FOOD PROCESSING

Towards Sustainable Growth Opportunities

Union Territory Profile Dadra & Nagar Haveli and Daman & Diu

Table of Contents

Abstract 3
1. Overview 4
2. Advantage Dadra & Nagar Haveli and Daman & Diu 5
3. Local Food System 6
4. Production Clusters 7
5. Agricultural Marketing 8
6. Potential Opportunities 9
7. UT Government Initiatives and Schemes 10
8. Regulatory Framework: Registration / NoCs / Licenses 12
9. Major Players in Food Processing and Allied Sectors 14
Disclaimer 15

Abstract

Growth and Linkages in the Indian Food Processing Sector:
The Indian food-processing sector has witnessed remarkable growth, during the last 9 years ending 2023-24, Food Processing Industries sector has been growing at an Average Annual Growth Rate (AAGR) of around 6.55% as compared to around 6.06% in manufacturing at 2011-12 prices. The sector constituted as much as 7.93% share of FPI in manufacturing sector in 2023-2024. The sector is one of the largest employment providers in the organized manufacturing sector with 12.91% employment in the total registered/organized sector. This highlights its competitiveness and capacity to cater to global markets.

India is the world's largest producer of milk, pulses and jute and ranks as the second largest producer of rice, wheat, sugarcane, groundnut, vegetables, fruit and cotton. It is also one of the leading producers of spices, fish, poultry, livestock and plantation crops. This abundant raw material base offers immense potential for value addition and export. Notably, India reported the processed food exports amounted to USD 10.09 billion in 2024-2025 with significant shares in processed vegetables and fruits, pulses, cereal preparations etc. Further, the sector has attracted 7.21 billion FDI inflow in the last one-decade ending 2024-25. Recognizing the sector's significance, Ministry of Food Processing Industries has extended support and incentives for creation of modern infrastructure with efficient supply chain management, creation of employment opportunities, reducing post-harvest losses, increasing the processing level and enhancing export of the processed foods.

Agricultural Strength and Economic Advantages of Dadra & Nagar Haveli and Daman & Diu:
The food processing sector plays a crucial role in establishing strong linkages between industry and the agriculture sector. It facilitates collaboration and integration, benefiting both sectors and boosting the overall agricultural value chain. The UT strongly focuses on agricultural growth and development with paddy and pulses as the predominant crops. The other major crops cultivated are mangoes, sapota and vegetables. Additionally, its strategic location near the coastline, ports facilities, and an inland container depot provides favorable conditions for agricultural trade and export. The region ensures uninterrupted 24x7 power supply, further enhancing the agricultural activities in the area.

Daman & Diu are well-connected to major industrial hubs in Gujarat and Maharashtra via National Highways 48 and 48A. It presents promising prospects & investment opportunities for multiple sectors, with a particular emphasis on the food processing industry. The proximity to ports and airports facilitates efficient logistics for food exports and imports. The region's climate is also favorable for food preservation and processing activities. The region primarily focuses on cultivating paddy, pulses, mangoes, and coconuts. It offers abundant opportunities in the processing sector, such as fisheries, cold chain logistics, and agro-processing. The UT provides streamlined business establishment processes through its dedicated Dadra and Nagar Haveli & Daman and Diu Single Window System and has received assistance/incentives from the Ministry of Food Processing Industries under its flagship schemes such as Pradhan Mantri - Kisan Sampada Yojana, Pradhan Mantri Formalization Micro Food Processing Enterprises.

1. Overview

On the 9th of December 2019, in accordance with the (Merger of Union Territories) Act, 2019, the Union Territory of Dadra and Nagar Haveli and Daman and Diu were amalgamated.

The Union Territory of Dadra Nagar Haveli is bestowed with abundant natural resources, including lush forests, winding rivers, breath-taking waterfronts, murmuring streams, distant mountain ranges, and a diverse array of flora and fauna. The district's peaceful and rural ambiance makes it an ideal getaway.

Daman (Damao), a former Portuguese enclave, presents a distinctive destination that offers solace to travellers seeking peace and seclusion. Its allure lies in its magnificent forts and churches that exude the splendour of Portuguese heritage. The beauty of this Union Territory is evident in its former name, Kalana Pavri, signifying the Lotus of Marshlands. Daman is a charming town bisected by the Daman ganga river, further enhancing its rustic allure.

Diu, a serene and picturesque island situated off the southern coast of the Kathiawad Peninsula in Gujarat, serves as an ideal retreat for those yearning for respite from the hectic pace of modern life. Its pristine beaches, rich history, and tranquil atmosphere make it a sanctuary for travellers. The island is blessed with abundant natural beauty, caressed by the Arabian Sea, creating a perfect harmony of sun, sand, and sea.

DNHDD is not a dry Union Territory adjacent to a dry Gujarat State. This makes it very attractive to the local Gujarati tourists.

Table 1: Key Rankings

Particulars	**Details**
UT Capital	Daman
Geographic Area	Dadra Nagar Haveli: 491 sq. km[1] Daman: 72 sq km[2] Diu: 40 sq km[3]
Population (Census 2011)[4]	Dadra & Nagar Haveli: 3,44,000 Daman & Diu: 2,43,000
Total Road Length (March, 2020)[5]	Dadra Nagar Haveli: 1,161 km Daman and Diu: 251 km
Airport	Diu[6]
Industrial Area[7]	Dadra and Nagar Haveli: 4 Daman and Diu: 2
Installed Power (2024)[8]	772.42 MW

[1] https://dnh.gov.in/district-profile/
[2] https://ddd.gov.in/
[3] https://diu.gov.in/
[4] https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/HANDBOOK09122024426229B8B51C4BDE99607F1ADC64154A.PDF
[5] https://morth.nic.in/sites/default/files/Basic%20Road%20Statistics%20of%20India-2019-20.pdf
[6] https://www.aai.aero/sites/default/files/AAI%20AR_2024_ENG_05.12.2024.pdf
[7] https://www.pib.gov.in/PressReleseDetailm.aspx?PRID=1695462
[8] https://cea.nic.in/wp-content/uploads/installed/2024/03/IC_Mar_2024_allocation_wise.pdf

2. Advantage Dadra & Nagar Haveli and Daman & Diu

- Strategically positioned between Gujarat and Maharashtra's expansive industrial hubs
- Competitive and affordable power tariffs, lowest among neighboring states
- Strategic Coastal Connectivity with Ports and Container Depot
- Robust infrastructure with well-developed roads, extensive public facilities, and modern amenities
- Streamlined process: Deemed approval is provided in case of delayed approval from the Authority
- All permission granting authorities within a 3 km radius
- Air connectivity from Ahmedabad to Diu under UDAN Scheme[9]
- Graded as Fast Movers within UT cluster, as per DPIIT's LEADS 2024[10]
- Ranks one of the Aspiring Leaders, as per Start-up Ranking Results, 2021[11]
- 24 x 7 uninterrupted Power Supply[12]

[9] https://www.pib.gov.in/PressReleasePage.aspx?PRID=1496504
[10] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2090056
[11] https://www.startupindia.gov.in/srf/images/SRF_2022_Result_page/National_Report_14_01_2024.pdf Pg 30
[12] https://www.niti.gov.in/sites/default/files/2019-01/Daman%20&%20Diu_0.pdf

3. Local Food System

3.1. Indigenous Produce

The primary staple crop cultivated in the Union Territory is paddy. The region is home to excellent agro-climatic and soil conditions, which offer significant potential for cultivating horticulture crops such as Mango, Cashew, Custard apple, Guava, and Sapota. During the Kharif season, crops such as Paddy, Ragi, Red Gram, Urad (Black Gram), Niger (as an oilseed) in specific regions, and rainfed vegetables are cultivated.

Table 2: Key Production Highlights of the UT ('000 MT), 2023-24

S.No.	Particulars	Production
1.	Total food grain production	30.62[13]
2.	Total vegetable production	4.49[14]
3.	Total coconut production	0.38[15]
4.	Total fish production	0.29 lakh MT[16] (2022-23)
5.	Total milk production	1.82[17]
6.	Total egg production	9.05 lakhs[18]

[13] desagri.gov.in/statistics-type/advance-estimates/
[14] https://agriwelfare.gov.in/sites/default/files/2023_24_FinalEstimates.xls
[15] ibid
[16] https://dof.gov.in/sites/default/files/2024-06/Handbook.pdf
[17] https://dahd.gov.in/sites/default/files/2025-01/FinalBAHS2024Book14012025.pdf
[18] ibid

4. Production Clusters

Approved ODOP products in the State under the Pradhan Mantri Formalization of Micro Food Processing Enterprises Scheme (PMFME) [19] –

Table 3: UT production clusters

S.No.	Product	Districts
1.	Fish and allied Products	Daman
2.	Fish and allied Products	Diu
3.	Mushroom based products	Dadra & Nagar Haveli

[19] https://www.mofpi.gov.in/sites/default/files/revised_list_of_odop_for_35_states_13.03.2024_1.pdf

5. Agricultural Marketing

The UT has an economy primarily based on agriculture, and their agricultural marketing system largely follows traditional practices. Nevertheless, the Government is actively working towards modernizing the system through the establishment of wholesale markets, processing units, and the provision of financial support and incentives for the export of agricultural products. Additionally, the Government provides agricultural extension services to offer technical guidance and training to farmers.

Table 4: Agricultural Markets in Dadra & Nagar Haveli and Daman & Diu

S.No.	Particulars	Details
1.	Food Processing Units[20]	33

Table 5: Projects approved under component schemes of PMKSY in Dadra & Nagar Haveli and Daman & Diu since inception as on 28.02.2025

S.No.	No. of Projects	Project Cost (in Rs Crores)	Approved grant-in-aid (in Rs Crores)
1.	1	26.34	3.64[21]

Table 6: Details of Micro Food Processing Industry approved under PMFME Scheme in in the Dadra & Nagar Haveli and Daman & Diu as on 28.02.2025

S.No.	No. of Micro Enterprises	Subsidy
1.	11	0.37[22]

[20] Annual Survey of Industries 2022-23
[21] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2115781
[22] ibid

6. Potential Opportunities

The UT has a predominantly agricultural economy. With an overview of the UT profile and geographical conditions, following segments can be focused under food processing in the UT.

6.1 Rice

Being one of the major producers of paddy, there is a potential in the production of processed items such as rice flour which can be utilized in a variety of culinary applications, including baking, sauce thickening, and the preparation of rice vermicelli. Products such as rice bran oil, breakfast cereals also hold potential.

6.2 Other Horticulture: Mangoes and Coconuts

There is a good supply of other horticulture produce i.e. Mangoes & Coconut to prepare products like shakes, beverages, coconut milk and other nutritious products.

6.3 Fish

Coastal town like Daman & Diu offer a rich supply of marine products and fish to process and cater to the local and export markets.

6.4 Infrastructure

The Union Territories present excellent opportunities for food processing, particularly with regards to infrastructure. The region offers a supportive industrial ecosystem, transportation facilities, and a conducive environment for establishing food processing units. These factors, combined with the presence of skilled labour and government initiatives aimed at facilitating the sector, enhance the prospects for food processing in these regions.

7. UT Government Initiatives and Schemes

The UT has always endeavoured to provide a hassle-free business environment to enable investors. The UT Government has implemented numerous reforms to create a conducive and investor-friendly business environment for those interested in establishing their businesses within the UT. The table below highlights some of the key initiatives undertaken by the UT Government.

7.1. Dadra and Nagar Haveli & Daman and Diu Single Window System

The UT has implemented a Single Window System for Industries Clearance, which is an online platform for obtaining various clearances required for setting up and running industries in the region. The system aims to simplify the process of obtaining clearances and approvals from various departments and agencies, reduce the time and effort involved, and promote ease of doing business.[23]

7.2. Industrial Land Bank Portal

A GIS-based portal covering approximately 4,000 industrial parks that provides a central repository for all infrastructure-related information, including connectivity, infra, natural resources and terrain, plot level information on vacant plots, and contact information.[24]

Key incentives introduced by UT Government for the food processing industry and other industrial units under its major policies are summarized in the table below:

Table 7: Key initiatives

Key initiatives	**Daman and Diu & Dadra and Nagar Haveli Industrial & Investment Promotion Scheme 2018**
	Category of Enterprises: Micro/Small
Capital Subsidy	Subsidy @10% of investment made in plant and machineries with an upper ceiling of Rs 25 lakhs 50% of the capital cost for installing Enterprise Resource Planning (ERP) systems subject to a maximum of Rs 50,000.00.
Interest Subsidy	Subsidy @ 5 % with an upper ceiling of Rs 30 lakhs per annum for loans taken from financial institutions for a period of 5 years
Subsidy on Power	Subsidy @ 75 % on energy audit conducted by a recognised institution subject to maximum of Rs 50,000 will be reimbursed once during the operative period of scheme
Quality Certificate	50% of the capital cost for installing Enterprise Resource Planning (ERP) systems subject to a maximum of Rs 50,000.00, to 50 % of all charges including consultancy fee up to a maximum amount of Rs.

[23] https://swp.dddgov.in/swp_ls
[24] https://iis.ncog.gov.in/

Key initiatives	**Daman and Diu & Dadra and Nagar Haveli Industrial & Investment Promotion Scheme 2018**
	Category of Enterprises: Micro/Small
	50,000.00 paid for obtaining ISO certification and 50% of all charges up to a maximum of Rs 5 lakhs for ISI/WHO-GMP/Hallmark certification and other national and international certification approved by the Quality Council of India and IPC, DD &DNH.
Energy/Water Reimbursement	75% cost of energy/water audit conducted by a recognized institution/consultant subject to maximum of Rs. 50,000 will be reimbursed once during the operative period of scheme for MSME. • 25% of cost of the equipment recommended by the auditing authority subject to a maximum of Rs 20 lakhs as one time. assistance will be provided during the operative period of the scheme towards assistance of saving in consumption of Energy and Water for MSME
Other Incentives	The Administration provides funding support to any autonomous institution specialized in skilled manpower development in the territory will be provided with 25% assistance with a ceiling of Rs 1 crore of the project cost covering with capital investment in building, equipment, and machineries, electrification, furniture excluding the land cost required for setting up the facilities.

8. Regulatory Framework: Registration / NoCs / Licenses

8.1. For starting operations

Table 8: Regulatory Mechanism for starting operations

S.No.	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
1.	License for Cold Storage	FSSAI, Government of India Food Safety Commissioner for Daman and Diu & Collector
2.	Registration under FSSAI Act,2006, regulation 2011	FSSAI, Government of India Food Safety Commissioner for Daman and Diu & Collector
3.	License under FSSAI Act,2006, regulation 2011	FSSAI, Government of India Food Safety Commissioner for Daman and Diu & Collector
4.	Application for Pre-Operational Fire NOC (National Building Code, 2005)	Department of Fire and Emergency Services
5.	License under Contract Labour Act, (Regulation and Abolition), 1970	Office of the Labour Commissioner
6.	Registration under GST (Goods and Services Tax Rules, 2017)	Department of Value Added Tax and UTGST
7.	Consolidated Consent & Authorization under Water Act, 1974, Air Act, 1981 & Authorization under The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Pollution Control Committee

8.2. For setting up of business

Table 9: Regulatory Mechanism for setting up of business

S.No.	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
1.	Land allotment in departmental industrial estates	Department of Industries
2.	Application for Land / Plot Allotment	Department of Industries
3.	Application for new connection LT / HT line non-domestic / industrial	Electricity Department
4.	Application for Water Connection	Department of Industries, U.T

S.No.	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
		Administration of Daman & Diu
5.	Application for building plan approval	Town and Country Planning Department
6.	Application for Completion cum Occupancy Certificate	Town and Country Planning Department
7.	Consent to Establish under Water (Prevention and Control of Pollution) Act, 1981	Pollution Control Committee
8.	Consent to Establish under Air (Prevention and Control of Pollution) Act, 1981	Pollution Control Committee
10.	Application for Pre-Operational Fire NOC (National Building Code, 2005)	Department of Fire and Emergency Services
11.	Site Plan Approval under the Factories Act, 1948	Directorate of Industrial Safety and Health

9. Major Players in Food Processing and Allied Sectors

9.1. Beneficiaries under PMKSY Scheme of MoFPI, Government of India (Operational Units) as on 31st March 2025[25]

Table 10: Details of operational units under Creation / Expansion of Food Processing & Preservation Capacities (CEFPPC) Scheme

S No.	Name of the beneficiary	Location	District	Sector	Status
1.	Switz International	Panchal Udhyog Nagar, Village Bhimpore, Nani, Daman	Daman	Consumer Products	Operational

9.2. Beneficiaries under PMFME[26]

Table 11: Total assistance approved under PMFME - As on 31.05.2025

State/UT	Dadra & Nagar Haveli and Daman & Diu
Number of Micro Enterprises	11
Approved Subsidy (in Rs Crore)	0.37
Number of SHG Members	13
Approved Subsidy (in Rs Crore)	0.02
Net Enterprises-PMFME	24
Total Subsidy under PMFME (in Rs Crore)	0.39

[25] https://sampada-mofpi.gov.in/
[26] https://www.mofpi.gov.in/sites/default/files/636.pdf

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