

Information Memorandum – Bijapur Food Park

*** Overview**

Food Processing Industry in India consists of both organized & unorganized industrial units which can be broadly divided into two groups :

- (i) **Basic & Traditional Food Industries** comprising rice milling, wheat milling, dal milling, edible oil, sugar, gur, etc.
- (ii) **Processed Food Industries** such as biscuits, bakery products, confectionery, vanaspati, meat and fish processing, canning and processing fruits and vegetables, breakfast foods, dairy products including baby foods, starch, malt and maize based products.

*** Foreign Direct Investment (FDI)**

The cumulative FDI inflow in food processing reached US\$ 2,804 million in March 2006. In 2005-06, the sector received approvals worth US\$ 41 million.

*** Exports**

Exports of food processing products was 20.00 lakh metric tons worth Rs. 7,500 crores during 2005-06.

*** Scenario in Karnataka**

Karnataka contributes around 7% of the agricultural production and 15% of the horticultural production in the Country. It contributes around 10% of the fruit & vegetable production in India.

Food Processing Industry in Karnataka, at present, is not commensurate with the potential. Large quantities of agricultural & horticultural produce goes outside the State for value addition.

*** Bijapur District**

Bijapur District is located in the northern part of Karnataka State. The District is bounded by Maharashtra State & Belgaum District in the west, Gulbarga District in the north & east and Bagalkot district in the south.

The district is endowed with two major rivers dividing Gulbarga District and Bagalkot District. These rivers are Bhima (between Gulbarga & Bijapur Districts) and Krishna (between Bijapur & Bagalkot Districts). Indi & Sindagi taluks are the major beneficiaries from Upper Krishna Project (UKP).

Total geographical area of Bijapur district is 10.53 lakh hectares comprising 1,977 hectares covered by forest, 8.39 lakh hectares net area under cultivation and remaining not available for cultivation. It could be noted that, 1.89 lakh hectares out of 8.39 lakh hectares is utilized for cultivation more than once. Net area irrigated in the District accounts for 27% of net area under cultivation.

Industries :

Bijapur district is having a range of industries covering engineering, cement, auto ancillary, foundry, food processing, sugar etc.. The District has 441 MSMEs with aggregate investment of Rs. 651 lakhs providing employment to over 1,400 persons. Bijapur District has three mega industries comprising 2 sugar factories and a spinning mill. There are three more mega projects comprising 2 sugar factories and a cement factory are in implementation stage.

*** Resources within Bijapur and Neighbouring Districts**

Horticulture : Major horticulture resources are fruits, vegetables and spices. Minor horticulture resources in the District are – garden & plantation crops and

flowers. Details of production within the District and neighbouring districts are presented below:

Sl. No.	Horticulture Crops	Production in MT		
		Bijapur District	Neighbouring Districts	Total
1	Fruits	1,39,976	4,86,177	6,26,153
2	Vegetables	3,12,855	12,83,945	15,96,800
3	Spices	16,565	46,682	63,247
4	Plantation / Garden Crops	861	14,034	14,895
5	Flower	2,615	14,042	16,657

Agriculture : Total agriculture produce within the District and neighbouring Districts is 179.09 lakh MT, of which Bijapur District accounts for 15% and 85% neighbouring Districts. In the major agriculture production, sugarcane accounts for 71%, jowar 10%, maize 9% and oilseeds 4%.

Animal Husbandry : Bijapur & neighbouring Districts are endowed with animal husbandry resources particularly, cattle, sheep and poultry for milk & meat production. Details of animal husbandry resources are presented below:

(in '000)

Sl. No.	Animal Details	Bijapur District	Total of Neighbouring Districts	Total
1	Cattle	238	1,934	2,172
2	Sheep	275	2,160	2,435
3	Pig	28	115	143
4	Rabbit	0.03	0.12	0.15
5	Poultry	363	2,963	3,326
6	Others	1	14	15

APMC and Turnover of Agriculture & Horticulture Produce : The APMC network within Bijapur District and neighbouring districts and estimated turnover of agriculture and horticulture produce are given below:

Sl. No.	Districts	APMC Markets			Estimated Agriculture & Horticulture Turnover (Rs. Crores)
		No.of Main Markets	No.of Sub-Markets	Turnover (Rs. Crores)	
1	Bijapur	3	14	141.27	210
	Neighbouring Districts				
2	Bagalkote	5	15	123.26	180
3	Belgaum	10	45	371.18	560
4	Gulbarga	7	21	785.00	1,200
5	Raichur	4	10	571.08	860
	Total (2 to 5)	29	105	1991.79	2,800

Backward & Forward Linkages

There is potential in growth of Food Industries in the State on account of availability of raw materials both in quantity and quality. However, it is seen that proper linkage between producers and consumers is lacking. Contract farming systems acts as a Backward linkage to Food Industries and Forward Linkages to growers.

*** Anchor Industry**

The Food Park in Bijapur District is expected to attract anchor industries involved in following activities:

◆ Production of wine from grapes.

- ◆ **Processing of other fruits** such as pomegranate, mango, citrus fruits, banana, papaya, etc., to produce fruit puree, fruit squashes & syrups, fruit bar, fruit jams & jellies, spray dried banana powder, papain from papaya, IQF processing of fruits.
- ◆ **Sorting, grading, packing and processing of various types of vegetables** – to produce paste, puree, ketch-up, pickles, chutney, potato flakes & powder, ready-to-eat prepared curried vegetables, IQF processing of vegetables.
- ◆ Sorting, grading and packing of fruits & vegetables for the requirement of organized retail shops have good potential for employment and value addition.

* **Proposed Food Park in Bijapur**

Location of the Food Park : The proposed Food Park could be located in Bijapur taluk, about 10 kms. from the town. Land for the Project has to be identified by the Proponent of the Project. FKL would facilitate in acquisition of land.

Land : Considering the resources and potential it is suggested to develop Food Park in 80 acres of land.

Infrastructure : Following items are included in infrastructure development:

- Formation of roads
- Drainage system
- Water supply & water treatment plant
- Power supply system
- Avenue trees plantation

Common Facilities : To provide common facilities and assistance for the food processing and related industries in the Food Park following common facilities are proposed to be developed.

- Office-cum-Commercial complex
- Incubation Centre
- Quality Control Laboratory
- Common effluent treatment plant
- Warehousing
- Cold Storage
- Generators

* **Estimated Cost of the Project**

Total cost of development Food Park is estimated at Rs. 2,384 lakhs. The Project Proponent has to make due diligence to estimate the exact cost involved in developing the Food Park.

* **Income Generation of the Project**

Income Generation of the Project through sale / lease of industrial plots to relevant industries in food processing, deposits for rental premises and rental income from the buildings allotted to service providers to facilitate food processing industries in the Park, maintenance charges, rent from demonstration & exhibitions aimed to help food processing industries in the Park, etc..

* **Project Implementation**

Project is to be implemented within two years with all proposed infrastructure and common facilities in the Park.

Project is proposed to be implemented under Public Private Partnership (PPP) Model. Developers would be selected through a transparent process. Selected Developer is required to develop proposed infrastructure & common facilities in the Park and market the plots and common facilities to the relevant candidate industries in the Food Processing Sector. Further, the built-up area could be allotted to the service providers to facilitate Food Processing Industries in the Park.

Further, selected developer is required to manage & maintain infrastructure & common facilities in the Park by forming a SPV involving stakeholders.

Developers will be free to adopt their own strategy for pricing of plots, rentals and maintenance charges. The plots could be either sold or leased to the candidate industries.
