,
- creation of primary processing facilities within an area of 25 Kms of the center of raw material production and management of such centers by trained rural people/ SHGs/ Farmers' groups and on cooperative basis will be encouraged.

### **viii) Development of skill and enterprise of the producers / growers:**

- to meet the growing shop floor demand of the Food Processing Industries Sector for trained and skilled technical personnel, academic and professional training institutes will be encouraged to develop training programmes and make changes in the existing curriculum to include Food Processing as a subject,
- capacity building of PRIs, NGOs, Farmers Organisations, Cooperatives, Self Help Groups including women and persons belonging to the backward classes and minority communities will be fast tracked,
- priority will be accorded to women's role in food sector through their capacity building and access to inputs such as land, credit and technology for setting up FPIs.
- training centers will be established with the help of NGOs for imparting training to all the stakeholders;
- holding of Agro Food Expositions, Conferences and Seminars with the stakeholders for wide scale dissemination of information/knowledge and adoption of technology will be encouraged.



- For the purpose of development of entrepreneurship, transfer of technology and quality control, a Centre for Technology Business Incubator will be established.

**ix) Facilitating environment for investment:**

- conduct studies and surveys to gather and market intelligence. A separate cell will be opened in the Department of Food Processing Industries to pass on marketing information.
- the Govt. will take steps to improve market efficiency through amendment of existing and or adopt new Acts/Rules and Regulations to facilitate investment,
- encourage private sector investment for development of marketing infrastructure,
- fiscal initiatives/interventions, like, rationalization of tax structure, financial incentives, etc., will be introduced to facilitate setting up of the Processing Industries as well as to remove the disparity between the branded and unbranded products,
- A Packaging Development Centre will be established for promotion of low cost packaging and common service for processing.

**5. Conserving traditional processed food products:**

- the Government shall encourage blending of indigenous and traditional knowledge, skills, wisdom, technology and practices for storage, preservation and preparation of different processed produce;
- the Government shall encourage development and promotion of ethnic food products from the State;

**6. Promotion of Non-traditional Food Processing Industries :**

The Government will encourage promotion of non-traditional food processing industries where there is scope for creation of mass employment like, honey processing, palm/date juice processing, betel vine processing, makhana, processing of certain medicinal plants etc.

## **7. Facilitating Export:**

### **a. Agri Export Zones (AEZ):**

- infrastructure for development of new varieties, products, appropriate technology, extension of technology to the growers' of raw materials will be set up in a time bound manner with Private/ Public-Private participation in the six Agro Export Zones,
- a Committee will be set up to finalise the norms for management of the AEZs,

### **b. Agro / Food Technology Parks:**

- setting up of integrated food parks in AEZ areas through private or public private initiatives will be encouraged.
- all food parks will have infrastructure and common facilities according to the requirements of the Processing Industries located in the park, like, Warehousing, Cold Storages, Quality Assurance Laboratory, Common Effluent Treatment Plant etc.,
- agricultural & horticultural farms located within 100 Km of the proposed agro/food technology parks may be earmarked as dedicated/captive farms for these food parks.

## **8. Government support and incentives:**

The Govt. of India in the Ministry of Food Processing Industries has formulated a number of schemes for extending assistance in the form of grant, subsidy and soft loan to agro food processing industries and allied infrastructural facilities established by public, private and joint sector industries as also co-operatives and NGOs. The State Government will extend all help in meaningful utilisation of this opportunity.

In order to give impetus to promotion of all Agro Food Processing Industries, listed in Annexure- A, the following incentives and concessions may be extended:

- Agro Food Processing Industries will be declared as "Seasonal Industry" for the purpose of Labour Acts. These industries will also be exempted from payment of minimum demand charges of the WBSEB during closure period of more than 90 days at a time.

- 100% exemption from payment of Electricity Duty may be given for 5 years for the units set up in the remote areas.
- Agro Food Processing Industries purchasing fruits and vegetables directly from the farmers on partnership farming basis will be exempted from payment of Market Fee/Cess under the APMC Act.
- Agro Food Processing Industries may be exempted from payment of Conversion Fee when they purchase agricultural lands for establishing FPI industry/Food Park for a maximum of 100 acres of land in each case.
- Incentive scheme will be formulated to encourage farmers, growers and other stakeholders of Agro Food Processing Industries to participate in national and international exhibitions and seminars.
- Incentives available under the New Industrial Policy for obtaining ISO and other international certification will be extended for Agro Food Processing Industries.
- Incentive scheme will be introduced for very small FPIs with plant & machinery investment up to Rs.5.00 lakh.
- The State Level Committee of the FPI&H Department shall decide and finalize all cases relating to the incentives/benefits to the Food Processing Industries in the State.
- The Director, the Directorate of FPI shall evolve a separate coding (Bar Coding) procedure for Food Processing Industries in the State.

# **Annexure**

## **Definition**

**1.** Agro & Food Processing Industries will include the manufacturing activities in small, medium and large scale sectors as below:-

- a) Any processed product from fruits & vegetable including dehydrated fermented, canned, bottled, pouched, frozen fruits and vegetables, retort pouching and candy products;
- b) Synthetic beverages, ready-to-serve beverages, beer, vinegar, mustard sauce (Kasundi) etc;
- c) Spices powder, spices paste, spice oil & Oleoresin etc;
- d) Biscuit, Bread, Confectionary, ready to eat food, lozenges, chocolate, candy;
- e) Snack food, chanachur, bhujia, papad, bari, dhoka, noodles, cornflakes, muri, chira etc;
- f) Milk in pouch, paneer, yogurt, sweetmeat, ice-cream, ethnic food from milk and cereal;
- g) Canned, frozen & dehydrated fish and fish meat;
- h) Frozen & canned meat and meat products;
- i) Cereal processes and cereal based products including rice milling and rice product, dal milling and products, wheat milling and products, iodized salt, mineral water, edible oil extraction and refining soya bean processing including solvent extraction of essential oils or perfume bases from medicinal plants and flowers.

**2.** Units having the following mechanized facilities jointly or severally will also be considered as Agri & Food Processing Industries :

- i) Grading, sorting, washing & pre-cooling
- ii) Ripening chamber and fumigation chamber
- iii) Controlled atmosphere/modified atmosphere, packaging system & storage, cold storage for potato and refrigerated vehicle.

**3.** Multi-purpose cold storage units suitable for storing fruits, vegetable, flowers, fish, meat, milk and milk products.

**4.** Seed processing & packaging.

- 5.** Centre for production of intermediate products and semi processed products for preservation of raw materials to supply the processing units.
- 6.** Units engaged in production of fermented vegetables, dehydrated fruits & vegetables, pickling, nutrient pulp from fruit and vegetable, crude oil extraction from aromatic and medicinal plant.
- 7.** Bee keeping, honey processing, mushroom cultivation and processing unit in artificially controlled atmosphere.
- 8.** Setting up of Irradiation Centre and also irradiation of fruits/vegetables/fish / meat/ egg etc.

**Note:**

Any ambiguity/difference of opinion in interpretation of the above definition will be decided upon by the State Government in the Dept. of Food Processing Industries and Horticulture.