



# Bihar Agri Investment Promotion Ecosystem



## Creating an Enabling Ecosystem for Agri Investors



Awaiting to Nurture Your Agri Investments

# Preface

Bihar is one of the important agricultural states in the country with around 80% population engaged in agriculture (more than the national average). It is one of the leading producers of vegetables & fruits in India, including many GI tagged crops. However, with very minimal primary and secondary processing happening here, the existing potential for agri-based enterprises in the State remains untapped. Assessing the State's potential of capitalizing on the surplus production of various crops and the potential of increasing the level of processing, reduction of wastage, value addition and promote exports, the State government has launched Bihar Agri Investment Promotion Policy (BA-IPP) 2020. BAIPP includes dovetailing of incentives from other Central and State sponsored programmes/schemes and thus, will complement the existing incentives under Bihar Industrial Investment Promotion Policy (BIIPP) 2016 (which also identifies food processing as a priority sector). Under the Special Land Allotment and Amnesty Policy, 2020 investors shall get rebate on land for setting up industries from BIADA.

Towards building resilience from the Covid-19 induced slowdown and aiming at doubling farmers' income, the Central Government has also launched an array of enabling programmes / schemes under Atmanirbhar Bharat, which will give boost to the agri based industries in the State as well. Some of such interventions are PM Formalization of Micro Food Processing Enterprises Scheme (PMFME), Agri Infrastructure fund. For smaller investments by interested farmers/investors in Post-Harvest Management of agri produce Mission for Integrated Development of Horticulture (MIDH) and Chief Minister's Horticulture Mission (CMHM) also extend multifaceted support.

With reforms focusing end to end support to the farmers and investors, never has the investment ecosystem been so enabling and nurturing for the agri based industries in the State.

**Therefore, let's re-imagine the prosperity of Bihar by investing in its strength i.e. AGRICULTURE!**

# Agri Investment Infrastructure In Bihar



**Agricultural Sector in the State growing at 13.8% CAGR, contributing 19.29% of GSDP**



**Bihar has obtained GI Tag for Shahi Litchi, Zardalu Mango, Magahi Paan & Katarni Rice**



**Skilled Resources with 2 Agricultural Universities, 1 Allied University, and 4 ICAR Institutions, as well as IIT, DMI, NIFT at Patna**



**Krishi Karman Awards**



**Rice 2011-12**



**Wheat 2012-13**



**Maize 2015-16**



**Maize 2016-17**



**Wheat 2017-18**

**8th**

**In terms of Road Network**



- More than 2 lacs Km of Road Network
- Golden Quadrilateral Highway
- Passes through 5 districts of Bihar

**6700**

**KM of Rail Network**



One of the most dense railway networks

**2**

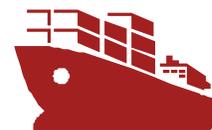
**International Airports in Bihar**



- Patna
- Gaya
- ICDs at Raxaul & Fatuha



**Kolkata & Haldia Port**



Eastern Dedicated Freight Corridor passes through Bihar

# Important Sectors for Investment



## Makhana

- Bihar accounts for 85% of India's Makhana production with 1,00,000 MT/ annum - World Leader.
- Madhubani, Darbhanga, Katihar, Purnea, Sitamarhi, Saharsha, Supaul, Kishanganj and Araria supporting ~50,000 Households.
- National Research Center for Makhana, Darbhanga (ICAR) & Bhola Paswan Shastri Agricultural College, Purnea.
- Its about Rs 250 Cr Market at farmers' end, Rs 550 Cr at traders' end and Rs ~1500 Cr market at consumers' end.
- Bihar need technological innovation in primary processing while it has few major avenues of secondary processing.



## Maize

- Bihar Produces 31.9 Lacs MT / year with high productivity of Maize (Bihar is second only to Tamil Nadu).
- Bihar is the only Indian state with considerable availability of marketable maize in all the three seasons constituting about 8% of the total production.
- 5 districts of Bihar contribute about 50% of total production Katihar, Purnea, Araria, Madhepura and Samastipur.
- Gulab Bagh Mandi in Purnea District is one of India's biggest and freest (no APMC) Terminal Mandi for Maize.
- Early May Harvest from Bihar gives the State global competitiveness.
- Even after being fifth largest producer of corn, ecosystem related to value addition and processing of maize in Bihar is still in very nascent stage.



# Important Sectors for Investment



## Honey

- Largest producer of Litchi and Mustard honey, at par with premium honey in world.
- Endowed with 3-4 honey flow seasons with litchi, mango, guava and mustard.
- 20,000 MT honey production per annum within the state.
- Mellifera bee-keeping is already popular.



## Fruits & Vegetables

- Bihar ranks 4<sup>th</sup> in fruits production and 8<sup>th</sup> in vegetables production, nationally.
- It is the largest producer of litchi and the third largest producer of pineapple, as well as a major producer of mango, banana and guava.
- The important vegetable crops include potato, onion, tomato, cauliflower, and brinjal.
- Bihar has obtained GI tag for Shahi Litchi and Zardalu Mangoes.
- Immense potential for F&V processing to add value to produce and bring better returns



## Tea

- Bihar produces more than 45,000 MT of raw tea leaf, mainly in the Kishanganj district.
- Lack of adequate processing opportunities lead to the produce moving to the neighbouring state.



# Important Sectors for Investment

## Seeds



- Bihar is ranked 7<sup>th</sup>, accounting for about 6.5% of the domestic seed industry (in value terms).
- By 2021, Bihar will need ~20.7 lakh Q of Field Crop Seeds & ~1200 Q of hybrid vegetable Seeds.
- 3/4<sup>th</sup> of the seed demand of the state is met from seeds produced in outside States.
- Since the State enjoys leading position in terms of crop production, seed production and processing can help save the logistics cost in seed imports.

## Medicinal & Aromatic Plants



- Bihar ranks 9<sup>th</sup> in medicinal and aromatic plant production amongst other states of the country.
- The main crops are mint, lemon grass, tulsi, etc. under aromatic plants and Sadabahar, Gurmar, Sarp Gandha, Kalmegh, Brahmi, Shatawari, etc. in medicinal plants.
- Growing health awareness has created an opportunity for innovation and use of herbal medicines.



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**To harness the untapped potential of State's bounty of raw materials, enabling policy environment has been promoted by the Government and investors should take an advantage of this promising agri investment ecosystem.**

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# 1. Bihar Agri Investment Promotion Policy, 2020

## Vision of the Policy

- To encourage and promote agribusiness sector in Bihar through creating an enabling environment for the same and enhancing the level of processing, storage, waste reduction, value addition and export promotion thereby generating higher income returns to farmers and creating more employment opportunities.

## Objectives of the Policy

- The policy aims to achieve the following objectives for the overall growth and development of agribusiness sector in the State with a goal of providing remunerative returns to farmers' produce:
  - a) To promote and facilitate investment in agribusiness sector in Bihar through financial assistance and an enabling environment
  - b) To increase the level of processing, reduction of wastage, value addition and promote exports thereby resulting in overall development of agro processing sector.
  - c) To extend financial assistance for establishment of new agro-processing units as well as technology upgradation and expansion of existing units in the State in the identified sectors of Agriculture.
  - d) To enhance income of farmers through better returns gained through better processing of produce
  - e) To create employment opportunities through promotion of agro based industries

### Focused Sectors Under the Policy \*

**Makhana**

**Fruits and Vegetables**

**Honey**

**Medicinal and Aromatic Plants**

**Maize**

**Tea**

**Seeds**

refer to the policy for detailed list of indicative industries identified for respective focused crops

## Coverage of the Policy

This policy shall be applicable in the entire state and considering the Bihar's leading position across the country in terms of agri produce, the Policy identifies the following seven agribusiness sectors for extending the financial assistance:

- The policy shall be in force till 31<sup>st</sup> March 2025. Eligible units under the policy shall avail the capital subsidies upto a maximum of 2 yrs after the end of the policy term.
- Projects having procured SIPB stage - I approvals will be eligible to apply for BAIPP screening with requisite documents and pre-conditions.

## Support under the policy

- The policy provisions under the current policy shall be available to investors in addition to the Bihar Industrial Investment Promotion Policy, 2016, but there shall be no overlapping supports, i.e. investors shall not be eligible to avail same incentives under both policies.
- The policy shall provide capital subsidy to the eligible applicant for setting up / modernization / diversification / expansion of agro processing units in the identified sectors of Agriculture, in the state of Bihar

## Capital Subsidy for the Project Cost

- Individual investors, Partnership firms LLP, companies - 15% of the project cost
- Farmer Producer Organizations (FPOs) - 25% of the project cost
- The projects with minimum approved project cost of Rs. 0.25 cr. and maximum of Rs. 5 cr. shall be eligible for availing the benefits
- The Capital subsidy support shall be entirely credit linked.
- Fixed Capital Investment for the purpose of subsidy calculation will include land value (not exceeding 10% of project cost), Land development cost, Plant and



machinery, factory building, Civil construction and MFA associated with production lines

• **Eligibility Criteria:**

- a) The net worth of the applicant(s) should not be less than the grant amount sought.
  - b) The term loan from the Bank/Financial Institution should not be less than 20% of the project cost.
  - c) The date of the commercial production of the proposed project shall not be prior to the date of submission of application.
  - d) The land for the project shall be arranged by the applicant either by purchase or on lease of at least 30 years and it should be registered in the name of the proposing unit.
  - e) Any investor / applicant who has availed financial assistance for a project under this policy of Government of Bihar, shall not be eligible to apply for another project under same policy until one month after operationalization of earlier project.
  - f) The proposals, meeting the cut off score of at least 60% as per the criteria for assessment, defined by PMC, will be considered eligible subject to fulfillment of other conditions prescribed in the policy guidelines.
- Subsidy will be disbursed under two installments:
    - **1st installment - 50%** (after purchase and installation of plant and machinery)
    - **2nd installment - 50%** (after commencement of commercial production of the unit / project)
  - Capital subsidy under the said policy is allowed for expansion/modernization of existing projects in the identified sectors, only if the existing capacity of the said project is increased by at least 25% by way of such modernization or expansion or diversification.
  - **Nodal Agency:** Bihar Horticulture Development Society (BHDS), Agriculture Department, Government of Bihar
  - **Land availability:** BIADA shall create



dedicated land banks for agri based industries as mentioned in Clause 4 of this policy.

• **Social Inclusion :**

- Scheduled Castes, Scheduled Tribes and Extremely Backward classes (EBC) investors, will receive additional 5% capital subsidy
- Women, differently abled entrepreneurs, war widows, acid attack victims and third gender entrepreneurs will receive additional 2% capital subsidy

• **Ease of doing business :**

- BHDS would act as the single contact point for the investors regarding claims of eligible capital subsidy under this policy and will also facilitate relevant investors supported under this policy getting support under BIIPP 2016.
- BHDS shall place Technical Support Group (TSG) to facilitate investors under this policy and to support Project Monitoring Committee and BHDS in scrutiny of the proposal, subsidy calculation and disbursement as per the provisions of BA-IPP 2020.
- Agribusiness Investor facilitation desk' shall be established in BHDS to provide hand holding support to the investors at various stages of application / clearances from concerned authorities and liaising with the related agencies as part of Government's effort to ensure Ease of Doing Business

• **Whom to Contact**

- Interested Applicant may contact/refer to Dr. Rakesh Kumar, Dy. Director, Bihar Horticulture Development Society, Government of Bihar, Mob. 9431818933; email: [agri-in-policy2020@bihar.gov.in](mailto:agri-in-policy2020@bihar.gov.in) Website- <http://horticulture.bihar.gov.in/>

## 2. Bihar Industrial Investment Promotion Policy, 2016

### Vision of the Policy

- To establish Bihar as the most preferred investment destination by leveraging the state's comparative advantages and maximizing employment opportunities for attaining a balanced regional and sustainable development.

### Strategies for Agri-Investment

- Encouraging investments that add value to the farm produce and increase the income of the cultivators through processing and preservation of food crops, particularly vegetables and fruit crops.
- Encouraging cluster development in MSME sectors
- Emphasizing on industries that rely on local production, local skills, and local consumption.
- State PSU Shall be encouraged to form JV to leading private sector companies in labor intensive food processing food processing sector to provide comfort to large multinational/national organization to set up manufacturing in Bihar
- Any Strategic investment (more than Rs 500 Cr investment in plant and machinery and employment to 500 people) shall be entitled to customized package of incentive

### Identified Food Processing Activities as Priority Sector

- Bihar offers a substantial opportunity for the food processing industry and is expected to play a leading role in the industrialization drive of this state.
- The food processing units discussed below shall be considered under the priority sectors for the purpose of availing the incentives under this policy.

### Support under the policy

- **Reimbursement Stamp Duty/ Registration:**
  - a) No stamp duty to be paid in respect of land allotted by the government to IDA/ BIADA.
  - b) 100% reimbursement of stamp duty/ registration fees levied on lease/ sale /transfer of industrial land/shed as also those outside the jurisdiction of BIADA would be available to all the new units.

### Food Processing Applicable for support Under the Scheme \*

- Food grain and oilseed processing
- Fruits &Vegetable (F&V) Processing
- Milk Processing and Dairy Product Manufacturing
- Honey Processing
- Spice and Herbs Processing
- Tea Processing
- Meat, Poultry and Fish Processing
- Seeds
- Other edible preparation
- Sugarcane Processing
- Warehousing
- Integrated farm level processing, transportation, distribution of vegetables and horticulture produces.
- Bottling Units – Ketchup, Squash etc.
- General/ Business Development Services in agricultural sector

\*refer to the policy for detailed list of indicative activities

- **Land Conversion Fees:** 100% reimbursement of –land conversion fees/ –change in land use|| fees being levied for conversion of agricultural land.
- **Interest Subvention:**
  - a) State shall extend –Interest Subvention|| to all the eligible units on the term loan availed by the unit from a scheduled nationalized bank or financial institution approved by RBI/SEBI.
  - b) Rate of interest for interest subvention will be 10% or actual rate of interest on term loan, whichever is lower. For micro and small units, there shall an interest subvention of 12%.
  - c) The overall limit of this subvention for priority sector units will be 30% of the approved project cost. The subvention limit for non-priority sector units shall be 15% of the approved project cost. The upper limit of this subvention shall be Rs.10 crore.



### Tax related incentive:

- a) All new units can avail tax related benefits up to 70% of project cost for non-priority sector and 100% for priority sector
  - b) Additional 30% tax benefits given to all new Micro & Small Units as well as units engaged in generation of solar and/ or renewable energy for commercial purpose
  - c) All new units will be entitled to avail 80% reimbursement against the admitted SGST/ Entry Tax deposited in the account of the State Government (excluding strictly any tax paid by them arising out of a purely trading business), for a period of 5 years from the date of commencement of commercial production.
  - d) All new units shall be eligible for 100% reimbursement of the electricity duty on power including captive power consumed by the same unit or exported to the BSPHCL from the date of commencement of commercial production for a period of 5 years subject to overall limit
- **Social Inclusion:** Scheduled Caste and Scheduled Tribe Entrepreneurs and Women, Differently abled persons, War widows, Acid attack victims and Third gender entrepreneurs
    - Rate of Interest Subvention: 11.5% (13.8% for Micro & Small Units) or actual rate of interest on term loan whichever is lesser.
    - Upper limit of this subvention will be 34.5% of approved project cost (for priority sector projects)/ 17.25% of approved project cost (for non-priority sector projects) maximum upto INR 11.5 crore.
    - Would be able to avail 92% of the reimbursement against admitted tax deposited in account of state government with maximum limit of 80.5% (non-priority sector) or 115% (priority sector) of the approved project cost

### Ease of doing Business

- **Udyog Samvad Portal:** As one stop platform for investors have been created wherein all related information developed in investor friendly mode can be accessed. It also facilitate grievance redressal.
- Empaneled professional project management agencies (PMAs) in the food processing sector could facilitate speedy project appraisal and clearances
- Application process and documentation requirement along with reduced timelines for various clearances such as electricity connection, GST registration, professional tax registration, etc. have been simplified.
- Process for applying and seeking clearances for labor, environment, and tax related components are streamlined and smoothed with online application and tracking mechanism as well as reduced compliance and mandated timelines for action etc.

### Institutional Framework for Policy Implementation

- A State Investment Promotion Board (SIPB) is constituted for providing approvals and clearances on setting up of new businesses.
- A State Investment Promotion Board (SIPB) is be constituted for providing approvals and clearances on setting up of new businesses.
- Policy Monitoring Committee has been constituted to monitor implementation and identify hurdles and bottlenecks for appropriate grievance redressal.

### Whom to Contact

- Interested Applicant may contact/refer to
  - Director Food Processing, Department of Industries, GoB, Tel: (0612)-2215398, email: dir-fp.ind-bih@nic.in
  - Udyog Mitra- Tel: 0612-2547695, email: [info@udyogmitrabihar.com](mailto:info@udyogmitrabihar.com) and website: [www.udyogmitrabihar.com](http://www.udyogmitrabihar.com)

### 3. PM Formalization of Micro Food Processing Enterprises Scheme

**Key Objective of PMFME:**

- a) Support for transition of existing enterprises into formal framework for registration under regulatory framework and compliance;
- b) Increased access to credit and organized supply chain to existing micro food processing entrepreneurs;
- c) Support to FPOs, SHGs, Producers Cooperatives & Societies to enable microenterprises to avail common services.

**Support under the Scheme : Upgradation of Processing Units**

**Individual Category:**

Credit-linked capital subsidy @35% of the eligible project cost for expansion/ technology upgradation with a maximum ceiling of Rs.10 lakh per unit. Beneficiary contribution should be minimum 10% and the balance should be loan from a Bank.

**Eligibility criteria:**

Individual / Partnership Firm with ownership right of the enterprise

- a) Existing micro food processing units in the survey or verified by the Resource Person;
- b) The applicant should be above 18 years of age and should possess at least VIII standard pass educational qualification;

Only one person from one family is eligible for obtaining financial assistance. The “family” for this purpose would include self, spouse and children.

**Group Category:** The Scheme would provide support in clusters to groups such as FPOs/ SHGs/ producer cooperatives along their entire value chain. SHGs / FPOs / Producer Cooperatives would be provided the following support:-

- a) Grant @35% with credit linkage for capital investment with maximum limit as prescribed;
- b) Training, marketing & branding support

**Eligibility Criteria:**

- a) It should be engaged in processing of ODOP produce for at least three years;
- b) In case of FPOs / cooperatives, they should have minimum turnover of Rs.1 crore and the cost of the project proposed should not be larger than the present turnover;
- c) The SHG / cooperative / FPO should meet 10% of the project cost and margin money for working capital.

**Seed Capital to SHG:**

Seed Capital @ Rs. 40,000/- per member of SHG engaged in food processing for working capital and purchase of small tools. Seed capital as grant would be provided at the federation level of SHGs which, in turn, will be extended to members as loan through SHG.

**Eligibility criteria:**

For Seed Capital, only SHG members who are presently engaged in food processing would be eligible. Amount should be utilized for working capital as well as purchase of small tools





### **Support under the Scheme: *Creation of Common Infrastructure***

- FPOs/ SHGs/ Producer Cooperatives /State agencies or private enterprises would be supported for creation of common infrastructure including for common processing facility, incubation center, laboratory, warehouse, cold storage, etc. Eligibility of a project under this category would be decided based on benefit to farmers and industry at large, viability gap, absence of private investment, criticality to value chain, etc. Credit linked grant would be available @ 35% with maximum limit as prescribed.

### **Support under the Scheme: *Branding and Marketing Support***

- Marketing and branding support will be provided to FPOs/SHGs/Cooperatives or an SPV of micro food processing enterprises under the scheme following the cluster approach for developing common packaging & branding with provision for quality control, standardization and adhering to food safety parameters for consumer retail sale.
- Support for Marketing and Branding requires a minimum volume which can be generated through active involvement of FPO/ SHG/ Cooperatives to bring large number of producers together. Support up to Rs.5 lakh would be available from State Nodal Agency for preparing DPR for proposals for branding & marketing.
- Support for branding and marketing would be limited to 50% of the total expenditure with maximum limit as prescribed. Proposal from states or national level institutions or organizations or partner institutions for

branding & marketing will be supported for vertical products at the national level.

### **Support under the Scheme: *Capacity Building & Research***

- Training is a critical component in technical upgradation and formalization of micro food processing enterprises. All individuals & institutions members receiving grant would undergo training for upgradation of their skills. In addition, training support would also be provided to other existing individual units and groups producing ODOP product in the district, even if they are not being supported through credit linked grant. Training support would also be provided for units that are part of support for Marketing & Branding or have potential to join such network.

### **Convergence of Partner Institutions**

- The scheme lays special focus on SCs/STs, women and aspirational districts and FPOs, SHGs and producer cooperatives.
- TRIFED, National SC Development Finance Corporation, NCDC, SFAC and NRLM under MoRD have been working in these areas. The above institutions may converge their activities

### **Whom to Contact**

- Interested Applicant may contact/refer to
  - Respective District Horticulture Office
  - Sri A.C. Jain, Joint Director Horticulture, Directorate of Horticulture, through mob. 9431818928, email- vocal-local@bihar.gov.in and website- <http://horticulture.bihar.gov.in/>
  - Ministry of Food Processing Industries, GoI, <https://mofpi.nic.in/pmfme/>



## 4. Financing facility under 'Agriculture Infrastructure Fund'

### Key Objective:

- Impetus for development of farm-gate & aggregation point, affordable and financially viable Post-Harvest Management infrastructure.
- To mobilize a medium - long term debt finances facility for investment in viable projects for post-harvest management Infrastructure and community farming assets

### Implementation Period of Scheme

The Scheme will be operational from 2020-21 to 2029-30. Moratorium for repayment under this financing facility may vary subject to minimum of 6 months and maximum of 2 years.

Loan Disbursement in 4 yrs.

Rs.10K Cr. in first year &  
Rs.30K next 3 FYs

### Primary Beneficiaries of the Scheme

- FPCs, SHGs, JLGs, PACs
- Marketing Cooperative Societies
- Multipurpose Cooperative Societies,
- Agri-entrepreneurs, Startups,
- Central/State agency or Local Body sponsored Public Private Partnership Projects.

### Budgetary Support Under the Scheme

- **Interest Subvention:** All loans under this financing facility will have interest subvention of 3% per annum up to a limit of Rs. 2 crore. This subvention will be available for a maximum period of 7 years. In case of loans
- beyond Rs.2 crore, then interest subvention will be limited up to 2 crore.

- **Credit Guarantee:** Credit guarantee coverage will be available for eligible borrowers from this financing facility under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme for a loan up to Rs. 2 crore. The fee for this coverage will be paid by the Government. In case of FPOs the credit guarantee may be availed from the facility created under FPO promotion scheme of DACFW.

### Eligible Projects Under the Scheme

#### A. Post-Harvest Management Projects Like:

Supply chain services including e -marketing platforms

Warehouses and Silos

Pack houses

Assaying units, Sorting & grading units

Cold chains

Logistics facilities

Primary processing centers

#### B. Viable Projects for Building Community Farming Assets Including:-

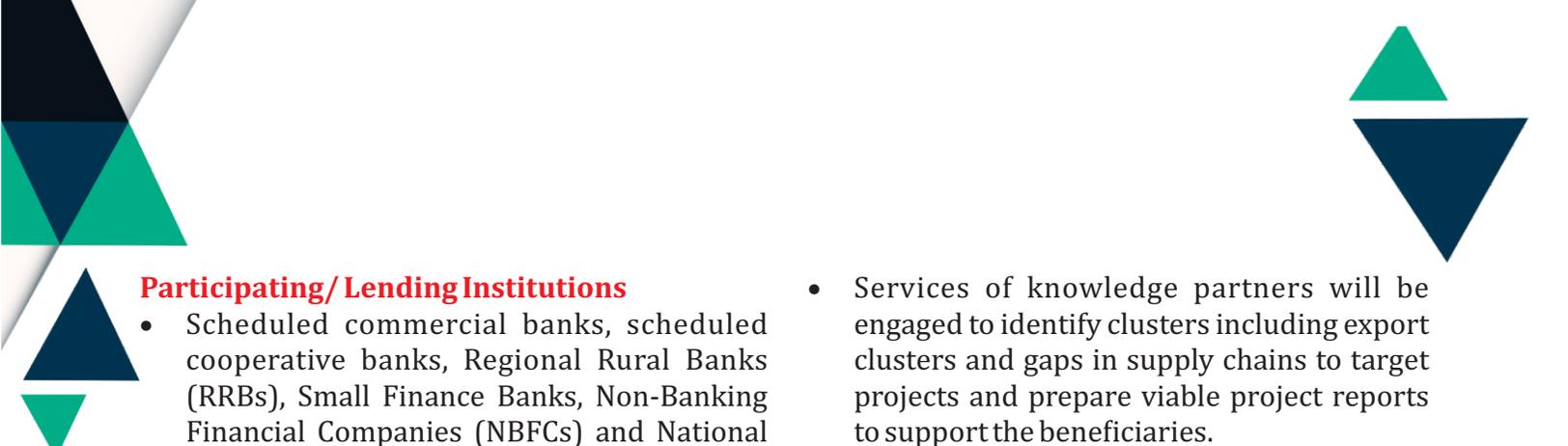
Organic inputs production

Bio stimulant production units

Infrastructure - smart & precision agriculture.

Projects identified for providing supply chain infrastructure for clusters of crops including export clusters.

Projects promoted by Central/State/Local Governments or their agencies under PPP for building community farming assets or post-harvest management projects.



### **Participating/ Lending Institutions**

- Scheduled commercial banks, scheduled cooperative banks, Regional Rural Banks (RRBs), Small Finance Banks, Non-Banking Financial Companies (NBFCs) and National Cooperative Development Corporation (NCDC) may participate to provide this financing facility, after signing of Memorandum of Understanding (MoU) with National Bank for Agriculture & Rural Development (NABARD)/DAC&FW.
- If required, need based refinance support will be made available by NABARD to all eligible lending entities including cooperative banks and RRBs as per its policy.

### **Criteria for selection of Eligible Borrower**

- Lending institutions will decide criteria for selection of eligible borrower in consultation with NABARD and monitoring committees, PMUs and keeping in mind the viability of the projects and to avoid NPA.

### **Social Inclusion**

- 24% of total grants – in – aid under the scheme should be utilized for SC/ST entrepreneurs (16% for SC and 8% for ST). Besides this, lending institutions will ensure adequate coverage of entrepreneurs belonging to women and other weaker segments of society. It has to be ensured that benefits of the scheme are inclusive and accrue to the intended beneficiaries.

### **Project Management and Handholding Support**

- Agri Infra fund will be managed and monitored through an online MIS platform. It will enable all the qualified entities to apply for loan under the fund. The system will also provide benefits such as transparency of interest rates offered by multiple banks, scheme details including interest subvention and credit guarantee offered, minimum documentation, faster approval process as also integration with other scheme benefits.

- Services of knowledge partners will be engaged to identify clusters including export clusters and gaps in supply chains to target projects and prepare viable project reports to support the beneficiaries.
- Project reports with indicative unit costs will be prepared by Central and State PMUs for guidance of beneficiaries and lending entities. Such project reports shall be available on online platform.

### **Convergence**

- Any grant or subsidy available under any present or future scheme of Central/State government can be availed for projects under this financing facility. In cases of capital subsidy such amount shall be considered as promoter's contribution. However, a minimum of 10% of the project cost shall be mandatory as promoter's contribution.

### **Institutional Monitoring Framework**

- The National, State and District Level Monitoring Committees to ensure real-time monitoring and effective feed-back about the implementation of the proposed scheme.
- All assets created under this financing facility shall be geo tagged. The District Monitoring Committee and respective lending entity shall ensure that updated information on such geo tagged assets is available on the online portal.
- The Output and Outcome Monitoring Framework (OOMF) will be a part of monitoring system and the measurement of outcome indicators will be monitored periodically by DLMC, SLMC and NLMC.

### **Whom to Contact**

- Interested Applicant may contact/refer to
  - Respective District Agriculture Office  
Sri Shankar Kr. Chaudhary, Joint Director (Agro), Directorate of Agriculture, GoB through mob. 9431818768, email- [statistics.bihar@gmail.com](mailto:statistics.bihar@gmail.com) and website- <http://krishi.bih.nic.in/>

## 5. MIDH and CMHM

Mission for Integrated Development of Horticulture (MIDH) is a Centrally Sponsored Scheme for the holistic growth of the horticulture sector covering fruits, vegetables, root & tuber crops, mushrooms, spices, flowers, aromatic plants, coconut, cashew, cocoa and bamboo. Similarly, Chief Minister's Horticulture Mission (CMHM) is the state sponsored programme for promoting horticulture sector growth. Both MIDH and CMHM aim to enable farmers in getting benefit under Post Harvest Management (PHM) for their respective agri produce. The various components, respective unit costs and Subsidy % is described as below:

SN	Components	Unit Cost	Subsidy %
1.	Packhouse	Rs. 4.00 lakh/unit	50
2.	Integrated Pack house	Rs. 50.00 lakh/unit	35
3.	Ripening Chamber	Rs. 1.00 lakh/MT	35
4.	Pre-Cooling Unit	Rs. 25.00 lakh/unit	35
5.	Cold Room (Staging)	Rs. 15.00 lakh/unit	35
6.	Mobile Pre-Cooling Unit	Rs. 25.00 lakh/unit	35
7.	Cold Storage Unit Type 1	Rs. 0.08 lakh/MT	35
8.	Cold Storage Unit Type 2	Rs. 0.10 lakh/MT	35
9.	Technology induction and modernization of cold-chain	Rs. 250.00 Lakh/unit	35
10.	Functional Infrastructure for Collection Grading, Shorting	Rs. 15.00 lakh/unit	50
11.	Refrigerated Transport vehicles	Rs. 26.00 lakh/unit	50
12.	Primary Processing Unit	Rs. 25.00 lakh/unit	50
13.	Integrated Cold Chain Supply System	Project Based. Rs. 600.00 lakh./unit	35
14.	Low Cost Preservation Unit	Rs. 2.00 lakh/unit	50
15.	Low Cost Onion Storage	Rs. 1.75 lakh/unit	50
16.	Rural Markets	Rs. 25.00 lakh/unit	50
17.	Retail Markets	Rs. 15.00 lakh/unit	50
18.	Mobile Vending cart	Rs. 0.30 lakh/unit	50
19.	Distillation Unit	Rs. 5.00 lakh/unit	50

**Whom to Contact:** For more information please contact Sri D. N. Mahto, Dy. Director, Bihar Horticulture Development Society, Government of Bihar through mob. 9431818930, email- [ddveg-agri-bih@nic.in](mailto:ddveg-agri-bih@nic.in) and website; <http://horticulture.bihar.gov.in/>, <https://midh.gov.in/>.

## 6. National Horticulture Board

The National Horticulture Board (NHB) has been set up by Government of India with the main objectives of improving integrated development of Horticulture industry and to help in coordinating, sustaining the production and processing of fruits and vegetables. The financial assistance in the form of back ended capital investment subsidy is available for the following activities:

Sl. No.	Item	Cost norms
1.	Integrated Post Harvest Management Projects e.g. Pack House, Ripening Chamber, Refer Van, Retail Outlets, Pre-cooling units, Primary Processing etc.	Rs. 145.00 lakh per project
2.	Integrated Pack house with facilities of conveyor belt, sorting grading units, washing, drying and weighing.	Rs. 50.00 lakh per unit with size of 9M x 18 M
3.	Pre-Cooling Unit	Rs. 25.00 lakh per unit with capacity of 6 MT
4.	Ripening Chamber	Rs. 1.00 lakh per MT
5.	Primary processing of F&V, Aromatic plants and Cashew	Rs. 25.00 lakh per Unit
6.	Cold Storage and Controlled atmosphere storages from 5001 to 10000 MT capacity	From Rs. 6800 to 9500 per MT plus component wise cost norms for add on components

### Pattern of Assistance

#### A. For Post-Harvest Infrastructure

Credit linked back ended subsidy @35% of cost limited to Rs. 50.75 lakh per project

#### B. For Cold Storage and Controlled Atmosphere Storages

Credit linked back ended subsidy @35% per project

**Whom to Contact:** For more information please contact Sri S. S. Kadu Dy. Director, National Horticulture Board, Verma Centre, 5th Floor, Room No 501, 502, Boring Canal Road, Patna-800001 Tel. 0612-2541218, email- [nhbpatna@gmail.com](mailto:nhbpatna@gmail.com) and website- <http://nhb.gov.in/>

## 7. Special Land Allotment and Amnesty Policy, 2020

**In order to boost investment and job creation, the government has decided to ease the availability of land at attractive prices and easier terms through Special Land Allotment and Amnesty Policy, 2020. The policy identifies Food processing sector/unit as one of the eligible sectors/units for allotment.**

- **Category of industrial plots**

The total plots available with BIADA in new industrial areas shall be divided in various categories, as under :-

- a. Size upto 0.25 Acres
- b. Size larger than 0.25 acres upto 0.50 acres
- c. Size larger than 0.50 acres upto 1.00 acre
- d. Size larger than 1.00 acres upto 2.00 acres
- e. Size larger than 2.00 acres upto 5.00 acres
- f. Size larger than 5.00 acres

- **Division of plots**

The plots categorized as above should be divided so that at least,

(a) 25% of the allottable land will be divided in plots measuring an area of 0.5 acre or less than that, and

(b) Balance 75% of the available allottable land may be divided in different sizes of plots as per demand and requirement of the entrepreneurs as may be decided by the Board of Directors from time to time.

- The government has changed the formula for determining the land size of the industry

(i) Rate of industrial land in industrial areas of BIADA shall be 1.5 times that of adjoining agricultural land and wherever adjoining agricultural land is not available, the rate of BIADA land shall be equal to that of adjoining developing land rate.

(ii) In case, 1.5 times of the agricultural land rate is more than that of the developing land rate, the rate of BIADA land shall be capped at the rate of such adjoining developing land.

(iii) If due to this revision in pricing of land rate in BIADA, the rate gets discounted more than 50% of the rate as on the date of

notification of this policy then the downward revision in BIADA land rate shall be capped at 50% of the pre-revision rate (rate existing prior to this policy).

- BIADA shall reserve 10% of the total area of plots in the Industrial Area developed/acquired on or after 1st January 2020 and lands acquired from the Sugar Cane mills for the following category of entrepreneurs: (i) SC/ST Entrepreneurs, (ii) Extremely Backward Caste Entrepreneurs, (iii) Women Entrepreneurs. The size of these plots shall not be bigger than 0.25 acres. The reserved plots shall be further reserved in the ratio of 60% for SC/ST, 30% for EBC and 10% for Women and Differently abled.

- **Procedure of allotment**

The pre-qualification criteria for the said policy is as below:-

- (i) Net-worth of investor - should be at least 20% of the proposed investment.
- (ii) The investor must have an average annual turnover of at least Rs. 50 crores in the preceding three accounting years.
- (iii) The investor should have an operating profit in at least two of the previous three years.

(iv) For allotment of plots under category 1.2(a) of the policy (plots measuring an area of 0.5 acre or less), the pre-qualification criteria mentioned in the above Sub-clauses shall not apply. New entrepreneurs and startups will also be considered for allotment of these plots. All the applications meeting the pre-qualification conditions will be presented to BIADA's Project Clearance Committee (PCC) after evaluation based on decided criteria and weightage. **Additional weightage for food processing sector units and additional points for being part of priority sector under BIIPP 2016.**

- **Whom to Contact**

- Sri R.S. Srivastav, MD, BIADA, Government of Bihar through Tel. 0612-2675998 and email: [biada-bih@gov.in](mailto:biada-bih@gov.in) and website: <https://www.biadabihar.in/>

## 8. Additional Regulatory and Facilitative measures by GoB

Apart from the previously mentioned policy and other initiatives by Central and State Government, Government of Bihar has undertaken other measures which will work as catalytic force for boosting the agri investment ecosystem in Bihar. Some of such measures are mentioned below:

- **Creation of BAVAS Division:** Agriculture Department has constituted BAVAS (Bihar Agri produce Value Addition System) Division which with an aim to enable transparent price discovery mechanism, will be responsible to facilitate and oversee contract farming for the various agri produce of the state including the identified ones in BAIPP, 2020.  
BAVAS Division will also set-up a dedicated platform for marketing and brand development for the focused produce of the State such as raw honey (and other honey products), makhana, etc.
- **Setting up of NABL accredited food testing laboratory:** The State Government plans to facilitate establishing a NABL accredited food testing laboratory in the State. The food testing laboratory shall be run through a public private partnership model.
- **Designing a dedicated State Maize Task Force:** A dedicated task force to promote maize based industries in the State of Bihar shall be constituted by the Department.
- **Promoting PSUs and private sector JV:** State PSUs shall be encouraged to form joint venture (JV) with some of the leading Private companies in labour intensive manufacturing sectors such as food processing, Farm machinery, Garments etc.
- **Developing Custom services at Raxaul:** The State government will explore the possibility of having Customs services at Raxaul. This will facilitate the State's food processing units in easily procuring custom related clearances within the state.
- **Alternative storage facilities:** The State Government shall also be supporting dedicated schemes (MIDH, BAIPP, etc.) to improve the storage facilities for different crops. To ease the storage access at a reasonable price, the state government shall explore and promote alternative storage models to facilitate warehousing at farmgate levels, for maize and other commodities.
- **Promotion of FPOs:** Government of Bihar is also promoting formation of Farmer Producer Organizations (FPOs) for various agri produce to ensure effective backward and forward linkages for the farmers. Some of such schemes are Bihar State Horticulture Produce Development Scheme (BSHPDS), Makhana Development scheme, ATMA, etc.
- **GI tag and Research promotion:** The State Government will facilitate obtaining GI tag for more crops including makhana and promote branding of the produces based on their nutritional and glyceemic indicators.
- **Convergence:** DoA will explore and facilitate convergence with BRLPS/Jeevika to enable the various SHGs and Farmer based organizations, in getting the maximum benefit from the bouquet of benefits for agro based enterprises. Towards promoting makhana production, priority to be given to its production (if feasible in combination with fish cultivation) in settling the new water bodies created under Jal Jeevan Hariyali Abhiyan in the potential districts.
- **Training of farmers and RPL:** The State Government shall explore RPL (recognition of prior learning) based skill building programme for the manpower involved in various agricultural practices to recognize (and certify) the existing skill set and promote capacity building.

## 9. Investment - Incentive Maximization plan through Convergence & Leverage

The various State and Central state level interventions towards facilitating investment promotion can be leveraged upon to ensure maximum benefit to investors interested in investing the agro industries in the State. An indicative list of the probable projects and policies / schemes from which they can benefit are depicted in the table below:

SN	Probable Projects	Unit Cost (Indicative)	Applicable Scheme
1	Maize based –Cattle / Fish / Poultry Feed Unit	Rs. 25 -Rs. 500 Lakhs	BAIPP + BIIPP
2	Maize / Cereals warehouses /PPCs	Rs. 25 -Rs. 500 Lakhs	AIF + BAIPP + BIIPP
3	Makhana Processing Units –Value added	Rs. 25 -Rs. 500 Lakhs	AIF+ BAIPP +BIIPP
4	Seed processing Unit	Rs. 25 -Rs. 500 Lakhs	AIF+ BAIPP +BIIPP
5	Litchi processing Unit	Rs. 25 -Rs. 500 Lakhs	AIF+ BAIPP +BIIPP
6	Honey Processing Units	Rs. 50 –500 Lakhs	AIF + BAIPP + BIIPP
7	Tea Processing Unit	Rs. 25 -Rs. 500 Lakhs	AIF+ BAIPP +BIIPP
8	Mentha processing Unit	Rs. 25 -Rs. 500 Lakhs	AIF+ BAIPP +BIIPP
9	Integrated Pack Houses (9m*18 m)	Rs. 50 Lakhs	AIF + BAIPP / MIDH
10	Pre-cooling unit (6 MT)	Rs. 25 lakhs	AIF + BAIPP / MIDH
11	Cold Room (Staging)-30 MT	Rs. 15 lakhs	AIF + MIDH
12	Cold Storage (Construction, Expansion & Modernisation)	Rs.8000-Rs.10,000 /MT	AIF + BAIPP/NHB / MIDH
13	Ripening chamber	Rs. 1.00 lakh/MT	AIF + BAIPP / MIDH
14	Low cost onion storage structure (25 MT)	Rs. 1.75 lakh/per unit	AIF + BAIPP

*Note: The units, their cost and scheme convergence plan indicated in the table above are illustrative only. The convergence plan for each unit shall depend on the nature of the unit, its capacity and cost, and scheme suitability as per their respective guidelines.*

**The Investors' facilitation desk which shall be set up in Bihar Horticulture Development Society will facilitate the investors in identifying the potential convergence options to avail maximum benefits under the various central and state schemes/initiatives.**

# Bihar Agri Investment Promotion Ecosystem

## Maximize Investment Benefits

### 1. Bihar Industrial Investment Promotion Policy, 2016

- | Stamp Duty/ Registration Fee on land/shed sale/lease - 100% Reimbursement
- | Land Conversion Fee – 100% reimbursable
- | Interest Subvention – 10% (12% for Micro & Small Units) or actual rate of interest which ever is lower
- | Tax Related Incentives: Up to 100% of project cost
- | Special benefits for SC, ST, Women, Differently abled, war widow, acid attack survivor and third gender

#### | Eligible Projects :

- Post-harvest management Infrastructure
- Community Farming Assets

| Interest Subvention: 3% per annum up to Rs. 2 crore

| Credit Guarantee Coverage

| Earmarked funds for SC, ST, women etc. entrepreneurs

### 3. Financing facility under 'Agriculture Infrastructure Fund'



### 2. Bihar Agri Investment Promotion Policy, 2020

- | Capital Subsidy : 15% of eligible project cost for LLP, partnership firms, individual entrepreneurs, & companies; 25% of eligible project cost for FPOs
- | Additional 5% subsidy for SC, ST and ECB
- | Additional 2% subsidy for Women, Differently abled, war widow, acid attack survivor and third gender

| Scope : Unorganized Food Processing Units

| Capital Subsidy: 35% credit linked up to Rs 10 lacs for individual units; 35% credit linked subsidy for FPOs/SHGs; 35% credit linked subsidy for common infrastructure

| Seed Capital: Rs 40,000 per SHG member engaged in food processing

| Branding & Marketing Support: 50% of project cost

### 4. PM Formalization of Micro Food Processing Enterprises Scheme,

## Bihar Horticulture Development Society Directorate of Horticulture Department of Agriculture, Bihar

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