

GUJARAT AGRO INDUSTRIAL POLICY A.D. AND BEYOND

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1.1 Economic reform process has provided a boost to the efforts of the State towards rapid industrialisation. In terms of new investments, Gujarat is amongst the top States in the country. The State has so far attracted major investments in sectors like Chemical and Petro Chemicals, Engineering, Pharmaceuticals, Dyes & Chemicals, etc. Investment in agro industrial sector, however, has remained at less than the national average (in percentage terms), despite the State having several advantages such as seven agro climatic zones, with wide variation in soil type, water availability and climate, abundant natural resources suitable for a variety of commercial crops like oil seeds, cotton seeds, spices and cereals. The State has very high level of production and productivity in several agri and horticulture crops in the country. The State has an established network of market yards besides industrial peace, responsive farming community and above all, its unique geographical location, proximity to national and international markets through its fairly well developed ports, airports and roads.

1.2 Gujarat stands fourth in the country in terms of per capita agricultural out put. The State Government has also identified Agro and Food Processing Industries as one of the Thrust Industries in the new Industrial Policy 1995-2000. However, substantial investments have not come to this sector. Further, actual implementation of such projects has been poor, and less than in States like Maharashtra, Tamilnadu, Andhra Pradesh, Karnataka and Punjab.

1.3 Despite excellent potential for growth, a critical constraint in development of agro and food processing industry, is the lack of supply chain infrastructure across the entire food chain. While Gujarat possesses competitive advantages in several crops like castor, cotton and horticultural crops such as bananas, mangoes, this advantage is often frittered away due to lack of farmer education in adopting best practices and understanding needs of focussed end users. Numerous middlemen add to wastages from the farm to the consumer, retail, processor or exporter. This leads to 30-35% wastages from the farm gate to the final consumer leading to price trade-up. Farmers realise a mere 25-30% of the final consumer price as opposed to 65-70% in well developed agricultural markets.

1.4 A long supply chain also means that each level of the supply chain is oblivious of the requirements of the next level. As a result, there is no premium for good quality produce

or for superior handling practices. Hence, there is no incentive or choice for the farmer to invest in high quality inputs and in adopting the best agronomic practices.

1.5 High prices of processed foods deter increase in consumer demand for such foods. Processors find it difficult to procure adequate quantity and appropriate quality of raw materials at the right price. This has a cascading effect on their business, as they are unable to honour their marketing commitments. Subsequently capital for day-to-day running of the business becomes scarce, vitiating the viability of the business itself.

1.6 Raw materials used by Agro Industries have some fundamental differences vis-a-vis traditional manufacturing industries leading to uncertainty in projections and high risk perception.

Seasonality : The ground and tree crops, fisheries and live stocks undergo a reproduction cycle. Therefore, agro industries have to procure the required raw materials only in the season, while the processing operations and demand for their products are round the year.

Perishability : The agro industries process perishable raw materials and so require greater speed and higher cost in handling and storage.

Variability : Unlike non agro industries, agro industries have to face variability in the quality of raw materials. This occurs because of changes in weather conditions and/or damage to crops and livestock from pests and diseases. There are also cyclic variations in availability of raw material.

These unique features of agro industries necessitate the industries' integration with farmers to secure raw material supply. Despite these constraints it is necessary that the Agro Industrial Sector delivers adequate return on invested capital by operating throughout the year to achieve acceptable rate of capacity utilization.

1.7 Price competitiveness alone will not suffice as a tool of competitive advantage in an increasingly global market place. Processors and exporters of fresh produce to developed markets will have to deliver taste and quality demanded by those consumers. Hence, a twin pronged strategy of improving agricultural yields coupled with delivering the right quality to different markets will be necessary.

1.8 Agro sector displays such characteristics, where only 'Process & Manufacture' cannot be taken as 'Industry', because agro processing industry can not be defined without backward linkage of food chain right upto the farm. The present definition of

'Industry' requires change in form by use of mechanical/chemical or any such process as is synonymous with 'Manufacturing'. Such definition may be appropriate for industries other than 'agro industries'. Agro Industries, may require certain quality of raw material and sometime, they have to effect modification in the raw material and/or increase its shelf life. Therefore, there is need to separately define 'agro industries' so that agro industries can get benefit of incentives available to thrust industries and accelerate investments in the sector. Various organizations such as World Bank, FAO (Food and Agriculture Organization), UNIDO , have defined agro industries keeping in view the value addition aspect. The definition of agro industries is thus defined as under:

DEFINITION :

a) Agro Industries :

'Agro Industry' means units which add value to agricultural products/intermediates/residues, both food and non-food, by processing into products, which are marketable or usable or edible or by improving storability or by providing the link from farm to the market or part thereof. Agro industry also includes hitech and biotechnology based agriculture.

b) Agricultural product :

'Agricultural Product' means produce of Agriculture -Horticulture - Sericulture - Floriculture - Fisheries and includes minor forest produce and live stock based products, except dairy and dairy based products.

c) Hi-tech and Bio-technology based Agriculture :

'Hi-tech and Bio-technology based Agriculture' means and includes projects, which involve any one of the processes such as Tissue Culture, Production of Transgenic Plant, Mass Multiplication of parasites/ predators, Fermentation Plant for bio-fertilizers, Gene Mapping, Cloning, Genetic Engineering, Green House, Aquaculture or any other frontier technology having agro industrial application.

d) Other categories of units, products and processes as may be notified by Government from time to time, would also be eligible.

2.0 OBJECTIVES :

This policy endeavors to make Gujarat, the destination of choice for investors and processors, both global and domestic.

Gujarat has vast untapped potential in agro industrial sector, which could be used advantageously to achieve multiple goals viz. increased income for farmers, rural industrialisation, rural employment, better quality products to consumers. This can be achieved by new investments in agro industries by national/ multinational companies. The broad objectives of agro industrial policy are enumerated as under:

1. To create world class supply-chain infrastructure needed for agro industrial development.
2. To increase total flow of investments both skills and capital, in agro industries to establish backward and forward linkages,
3. To accelerate a close interface between research, extension mechanisms and industry and farmers in agri sector,
4. To increase the value addition and reduce wastages, thereby increasing the income of farmers and delivering better quality products to consumers,
5. To create rural employment and improve quality of life of rural people,
6. To assist small-scale agro based units to remain competitive in global markets,
7. To increase export of value added agri products.

3.0 APPROACH :

In the present climate of economic liberalisation and globalisation, Gujarat needs to create favourable environment by providing incentives to the domestic and foreign investors for setting up of agro industrial project in Gujarat. The approach would be for the government to play a facilitatory role in galvanizing private sector investment in agro industries in the State. A key initiative of the government would be to metamorphose the supply chain infrastructure, which would have multiplier effects in the agricultural sector and greatly increase competitiveness across the entire sector. A well integrated and coordinated approach to infrastructure development will be necessary to ensure healthy utilization of infrastructure facilities across the chain.

The State Government, in conjunction with appropriate private sector agencies, will market this supply chain infrastructure opportunity to multilateral financial agencies and other infrastructure investors. Globally successful processors and retailers need to be aggressively marketed to by the State, as they provide the linkages with the consumer that has been hitherto missing in Gujarat's Agribusiness strategy. The responsibility for such State/ industry specific marketing will lie with the Nodal Agency.

Emerging technologies - like bio technology, genetic engineering - have enormous potential in the near future to extract efficiencies in the supply chain. However, in the short to medium term, significant investments need to be made in the bricks and mortar infrastructure - ports, cold storages, value added centers, irrigation, agronomic practices, etc.

With this approach of occupying top-of-the-mind share of investors and processors, Gujarat should be able to take a lead in rapid agro industrial development.

4.0 STRATEGIES :

4.1 INCENTIVES :

In India most projects in the agro industrial sector have been too highly leveraged considering the seasonal availability of raw material and their perishability, which contribute to considerable variability in revenues and concomitant debt repayment capability of the business. This has resulted in a reluctance of the financial sector to lend to this sector.

The Government of Gujarat will offer an attractive package of financial support and incentives for agro industrial projects to reputed companies with proven technical capability and track record to successfully conceive and implement agro industrial projects. Projects under the ambit of infrastructure, marketing, research and development and facilitation will be eligible for these incentives.

Incentive would be available to new Units as well as existing Units undertaking technology upgradation, modernisation, expansion or diversification. Incentives would be available in entire State except areas covered under jurisdiction of Municipal Corporation of Ahmedabad, Vadodara, Surat, Rajkot, Jamnagar and Bhavnagar. However, Cold Chain projects and Retail outlets for perishables will be entitled for incentives in areas under jurisdiction of Municipal Corporations also.

4.1.1 INTEREST SUBSIDY TO AGRO INDUSTRIAL UNITS :

The State Government will offer back ended interest subsidy to Tiny, Small, Medium and Large agro industrial units, as under:

1. 6% per annum back ended interest subsidy for first 5 years, from commencement of operations,
2. The aggregate interest subsidy will not exceed Rs.100 lacs,
3. The interest subsidy 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 Term Loan meant for acquiring capital assets,
4. The interest subsidy will be released so long as the eligible unit continues timely repayment of the loan and remains in production.

4.1.2 AGRICULTURE INFRASTRUCTURE DEVELOPMENT:

The experience world over has demonstrated that impeccable agri supply chain infrastructure is key to a vibrant and competitive agriculture and agro industrial sector. The piecemeal attempts so far of setting up infrastructure for agri produce in Gujarat will be replaced by an well-orchestrated effort from the Government for coordinated and integrated infrastructure development all across the State.

In order to spearhead the development of infrastructure facilities in an efficient manner, the Government needs to plan the facilities that are required and pro-actively promote and support the same. Government has therefore decided to accord the highest priority for creation of supply chain infrastructure and support services for the agro industrial sector to create world class 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 agri produce from farm to market as decided by Single Window Clearance Committee:

1. Back ended interest subsidy as follows :
 - a. 6% per annum back ended interest subsidy for first 5 years, from commencement of operations.
 - b. The aggregate interest subsidy will not exceed Rs.400 lacs.
 - c. The interest subsidy 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 of the nature of Term Loan • meant for acquiring capital assets.
 - d. The interest subsidy will be released so long as the eligible unit continues timely repayment of the loan.
2. The State Government will assist in preparing pre-feasibility studies through Gujarat Infrastructure Development Board.,
3. The State Government intends to provide Government land including agriculture farms on long lease basis at reasonable rates.

An illustrative list of such agri infrastructure projects follows :

- FOOD/AGRO INDUSTRIAL PARK.
- COLD CHAIN (VALUE ADDITION CENTRE/AGRO SERVICE CENTRE FOR HORTICULTURE PRODUCE.
- SUPPLY CHAIN (VALUE ADDITION CENTRE/ AGRO SERVICE CENTRE) FOR AGRICULTURAL PRODUCE.
- CHAIN OF RETAIL OUTLETS FOR PERISHABLES PRODUCTS.
- AGRI JETTY/PORT AND TRANSPORTATION HUB.
- TECHNOLOGY INCUBATION AND DEMONSTRATION CENTRE.
- AGRICULTURE BIO-TECHNOLOGY INCUBATION.
- AUCTION CENTRES, TRANSIT/ TERMINAL MARKETS.

4.1.3 ASSISTANCE FOR PREPARATION OF PROJECT REPORT :

Preparation of Project Report to set up Agro Industrial Unit is an intricate exercise, and requires multi disciplinary expertise such as Marketing, Finance, Technical and knowledge of supply chains, including involvement of foreign consultants, at times.

The State Government will reimburse 50% cost of preparation of the project report to set up new agro industrial units subject to ceiling of Rs.5.00 lacs. Financial Assistance will be released after the Unit is set up and commences its operations.

4.1.4 SUPPORT FOR SETTING UP OF CENTRE OF EXCELLENCE/ SPECIFIC CROP DEVELOPMENT INSTITUTE :

Gujarat has proven edge in production and productivity of certain agri produce like castor, guar, psyllium husk, oil seeds, seed spices and some horticultural and herbal crops. These agri produce are generally cultivated and processed in geographical clusters which make it feasible for development of centre of excellence/specific crop development institute. Such institutes/ centres would take up demonstration of agronomic practices, R&D (varietal and derivatives) developing, domestic and international market certification, quality assurance, standards, logistics, patenting, brand promotion, upgradation of technology for processing and packaging, improving and professionalising the term of trade in the whole chain and such other promotional activities.

The State Government proposes to encourage private sector industries, 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 rate and 50% initial seed capital matching the industry contribution within a ceiling of Rs.5.00 Crores. In case the Centre for Excellence is incorporated as a Company under the Companies Act, Government support will be treated as Equity. The centre/ institute will be managed professionally by the industry and information will be made available to farmers, processors and planners.

4.2. LAND:

Land is crucial for backward integration for promoting Industry so as to set up nurseries, Research and Development, Demonstration farms and captive consumption for consistent supply of material.

Bombay Tenancy and Agriculture Lands Act, 1948 permits holding and purchase of land only by 'Agriculturists' of the State. This restricts the overall development of agriculture/ Agro Industries. Such laws have already been reformed by States like, Rajasthan, Karnataka and Maharashtra.

The Act, however, permits a commercial/ industrial enterprise to acquire agriculture land on lease u/s. 43 A (1) (a) read with Rules 25 G and 26, within agricultural land ceiling, subject to obtaining prior permission of District Collectors. The State Government will issue guidelines for simplification and expeditious clearance of such permissions by District Collectors for Agro Industries.

The Government will also consider suitable provisions to enable Agro Industries to hold private agriculture land on long term lease.

The Government also intends to provide government land including agriculture farms on long lease basis at concessional rates to Agro Industries.

The Government has already declared a scheme for development of government wasteland. In order to proactively invite investments in this sector, the Government will compile and make available information regarding such government wastelands in the State.

4.3. CONTRACT FARMING :

One of the crucial requirements of agro industry is to get the supply of consistent and quality raw material as per their specifications. At present, raw material is procured by such industry from market place, which often has variable quality and also at times required quantity is not available. This situation has resulted in discouraging optimum size of processing units to come up and have advantage of economy of scale. Besides, small units in food sector are unable to create brand equity and therefore often suffer in market place.

The Industry has also represented from time to time that unless quality and consistent raw material is available as in tea, rubber or sugarcane, large units in food processing sector, particularly in fruits and vegetables sector are unlikely to be set up.

In consideration of above, agro processing industries will be encouraged to enter into contract farming arrangements either directly or through group of farmers, value added centres, agro service centres or cooperatives. To facilitate such arrangement, the State Government will accord priority in sanction of agriculture subsidy under its various schemes to the concerned farmers and will also permit the routing of such subsidy through such centres/groups/co-operatives, subject to the consent of member farmers. This will also result in optimization of subsidy and cluster development of agriculture. These organisations may provide necessary inputs to the member farmers such as planting material, seeds and other inputs, may guide farmers in agronomic practices and may also take crop insurance on behalf of the member farmers.

Legal Department will also examine the feasibility of a legal enactment to facilitate contract farming arrangement.

4.4 IRRIGATION:

4.4.1 Increased Irrigation through Narmada

Narmada project on completion will irrigate additional 18 lakh hectares of land. This will change the crop profile of the State by encouraging farmers to cultivate high value crop with increased productivity. Consistent and ' abundant availability of raw material will attract substantial investment in Agro Processing Industries.

4.4.2 Micro Irrigation :

It is well known that use of drip not only results in saving in the use of water per crop and per acre, but also increases the yield substantially by providing measured quantity of water, fertilizer and pesticide at the targeted root zone. The saving in water can be used to cover additional acreage. The Government will provide encouragement to the farmers to use drip irrigation technology with proper agronomic practices. Already a project to cover 12000 hectares of land under drip irrigation with integrated crop and water management practices is under implementation.

4.5 POWER :

The State Government intends to encourage propagation of tissue culture in horticulture and agriculture and also R&D in biotechnology. The State Government, therefore, may consider levying power tariff on tissue culture and R&D in biotechnology at the same rates as applicable for direct agriculture.

4.6 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. Such road development will be encouraged through co-operatives, private sectors and/or group of farmers. The State Government shall channelise assistance for such road projects under RIDF (Rural Infrastructure Development Fund) of NABARD.

4.7 HUMAN RESOURCE DEVELOPMENT :

HRD holds the key in all round improvement in technology innovations and productivity. Thus HRD will have to cover the entire gamut from basic infrastructure, education, vocational and technical guidance to professional qualifications. For this purpose Universities in the State will be encouraged to commence courses in food packaging, processing, bio-technology, information, technology in agriculture and such allied fields. The Government will create a chair each in Indian Institute of Management Ahmedabad and Institute of Rural Management, Anand for development of courses as identified by the State Government.

4.8 POLLUTION CONTROL & ENVIRONMENTAL PROTECTION.

The State Government is conscious about pollution control and in order to comply with legal provisions and standards, Gujarat Pollution Control Board has been set up to monitor effluent treatment.

It is recognised that some of the agro industrial effluent is not only biodegradable, but also nourishes the soil. The State Pollution Control Board will, frame new guidelines keeping in view the nature of effluents, consistent within the frame work of Central Pollution Control Act.

4.9 MARKETING :

It is well recognised that proper marketing strategies will be key in determining the growth of the sector. This is particularly true of agro produce, which is perishable, variable and seasonal in nature. Domestic markets will need to be developed simultaneously with export markets, for sustainable growth of the sector.

To promote competitiveness and efficiency in the marketing chain, the State Government will encourage standardization, grading and setting up of world class testing facilities accredited by internationally acceptable agencies, national/regional commodity exchanges, auction houses, terminal market, retail chains, etc. Most of these facilities would be created as part of agri infrastructure either by co-operative sector or through private initiative and government facilitation.

4.9.1 AGRI CO-OPERATIVES :

The State has a wide network of co-op, societies in dairy, fruits & vegetables and other agricultural commodities. These co-op, societies play a pivotal role in extension, financing and marketing agricultural produce. The present arrangement, however, has proved inadequate in the new market environment.

The Co-op. Societies Act will be suitably amended to enable co-operative societies to participate in equity with limited companies/ private entrepreneurs to promote joint/ associate sector projects as per the recommendations of Dr. Y. K. Alagh Committee appointed by Government of India. It is also under consideration to introduce the element of competition in Agricultural marketing by permitting direct marketing, auction center by NDDB and private markets.

4.9.2 NATIONAL MULTI COMMODITY EXCHANGE :

Government of India has liberalized futures trading in almost all the agricultural commodities with a view to provide opportunity for trading in multi commodities. The State Government has supported in setting up of Online Multi Commodity Exchange in the State, with total investment of Rs. 24.00 Crores, wherein investment of the State Government would be 11% from GAIC and 5% from Gujarat Agricultural Marketing Board. The commodity exchange has been set up in the State in the name and style of National Multi Commodity Exchange of India Ltd., and has commenced functioning at Ahmedabad. This exchange will help the farmers to plan their production, sales and realization of better prices by way of trading through warehouse receipts.

4.9.3 QUALITY ASSURANCE :

Micro Agro Units, Tiny Units and Small Scale Units will be encouraged to produce to internationally acceptable quality certification standards like HACCP or similar quality certification recognised by importing countries to encourage exports of products from Gujarat. The Government will provide financial assistance upto 50% of the cost, subject to ceiling of Rs.5.00 lacs.

4.9.4 PATENT REGISTRATION ASSISTANCE :

The State Government will encourage individual organisation in government, private or co-operative sector in patent registration by providing financial assistance of 50% cost of Patent Registration within a ceiling of Rs.5.00 lacs.

4.9.5 STANDARDS AND GRADING :

With opening up of economy and globalisation under WTO regime, it has become imperative to grade and standardise agri and horticulture products of the State on the basis of international standards. The State would formulate such standards and grading and develop regulatory mechanism for the same.

4.9.6 GENERIC PROMOTION OF KEY CROPS :

The State Government will pro-actively promote global positioning of crops in which it has preeminent position in world market through generic promotion, participation in exhibition abroad & creating brand for agro products of Gujarat special campaign shall be undertaken in targeted international market in association with APEDA, progressive farmers, farmers co-operatives, exporters & agri processors. The targeted crops are castor oil derivatives, isabgul (Psyllium husk), banana, ground nut and sesame seed.

4.9.7 FOOD RETAILING:

World over food retailing chains have been 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.

Gujarat Government will encourage setting up chain of retail outlets in Gujarat as a crucial link between consumers and producers. The support will be in the form of speedy approvals for land allocation, financial contributions to project costs, facilitation of infrastructure, for fresh produce segment, in particular.

4.9.8 FOOD PARK

Food Parks are the industrial estates specifically .for setting up of food processing industries. Development of Food park intends to enable particularly small and medium scale food enterprises to attain viability by defraying cost of major common facilities such as R&D, Laboratory, Cold Storages, warehousing, pack houses, food testing and analysis lab, effluent treatment plant, common processing facilities, power, water supply, etc.

The State Government has contemplated to set up first of its kind Food Park through private entrepreneurs at Dahej and Hazira by innovative use of cold energy generated from regassification of LNG so as to provide low cost refrigeration to the processing units, cold storages and pack houses. A Food Park at Mundra is also proposed adjoining to SEZ.

4.10 HIGH-TECH AGRICULTURE:

High-Tech agriculture involves higher capital investments, improved agriculture techniques and utmost care, which increases the risk in such high end projects. The State Government would encourage private sector entities, apex co-operative institutions, etc. to set up these high technology projects. It would consider permitting private entrepreneur to take up these activities in agricultural sector. It is also under consideration to provide power at concessional rate.

4.11 EXPORTS :

Gujarat contributes about 16% of the total export from the country. Major agricultural products exported from Gujarat are fresh and processed fruits & vegetables, castor seeds/ oil/ derivatives, sesame seeds, HPS, De-oiled Cakes, marine products etc. Agriculture exports from Gujarat, however, are largely commodity based. The State Government intends to encourage export of Agri products from the State by taking following measures :-

4.11.1 AGRI EXPORT ZONES:

Under the Government of India EXIM policy product specific Agri Export Zones viz. (1) Mango & Vegetables and (2) Value Added Onion - have been notified by the Ministry of Commerce, Government of India. The Government of Gujarat is also proposing to establish Agri Export Zones for Groundnut, Sesame seed, Castor, Isabgul, Banana, Potatoes, Cumin & Fennel seeds. The main objective of AEZ is to provide higher returns to the farmers by enhancing their accessibility to export and extending their capacity to produce export specific quality products. The State would support AEZ through the existing scheme.

4.11.2

Setting up of Air Cargo Complex for perishable products at Ahmedabad International Airport .

4.11.3

Setting up of world class laboratory for quality and inspection of Agriculture and Processed food products from the State.

4.11.4

The following Assistance will be available to exporters of Gujarat Agriculture Produce.

(a) Air Freight Subsidy @ 25% Subsidy on Air Freight on Mango, Sapota, Banana, Lemon, Okra, Tomato and such other products as specified by the State Government from time to time, subject to a ceiling of Rs.10.00 lacs per beneficiary/per annum.

(b) The State Government will provide subsidy (within a ceiling of Rs. 50,000/- per beneficiary) for sending samples / test marketing abroad. The State and the Central Government assistance should not exceed 50% of the cost of sending samples and the beneficiary can avail such grant only once for sending samples for one time to one country and the product should be of Gujarat Origin only.

4.12 RESEARCH & DEVELOPMENT :

Agro Industrial units are required to compete in domestic and global markets with stringent quality standards. Such units, therefore, are required to upgrade their technology and introduce modernisation.

The State Government will encourage research and development activities in the State. The Government will provide assistance to agro industries for sponsored research work undertaken by reputed research institutions, upto 50% of the cost, within a ceiling of Rs.20.00 lacs.

4.13 INFORMATION TECHNOLOGY :

Farmers, processors and planners will be requiring latest information related to agri business. The State is committed to develop suitable infrastructure for agri business to enable wide dissemination of information. Agri IT. Kiosks will be set up in APMCs, Village Panchayat, Consuming Centres and would have connectivity with related departments of agriculture, universities, industries and international markets.

Government intends to prepare 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.

4.14 CERTIFICATION AGENCY FOR ORGANIC FARMING :

Organically produced products are gaining popularity amongst the health conscious consumers worldwide. Such products attract premium. To encourage production of organic products and make them acceptable in the international market, the State will facilitate setting up of internationally recognised quality testing and certification laboratories in Gujarat.

4.15 VENTURE CAPITAL FUND :

A revolving venture capital fund can be a major contributor to jumpstart investments in the food & agri business sector. As Gujarat is at the take off stage in the field of Agriculture and agro based industries, such a fund could catalyse agro industrial development.

The Government has recognised the need for a venture fund to cater to the needs of prospective entrepreneurs who have developed or acquired unique technologies in Agro & Food Processing, Horticulture, Aquaculture, Sericulture, Hi-tech Agriculture and such other Agro related projects. The State Government intends to create a venture funds for agro industries in association with financial institutions/ banks, etc.

4.16 AGRICULTURE WASTE :

Agri waste has a vital role in agri economy and need to be optimally utilised to provide adequate return to the farmer and maintain competitiveness in global environment by full utilisation of all resources. The State government, therefore, intends to support projects on agri waste, by treating them at par with Agro Industrial Infrastructure projects for the purpose of incentives.

4.17 MISCELLANEOUS :

Government support for other facilities like pollution control, water, etc. and other parameters not specifically provided herein above will be on lines of the Industrial Policy.

5.0 SINGLE WINDOW CLEARANCE :

The State Government is committed to provide the facility of single window clearance to ensure that entrepreneurs do not have to visit different government offices to obtain the required clearances for setting up industrial units in the State.

For this purpose the State Government has constituted an Empowered Committee consisting of Secretaries Incharge of Departments of Finance, Industries, Agriculture and Managing Director, Gujarat Agro Industries Corporation Ltd. with a view to provide Single Window Clearance to Agriculture and Food Processing Industry. The Committee will also take such measures and decisions as required for proactively promoting the development of Agro Industries in the State. In view of the thrust required to this sector, the Committee is chaired by Chief Secretary and also include Industries Commissioner as a member.

The Committee will take appropriate decisions to effect , special assistance from Gujarat Government, if required, to attract large scale investments in this sector.

The decisions of the Committee shall be final and no further approval will be necessary.

6.0 NODAL AGENCY :

The State Government has appointed Gujarat Agro Industries Corporation Ltd. as Nodal Agency to promote and develop Agro and Food Processing Industry in Gujarat. GAIC is also declared as Nodal Agency by Ministry of Food Processing Industries, Government of India to promote and develop Food Processing Industries in Gujarat.

The State Government will proactively facilitate investments in Hi-tech agriculture, agro industries and agri infrastructure projects through equity participation in joint and associate sector by GAIC. Government will make available a revolving fund for this purpose.

7.0 IMPLEMENTATION :

Government of Gujarat will ensure that Agro Industrial Policy is implemented expeditiously. The Empowered Committee for Food and Agro Processing Industry headed by Chief Secretary, will be the sanctioning Authority for large and medium scale projects under this policy. The Nodal Agency will issue letters of approval as per decisions of the Empowered Committee and disbursement will be made by the Office of the Industries Commissioner.

Sanctioning Authority for subsidy to small and tiny units, has been constituted under Chairmanship of Industries Commissioner with MD, GAIC as Member.