

Agriculture Based Industries Of Rajasthan

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ABSTRACT: Rajasthan is the largest state of India in terms of area (342,239 square kilometers) covering 10.4% of India's total land area. The state of Rajasthan is known for its rich historic and cultural legacy. The state has diverse agro-climatic conditions which makes it suitable for the cultivation of varieties of crops. Rajasthan is the number one producer of fenugreek, mustard, bajra, cumin, coriander, guar, etc. It accounts for more than 10% of the nation's milk production and has one of the highest livestock populations in the country. These factors make Rajasthan a perfect destination for the food or agro-processing industry.

KEYWORDS: Rajasthan, agriculture, industries, food, security, livestock, processing, perfect

I.INTRODUCTION

Major strength of Rajasthan for Food or Agro-processing industry

- **Raw Material Availability:**
Rajasthan is the number one producer of Psyllium, fenugreek, mustard, bajra, cumin, coriander, guar, etc. It accounts for more than 10% of the nation's milk production and has one of the highest livestock populations, making it ideal for food processing units.[1,2]
- **Basic Infrastructure:**
The State of Rajasthan ranks # 1 in Export Preparedness Index 2015 under the Landlocked states category. The state has a vast network of national highways and railways to provide excellent connectivity to major cities. It is well connected with the ports of Gujarat and Maharashtra.
- **Power availability:**
The State of Rajasthan has unique climatic conditions leading to a wide scope of solar and wind power generation. The State Government tries to ensure 24 hours power facilities to industries running in the State.
- **Abundance of the workforce:**
Agriculture and allied activities make up for 24% of the State's GDP, with 62% of the total working population of the State dependent on this for livelihood. Due to this factor, there is no scarcity of trained and cost-effective workforce in the agro or food processing sector in Rajasthan.[3,4]
- **Supporting Agri Infrastructure:**
 - (a) There are 6 food parks in Rajasthan. One mega food park is in Ajmer and other five in Alwar, Kota, Jodhpur and Sri Ganganagar.
 - (b) 2 Agri Export Zones- 1 for coriander covering Kota, Baran, Jhalawar & Chitorgarh and 1 for cumin covering Nagaur, Barmer, Jalore, Pali and Jodhpur.
 - (c) Out of 344 existing Industrial areas (as per RIICO), there are 26 industrial areas which are marked as suitable for food processing industry.
 - (d) The State of Rajasthan has 8 inland container depots.[5,6]

Food Processing Clusters in Rajasthan

Spices and Condiments processing	Kota, Jodhpur, Bikaner, Jaipur
Milk Processing	Alwar, Jaipur, Ajmer, Bikaner
Pulses Processing	Jodhpur, Bikaner, Jaipur

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Snacks Processing	Jodhpur, Jaipur
Mustard & Soyabean Processing	Kota, Bundi
Barley Processing	Jaipur, Sikar, Dausa, Tonk, Bundi
Maize Processing	Bhilwara, Chittorgarh, Banswara
Prepared Foods	Alwar, Jaipur, Ajmer
Wheat Processing	Jaipur, Alwar, Sri Ganganagar, Hanumangarh, Kota, Bundi, Baran
Oil Processing	Alwar, Sri Ganganagar, Bharatpur, Bundi, Kota
Fruit & Vegetable Processing	Sikar, Ajmer, Banswara, Chittorgarh

Subsidies on Food or Agri Processing Industry in Rajasthan

The Government of Rajasthan is extensively promoting investment in Food Processing/ Agro-Processing industry in Rajasthan. [7,8] Under, the Rajasthan Investment Promotion Scheme, 2016, the Agro/ Food processing industry has been considered as a thrust sector. As such, special subsidies and incentives are available for those entrepreneurs who are intending to establish food or agro-processing unit in Rajasthan. In the next section of this blog, we are enumerating all the benefits announced for food/ agro-processing units in Rajasthan under RIPS, 2016

II.DISCUSSION

Rajasthan Investment Promotion Scheme, 2016 (RIPS, 2016)

Subsidies for Agro-Processing Sector in Rajasthan

General Incentives under RIPS, 2016	Special Incentives under RIPS, 2016
<p>Following incentives are granted to a manufacturing unit under RIPS, 2016:</p> <ul style="list-style-type: none"> Investment Subsidy of 75% of State tax (SGST) due and deposited, for 7 years; Employment Generation Subsidy in the form of reimbursement of 50% of employer's contribution towards employees EPF and ESI, for 7 years; Exemption from payment of 100% of Electricity Duty for 7 years; Exemption from payment of 100% of Land Tax for 7 years; Exemption from payment of 100% of Market Fee (Mandi Fee) for 7 years; Exemption from payment of 100% of Stamp Duty on the purchase or lease/ sub-lease of land and construction or improvement of such land; and Exemption from payment of 100% of conversion charges payable for change of land use and conversion of land 	<ul style="list-style-type: none"> 5% interest subsidy on term loan taken by enterprises from any Financial Institutions or State Financial Institutions or Banks recognized by RBI for making an investment in plant & machinery, for a period of 5 years subject to a maximum of Rs. 25 Lakhs per year; OR Capital subsidy equivalent to 25% of the investment made on the plant & machinery, subject to a maximum of Rs. 50 Lakhs.

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III.RESULTS AND CONCLUSIONS

- Special incentives or subsidies are available for the agro-processing sector only in the case of those enterprises which are making an investment equal to or above Rupees 5 crores in the Agro-processing sector.[9,10]
- Employment Generation Subsidy shall be provided @ 75% instead of 50% in case of employees belonging to Women, ST/SC, a person with a disability or in case the enterprise is providing more than 75% direct employment to persons domiciled in Rajasthan.

Subsidies for Food Processing Sector in Rajasthan

General Incentives under RIPS, 2016	Special Incentives under RIPS, 2016
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- Special incentives or subsidies are available for the food processing sector only in the case of those enterprises which are making an investment equal to or above Rupees 5 crores in the food processing sector.
- Employment Generation Subsidy shall be provided @ 75% instead of 50% in case of employees belonging to Women, ST/SC, a person with a disability or in case the enterprise is providing more than 75% direct employment to persons domiciled in Rajasthan.[11,12]

Additional Subsidies/Incentives in case of units established in backward & most backward areas of Rajasthan

In case an agro-processing or food processing unit is established in a backward or most backward area of Rajasthan, the above subsidies shall be granted for an additional period or amount as below:

Units in Backward Areas:

- Applicable Investment Subsidy as above for additional two years, subject to a maximum of 9 years;
- Applicable Employment Generation Subsidy for an additional 2 years, subject to a maximum of 9 years;
- Exemption from payment of electricity duty for additional 2 years and
- 0.5% additional interest subsidy[13]

Units in most backward areas:

- Applicable Investment Subsidy for additional 3 years, subject to the maximum of 10 years;
- Applicable Employment Generation Subsidy for an additional 3 years, subject to the maximum of 10 years;
- Exemption from payment of electricity duty for an additional 3 years; and
- 1% additional interest subsidy

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Interest Subsidy in case of investment below Rs. 5 crores:

Entrepreneurs who are intending to invest less than Rs. 5 crores would be worried that they will not be able to avail the benefit of interest/ capital subsidy under RIPS, 2016. At this juncture, we would assure them not to worry as there is one more scheme of the Rajasthan Government which will give them benefits of interest/ capital subsidy. The scheme is named as “Mukhyamantri Laghu Udhog Protsahan Yojana”.[14]

Mukhyamantri Laghu Udhog Protsahan Yojana (MLUPY)

Under this scheme, the aspiring entrepreneur can avail loans from financial institutions, commercial banks, private sector banks, small finance banks, regional rural banks, RFC and SIDBI, etc. The benefit of this scheme is available up to a loan of Rs. 10 crores. The nature of the loan will be a composite loan, term loan, and working capital (including CC Limit)

Interest subsidy under MLUPY

Under this scheme, the following interest subsidy is available to the beneficiaries on the loans for 5 years:

Sr. No.	Maximum Loan Amount	Interest Subsidy
1	Up to Rs. 25 Lakhs	8%
2	Rs. 25 Lakhs to Rs. 5 Crores	6%
3	Rs. 5 Crores to Rs. 10 Crores	5%

If you are intending to start a food processing or agro-processing unit in Rajasthan, it is the right time to initiate. You will not only get benefits of the above subsidies and incentives but also get the benefit of the peaceful business environment, natural conditions, and agricultural infrastructure of the State of Rajasthan.[15,16]

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