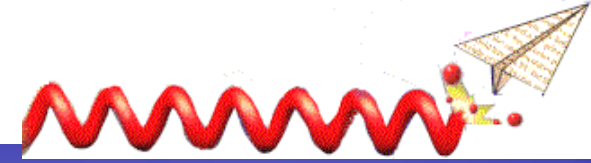


# **COMMERCIAL AGRICULTURE**

**“EXPORT PERSPECTIVE OF AGRI AND  
PROCESSED FOOD PRODUCTS IN ORISSA”**

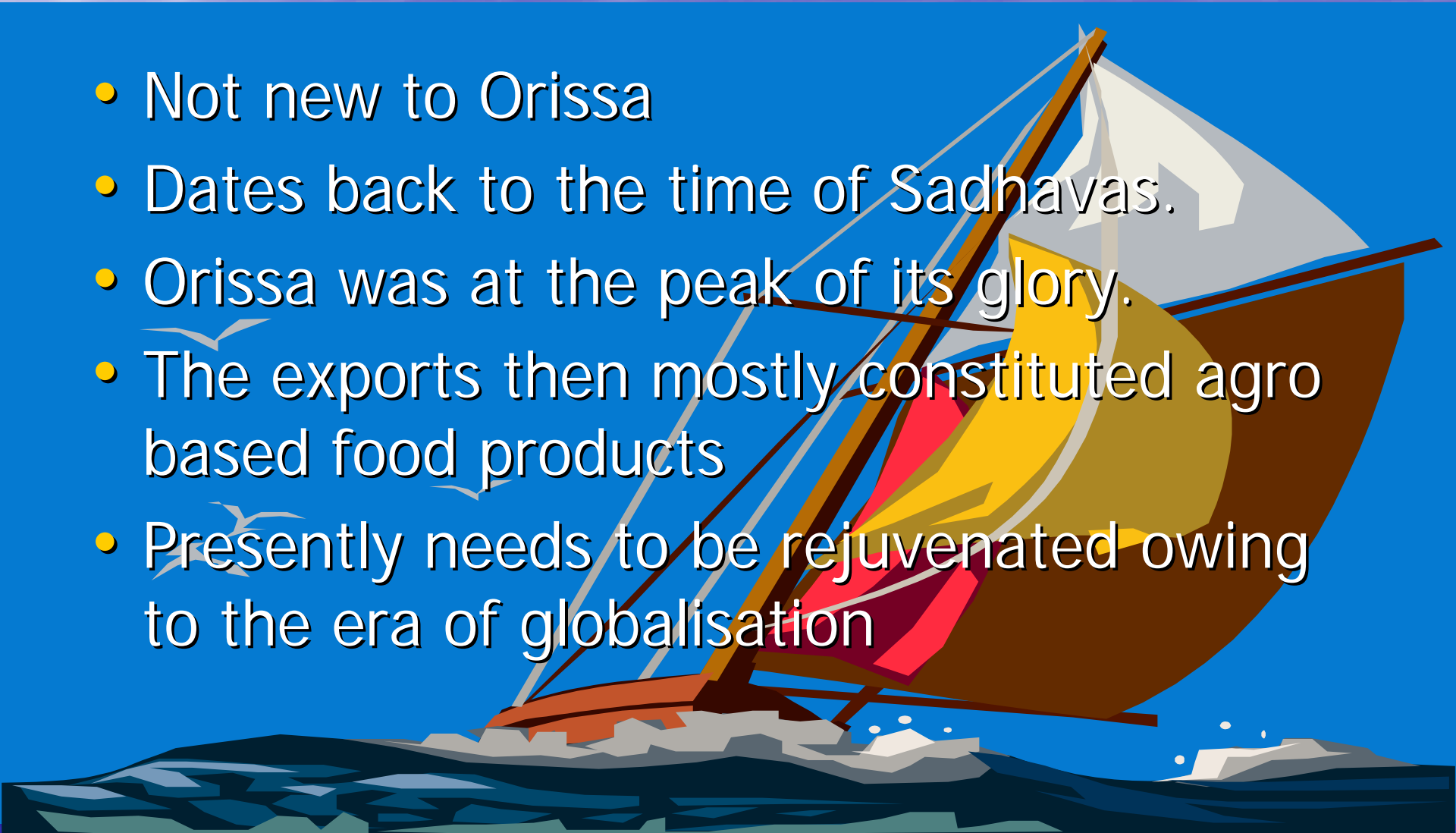
**BY**

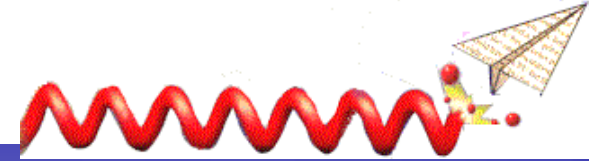
**Dr. Arabinda Padhee, IAS  
Director of Agriculture & Food  
Production, Orissa**



# Export & Processing of Agrobased Food products

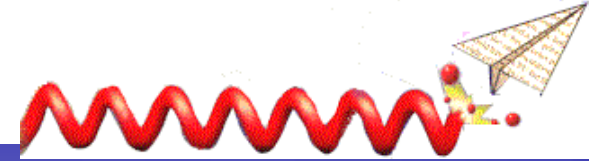
- Not new to Orissa
- Dates back to the time of Sadhavas.
- Orissa was at the peak of its glory.
- The exports then mostly constituted agro based food products
- Presently needs to be rejuvenated owing to the era of globalisation





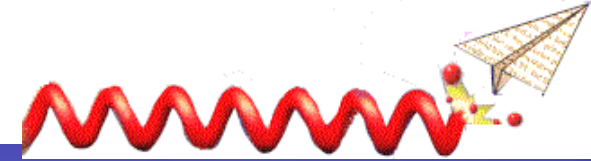
# Post WTO Scenario-Global Village !

- After opening up o the global market there has been a spurt of demand for quality products earning a lot of foreign exchange for a country with large trade deficits.
- India as well as the markets in our state could take advantage of the same and value addition of export quality could be targeted at.
- Public awareness could be created on export quality and exploitable potential for different agro products.



# Why invest in Export oriented Food Processing?

- **Vast source of raw material already exists**
- **Shift from Conventional farming to commercial farming**
- **Market in the form of large urban middle class**
  - With a huge population of 1.08 billion and population growth of about 1.6 % per annum, India is a large and growing market for food products.
- **Low Production cost**
  - The relatively low-cost but skilled workforce can be effectively utilised to set up large, low-cost production bases for domestic and export markets.
- **Change in consumption patterns**
  - Increasing incomes are always accompanied by a change in the food habits. (India's 350 million strong urban middle class with its changing food habits poses a huge market for agricultural products and processed food.)  
  
( According to report of ICRA the proportionate expenditure on staples like cereals, grams and pulses declined from 45 per cent to 44 per cent in rural India while the figure settled at 32 per cent of the total expenditure on food in urban India.)
- **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.
  - According to the Confederation of Indian Industry (CII) the food-processing sector has the potential of attracting US\$ 33 billion of investment in 10 years and generate employment of 9 million person-days.



# Contd.....

- **Government Assistance**

- research and development and human resource development
- promotional measures to encourage the growth of the processed food sector

- **Foreign Direct Investment**

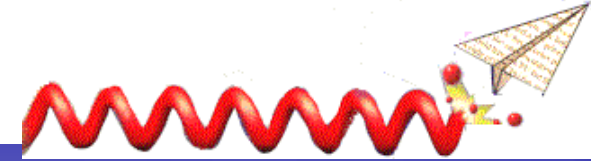
(America's largest chocolate and confectionery-maker Hershey is acquiring 51 per cent stake in Godrej Beverages and Foods for US\$ 54 million.)

- **Food Parks-** to boost the food sector, the Government is working on agri zones and the concept of mega food parks (expected attract FDI).

- The Government has released a total assistance of US\$ 23 million to implement the Food Parks Scheme. It has so far approved 50 food parks for assistance across the country. The Centre also plans US\$ 22 billion subsidy for mega food processing parks.

- **Conducive food processing policy environment**

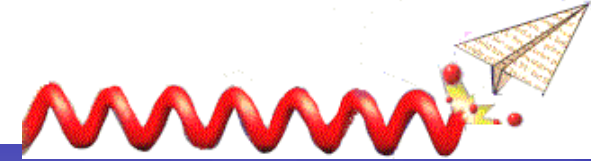
- The national policy on food processing aims at increasing the level of food processing from the present 2 per cent to 10 per cent by 2010 and 25 per cent by 2025.
- The government has allowed 100 per cent FDI in processing sector.



# Agri-Export Performance of Orissa

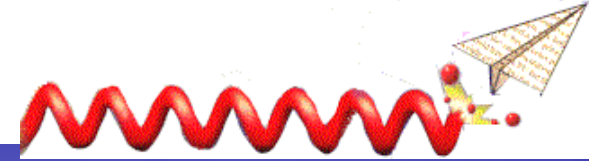
	Volume of Agri-Export 2007-08 (In lakh Rs)
INDIA	3187060.71
ORISSA	625.11 ( $< 1\%$ )

Source: APEDA.com and Directory of Exporters of Orissa, 2009



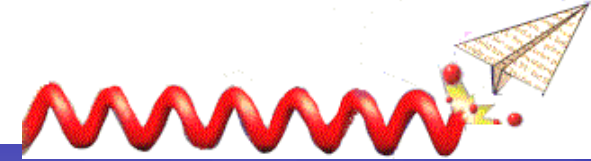
# SCOPE IN ORISSA

- Enormous
- Endowed with vast natural and human resources
- Adequate Agricultural surplus;  
Rice, Maize, pulses, Oilseeds,  
Vegetables, Cashew-nut, Coconut, Spices &  
Fruits etc.
- Besides Organic produces and value added ones could also be traded internationally owing to the rising global demand for organics
- Existing & Developing Infrastructure



# Infrastructure in Orissa

- Well connected by all modern means of transport surface, air and water.
- long coast line, with Paradip as the major all weather port.
- Number of small ports besides Gopalpur being developed as second all weather port offers tremendous export opportunities
- Air Port at Bhubaneswar has already been declared as a Customs Airport and being upgraded to international status.
- Two Special Economic Zones (SEZs) are proposed to set up at Paradip and Gopalpur and Agricultural Export Zones in the districts of Koraput and Kandhamal for Ginger and Turmeric respectively.
- Abundance of skilled and semi-skilled manpower at competitive rate in an environment of peaceful industrial relation and positive work culture offer favorable opportunities for industrial development.
- Govt. will be establishing two Agri-based Food Park at **Malipada, Khurda and Digapahandi, Ganjam** at an expense of Rs. 350 crores. The Park at Khurda has an expansion plan with an estimated investment of Rs.1700 crores. This will promote agri entrepreneurship and agri export as well



# DISTRICT WISE OPPORTUNITIES FOR AGROBASED FOOD INDUSTRIES

## **Balasore and Bhadrak Districts**

- \* **Agro based:** Rice milling, Dal Milling, Edible Oil milling, Dehydration of Vegetable, Vegetable pickles, groundnut decorticating mushroom, cultivation, Spice grinding, Ginger Powder, feed, orange lime pine apple squash and mango soft drink etc.

## **Bolangir And Sonepur Districts:**

- \* **Agro and Food Based**

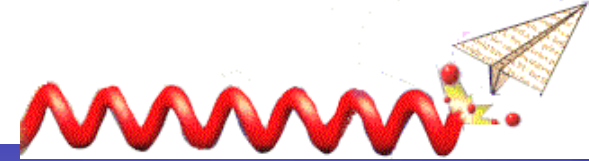
Dal Milling, Maize Milling, Ragi Malt, Oil Mill, Mini Rice Milling, rice bran oil, pop corn, Cattle Poultry feed, Cotton Oil, Surgical, Cotton, Banana chips, Dried Mango, Mango Kernel powder, Pickles, Amla & Mango, Mushroom cultivation etc.

## **Cutack, Jajpur, Jagatsinghpur And Kendrapara Districts**

- \* **Agro & Forest based Industries:**

Coconut oil confectionery, groundnut oil and kernel, cocounut shell powder, banana processing, dehydration of fruits and vegetables, confestionery prawn shrimps firming, potato processing, dal milling, mini rice milling, baripada manufacturing, squashes, coil based industries, bee keeping for honey processing.

- \* **Marine based:** Fish and prawn pickles, dry fish.



### **Dhenkanal And Angul District:**

- **Agro based Industries:** Dehydration of fruits and vegetables, mini rice milling potato processing, confectionery, Mango soft drink etc.

### **Ganjam & Gajapati District:**

- **Food and Agro-based industries:** Salt, Spices, Dal milling Oil milling, Khadsari, Sugar, Fish based, cattle and poultry feeding, Mushroom, Cashew, Corn flakes.

### **Kalahandi & Nuapada District:**

- **Agro based Industries:** Mini Rice Mill, Rice bran oil Maize milling, cattle poultry feed, ragi melt, dal milling, oil milling surgical cotton, chilli powder, tamarind concentrate, starch/power, guava jelly, mango jelly pickles, tomato products, pectin, jackfruits processing, starch, cotton seed oil, castor oil, amla pickles, starch from sweet potato etc.

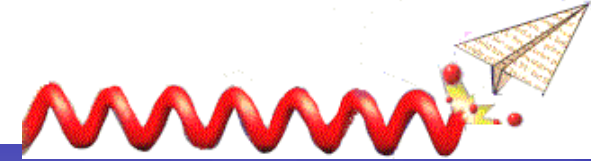
### **Keonjhar District:**

- **Agro based:** Mustard oiling, non-edible oil (Niger, Karanj) Tomato products, mango kernel and pickles, maize milling, guava processing.

### **Koraput, Nawarangpur, Malkangiri & Rayagada :**

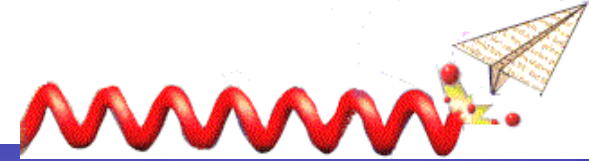
- **Agro based :** Maize product, ragi malt, oil milling, mini rice mill spices, grinding, tamarind concentrate/powder, table salt, cashew processing, starch from sweet potato, ginger/ garlic concentrate etc.

Such scopes could be finetuned with export orientation as well.



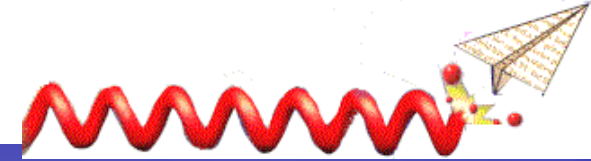
# INVEST IN ORISSA ?

- **Orissa's economy is primarily Agriculture based**
  - The state's GDP grew at 9.53% between 1999-2000 and 2005-2006 to reach US\$ 14.08 billion
  - The tertiary sector has been the fastest growing, driven by growth in sub-sectors like services sector
  - Secondary sector has grown by 11.12% during this period
  - Contribution of primary sector to the GSDP has reduced over the years
- **Skilled as well as Unskilled labour is available in the state**
- **Social infrastructure in the form of Educational Institutes**
- **Orissa presents an opportunity in the Banking sector**
- **Transport infrastructure is adequate and is also being upgraded**
- **The situation in the Power sector and Telecommunications is encouraging**
- **Industrial Infrastructure is being built up**
- **Establishment of SEZs -**
- **Technology Parks developed at **Bhubaneswar, Rourkela** and **Berhampur****



# Commercial Agriculture as a vehicle to boost agri-export

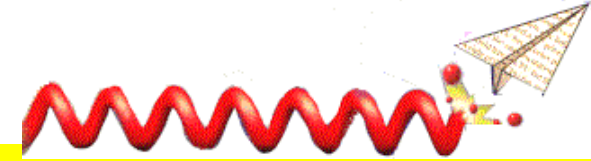
- **Employing latest evolved technologies for enhancing agriculture production** could earn adequate export surplus.
- **Farm Mechanisation** peaking pace in the state is expected not only to enable timely agricultural operation & reduce cost but also get good and quality harvest as well.
- Use of **quality seed materials** leading to harvest of exportable agri-produce.
- **Capacity building** of farmers, agri-entrepreneurs and the extension functionaries need be done.
- **Making available latest market information** at the door step of the Farm-entrepreneur for planning his production programme.
- **Economies of Scale** must be attained to thrive the forces of competition in a market
- **Creation of Conducive environment** for practicing Commercial Agriculture aimed at Export.
- Increased emphasis on **Organic Farming** to harness the benefit of Global demand for Organic produce. (Organic Turmeric, Ginger)
- **Contract Farming/ export oriented farming in PPP mode** could be banked up on for market led production programme (White Sesamum)
- State's existing potentials in production of **aromatic, non-basmati and basmati varieties of rice** could be exploited for enhancing the volume of export.
- Other agri-procduces; **Maize, White Sesamum, Niger, Groundnut, Organic Cotton, Turmeric, Zinger, Chili, Fruits Vegetable, cut flowers and Value added products** of these categories etc have immense export potential for the state.



# Policy Environment

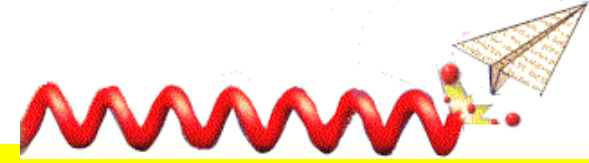
“The basic approach has been to enhance farm income and profit margin there of.”

- Agriculture was coffered the status of industry in 1996.
- **Capital Investment Subsidy** was extended for establishment commercial agrienterprises  
(25% of the fixed capital (excluding the cost of the land) subject to a limit of Rs.25.00 lakh (33% limited Rs.25.00 lakhs to SC/ST/Women agripreneurs along with graduates of Agriculture & allied disciplines)
- Policy on Post harvest, Agro-processing, Storage & Marketing were enacted to encourage farm entrepreneurs to go commercial.

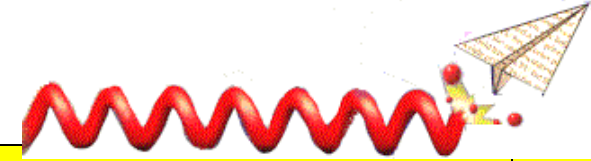


# LIST OF AGRI-ENTERPRISES

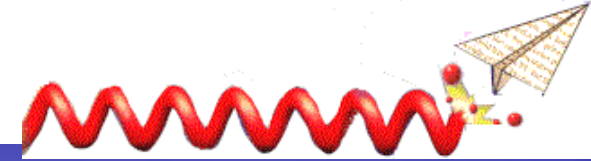
No.	Name of the Projects
	<b><u>Commercial Agriculture</u></b>
1	Commercial Floriculture
2.	Commercial Meat, Egg & Fish Production
3.	Broiler Unit- Minimum Capacity should be 4000 birds
4.	Egg Production- Minimum Capacity should be 10,000 layers
5.	Fish Production- Minimum Capacity should be 2 hectares
6.	Goatery/Piggery/Sheep firming-Minimum capacity 100 animals
7.	Plantation crops like tea, coffee, rubber, cocoa, Cashew and oil palm
8.	Commercial calf rearing centre
9.	Commercial goat rearing centre (minimum capacity should be 100 female s and 5 males)
10.	Export oriented agriculture & horticulture
11.	Freshwater pearl culture
12.	Agro Service Centre
13.	Agri Clinic and Agri business Centre
14.	Veterinary Clinic
15.	Refrigerated Van
16.	Aro-Eco Tourism
17.	Bio fertilizer Production and Marketing
18.	Seed Processing and Agri Business
19.	Soil Testing Laboratory
20.	Fingerling production
21.	Commercial Fruit cultivation excluding annual & bi-ennial crops(minimum area should be 4 hectares)



	<b><u>Agro based Industry</u></b>
22.	Bagass based printing and writing paper production
23.	Cashew processing and other cashew nut based industry
24.	Coir based industry
25.	Jute based industry
26.	Seed Processing Plant
27.	Oil extraction Mills
28.	Cattle & Poultry /Fish Feed Processing Plant
29.	Apiary(Bee keeping)



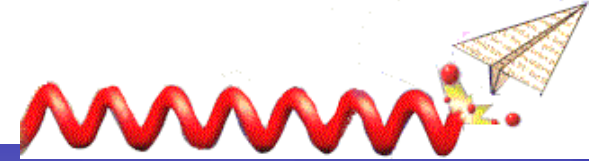
	<b><u>Food processing industry</u></b>
.	Coconut based products
.	Dairy farming and milk processing
.	Squash, Jam, Jelly, pickle, etc of different fruits
3.	Fruit Pulp
.	Chilly, tomato based industry
.	Dehydration and canning of vegetables
.	Frozen fruits and vegetables
.	Processing of mushroom
.	Assorted cold storage for preserving fruits & vegetables including dehumidified godown
.	Mushroom spawn production unit
.	Meat processing unit
.	Food Products Based on Soya bean
.	Maize Processing Plant
.	Product out of crop residue
.	Animal Feed Unit
	<b><u>Industry Based on bio-technology</u></b>
.	Tissue culture laboratory
6.	Vermiculture
7.	Bio pesticides/Bio control agent producing unit
.	Green House/Poly House, Glass House



## Agro processing has found mention in the policy-

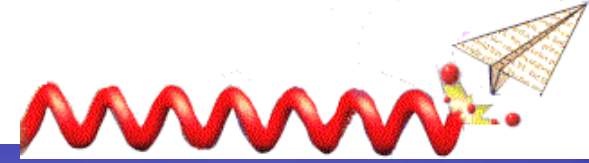
### Salient mentions-

- Setting up of agro-processing units in the producing areas to reduce wastage, especially of horticulture produce, increase value addition and creation of off-farm employment in rural areas will be encouraged.
- Collaboration between the producer co-operatives and the corporate sector will be encouraged to promote agro-processing industry.
- An inter-active coupling between technology, economy, environment and society will be promoted for speedy development of food and agro processing industries and build a substantial base for production of value added agro-products for domestic and export markets with a strong emphasis on food safety and quality.



# AGRICULTURAL MARKETING

- Production of high value crops are being promoted for speeding up commercialization of agriculture through agripreneurs and agribusiness.
- Governments to set up quality controls and testing systems to ensure consistently high quality of the products for domestic markets as well as for export.
- Agri-export Zones (AEZs) would be established in PPP mode for agricultural and horticultural produce having export potential.
- Products as per the geographical indicators will be promoted
- Facilities shall be provided with emphasis on networking for quality assurance, packaging and branding in order to increase agricultural exports as per the international standards/norms
- Facilities for patenting of technologies will be ensured.



THANK YOU