FOOD PROCESSING

Towards Sustainable Growth Opportunities

State Profile
Karnataka

Table of Contents

Abstract 3

1. Overview 4

2. Advantage Karnataka 6

3. Local Food System 8

4. Production Clusters 11

5. Agricultural Marketing 12

6. Potential Opportunities 13

7. State Government Initiatives and Schemes 15

8. Regulatory Framework: Registration / NoCs / Licenses 19

9. Major Players in Food Processing and Allied Sectors 21

10. List of Farmer Producer Organisations 25

Disclaimer 28

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 per cent of GVA in manufacturing respectively in 2023-24. This sector plays a pivotal role in establishing strong connections between the industry and the agricultural sector. Notably, the share of processed food exports within agri-food exports increased from 13.7% in 2014–15 to 20.4% in 2024-25. This growth showcases the sector's competitiveness and ability to cater to international markets.

Agricultural Strength and Economic Advantages of Karnataka:

The food processing sector plays a crucial role in establishing strong linkages between the industry and the agriculture sector. It facilitates collaboration throughout the entire agro-industry value chain, supporting employment generation, doubling farming incomes and reducing post-harvest losses. The state's Gross State Domestic Product (GSDP) is USD 292.09 Billion in 2023-24[1], driven strongly by agriculture sector among others. Over 58.59% of Karnataka's land[2] is used for agriculture and farming facilities. Agriculture employs more than 70% of the state's work force. It ranks 1st in the India Innovation Index[3] and is also recognised as an "achiever" in all 15 parameters in LEADS ranking[4].

Karnataka places high priority on the food processing sector in its development agenda. It ranks as the largest producer of coffee, accounting for over 71% of the country's coffee production[5]. With a rich agricultural heritage highlighted by 25 food and allied Geographical Indicator (GI) tags[6], Karnataka offers ample opportunities in the food processing sector, covering a wide range of products, from fruits and vegetables to ready-to-eat/ready-to-cook items. The state provides streamlined business establishment processes through its dedicated Single Window Clearance portal, and it has received numerous project approvals from the Ministry of Food Processing Industries under flagship schemes such as Pradhan Mantri - Kisan Sampada Yojana, Pradhan Mantri Formalisation of Micro Food Processing Enterprises Scheme and the Production Linked Incentive Scheme.

[1] Reserve Bank of India - Publications
[2] Karnataka Economic Survey 2022-23
[3] Niti Aayog India Innovation Index 2021
[4] Industrial Eco-system - Invest Karnataka
[5] IBEF
[6] Registered GIs | Geographical Indications | Intellectual Property India

1. Overview

Karnataka, one of the largest State in South India, is a standing testament to the nation's technological prowess and remarkable progress. The state's capital, Bengaluru, has emerged as the epicenter of India's IT revolution. Situated adjacent to the Arabian Sea, Karnataka also shares borders with six other states: Goa, Maharashtra, Telangana, Andhra Pradesh, Tamil Nadu, and Kerala.

The state of Karnataka is blessed with a diverse topography, encompassing lofty mountains, plateaus, residual hills, and coastal plains. The state is bordered by the magnificent western ghats on its western, eastern, and southern flanks. Most of the state comprises a plateau with an elevation ranging from 600 to 900[7] meters above mean sea level.

Table1: Karnataka Key Rankings

Particulars	**Details**
State Capital	Bengaluru
Geographic Area[8]	191,791 sq. km
Population (Census 2011)[9]	61.1 million
Total Road Length (March 2020)[10]	3,69,687 (km)
Gross State Domestic Product (GSDP), (Current prices) 2023-24[11]	USD 290.84 billion
Airport[12]	Domestic Airports: 7 International Airports: Kempegowda & Mangalore
Rail Length (2023-24)[13]	3,647 (Route km)
Industrial Area	37 operational SEZs[14] 207 Industrial Areas 3 Industrial Corridors: CBIC (Chennai-Bengaluru), HBIC (Hyderabad-Bengaluru) & BMIC (Bengaluru- Mumbai)
Infrastructure	3 Inland Container Depots (ICD)[15] 5 Container Freight Stations (CFS)[16] 53 Railway Goods Sheds 9.93 Lakh MT Warehouse Capacity (2023)[17] 7.09 lakh MT Cold Storage Capacity (2022)[18] 2 Private freight terminals 7 Air Cargo Terminals

[7] ENVIS Centre: Karnataka | State of Environment and Related Issues
[8] Karnataka Economic Survey 2022-23
[9] MOSPI | Population Census
[10] https://morth.nic.in/sites/default/files/Basic%20Road%20Statistics%20of%20India-2019-20.pdf
[11] Reserve Bank of India - Publications
[12] Logistics Network - Invest Karnataka
[13] https://rdso.indianrailways.gov.in/railwayboard/uploads/directorate/stat_econ/2025/IR%20Year%20Book%202023-24-English.pdf
[14] State_wise_distribution_of_SEZs.pdf
[15] Logistics Network - Invest Karnataka
[16] Logistics Network - Invest Karnataka
[17] Reserve Bank of India - Publications
[18] Reserve Bank of India - Publications

Particulars	Details
	1 Major: New Mangalore Port[19] 10 Minor Ports
Installed power[20]	Thermal - 10829.47 MW Nuclear - 698 MW Renewables - 20350 MW
Available land[21]	3568 Ha.

[19] https://newmangaloreport.gov.in/
[20] Central Electricity Authority| Installed Capacity Report
[21] India Industrial Land Bank

2. Advantage Karnataka

- Ease of Doing Business- Well augmented Single portal for all approvals and clearances.
- The Silicon Valley of India
- 1st state to announce the establishment of a dedicated Start-up Cell[22]
- Recognized as the fourth largest technology cluster globally by the United Nations, contributes significantly to the state's reputation as a hub for innovation and research housing 50% of the country's R&D talent.[23]
- 3 major Industrial Corridors.
- 2nd highest road density among major states in India.
- Ranked 3rd in NITI Aayog's Export Preparedness Scores, Policy Pillar, & Business Ecosystem Pillar.[24]
- Among Best Performer in India's Start-up Ranking (2022)[25]
- The State has 162 Agricultural Produce Market Committees (APMCs)[26]
- Highest producer of coffee in India—70% of India's Coffee, also producing 60% of India's Ragi (Finger Millet) and 60% of India's safflower.[27]
- 3rd Largest state in certified organic produce.[28]
- Ranks 1st in production of Gherkins, areca nut and coconut.[29]
- Ranked 1st in production of black pepper and vanilla production.[30]
- Ranks 3rd in production of tamarind, cocoa, and ginger.[31]
- Ranks 3rd in the production of tomato and 4th in production of onion.[32]
- Ranks 2nd in production of grapes and 4th in production of pomegranate.[33]
- 4th largest producer of mangoes.[34]
- 3rd highest in Poultry meat production.[35]
- The state ranks 3rd in fish production for the year 2022-23.[36]
- ICAR-Directorate of Cashew Research, Puttur: ICAR-Directorate of Cashew Research has accomplished self-sufficiency in raw cashew nut production and maintained the premier position as the largest producer, processor, and exporter at the global level. Its

[22] Invest Karnataka| Govt. of Karnataka
[23] Invest Karnataka| Govt. of Karnataka
[24] Niti Aayog| Export Preparedness Index 2022
[25] States Startup Ranking
[26] Karnataka Economic Survey 2023-24
[27] Agro and Food Processing - Invest Karnataka
[28] Agro and Food Processing - Invest Karnataka
[29] Department of Agriculture & Farmers Welfare| Area and Production of Horticulture crops for 2023-24 (Final Estimates)
[30] Department of Agriculture & Farmers Welfare| Area and Production of Spices crops for 2023-24 (Final Estimates)
[31] Department of Agriculture & Farmers Welfare| 2023 -24 (Final Estimates)
[32] Department of Agriculture & Farmers Welfare| Area and Production of Horticulture crops for 2023-24 (Final Estimates)
[33] Department of Agriculture & Farmers Welfare| Area and Production of fruit crops for 2023-24 (Final Estimates)
[34] Department of Agriculture & Farmers Welfare| Area and Production of fruit crops for 2023-24 (Final Estimates)
[35] Agro and Food Processing - Invest Karnataka
[36] Handbook on Fisheries Statistics 2023 | Department of Fisheries | GoI

objective is to promote overall growth through the enhancement of production and productivity in cashew.

3. Local Food System

3.1 Indigenous Produce

Karnataka characterized by 10 agro-climatic zones takes a prominent position in India's agricultural landscape, contributing 75% of the country's flower production, 70% of its coffee production, and 47% of its silk production.

With over 58.6%[37] of its land dedicated to agriculture, Karnataka's agricultural sector employs more than 70% of the state's working population.[38] In the year 2019-20, the gross sown area in the State reached approximately 148.16 lakh hectares, with a net sown area of 111.64 lakh hectares available for agriculture production.[39]

The State is also known for its Byadgi chillies, Rose Onions, Tomatoes, and Gherkins. It is among the top producers of pomegranates, grapes, and citrus.

Karnataka's surplus milk production offers opportunities for value-added dairy products, while the State's wines have earned accolades.

The fisheries sector is also a thriving industry in Karnataka, offering a potential investment opportunity.[40]

The state has been awarded 25 Geographical Indication (GI) tags[41] for the following agricultural produce and products:

1. Malabar Pepper
2. Mansooned Malabar Arabica Coffee
3. Mansooned Malabar Robusta Coffee
4. Coorg Orange
5. Mysore Betel Leaf
6. Nanjanagud Banana
7. Mysore Malligae
8. Udupi Malligae
9. Hadagali Malligae
10. Coorg Green Cardamom
11. Byadagi Chilli
12. Devanahalli Pomello
13. Appemidi Mango
14. Kamalapur Red Banana
15. Udupi Mattu Gulla Brinjal
16. Bangalore Blue Grapes
17. Bangalore Rose Onion
18. Sirsi Supari
19. Gulbarga Tur Dal
20. Coorg Arabica Coffee
21. Chikmagalur Arabica Coffee

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[37] Land utilization, Economic Survey 2022-23
[38] Agriculture and Food Management, Economic Survey 2022-23
[39] Reserve Bank of India - Publications
[40] Government of Karnataka| Agri Business and Food Processing
[41] Registered GIs | Geographical Indications | Intellectual Property India

22. Bababudangiris Arabica Coffee
23. Indi Limbe
24. Kari Ishad Mango
25. Dharwad Pedha

3.2 Key Production Highlights

Key production highlights of the state (in India) include:

- Rice and Maize are the main food crops of the state.
- The cash crops are sugarcane, cardamon, chillies, paddy, jowar, cotton, Ragi, Tobacco and coffee.
- Ranks 4th in onion production and 3rd in tomato production.[42]
- 4th largest producer of Mangoes.[43]
- Ranked 5th in the production of Sweet Potato.[44]
- Ranked 4th red chillies and 6th in turmeric production.[45]
- The state ranks 1st in marine fish production and 6th in inland fish production in India.[46]

3.3 Key Production Statistics

Table 2: Crops ('000 MT)[47], 2022-23

S.No.	Particulars	Production
1.	Wheat	189.8
2.	Pulses	1668.8
3.	Coarse Cereals	7790.8
4.	Rice	3127

Table 3: Livestock & Fisheries[48], 2023-24

S.No.	Particulars	Production
1.	Eggs (lakh nos.)	9491
2.	Milk ('000 MT)	13463
3.	Meat ('000 MT)	454
4.	Fish (lakh MT) (2022-23)[49]	12.25

[42] Department of Agriculture & Farmers Welfare| Area and Production of Vegetable crops for 2023-24 (Final Estimates)
[43] Department of Agriculture & Farmers Welfare| Area and Production of fruit crops for 2023-24 (Final Estimates)
[44] Department of Agriculture & Farmers Welfare| Area and Production of fruit crops for 2023-24 (Final Estimates)
[45] Department of Agriculture & Farmers Welfare| Area and Production of Spices crops for 2023-24 (Final Estimates)
[46] Handbook on Fisheries Statistics 2023
[47] RBI| RBI Handbook of Statistics on Indian States
[48] https://dahd.gov.in/sites/default/files/2025-01/FinalBAHS2024Book14012025.pdf
[49] https://dof.gov.in/sites/default/files/2024-06/Handbook.pdf

Table 4: Fruits ('000 MT)[50], 2022-23

S.No.	Particulars	Production
1.	Banana	3121.97
2.	Mango	1457.03
3.	Grapes	1224.67
4.	Total Citrus	300.27

Table 5: Vegetables ('000 MT)[51], 2022-23

S.No.	Particulars	Production
1.	Tomato	2007.33
2.	Onion	1637.89
3.	Chilies (Green)	694.22
4.	Potato	350.11

Table 6: Spices ('000 MT)[52], 2023-24

S.No.	Particulars	Production
1.	Ginger	232.84
2.	Red Chilies	280.63
3.	Turmeric	66.83
4.	Black Pepper	86

[50] Department of Agriculture & Farmers Welfare| Horticulture| State Level| Area and Production of Horticulture crops for 2023-24 (Final Estimates)
[51] Department of Agriculture & Farmers Welfare| Horticulture| State Level| Area and Production of Horticulture crops for 2023-24 (Final Estimates)
[52] Department of Agriculture & Farmers Welfare| Spices| State Level| Area and Production of Horticulture crops for 2023-24 (Final Estimates)

4. Production Clusters

The list below showcases the Production Clusters within the State under the Pradhan Mantri Formalization of Micro Food Processing Enterprises Scheme (PMFME) –

Table 7: Karnataka Production Cluster[53]

S.No.	Product	District
1.	Jaggery	Bagalkote, Belagavi, Mandya
2.	Fish based products	Bellary
3.	Poultry products	Bengaluru Rural
4.	Bakery products	Bengaluru Urban
5.	Ginger based products	Bidar
6.	Turmeric	Chamarajanagar
7.	Tomato based products	Chikkaballapura, Kolar
8.	Groundnut products	Chitradurga, Yadagiri
9.	Marine products	Dakshina Kannada, Udupi
10.	Millets	Davanagere
11.	Mango based products	Dharwad, Haveri
12.	Bayadagi Chillies	Gadag
13.	Red Gram based product	Kalaburg
14.	Coffee	Kodagu
15.	Banana based products	Mysore
16.	Chilli based products	Raichur
17.	Coconut based products	Ramanagara, Tumakuru, Hassan
18.	Pineapple based products	Shivamoggar
19.	Lime/lemon based products	Vijayapura
20.	Spices	Chikkamagalur, Uttara Kannada
21.	Guava based products	Koppal

[53] ONE DISTRICT ONE PRODUCT– MoFPI
https://www.mofpi.gov.in/sites/default/files/final_revised_odop_list_of_713_districts_with_om.pdf

5. Agricultural Marketing

The Karnataka Agricultural Produce Marketing (Regulation) Act, 1966 was enacted to provide a uniform law for the better regulation of the buying and selling of agricultural produce and the establishment of markets for agricultural produce throughout the State. The State has 162 Agricultural Produce Market Committees (APMCs) to facilitate and regulate the marketing of agricultural commodities. An online trading system is also being implemented to sell farmers' agricultural produce in the markets, and about 160 markets have been brought under the Unified Market Platform so far.

Table 8: Agricultural Markets in Karnataka

S.No.	Particulars	Details
1.	Mandi[54]	163
2.	Farmer Producer Organizations (FPOs)[55]	52
3.	Warehouse[56]	62
4.	e- Nam Mandi[57]	5
5.	Food Processing Industries[58]	2405
6.	Cold Storage (lakh MT)[59]	7.10

[54] Directorate of Marketing & Inspection |Ministry of Agriculture and Farmers Welfare
[55] https://sfacindia.com/PDFs/Tenders/State%20wise%20list%20of%20registered%20FPOs%20details%20under%20Central%20Sector%20Scheme%20for%20Formation%20and%20Promotion%20of%2010,000%20FPOs%20by%20SFAC%20as%20on%2024-02-2025.pdf
[56] Ministry of Consumer Affairs, Food & Public Distribution| Storage of Food Grains
[57] No. of Unified Licenses| National Agriculture Market
[58] Annual Survey of Industries 2022-23
[59] RBI| RBI Handbook of Statistics on Indian States

6. Potential Opportunities

Karnataka is blessed with diverse agro-climatic zones and fertile soil making it an ideal region for a wide variety of crops. The State is the largest producer of coffee, areca nut, cocoa, vanilla, and spices. Karnataka's rich tradition of farming, combined with the government's proactive measures to promote food processing, presents abundant opportunities in the sector. As the country's technology hub, the presence of numerous universities and technology companies fosters innovation and efficiency in food processing operations.

6.1. Animal Husbandry and Dairy

Karnataka, a State with a surplus of milk, benefits from the support of South India's largest milk federation. It holds a significant position in the Tetra Fino UHT (Ultra Heat Treatment) Milk market. Additionally, Karnataka stands out as a notable producer of eggs due to its substantial chicken population. This presents a range of processing opportunities, including:

- Dairy products processing: Given Karnataka's surplus milk production, there are opportunities to transform milk into value-added products like milk powder, ghee (clarified butter), curd, ice cream, and other dairy goods.
- Frozen meat products: With a large number of chickens, Karnataka is well-suited for processing frozen meat products. Businesses can explore the production and packaging of frozen poultry items to meet market demand.
- Egg processing: As one of the world's leading egg producers, Karnataka offers prospects for egg processing, including the production of pasteurized egg albumin, egg powder, and other egg-based products.
- Canned meat: The State's poultry sector provides opportunities for processing and canning meat-based products, serving both domestic and international markets.

6.2. Fruits and vegetables

Karnataka's agro-climatic conditions support the production of horticulture products–

- Abundant fruit and vegetable production in Karnataka: 7140.69 '000 tonnes[60] of fruits and 6334.29 '000 tonnes[61] of vegetables in 2023-24. Horticulture products are cultivated on 2635.12 '000 ha[62] of the State's cultivable area. Fruits account for 36% and vegetables for 32% of the total horticulture production in Karnataka.
- The State is a major producer of Gherkins, a popular export item that can be exported in drums or ready-to-eat consumer packs, like Pickles, Gherkins Relish, Gherkins in Vinegar, Gherkins Chutney, snacks, and salads.
- Karnataka is a top producer of pomegranates, grapes, mangoes, and lemons, suitable for processing into juice, pulp, squash, concentrate, arils, and fruit-based sauces or dressings, jelly, raisins, grape wine, grape vinegar, or grape-based snacks, mango slices, puree, mango ice cream, dried mangoes, or mango-based desserts, jams, lemonade, lemon essential oil, lemon zest, and other value-added products like fruit preserves, jams, jellies, fruit bars, fruit snacks, and dried fruit can be considered.
- Green chillies, tamarind, and rose onions are grown in large quantities, offering opportunities for processing into pastes, powders, pickled chillies, chilli sauces, chutneys, or relishes, and packed pickles.

[60] Department of Agriculture & Farmers Welfare| State Level| Area and Production of Horticulture crops for 2023-24 (Final Estimates)
[61] Department of Agriculture & Farmers Welfare| State Level| Area and Production of Horticulture crops for 2023-24 (Final Estimates)
[62] Department of Agriculture & Farmers Welfare| State Level| Area and Production of Horticulture crops for 2023-24 (Final Estimates)

- Tamarind pulp can also be utilized for preparing juice, jam, syrup, and candy or incorporating it into sauces, marinades, or desserts.

6.3. Beverages

- Karnataka is the largest producer of coffee, cocoa, and vanilla in the country. With a plentiful supply of these raw materials, there is an opportunity for value addition through processing to create products such as coffee powder, cocoa powder, coffee extracts, cocoa butter, and vanilla extracts.
- Kingfisher, one of India's most well-known beer brands, is brewed by United Breweries Ltd, headquartered in Bengaluru, Karnataka. Karnataka plays a significant role in India's beer industry, with several breweries concentrated in and around Bengaluru.
- Karnataka has a growing wine industry, particularly in regions like Nandi Hills and the Western Ghats, where black grapes are cultivated for wine production.
  Notable Companies:
  - KRSMA Estates – Located in Hampi Hills, known for premium boutique wines made from black grapes.
  - Grover Zampa Vineyards – Based at the foothills of Nandi Hills, they are one of India's oldest and most reputed wine producers, known for wines made from Syrah, Cabernet Sauvignon, and Shiraz grapes.
- These processed ingredients can be further utilized in the beverages industry to produce innovative items like coffee blends, hot chocolate mixes, ready-to-drink flavoured beverages, vanilla syrup, and drinks infused with vanilla.
- Coorg and Chikmagalur, renowned coffee-growing regions, have been granted Geographical Indication (GI) Tags for their Arabica Coffee. This recognition enhances the value and marketability of the coffee produced in these areas.

6.4. Bakery

Baked goods: Bengaluru, known for its thriving bakery industry, is one of India's largest bakery clusters. Advantage of a skilled workforce and availability of quality baking ingredients in the State.

- The city offers opportunities in a unique range of freshly baked bread, spongy cakes, chocolate tarts, sweet doughnuts, gooey desserts, and savoury puffs, making it an appealing destination for baked food.
- Traditional and regional specialties like Iyengar bakery items, such as masala bread, honey cake, khara buns, and nippattu.
- Catering to the growing trend of healthy and artisanal baked goods, such as whole grain bread, gluten-free options, organic pastries, and vegan treats.

7. State Government Initiatives and Schemes

The state government has undertaken several reforms to offer an enabling and investor-friendly business climate for investors keen on setting up business in the State. Some of the key EoDB initiatives by the State include:

- **Single Window Portal:**

eBiz Karnataka is a single window system that provides integrated services for filing applications, approvals, processing, and status verification.

Karnataka Udyog Mitra

- **State Industrial Land Bank**

A GIS system for displaying the availability of land and infrastructure with details about all State-owned industrial estates along with the prevailing land rates, connectivity, and utility infrastructure.

KARNATAKA INDUSTRIAL AREA DEVELOPMENT BOARD

- **Central Industrial Land Bank Portal**

A GIS-based portal covering about 4,000 industrial parks serving as a one-stop repository of all infrastructure-related information such as connectivity, infra, natural resources and terrain, plot-level information on vacant plots and contact details.

iis.ncog.gov.in

- **Investment Promotion Subsidy (IPS):**

Food processing entities can avail of IPS through a turnover-based subsidy that is calculated as a percentage of annual turnover for a specified time period, varying across investment sizes and the location of the unit.

- **Karnataka Start-up Policy 2022-27**

Start-ups are integral to the industrial ecosystem of the State and this Policy seeks to further develop **this** space through the grant of incentives and concessions, such as reimbursement of net SGST paid for three years of being incubated. Agritech is a key focus of this Policy.

- **Rashtriya Krishi Vikas Yojana**

This scheme is to provide basic infrastructure facility for trade of agricultural commodities in the markets. Under the RKVY scheme of 2019-20, a budgetary provision of ₹ 292.84 lakh has been made and the same has been utilized for developing select 17 rural market.

- **Special Incentives under FMCG cluster in Dharwad District:**

Government of Karnataka has an FMCG Cluster in Dharwad in the 2022-23 Budget. As per the scheme for special incentives under the FMCG cluster, Govt targeting Rs 7,500 Cr of investments and 5 lakh direct and indirect job opportunities in FMCG sector at Dharwad District.

A list of incentives that can be availed by manufacturing units under the Karnataka Industrial Policy 2020-25, as well are mentioned below:

Table 9: Key policy for food processing sector [63]

Key Initiatives		**Karnataka Industrial Policy, 2020-25**
	Category of Enterprises: Micro/Small/Medium	**Special Category (SC/ST, Women, Minorities, Physically Challenged, and Ex-Servicemen Entrepreneurs)**
Investment promotion subsidy (IPS)	• Micro Enterprises Zone 1: 30% of VFA (max of ₹ 25 lakh), Zone 2: 25% of VFA (max of ₹. 20 lakh), Zone 3: NIL • Small Enterprises Zone 1: 25% of VFA (max of ₹. 100 lakh), Zone 2: 20% of VFA (max of ₹. 90 lakh), Zone 3: NIL VFA - Value of Fixed Assets • Medium Enterprises Zone 1: 40 % of VFA, Zone 2: 35 % of VFA (turnover percentage 2.50%), Zone 3: NIL	• Micro Enterprises Zone 1: 35% of VFA (max of ₹. 30 lakh), Zone 2: 30% of VFA (max of ₹. 25 lakh), Zone 3: 10% of VFA (max of ₹. 10 lakh) • Small Enterprises Zone 1: 30% of VFA (max of ₹. 105 lakh), Zone 2: 25% of VFA (max of ₹. 95 lakh), Zone 3: 10% of VFA (max of ₹. 25 lakh) VFA - Value of Fixed Assets The additional subsidy of 5% of VFA in Zone 1 and 2 is subject to a maximum of ₹ 5 lakh
Stamp duty exemption	Zone 1: 100% Zone 2: 100% Zone 3: NIL	Zone 1: 100% Zone 2: 100% Zone 3: 75%
Concessional registration charges	₹ 1 per ₹ 1,000 depending on the location of the unit	₹ 1 per ₹ 1,000 depending on the location of the unit
Reimbursement of Land Conversion Fee for MSMEs	Zone 1: 100% Zone 2: 100% Zone 3: NIL	Zone 1: 100% Zone 2: 100% Zone 3: 75%
Exemption from Tax on Electricity Tariff for MSMEs	Zone 1: 100% for 7 years Zone 2: 100% for 6 years Zone 3: NIL	Zone 1: 100% for 8 years Zone 2: 100% for 7 years Zone 3: 100% for 4 years
Interest Subsidy on Technology Up-gradation Loan	Zone 1: 5% for 6 years * Zone 2: 5% for 5 years * Zone 3: 5% for 5 years * * on loans availed from KSFC & Scheduled Commercial Banks which are not covered under CLCSS of the Government of India	
Technical Adoption	For All Zones	For All Zones

[63] Commerce & Industries Department| NEW INDUSTRIAL POLICY 2020-25

Key Initiatives		Karnataka Industrial Policy, 2020-25
	Category of Enterprises: Micro/Small/Medium	**Special Category (SC/ST, Women, Minorities, Physically Challenged, and Ex-Servicemen Entrepreneurs)**
	25% of cost (max. ₹ 50,000/-) for adopting technology from recognized national laboratories	50% of cost (max. ₹ 1,00,000/-) for adopting technology from recognized national laboratories
Incentives for Quality Certification	For All Zones ISO Series Certification: 75% of cost (max. ₹ 75,000/-) BIS Certification: 50% of fees payable to BIS for certification (max. ₹ 20,000/-) & 25% of cost (max. ₹ 50,000/-) for purchase of testing equipment as approved by BIS.	For All Zones ISO Series Certification: 75% of cost (max. ₹ 1,00,000/-) BIS Certification: 50% of fees payable to BIS for certification (max. ₹ 25,000/-) & 25% of cost (max. ₹ 1,00,000/-) for purchase of testing equipment as approved by BIS.

<table>
<tr><th>Key Initiatives</th><th>Karnataka Industrial Policy, 2020-25</th></tr>
<tr><td></td><td>Large, Mega, Ultra Mega and Super Mega Enterprise</td></tr>
<tr><td>Exemption of Stamp Duty</td><td>Zone 1: 100%
Zone 2: 100%
Zone 3: 75%</td></tr>
<tr><td>Concessional registration charges</td><td>₹1 per ₹1,000 depending on the location of the unit</td></tr>
<tr><td>Concessional registration charges</td><td>₹ 1 per ₹ 1,000 depending on the location of the unit</td></tr>
<tr><td>Reimbursement of Land Conversion</td><td>Zone 1: 100%
Zone 2: 100%
Zone 3: NIL</td></tr>
<tr><td>Subsidy for setting up Effluent Treatment Plant (ETP)</td><td>One-time capital subsidy up to 50% of the cost of Effluent Treatment Plants (ETPs), subject to a ceiling of ₹ 250 Lakh for all zones</td></tr>
<tr><td>Investment Subsidy for Anchor Industries</td><td>To encourage investments in taluks where there are no industries with investments above ₹ 100 crore and direct employment of 75 persons. Investment Subsidy of ₹10.00 crore in Zone 1 and ₹ 7.00 crore in Zone 2</td></tr>
<tr><td>Investment range on fixed assets</td><td>Large Enterprises: (i.e., enterprises which are not classified as Medium
<table>
<tr><th>Zone</th><th>Turnover percentage</th><th>Maximum Period (Year)</th><th>VFA Limit</th></tr>
<tr><td>1</td><td rowspan="2">2.25%</td><td>7</td><td>45 % of VFA</td></tr>
<tr><td>2</td><td>6</td><td>40 % of VFA</td></tr>
<tr><td>3</td><td colspan="3">NIL</td></tr>
</table>
Enterprises but have investments on fixed assets of up to ₹ 250 crore)
Mega Enterprises: (i.e., investment on fixed assets above ₹ 250 crore to ₹ 500 crore)</td></tr>
</table>

<table>
<tr><td>Key Initiatives</td><td>Karnataka Industrial Policy, 2020-25</td></tr>
<tr><td></td><td>Large, Mega, Ultra Mega and Super Mega Enterprise</td></tr>
<tr><td></td><td>Ultra-Mega Enterprises: (i.e., investment on fixed assets above ₹ 500 crore to ₹ 1,000 crore)

<table>
<tr><td>Zone</td><td>Turnover percentage</td><td>Maximum Period (Year)</td><td>VFA Limit</td></tr>
<tr><td>1</td><td rowspan="2">1.85%</td><td>9</td><td>55 % of VFA</td></tr>
<tr><td>2</td><td>8</td><td>50 % of VFA</td></tr>
<tr><td>3</td><td colspan="3">NIL</td></tr>
</table>

Super Mega Enterprises: (i.e., investment on fixed assets above ₹ 1,000 crore)

<table>
<tr><td>Zone</td><td>Turnover percentage</td><td>Maximum Period (Year)</td><td>VFA Limit</td></tr>
<tr><td>1</td><td rowspan="2">1.75%</td><td>10</td><td>60 % of VFA</td></tr>
<tr><td>2</td><td>9</td><td>55 % of VFA</td></tr>
<tr><td>3</td><td colspan="3">NIL</td></tr>
</table>

<table>
<tr><td>Zone</td><td>Turnover percentage</td><td>Maximum Period (Year)</td><td>VFA Limit</td></tr>
<tr><td>1</td><td rowspan="2">2.0%</td><td>8</td><td>50 % of VFA</td></tr>
<tr><td>2</td><td>7</td><td>45 % of VFA</td></tr>
<tr><td>3</td><td colspan="3">NIL</td></tr>
</table>
</td></tr>
</table>

8. Regulatory Framework: Registration / NoCs / Licenses

The table below represents the indicative information regarding Regulatory Mechanism available in the state.

8.1 For starting operations

Table 10: Regulatory mechanism for starting operations

S.No.	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
1.	License for Cold Storage	Directorate of Food Processing
2.	Registration under FSSAI Act,2006, regulation 2011	FSSAI,Health & Family Welfare Department, & Food Safety
3.	License under FSSAI Act,2006, regulation 2011	FSSAI, Health & Family Welfare Department, & Food Safety
4.	License under Contract Labour Act, (Regulation and Abolition), 1970	Labour Commissionerate
5.	Registration under GST (Goodsand Services Tax Rules, 2017)	Department of Commercial Tax
6.	Consolidated Consent & Authorization under Water Act, 1974, Air Act, 1981 & Authorization under The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Karnataka State Pollution Control Board
7.	Application for Pre-Operational Fire NOC (National Building Code, 2005)	Karnataka State Fire and Emergency Services Department (through Seva Sindhu)

8.2 For setting up of business

Table 11: Regulatory mechanism for setting up business

S.No.	Name of Service	Authority/ Agency/ Office/ Department officer granting approval
1.	Land allotment in departmental industrial estates	Karnataka Industrial Areas Development Board
2.	Application for Land / Plot Allotment	Karnataka Industrial Areas Development Board
3.	Application for new connection LT / HT line non-domestic / industrial	Karnataka Electricity Regulatory Commission
4.	Application for Water Connection	Karnataka Urban Water Supply and Drainage Board
5.	Application for building plan approval	Directorate of Municipal Administration
6.	Application for Completion cum Occupancy Certificate	NIRMANA (Powered by Karnataka Municipal Data Society)
7.	Consent to Establish under Water (Prevention and Control of Pollution) Act, 1981	Karnataka State Pollution Control Board
8.	Consent to Establish under Air (Prevention and Control of Pollution) Act, 1981	Karnataka State Pollution Control Board
9.	Consent to Establish under Air (Prevention and Control of Pollution) Act, 1981	Karnataka State Pollution Control Board
10.	Application for Pre-Operational Fire NOC (National Building Code, 2005)	Karnataka State Fire and Emergency Services Department (through Seva Sindhu)
11.	Site Plan Approval under the Factories Act, 1948	Karnataka Department of Factories, Boilers, Industrial Safety and Health (FBIS)

9. Major Players in Food Processing and Allied Sectors

9.1. Beneficiaries under PMKSY Scheme of MoFPI, Government of India

Table 11: Details of approved under Mega Food Park[64]

S.No.	Name of the firm	Location	Sector
1	Integrated Food Park Pvt. Ltd	Tumkur	F&V, Grain milling
2	Favorich Infra Pvt Ltd.	Mandya	F&V, Grain milling, Spices

Table 13: Details of completed projects under Creation / Expansion of Food Processing &

Table 12: Cold Chain

S.No.	Name of the firm	Location	Sector
1	Atharvass Traders Pvt Ltd.	Hassan, Belgam, Bangalore	F&V
2	Innova Agri Bio Park Ltd	Kolar	Irradiation
3	Vijaykant Dairy & Food Products Ltd	Belgaum	Dairy
4	Basweshwar Industry	Belgaum	F&V
5	Namdhari Animal Genetics Private Limited	Tumkur	Dairy
6	Dairy Classic Ice Creams Pvt Ltd	Ramnagara	Dairy
7	Srikrishna Milks Private Limited	Uttar Kannada	Dairy
8	Malpefresh Marine Exports Private Limited.	Udipi	Marine & Fishery
9	Hitech Food Process (SC)	Bijapur	F&V
10	Ideal Icecream	Dakshin Kannada	Dairy
11	Yashaswi Fish Meal & Oil Company	Dakshin Kannada	Marine & Fishery
12	BAMUL	Ramnagara	Dairy
13	Agro Tech (ST)	Belgaum	F&V
14	Square Meal Private Limited	Bangalore	Meat
15	Golden Hatcheries	Haveri	Meat
16	Provit Foods Pvt. Ltd	Dakshin Kannada	Poultry

[64] Pradhan Mantri Kisan SAMPADA Yojana | Ministry of Food Processing Industries | GOI

Preservation Capacities (CEFPPC)[65]

CEFPPC projects under PMKSY				
Sr.No	**Project Name**	**Sector**	**District**	**Status**
1	M/s. Hain Future Natural Products Pvt Ltd	F&V Processing	Tumkur	Operational
2	M/s Petunt Food Processors Pvt Ltd	Consumer Products	Tumkur	Operational
3	M/s Ella Foods	Consumer Products	Kolar	Operational
4	M/s Ramkrishna Industries	Grain Milling	Bagalkot	Operational
5	M/s Sproutlife Foods Pvt. Limited	Consumer Products	Tumkur	Operational
6	M/s Sankraman Organic Foods Pvt Ltd	Consumer Products	Mandya	Operational
7	M/s R G Kasat Industries Pvt. Ltd	Consumer Products	Bagalkot	Operational
8	M/s Ashwarooda Enrich Foods	Consumer Products	Mandya	Under Implementation
9	M/s Sri Venkateshwara Industries	Grain Milling	Mysuru	Operational
10	Sri Balaji Industries	Grain Milling	Mysuru	Operational
11	M/s Avantnature Foods Private Limited	F&V Processing	Tumkur	Operational
12	M/s Maxvita Foods (India) Private Limited	Consumer Products	Mandya	Operational
13	M/s Trubare Fresh Foods Pvt. Ltd.	F&V Processing	Tumakuru	Under Implementation
14	M/s GroFresh Agrofoods Pvt Ltd	F&V processing	Tumkur	Operational
15	M/s VB Foods	Grain Milling	Bengaluru Urban	Under Implementation
16	M/s Elveety Products Private Limited	Consumer Products	Dharwad	Operational
17	M/s Tenguraja Coco Products	Consumer Products	Udupi	Under Implementation
18	M/s Rajguru Foods	Oil Milling	Bijapur	Under Implementation
19	M/s Jubliant Food Works Limited	Consumer Products	Bangalore Rural	Operational
20	M/s Sridevi General Engineering	F&V processing	Bengalore Rural	Under Implementation
21	M/s Kanishka Beverages India Pvt. Ltd	F&V processing	Bengalore Rural	Under Implementation

[65] Pradhan Mantri Kisan SAMPADA Yojana | Ministry of Food Processing Industries | GOI

22	M/s Sri Lakshmibalaji Agro Park Pvt. Ltd Unit- 1	Grain Milling	Koppal	Under Implementation
23	M/s Sri Lakshmibalaji Agro Park Pvt. Ltd (Unit- 2)	Grain Milling	Koppal	Under Implementation
24	M/s Allen Cashew Industries	Consumer Products	Udupi	Under Implementation
25	M/s Parishudh Industries	Oil Milling	Udupi	Under Implementation
26	M/s Sri Lakshmibalaji Agro Park Pvt. Ltd Unit-III	Consumer Products	Koppal	Under Implementation

9.2. Beneficiaries under PMFME Scheme of MoFPI, Government of India

Table 14: Details of PMFME scheme projects

State/UT	**Karnataka**
Number of Micro Enterprises	6625
Approved Subsidy (in Rs Crore)	242.95
Number of SHG Members	19042
Approved Subsidy (in Rs Crore)	74.87
Number of Approved Incubation Centre	14
Approved Subsidy (in Rs Crore)	32.17
Number of Approved B&M Projects	3
Approved Subsidy (in Rs Crore)	3.12
Net Enterprises-PMFME	25684
Total Subsidy under PMFME (in Rs Crore)	353.11

9.3 Beneficiaries under PLI Scheme of MoFPI, Government of India (Operational Units)

Table 16: Beneficiaries of PLI scheme

Beneficiary Name	Sector	District	Status
BIKAJI FOODS INTERNATIONAL LIMITED	RTC/RTE	Tumkur	Operational
MANE KANCOR INGREDIENTS LIMITED	Fruits & Vegetables	Haveri	Operational
GADRE MARINE EXPORT PRIVATE LIMITED	Marine Products	Dakshin Kannada	Operational
MTR FOODS PRIVATE LIMITED	Fruits & Vegetables	Bangalore	Operational
PLANT LIPIDS PRIVATE LIMITED	Fruits & Vegetables	Hubli	Operational
NESTLE INDIA LTD.	Fruits & Vegetables	Mysuru	Operational
SYNTHITE INDUSTRIES P LTD	Fruits & Vegetables	Haveri	Operational
VIDYA HERBS PRIVATE LIMITED	Fruits & Vegetables	Ramanagara	Operational
VIDYA HERBS PRIVATE LIMITED	Fruits & Vegetables	Bengaluru	Operational
ITC LIMITED	Millet LE	Bengaluru	Operational
MRS BECTORS FOOD SPECIALITIES LIMITED	Millet LE	Bengaluru	Operational
TATA CONSUMER PRODUCTS LIMITED	Millet LE	Hubbali	Operational
TATA CONSUMER PRODUCTS LIMITED	Millet LE	Ramanagara	Operational
ITC LIMITED	RTC/RTE	Bengaluru	Operational
ITC LIMITED	RTC/RTE	Mysuru	Operational
PHALADA AGRO RESEARCH FONDATIONS PVT LTD	Category 2-Organic	Bengaluru	Operational
PARLE AGRO PRIVATE LIMITED	Fruits & Vegetables	Mysuru	Operational
SPROUTLIFE FOODS PRIVATE LIMITED	Millet MSME	Tumkur	Operational
SPROUTLIFE FOODS PRIVATE LIMITED	Millet MSME	Bengaluru	Operational
WHOLSUM FOODS PVT LTD	Millet MSME	Bengaluru	Operational
PRATAAP SNACKS LIMITED	RTC/RTE	Bengaluru	Operational

10. List of Farmer Producer Organisations

The following indicative list represents the Farmer Producer Organizations (FPO)[66] in the State.

Table 18: FPOs in Karnataka

S.no.	CBBO Name	FPO Name	Name of District
1	ICAR-Indian Institute of Millet Research (IIMR), Hyderabad	Jamakhandi Oilseeds And Millets Producer Company Limited	Bagalkote
2	ICAR-Indian Institute of Millet Research (IIMR), Hyderabad	Mudhol Oilseed And Millets Farmers Producer Company Limited	Bagalkote
3	Bharatiya Samruddhi Investments & Consulting Services Ltd (BASICS)	Kudligi Thaluka Farmers Producer Company Limited	Ballari (Vijaynagar)
4	ICAR-Indian Institute of Millet Research (IIMR), Hyderabad	Hulsoor Mahila Kisan Millets Producer Company Limited	Bidar
5	ICAR-Indian Institute of Millet Research (IIMR), Hyderabad	Nidgundi Sri Hadi Basavannappa Oilseed And Millets Producer Company Limited	Vijaypura
6	Sri Sri Rural Development Programme Trust	Thamboola Farmers Producer Company Limited	Davanagere
7	Bharatiya Samruddhi Investments & Consulting Services Ltd (BASICS)	Shirahatti Farmers Producer Company Limited	Gadag
8	Sri Sri Rural Development Programme Trust	H Cap Plantation Farmers Producer Company Limited	Hassan
9	Bharatiya Samruddhi Investments & Consulting Services Ltd (BASICS)	Chikkabasur Farmers Producer Company Limited	Haveri
10	ICAR-Indian Institute of Millet Research (IIMR), Hyderabad	Aland Bhootai Millets Farmers Producer Company Limited	Kalaburagi
11	Sri Sri Rural Development Programme Trust	Togari Kanaja Farmers Producer Company Limited	Kalaburagi
12	Sri Sri Rural Development Programme Trust	Nagavi Nadu Farmers Producer Company Limited	Kalaburagi
13	Sri Sri Rural Development Programme Trust	Farahatabad Farmers Producer Company Limited	Kalaburagi

[66] https://sfacindia.com/PDFs/Tenders/State%20wise%20list%20of%20registered%20FPOs%20details%20under%20Central%20Sector%20Scheme%20for%20Formation%20and%20Promotion%20of%2010,000%20FPOs%20by%20SFAC%20as%20on%2024-02-2025.pdf

S.no.	CBBO Name	FPO Name	Name of District
14	ICAR-Indian Institute of Millet Research (IIMR), Hyderabad	Jewaragi Taluka Millets Farmers Producer Company Limited	Kalaburagi
15	Sri Sri Rural Development Programme Trust	Motakapalli Farmers Producer Company Limited	Kalaburagi
16	Sri Sri Rural Development Programme Trust	Kodagu Natural Farmers Producer Company Limited	Kodagu
17	Sri Sri Rural Development Programme Trust	Kakanakote Farmers Producer Company Limited	Mysuru
18	Sri Sri Rural Development Programme Trust	Lakshmantheertha Farmers Producer Company Limited	Mysuru
19	ICAR-Indian Institute of Millet Research (IIMR), Hyderabad	Bettada Basaveshwara Farmers Producer Company Limited	Raichur
20	ICAR-Indian Institute of Millet Research (IIMR), Hyderabad	Nandi Om Farmers Producer Company Limited	Raichur
21	Sri Sri Rural Development Programme Trust	Savanadurga Organic Farmers Producer Company Limited	Ramanagara
22	ICAR-Indian Institute of Millet Research (IIMR), Hyderabad	Indi Savayava Hagu Siridhanya Producer Company Limited	Vijaypura
23	Bharatiya Samruddhi Investments & Consulting Services Ltd (BASICS)	Bhima Krishna Farmers Producer Company Limited	Vijaypura
24	Bharatiya Samruddhi Investments & Consulting Services Ltd (BASICS)	Nrushimha Farmers Producer Company Limited	Vijaypura
25	ICAR-Indian Institute of Millet Research (IIMR), Hyderabad	Shorapur Taluka Millets Farmers Producer Company Limited	Yadgir
26	Sri Sri Rural Development Programme Trust	Navilutheertha Farmers Producer Company Limited	Belagavi
27	ICAR-Indian Institute of Millet Research (IIMR), Hyderabad	Amruthvahini Farmers Producer Companylimited	Bidar
28	ICAR-Indian Institute of Millet Research (IIMR), Hyderabad	Gram Vishwas Farmers Producer Company Limited	Bidar
29	Sri Sri Rural Development Programme Trust	Kalpasiri Farmers Producer Company Limited	Tumakuru
30	Sri Sri Rural Development Programme Trust	Banasandra Coconut Farmers Producer Company Limited	Tumakuru
31	Sri Sri Rural Development Programme Trust	Greenchik Farmers Producer Company Limited	Haveri
32	Sri Sri Rural Development Programme Trust	Shanthikalpa Farmers Producer Company Limited	Hassan

S.no.	CBBO Name	FPO Name	Name of District
33	Sri Sri Rural Development Programme Trust	Nelamangala Veg And Fruits Farmers Producer Company Limited	Bengaluru Rural
34	Sri Sri Rural Development Programme Trust	Jodettu Farmers Producer Company Limited	Mandya
35	Sri Sri Rural Development Programme Trust	Dammangiri Farmers Producer Company Limited	Yadgir
36	Sri Sri Rural Development Programme Trust	Channapatna Fruits Farmers Producer Company Limited	Ramanagara
37	Vyakti Vikas Kendra, India	Mittemari Farmers Producer Company Limited	Chikkaballapura
38	Vyakti Vikas Kendra, India	Yegavakote Farmers Producer Company Limited	Chikkaballapura
39	International Competence Centre for Organic Agriculture (ICCOA)	Allamaprabhu Farmers Producer Company Limited	Belagavi
40	International Competence Centre for Organic Agriculture (ICCOA)	Kadaba Farmers Producer Company Limited	Dakshina Kannada
41	International Competence Centre for Organic Agriculture (ICCOA)	Ujire Farmers Producer Company Limited	Dakshina Kannada
42	International Competence Centre for Organic Agriculture (ICCOA)	Kaikamba Farmers Producer Company Limited	Dakshina Kannada
43	International Competence Centre for Organic Agriculture (ICCOA)	Byndoor Bhoomi Farmers Producer Company Limited	Udupi
44	International Competence Centre for Organic Agriculture (ICCOA)	Vidhathri Farmers Producer Company Limited	Udupi
45	International Competence Centre for Organic Agriculture (ICCOA)	Honnavar Farmers Producer Company Limited	Uttara Kannada
46	Krushijeevan Agro Farmer Producer Company Ltd.	Belagra Farmers Producer Company Limited	Yadgir
47	Bayer CropScience Limited	Svastika Millet Kisan Farmer Producer Company Limited	Chikkaballapura
48	Bayer CropScience Limited	Jangamakote Millet Farmer Producer Company Limited	Chikkaballapura
49	Bayer CropScience Limited	Antharaganga Millet Farmer Producer Company Limited	Kolar
50	Bayer CropScience Limited	Prasati Collective Farmer Producer Company Limited	Bidar
51	Bayer CropScience Limited	Hinnikere Farmer Producer Company Limited	Bidar

S.no.	CBBO Name	FPO Name	Name of District
52	Bayer CropScience Limited	Neelambika Mahila Farmer Producer Company Limited	Bidar

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