

# **Land of Opportunities: Tapping West Bengal's Agri & Food Processing Potential**





TITLE	Land of Opportunities: Tapping West Bengal's Agri & Food Processing Potential	
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## MESSAGE



India's food processing industry is undergoing a significant transformation, and West Bengal is well-positioned to be at the forefront of this change. With its diverse agricultural output, strategic location, and expanding infrastructure, the state offers a fertile ground for investment and innovation.

West Bengal's agricultural landscape is marked by high cropping intensity—190% compared to the national average of 155%—and a wide variety of agricultural produce including meat and fish. These supply strengths, combined with a growing consumer base and rising urbanization, create a strong foundation for food processing activities.

Despite these strengths, the sector faces structural challenges that need to be addressed to unlock its full potential. Limited processing levels, especially in fruits, vegetables, and dairy, highlight the need for infrastructure upgrades and technology adoption. The predominance of unincorporated units also points to the need for formalization and capacity building. ASSOCHAM emphasizes the importance of creating an enabling environment that supports modernization, skilling, and enterprise development.

West Bengal's strategic location offers access to eastern and northeastern markets, as well as export corridors to Bangladesh and Southeast Asia. This geographic advantage, coupled with a strong policy framework, positions the state as a natural hub for agri and food exports. Promoting value-added products, enhancing food safety infrastructure, and leveraging GI-tagged commodities can further strengthen the state's export readiness.

The food processing sector also holds promise for inclusive growth. By linking farmers to markets, creating rural employment, and supporting women-led enterprises, the sector can drive socio-economic development across the state. ASSOCHAM remains committed to supporting this vision through stakeholder engagement, policy dialogue, and knowledge dissemination.

We hope this report inspires stakeholders to explore the vast potential of West Bengal's agri-food sector and contribute to its journey toward becoming a national leader in food processing.

**Mr. Taranjit Singh**

Chairman

ASSOCHAM Eastern Region



## FOREWORD



The food processing industry plays a pivotal role in India's economy. According to the Annual Survey of Industries 2022-23, it is the highest employment generating industry within the manufacturing sector and contributes to 8.54% of its Gross Value Added (GVA). Over the years, the food processing industry has witnessed remarkable growth, driven by a large consumer base, a rapidly expanding economy and a supportive regulatory environment. India's robust agricultural base further complements this growth by ensuring availability of raw material for processing.

West Bengal is a key state contributing to India's food processing sector, ranking 8th in the country in terms of GVA contribution. The state is a leading producer of rice, vegetables, fruits, fish and meat, offering a rich and diverse raw material base. This production strength is complemented by a large and expanding consumer market within the state. Evolving dietary preferences, rising disposable incomes and rapid urbanization are driving demand for processed foods, positioning West Bengal not only a key supply hub but also as a major consumption center for high value-added food products.

Recognizing the critical role that the food processing sector plays in the overall economy, both the West Bengal State Government as well as the Central Government have accorded the industry a high priority status and have taken up several initiatives to promote its growth. This proactive approach, combined with increased private sector participation, growing domestic demand and enhanced Government focus on infrastructure development, has significantly accelerated growth of the sector.

YES BANK is deeply committed to playing a catalytic role in the development of India's food processing sector, not just by serving as a trusted banking partner but also by working alongside private sector, multilateral institutions, government and industry associations for assimilation and propagation of knowledge that contributes to sustainable growth of this ecosystem. In line with this vision, YES BANK is pleased to partner with ASSOCHAM to release this Knowledge Report titled "Land of Opportunities: Tapping West Bengal's Agri & Food Processing Potential". This report presents an overview of the evolving food demand trends in India and West Bengal, highlights the state's supply strengths, outlines key incentives available at both the state and central levels, and identifies potential opportunities for investment in West Bengal's food processing landscape.

I sincerely hope that this report will serve as a valuable reference, inspiring decisive actions, paving the way for transformative developments that will firmly position West Bengal as a key contributor to India's food processing sector.

Sincerely,

**Prashant Kumar**  
Managing Director & CEO  
YES BANK Ltd.







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# Executive Summary



India's food processing industry has emerged as a key driver of rural transformation, employment generation, and value addition across the agri-value chain. Contributing INR 1,920 billion in Gross Value Added (GVA) in FY 2022–23, the sector represents a vital bridge between primary agricultural production and industrial development.<sup>1</sup> Government interventions, policy reforms, and shifting consumer preferences towards value added products have positioned food processing at the forefront of India's agri-industrial strategy. Within this landscape, West Bengal has positioned itself as a high-potential region, driven by its diverse agri - resources, vibrant enterprise base, and policy convergence shaping its food processing trajectory.

Chapter 1 of this report highlights India's strengths in agriculture sector, anchored in its agro-climatic diversity, vast arable land base and extensive production capacity. The vast agricultural production of the country is complemented by its robust food processing industry, which accounts for 13.3% of manufacturing sector output, and employs 12.4% of workers in the manufacturing sector.<sup>2</sup> The chapter provides an overview of key sub-sectors of the food processing industry and their evolving contributions to food processing GVO over the last decade. The chapter also include the regional distribution of registered and unincorporated food processing units. West Bengal, contributing 5.69% to the national organized food processing GVO in FY 2022–23, has emerged as a key player with its strong base of registered and unincorporated food processing units, diverse agri - resources, and evolving sub-sector strengths.<sup>3</sup>

Chapter 2 of the report delves into the transformative trends in food consumption, both nationally and in West Bengal. Nationally, the food processing sector is witnessing a fundamental shift, with share of consumer spend increasing across high value food produce, including livestock products, fruits, vegetables, beverages, refreshments, and processed food. Rising incomes, urbanization, and evolving dietary preferences are fueling a shift in share of consumer spend from staples to high-value processed foods, dairy, meat, and beverages. Beverages, refreshments, and processed foods have recorded the fastest growth, with their share in total food monthly per capita consumption expenditure (MPCE) rising by 7% and 6%, respectively, in urban and rural India, during the period from 2011–12 to 2023–24.<sup>4</sup> West Bengal's food consumption trends mirror national patterns,

<sup>1</sup> MoFPI Annual Report, 2023–24

<sup>2</sup> ASI, 2022–23, output and employment data is for registered factories reported by ASI

<sup>3</sup> ASI, 2022–23

<sup>4</sup> Survey on Household Consumption Expenditure: 2011–12 & 2023–24

with an increasing preference for dairy, meat, and beverages & processed foods. The beverages and processed foods sector have seen an increase of 4% and 6% in urban and rural West Bengal, respectively, in the food MPCE, between 2011-12 and 2023-24, while milk and meat products are showing similar growth trends, indicating robust demand across both urban and rural areas.<sup>5</sup> The key factors responsible for this transformative shift in food MPCE are consumer aspirations for modern, time-saving solutions in food preparation, growth in the working-age population, increasing number of women entering the workforce, and a preference towards more convenient and nutritious food options, among others.

On the supply side, West Bengal ranks among the top producers in rice, vegetables, fish, meat and tea—each supported by agro-climatic diversity, fertile soil, and high cropping intensity. The state's cropping intensity stands at 190%, higher than the national average of 155%.<sup>6</sup> In 2023-24, West Bengal produced 29.20 million MT of vegetables (ranked 2nd nationally), 15.69 million MT of rice (ranked 3rd nationally), 2 million MT of fish (ranked 2nd nationally), 1.3 million MT of meat (ranked 1st nationally) and 0.43 million MT of tea (ranked 2nd nationally).<sup>7</sup> Chapter 3 of the report captures the supply strengths of West Bengal, rooted in its robust agricultural and natural resource base, and being complemented by the presence of thriving sectors such as horticulture, floriculture, apiculture, livestock farming, and organic farming. Bestowed with robust supply strengths, the state offers a diversified raw material production base for the food processing industry.

Chapter 3 also covers the agricultural infrastructure landscape such as food parks, cold chain, warehousing supporting the food processing industry of West Bengal. The state has 13 designated Food Parks- which include one Mega Food Park (MFP), 9 mini-Food Parks, 2 Industrial Areas (IA), and one Industrial Growth Centre (IGC).<sup>8</sup> The state also enjoys an advantage of its strategic location, which provides access to markets in eastern and northeastern India, as well as export corridors to Bangladesh and Southeast Asia.

Chapter 4 outlines key national schemes such as the Pradhan Mantri Kisan Sampada Yojana (PMKSY), PM Formalisation of Micro Food Processing Enterprises (PMFME), Export Development and Promotion Program, among others, which provide fiscal support, credit facilitation and capacity building for the food processing sector. Complementing these, the West Bengal Food Processing Incentive Scheme offers state specific incentives. The synergy between central and state level interventions provides an enabling environment for technology adoption and value chain integration across West Bengal's food processing sector.

The concluding chapter of the report identifies key opportunities for realizing West Bengal's agri-food processing potential. These include:

## **Tapping Supply Strengths of West Bengal**

The state's agro-biodiversity, strong primary production base, and strategic geographic location offer immense opportunities for scaling value-added processing activities. This chapter identifies key investment opportunities across various sectors such as horticulture, dairy, tea, fisheries, rice and cereals. West Bengal's strong GI portfolio—including the iconic Banglar Rasogolla, Darjeeling Tea, Kaji Nemu Lemon, Gorib's Kolar Banana and other region-specific products provides a unique branding advantage for value added exports. West Bengal's access to both domestic and international markets, combined with its strong supply strengths particularly in fruits, vegetables, rice and fisheries, makes it a compelling hub for food processing.

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<sup>5</sup> Survey on Household Consumption Expenditure: 2011-12 & 2023-24

<sup>6</sup> Land Use Statistics, 2022-23

<sup>7</sup> MoAFW, MoFAH&D, Tea Board India

<sup>8</sup> [https://www.mofpi.gov.in/sites/default/files/designated\\_fp\\_325\\_17.05.2024.pdf](https://www.mofpi.gov.in/sites/default/files/designated_fp_325_17.05.2024.pdf)

## Investing in Building Efficiencies Across the Value Chain

Focusing on reducing inefficiencies across the food supply chain presents a potential investment opportunity. There exists a significant potential to invest in advanced farm technologies such as drip irrigation systems, and farm machinery, as well as genetic and breed improvement technologies. Strengthening aggregation via FPO led procurement models can streamline raw material sourcing. The growing demand for high-quality perishable food products in both domestic and export markets offers significant investment opportunities in cold chain logistics with a scope for diversification into multi-purpose cold chain service models, container pooling, and integrated logistics. The state's largely unorganized food processing industry creates space for modernization and adoption of advanced technologies. Entrepreneurs can tap into opportunities in AI based processing, automated grading and sorting, energy efficient cold storage and traceability system across dairy, meat, horticulture and aquaculture sectors. The development of food testing laboratories is essential to meet growing food safety needs, while skilling initiatives and specialized training institutions can build a competitive workforce.

Overall, West Bengal's convergence of strong agri-production base, shifting consumption patterns, enabling policy environment, and expanding infrastructure positions it as a leading destination for food processing investments in India. With a coordinated push across value chain integration, innovation, skilling, and market access, the state can accelerate inclusive growth, generate rural employment, and drive improved farmer incomes. Public-private partnerships, coupled with targeted interventions in logistics, financing, and R&D, can catalyze the next phase of growth in West Bengal's food processing sector—positioning it as a national leader and export-ready powerhouse.





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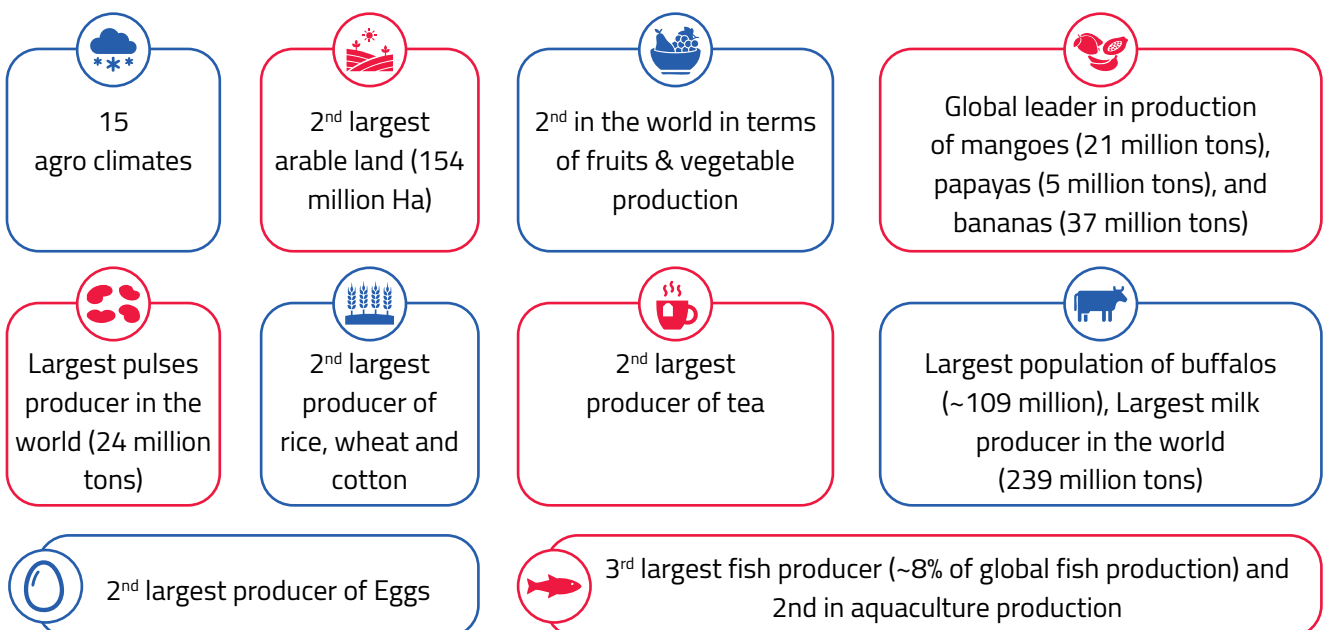
## Food Processing Industry in India: A snapshot



India's agricultural sector is a prime pillar of Indian economy and plays a pivotal role in ensuring the nation's food and nutritional security. India's strength in agriculture lies in its agro-climatic diversity, extensive arable land, a substantial labour force, supportive policy environment and ongoing technological advancements. These factors collectively contribute to the nation's robust agricultural production making it one of the world's leading agricultural nations (refer exhibit 1).

India boasts of diverse climatic zones, allowing for the cultivation of a wide variety of crops throughout the year. This diversity supports the growth of crops ranging from a wide variety of staples like rice, wheat, oilseeds, sugarcane, pulses to a myriad of fruits, vegetables and spices. Additionally, India possesses the largest livestock population globally. This abundance contributes not just to the food and nutritional security but also to the livelihoods of millions engaged in agriculture and its allied sectors.

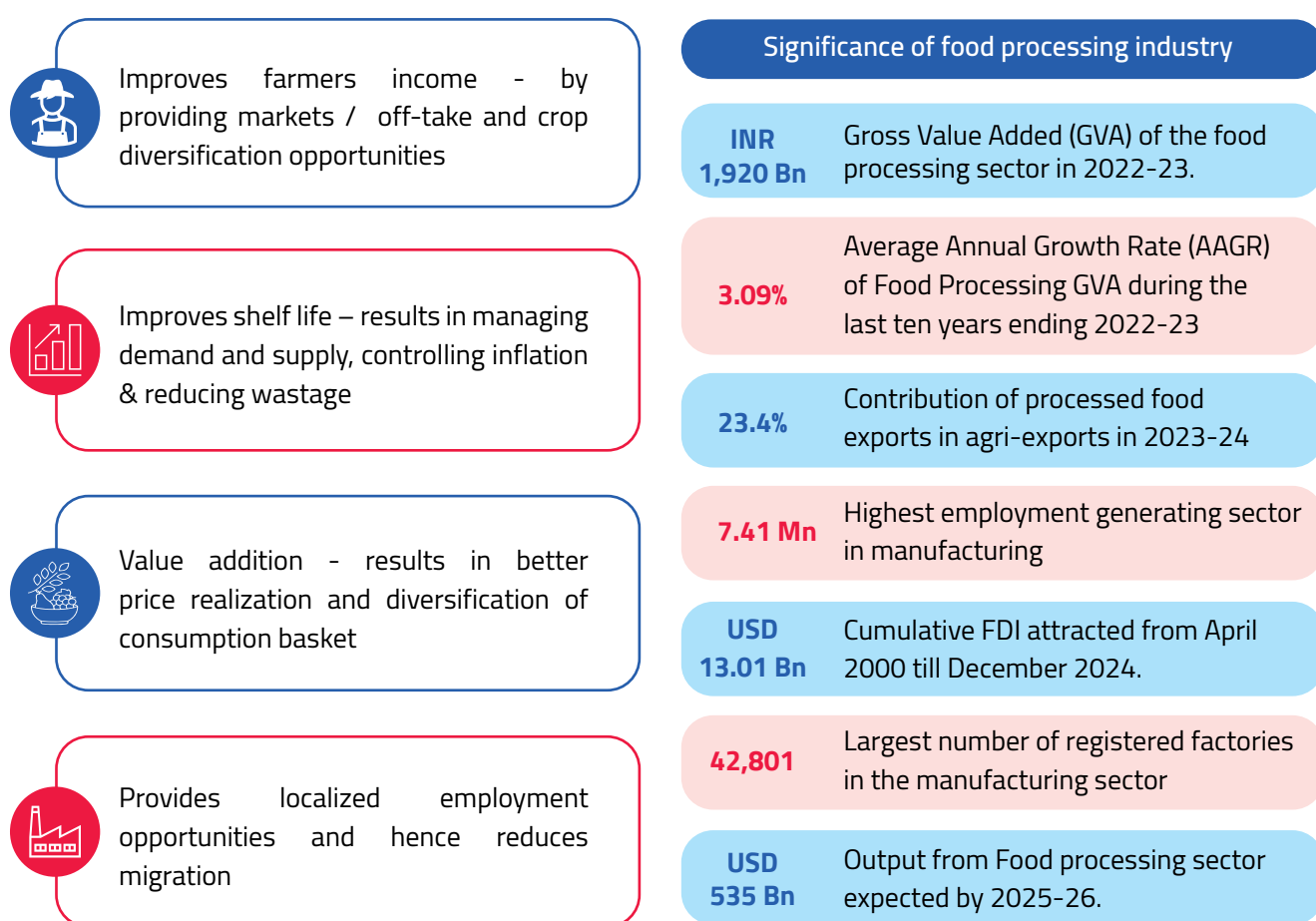
Exhibit 1: A snapshot of India's strengths in agriculture



Source: FAOSTAT, MoA&FW, NDDDB, PIB, ICAR, World Bank (<https://data.worldbank.org>)

The food processing industry serves as a critical enabler in transforming India's agricultural abundance into value added products, enhancing shelf life, marketability, and export potential. By linking farmers to consumers through efficient supply chains, the sector not only boosts farm incomes but also supports industrial growth and employment generation. With over 7.41 million people employed, the food processing industry surpasses all other industries in the manufacturing sector in terms of employment generation.<sup>9</sup> Moreover, the food processing sector contributes significantly to foreign earnings through exports. Over the last decade (from 2012-13 to 2022-23), the sector has demonstrated a consistent growth, with its GVA rising at a CAGR of 3.98% reaching INR 1,920 billion in 2022-23.<sup>10</sup> Key contributions of food processing sector in Indian agri ecosystem are highlighted in the Exhibit 2 below.

## Exhibit 2: Food processing sector - a strong pillar in Indian agri ecosystem



Source: MoFPI Annual report, 2023-24, ASI 2022-23, Invest India

Recognizing the importance of the food processing sector, the Government has accorded the industry a high priority status and has taken up several initiatives to boost the sector. This coupled with increased private sector participation, FDI, increasing domestic demand for high value food products and improved Government's focus on infrastructure development has taken the food processing industry into a fast growth trajectory.

<sup>9</sup> ASI 2022-23, MoFPI Annual Report 2023-24

<sup>10</sup> MoFPI Annual report, 2023-24

## 1.1 Performance of Food Processing Industry Over the Years

Over the past several years, India's food processing sector has demonstrated consistent growth, underpinned by supportive government policies and increasing consumer demand for value added products. In 2022-23, the overall Gross Value of Output for food processing industry stood at INR 24,206 billion (at current prices), growing at a CAGR of 10.8% from 2012-12 to 2022-23.<sup>11</sup> Within this, dairy products registered the highest decadal CAGR of 13%, driven by rising demand for packaged milk and other value-added dairy products. This was followed by "meat, fish, fruits, vegetables, oils & fats" category that registered a CAGR of 12%. The "grain mill products & animal feeds" category grew at a CAGR of 11%. GVO of various food processing categories at current prices in 2012-13 and 2022-23 is captured in Exhibit 3.

Exhibit 3: GVO of food processing sub-sectors (in INR billion) at current prices

Food processing sub-sectors	GVO 2012-13 (INR 8,646 Bn)	GVO 2022-23 (INR 24,206 Bn)	CAGR% (2012-13 to 2022-23)
Production, processing and preservation of meat, fruits, vegetables, oils and fats	2,095	6,709	12%
Manufacture of grain mill products etc. and animal feeds	2,402	6,685	11%
Manufacture of other food products	2,704	6,449	9%
Manufacture of dairy products	814	2,803	13%
Manufacture of beverages	631	1,559	9%

Source: MoSPI, YES BANK Analysis

Note: Other food products include bakery products, sugar, cocoa, chocolate and sugar confectionery, macaroni, noodles, couscous and similar farinaceous products, prepared meals and dishes, and other foods n.e.c.

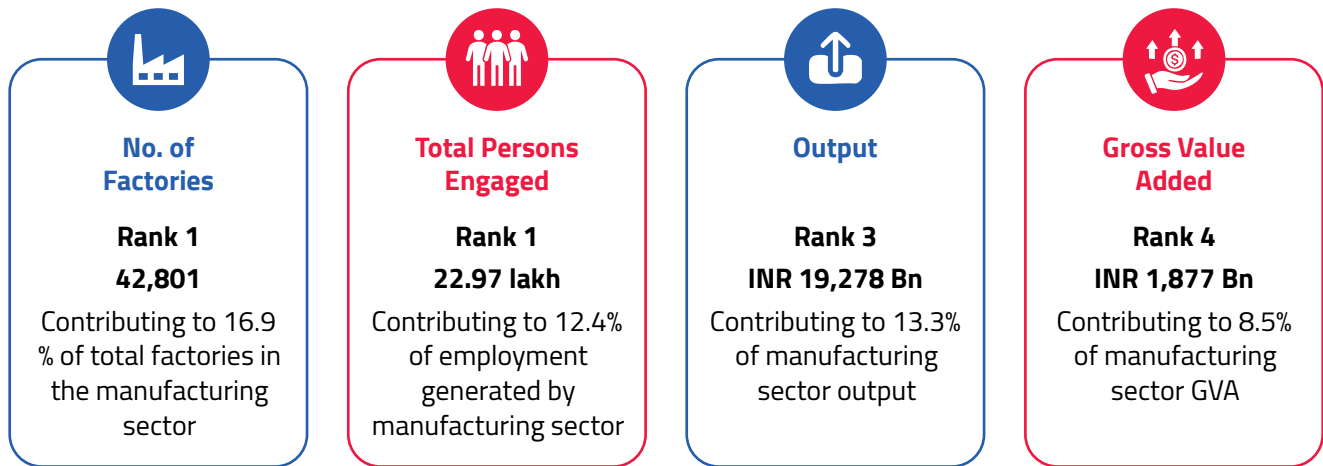
### 1.1.1 Registered Food Processing Industry

According to the Annual Survey of Industries (ASI), the registered food processing industry has the largest number of factories and engages the largest number of persons as compared to the other industries in the manufacturing sector. Also, the registered food processing industry was among the top 5 sectors of manufacturing with respect to Output and GVA. The GVO of the registered food processing industry stood at INR 19,278 billion in 2022-23, ranking 3rd among all manufacturing sectors<sup>12</sup> (refer Exhibit 4). The GVA of this sector grew at a CAGR of 8.80% over the last decade, from INR 807.62 billion in 2012-13 to INR 1,877.13 billion in 2022-23 accounting for 8.5% of manufacturing GVA in 2022-23.

<sup>11</sup> MoSPI

<sup>12</sup> ASI 2022-23

#### Exhibit 4: Contribution of registered food processing industry in manufacturing sector

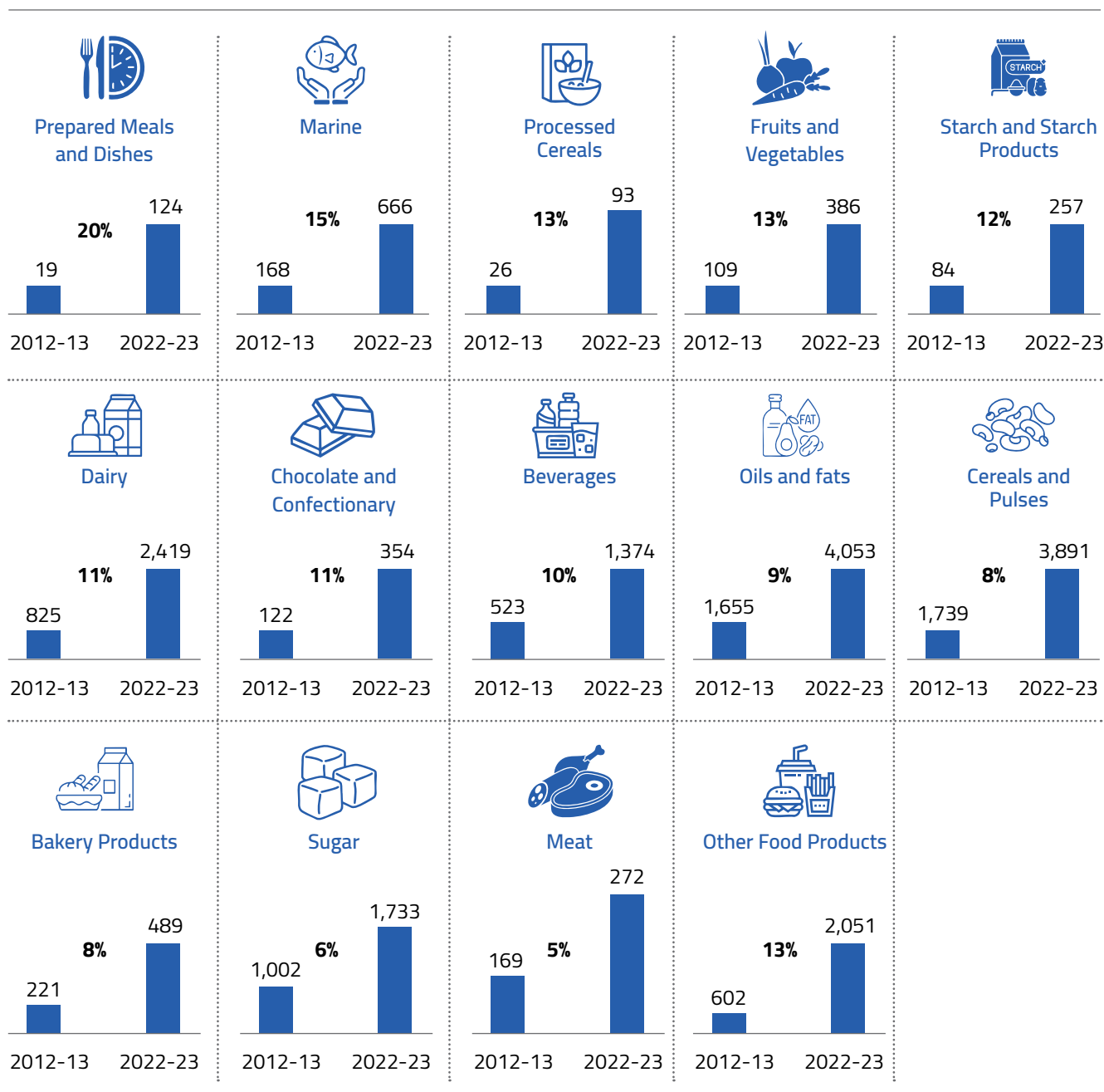


Source: ASI, 2022-23, GVA and Output at current prices

The Indian food processing industry is evolving rapidly with a gradual shift towards higher consumption of processed foods and animal protein. This trend is primarily driven by rising incomes, increased urban population, and growing acceptance of animal-based protein. This shift in dietary pattern is reflected in the rising GVO growth of processed foods, marine and livestock products. GVO of prepared meals and dishes witnessed highest decadal CAGR growth of 21%, during 2012-13 to 2022-23, followed by marine products at 15% and processed cereals at 14% over the same period (refer exhibit 5).



Exhibit 5: Decadal trend of the food processing sub sectors share in the food processing GVO (2012-13 to 2022-23)



All values are in INR Bn

%age figures denote the decadal CAGR of GVO during 2012-13 to 2022-23

Source: ASI report 2012-13, 2022-23

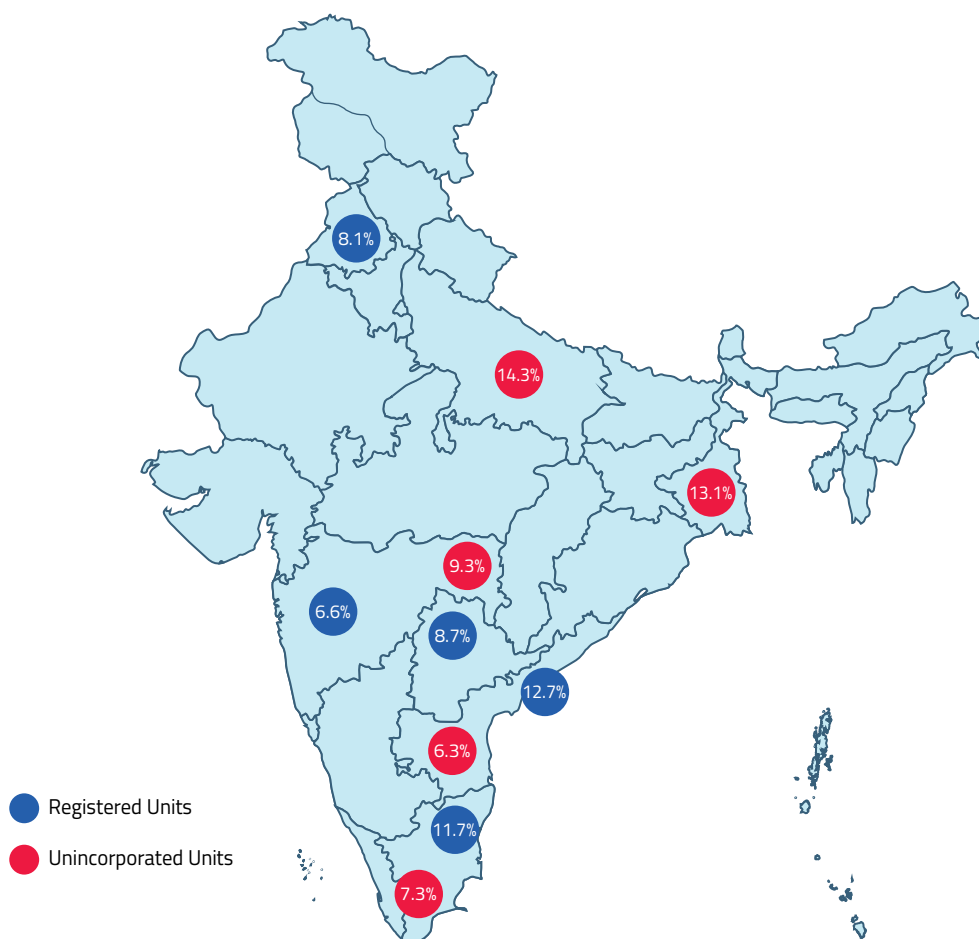
### 1.1.2 Regional distribution of the industry

As per latest Annual Survey of Industries 2022-23, the total number of factories in the registered food processing sector in the country were 42,801. West Bengal had 2,230 registered factories in the food processing sector, accounting for 5.2% share in the total registered food processing factories in the country.



Beyond the registered units, the food processing industry comprised of 2.46 million unincorporated units, with Uttar Pradesh having the largest share of 14.3%. West Bengal had the 2nd largest share of 13.1% among unincorporated food processing units. Exhibit 6 depicts the top 5 states in terms of registered and unincorporated food processing units.

**Exhibit 6: Top 5 states for registered and unincorporated food processing units in India**

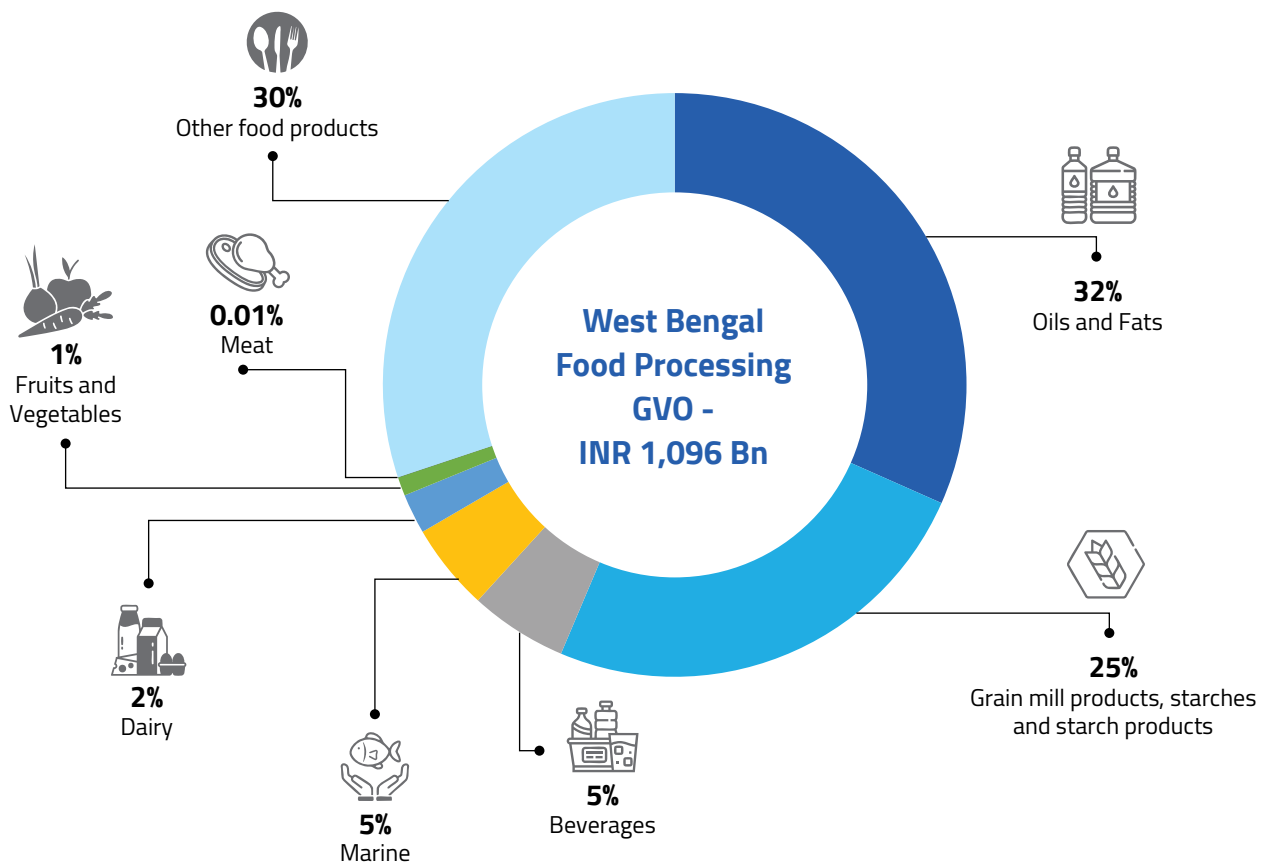


Registered Units			Unincorporated Units		
S. No	State	No. of reg units	S. No	State	No. of unincorp units
1	Andhra Pradesh	5,427	1	UP	3,50,883
2	Tamil Nadu	4,996	2	WB	3,22,590
3	Telangana	3,703	3	Maharashtra	2,29,372
4	Punjab	3,457	4	Tamil Nadu	1,78,527
5	Maharashtra	2,822	5	Andhra Pradesh	1,54,330
India Total		42,801	India Total		24,59,929

Source: ASI, 2022-23, MoFPI Annual Report, 2023-24

West Bengal has the innate potential to tap the opportunities that unfold across all the segments of the food processing industry. The state contributed 5.69% to the organised food processing GVO of the country in 2022-23, an increase from 4.51% in 2012-13 growing at a CAGR of 12.47%.<sup>13</sup> Among food processing sub-sectors, oils and fats contributed highest share of 32% towards the state's food processing GVO, followed by grain mill products (including starches & starch products) (25%) and beverages (5%), as indicated in Exhibit 7.

**Exhibit 7: Contribution of sub sectors in the food processing GVO of West Bengal, 2022-23**



Note: Other food products include bakery products, sugar, cocoa, chocolate and sugar confectionery, macaroni, noodles, couscous and similar farinaceous products, animal feed, prepared meals and dishes, and other foods n.e.c.

Source: ASI, 2022-23

While the evolving food consumption pattern presents significant market opportunity on the one hand, West Bengal's resource abundance, strategic location and proactive government initiatives makes the state an attractive landscape for investment in the food processing domain.

<sup>13</sup> ASI, 2012-13 and 2022-23

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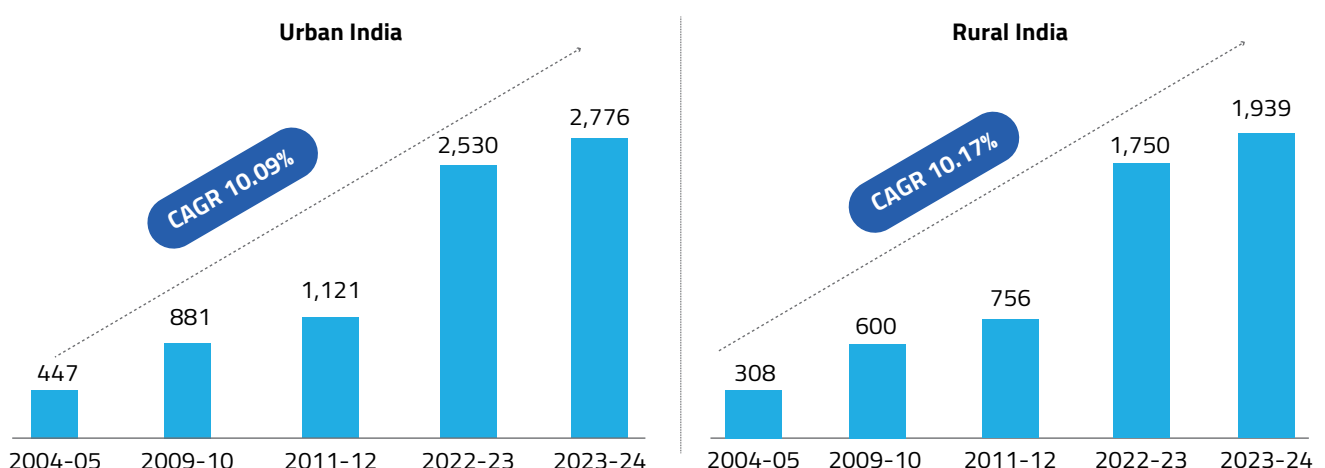
## Food Consumption Trends



### 2.1 Food Consumption Trends in India

Food and food products constitute the largest portion of the Indian consumer's spending - about 39.7% share of wallet in urban India and 47.0% in rural India.<sup>14</sup> During the period between 2004-05 to 2023-24, the monthly per- capita consumption expenditure (MPCE) on food in urban India grew at a CAGR of 10.09% while growth in rural India was 10.17%<sup>15</sup> (refer exhibit 8). Interestingly, out of the total food expenditure done by both the urban and rural consumers, the maximum spend was on beverages and processed foods (including purchased cooked meals), followed by milk & milk products and fruits and vegetables. A population of close to 1.4 billion growing by close to 1% annually is expected to keep the food industry on the fast growth track for the next couple of decades.<sup>16</sup> This combined with factors such as strong economic growth, rising income levels, rapid urbanization and increasing working population is expected to fuel this growth going forward.

Exhibit 8: Trends in monthly per-capita expenditure on food (in INR) in India



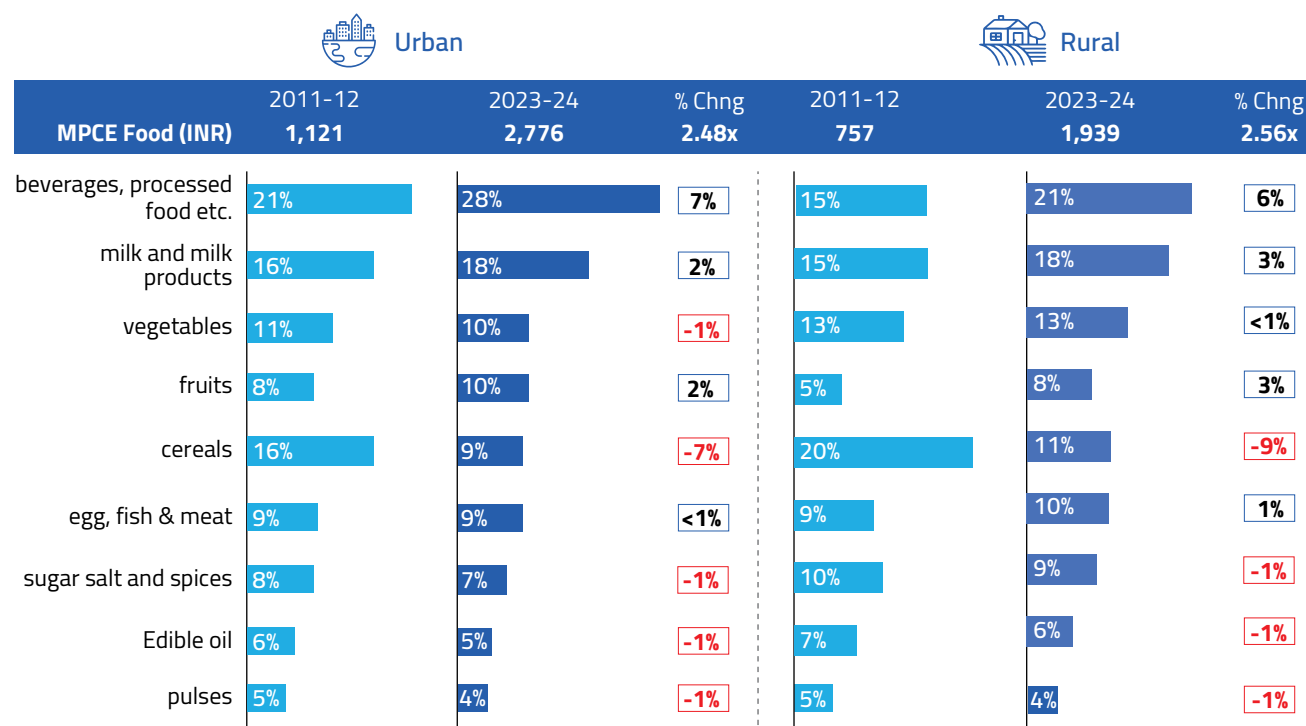
Source: NSSO, YES BANK Analysis

<sup>14</sup> Survey on Household Consumption Expenditure: 2023-24

<sup>15</sup> Survey on Household Consumption Expenditure: 2011-12 and 2023-24

<sup>16</sup> United Nations Population Fund

Exhibit 9: Monthly per capita consumer expenditure- share of food categories in MPCE and growth (2011-12 vs 2023-24)



Source: Survey on Household Consumption Expenditure: 2011-12 & 2023-24

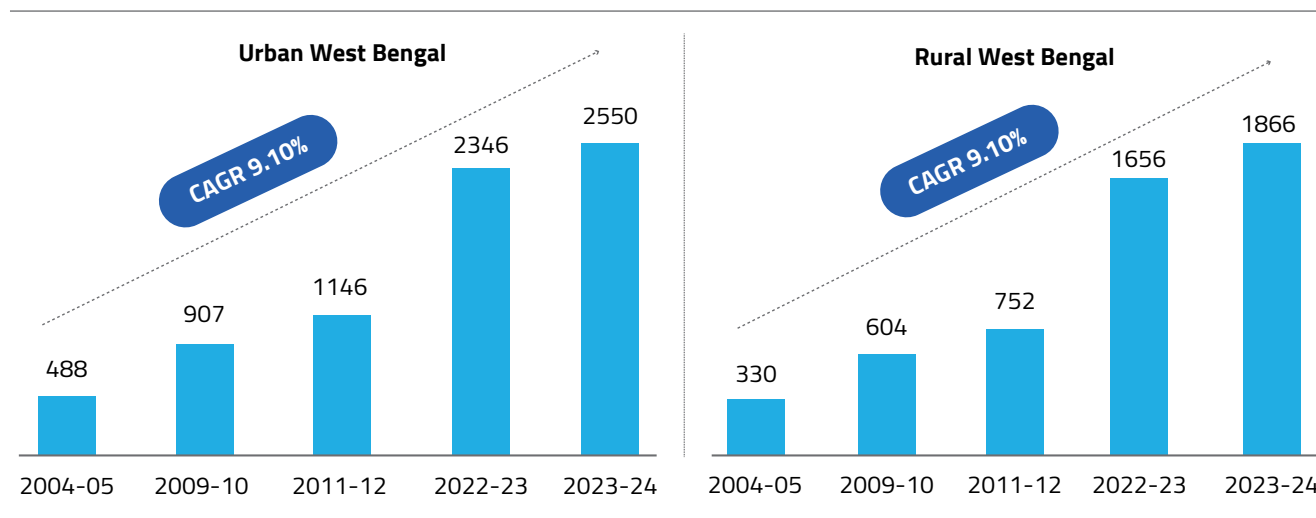
Over the last decade, food consumption expenditure has shifted away from low value cereals toward high value animal protein products, fruits, vegetables, beverages, refreshments, and processed food. Between 2011-12 and 2023-24, the share of MPCE on cereals in food items decreased from 16% to 9% in urban India and 20% to 11% in rural India. Conversely, MPCE on “beverages, refreshments, and processed foods” category increased in both urban (from 21% to 28%) and rural areas (from 15% to 21%). MPCE on “fruits” and “milk & milk products” experienced a moderate growth in rural areas, from 5% to 8% and 15% to 18%, respectively, while the same increased from 8% to 10% and 16% to 18% in urban areas, respectively.

## 2.2 Food Consumption Trends in West Bengal

In West Bengal, food continues to dominate household consumption expenditure. In 2023-24, the food and food products constituted 44.16% of the total MPCE in urban areas and 51.54% in rural areas. Between 2004-05 and 2023-24, the MPCE on food in urban West Bengal grew at a CAGR of 9.10%, while it recorded a CAGR of 9.55% in rural West Bengal (refer exhibit 10).



Exhibit 10: Trends in monthly per-capita expenditure on food (in INR) in West Bengal












Source: NSSO

### 2.2.1 Food Consumption Trends in Urban West Bengal

The shift in the food consumption expenditure pattern in West Bengal shows similar trends as that of the nation (refer exhibit 11). Between 2011-12 and 2023-24, the share of beverages and processed foods increased from 21% in 2011-12 to 24% in 2023-24. The share of cereals in the MPCE on food declined from 18% in 2011-12 to 11% in 2023-24. MPCE on milk and milk products saw a modest increase, rising from 7% to 9%, while that on fruits and vegetables increased from 6 to 8% and 12% to 13%, respectively in urban West Bengal.

Exhibit 11: Monthly per-capita food consumption expenditure pattern in urban West Bengal (2011-12 vs 2023-24)

MPCE Food (INR)		2011-12 1,146	2023-24 2,550	% change 2.22x
	beverages and processed foods	21%	24%	3%
	egg, fish & meat	20%	19%	-1%
	vegetables	12%	13%	1%
	cereals	18%	11%	-7%
	milk	7%	9%	2%
	fruits	6%	8%	2%
	salt, sugar and spices	7%	7%	<1%
	edible oil	7%	5%	-2%
	pulses	3%	2%	-1%

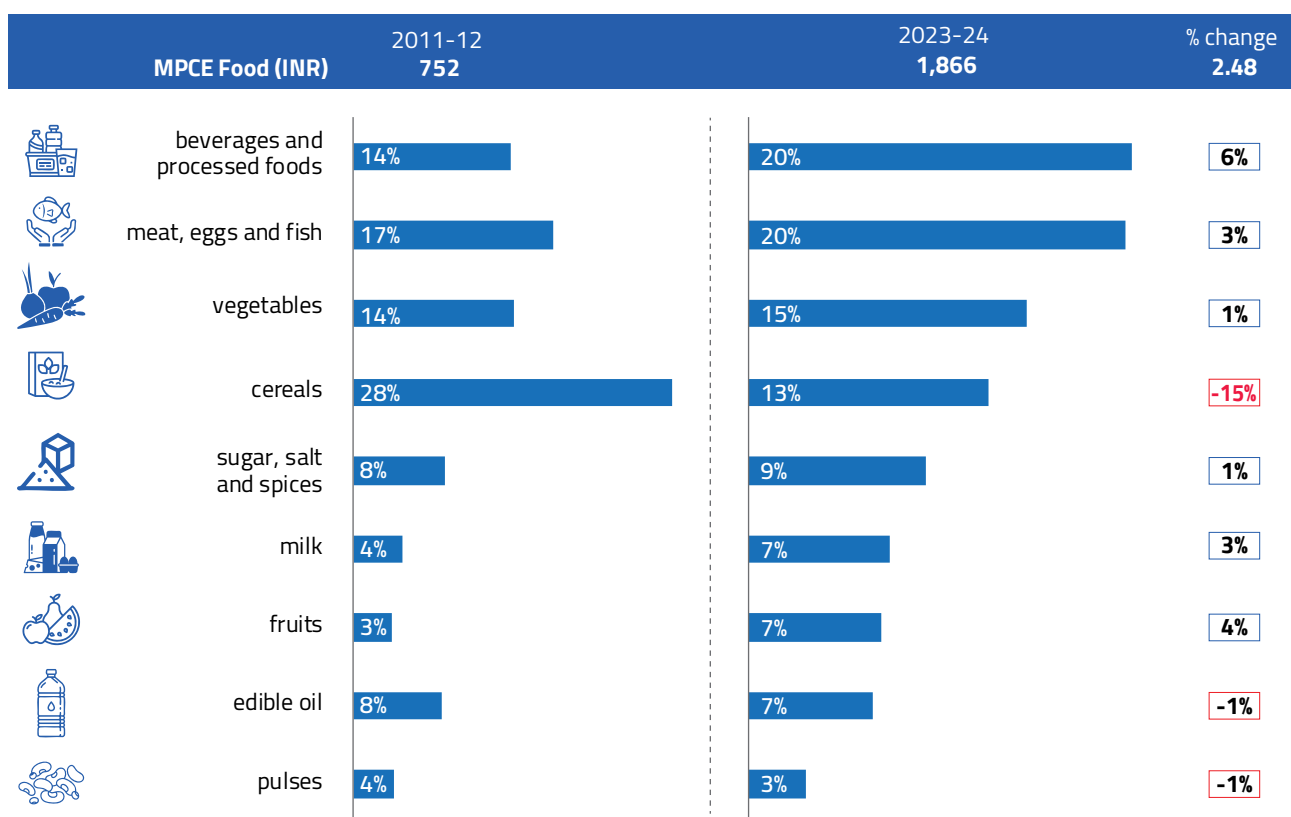
Source: Survey on Household Consumption Expenditure: 2011-12 & 2023-24



### 2.2.2 Food Consumption Trends in Rural West Bengal

The share of monthly food consumption expenditure in rural West Bengal has increased towards high value processed food more strongly as compared to urban areas. Between 2011-12 and 2023-24, the share of beverages and processed foods in the MPCE on food increased from 14% to 20% in rural West Bengal. The share of cereals in MPCE on food in rural West Bengal declined sharply from 28% in 2011-12 to 13% in 2023-24,. The MPCE on milk and milk products and fruits witnessed an increase from 4% to 7%, and 3% to 7%, respectively, whereas the MPCE on vegetables increased from 14% to 15% (refer Exhibit 12).

Exhibit 12: Monthly Per-Capita Food Consumption Expenditure Pattern in Rural West Bengal (2011-12 vs 2023-24)



Source: Survey on Household Consumption Expenditure: 2011-12 & 2023-24

### 2.3 Key Factors Driving Demand for High Value Processed Food

The food processing industry is on the threshold of a demand led growth in the country. This may be primarily attributed to the strong macro-economic fundamentals and the changing socio-economic and demographic scenario not just of the country but also that of West Bengal. Exhibit 13 highlights the multifaceted demand drivers propelling growth of food processing industry. From growing population and rising income levels to rapid urbanisation and shifting consumer lifestyles, West Bengal is witnessing a socio-economic transformation that is driving demand for good quality, high value food, including processed food. Increasing global exposure, a supportive policy ecosystem, and strong export potential further reinforces West Bengal's emergence as a strategic hub for food processing. Together, these factors present a compelling case for investment and innovation in the rapidly evolving food processing sector of the state.

### Exhibit 13: Key demand drivers of processed food in West Bengal

#### Large consumer base

West Bengal is the fourth most populous state in India with a population of 91.3 million (7.55% of India's population). About 32% of the state's population lives in the urban regions and population density stands at 1,028 inhabitants per square km, making it the second most densely populated state in India.

#### Increasing income levels

The Gross State Domestic Product of the state of West Bengal reached USD 221.37 Billion during 2022-23 growing at a CAGR of 11.54 % from 2015-16 to 2022-23. Per-capita income of the state touched INR 1,41,373 in the year 2022-23, registering a robust year-on-year growth of 13.28%. This growth in disposable incomes, especially among the working class, has led to a shift in food consumption patterns, demanding quality, hygiene, convenience, and choice with an increased pattern of eating out.

#### Accelerated urbanization

Urban population in West Bengal witnessed a growth rate of 57% in the last 20 years (2001-2021). It is estimated that about 36% of the total population of West Bengal now reside in urban areas. The capital city of Kolkata along with emerging hubs like Asansol, Durgapur and Siliguri are at the forefront of this transition. Urban consumers typically demand better quality, hygiene food with greater preference for processed food.

#### Evolving social structure and life style

The fast changing macro-economics of West Bengal is resulting in changing lifestyle among the large middle class population. With greater number of nuclear families and a growing working women population, the focus of food consumption is shifting towards convenience food such as ready to cook and ready to eat food. This trend is a significant driver of demand for processed food in the state.

#### Greater Exposure to global food cultures

The dramatic growth of the service sector specially the IT sectors has resulted in more number of individuals traveling abroad. This has resulted in the emergence of a global consumer with increased exposure to western culture and media. These consumers have developed new buying habits oriented more towards hygiene, health and style auguring well for the growth of food processing industry.

#### Favorable policy and investment climate

Growing domestic demand (within the state and in the country) for high value processed food combined with diverse supply strengths of West Bengal, strong Governmental focus on the sector and increased private investment are driving what was once a traditional, small-scale sector into a modern industry aimed at catering to the evolving tastes and needs of discerning consumers.

#### High Export Potential

The vibrancy in the processed food industry is further accentuated by the opportunities that are opening up in exports. Given the diverse agro-climatic conditions, West Bengal is a leading state in India that has become a strong contender to compete in the international market for processed products of crops such as tea, rice and marine products among others.






# 3

## West Bengal- The land of opportunities



West Bengal's agriculture sector has responded well to the changing consumer demands. An analysis of the state's Gross Value of Agricultural Output over the last decade reflects that it has grown at a CAGR of 8.6%, from INR 1,563 billion in 2012-13 to INR 3,572 billion in 2022-23.<sup>17</sup> GVO of fruits and vegetables and livestock products has surpassed the GVO of foodgrains and sugar crops. GVO of livestock products and fisheries & aquaculture has grown at a CAGR of 11% each, that of fruits and vegetables has grown at a CAGR of about 9%, while that of cereals and sugar have grown at CAGR of about 6% during 2012-13 to 2022-23. GVO of various agricultural sub-sectors at current prices is captured in Exhibit 14.

Exhibit 14: West Bengal state's GVO of agricultural sub-sectors (INR billion) at current prices

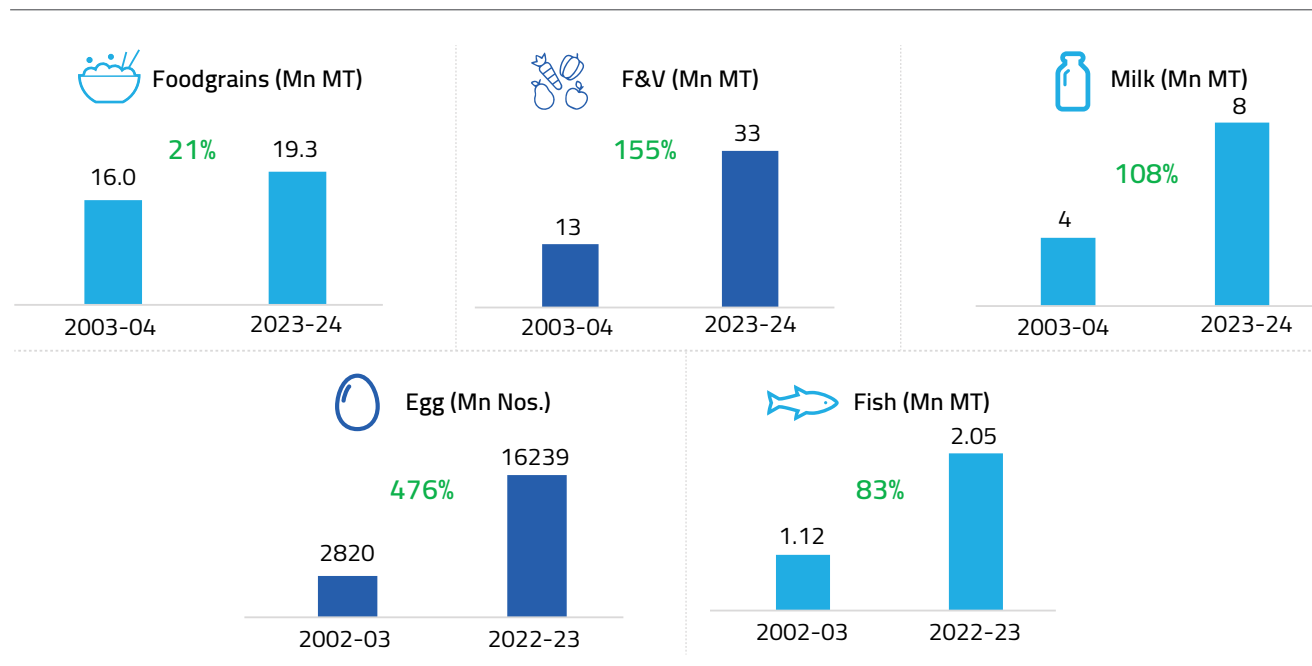
GVO of agricultural sub-sectors at current prices (INR billion)				Agri-GVO – INR 3,572 billion	
Agri product category	GVO 2022-23	CAGR% (2012-13 to 2022-23)		Category breakdown - top 4 GVO	CAGR% (2012-13 to 2022-23)
 F&V	1032.5	9%		Potato	288.7 14%
				Brinjal	89.1 3%
				Mango	86.0 11%
				Banana	40.1 7%
 Livestock Products	918.1	11%		Meat	462.1 13%
				Dairy	320.2 8%
				Eggs	68.7 16%
 Fishing & aquaculture	649.6	11%		Cereals	525.2 6%
				Oilseeds	78.1 8%
				Pulses	27.1 14%
				Sugar	6.3 1%
 Foodgrains and Sugar	636.7	6%			
 Condiments & Spices	35.3	6%		Dry ginger	10.6 22%
				Areca nut	10.1 9%
				Turmeric	5.4 10%
				Garlic	2.4 5%

Source: Ministry of Statistics and Program Implementation, GoI; all output numbers are based on current prices, F&S crops include food grains and sugar; GVO of agriculture excludes GVO forestry

<sup>17</sup> Ministry of Statistics and Program Implementation

Growth in West Bengal's agricultural output value has been driven by increase in production across key agricultural commodities. Over the last two decades, production of food grains has increased by about 21%, that of Fruits & Vegetable category has increased by more than 155% and milk by more than 108% (refer exhibit 15).

**Exhibit 15: Production of various food categories**



Source: MoAFW, MoFAH&D

West Bengal has the innate potential to become a food processing hub. The state has around 5.59 million Ha<sup>18</sup> of cultivable area and 5.22 million Ha of net sown area, accounting for around 68%<sup>19</sup> of state's geographical area. The state boasts of a cropping intensity of over 190%, surpassing the national average of ~155.5%<sup>20</sup>. With two distinct natural divisions (the Northern Himalayan Region and the Southern Alluvial Plains) and 6 agro-climatic zones; the state offers a unique combination of resource-based strengths. The state's diverse agro climate and dominance in production of crops like rice, vegetables and fisheries forms the backbone of its supply side advantage. Complementing this is a growing ecosystem of infrastructure, including modern logistics, storage facilities, food parks and connectivity to major domestic and export markets.

An overview of supply strengths of West Bengal, from a food processing perspective, is presented in the section below.

## 3.1 Supply Strengths

### 3.1.1 Agriculture

West Bengal is one of the most productive states- owing to the rich alluvial soil, abundance of water and favourable agro climatic conditions. The state contributes significantly to the India's agricultural production basket specially for crops like rice and maize. The state produced 19.32 million MT of foodgrains<sup>21</sup> A snapshot of crop production during 2023-24 in West Bengal is depicted in Exhibit 16.

<sup>18</sup> Land Use Statistics, 2022-23

<sup>19</sup> Govt. of West Bengal

<sup>20</sup> Land Use Statistics, 2022-23

<sup>21</sup> <https://upag.gov.in/>

Exhibit 16: Crop production during 2023-24 in West Bengal

Crop	Area (million Ha)	Production (million MT)	Yield (MT/Ha)
Rice	5.12	15.69	3.1
Maize	0.39	2.60	6.6
Wheat	0.19	0.59	3.1
Nutri / Coarse Cereals	0.4	2.61	6.5
Pulses	0.44	0.43	1.0
Total Oil Seeds	1.00	1.33	1.3
Rapeseed & Mustard	0.63	0.79	1.2
Sesamum	0.28	0.28	1.0
Groundnut	0.08	0.26	3.1

Source: <https://upag.gov.in/>



- Rice is the cornerstone of West Bengal's agricultural economy, both in terms of area and production. The state ranks among the top three rice producers in India, with a production volume of 15.69 million MT in 2023-2024. The state accounted for 11.38% of country's total rice production. The key districts contributing to rice production include Burdwan (often called the "rice bowl" of Bengal), Nadia, Murshidabad, North 24 Parganas, and Cooch Behar. The state is a non-basmati producer, growing specialty varieties like – Gobindobhog- a premium aromatic rice with GI tag, cultivated mainly in Bardhaman, Tulaipani, Randhuni Pagol, and Kalo Nunia amongst others.
- Oilseeds are an important segment of West Bengal's agricultural economy, with the state focusing on crops like rapeseed-mustard, sesame (til), groundnut, and sunflower. In 2023-24, West Bengal produced 0.79 million MT of rapeseed and mustard from approximately 0.63 million Ha area. Major oilseed-growing districts include Murshidabad, Birbhum, Nadia, and Hooghly, where these crops are grown primarily in the rabi season using residual soil moisture. Oilseeds contribute to both edible oil self-sufficiency and crop diversification, particularly in rainfed and semi-arid zones.
- Maize is an emerging cereal crop in West Bengal, with production reaching approximately 2.6 million MT in 2023-24, cultivated over 0.39 million Ha area. Primarily grown in the western districts such as Purulia, Bankura, and Paschim Medinipur, maize is gaining popularity due to its adaptability to rainfed and lateritic soil conditions. The crop plays a crucial role in supporting the state's poultry (feed) and food processing



industries, and its cultivation is being promoted through hybrid seed distribution and government support under programs like the National Food Security Mission (NFSM). With rising demand and a focus on diversification, maize has become a promising crop for enhancing income and climate resilience among farmers in marginal regions.

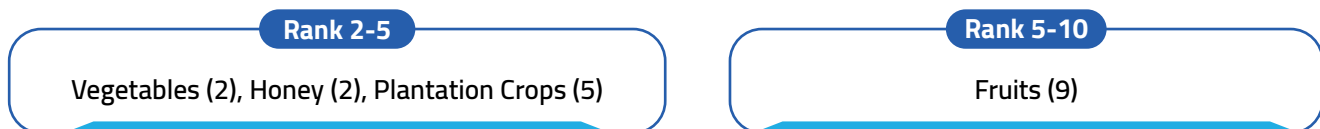
### 3.1.2 Horticulture

West Bengal holds a prominent position in India's horticulture sector due to its diverse agro-climatic zones, fertile soil, and abundant water resources. A snapshot of West Bengal's horticulture landscape is presented in Exhibit 17.

Exhibit 17: Horticulture production during 2023-24 in West Bengal

Crop	Area (million Ha)	Production (million MT)
Vegetables	1.58	29.20
Honey	-	0.02
Plantation Crops	0.08	0.88
Fruits	0.31	4.10
Spices	0.07	0.28

Source: <https://agriwelfare.gov.in/en/StatHortEst>



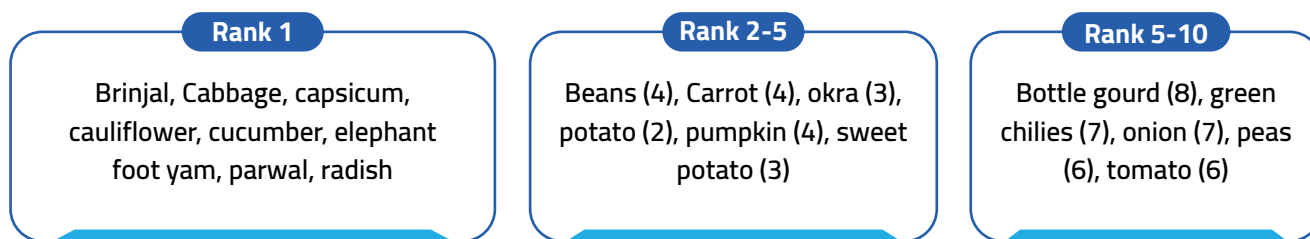
West Bengal is amongst the largest producer of vegetables in India, contributing over 15% to the country's total vegetable production. In vegetables, West Bengal ranks second, producing large quantities of potatoes, tomatoes, brinjals, cauliflowers, and cabbages. Hooghly, Burdwan, and Nadia are major hubs for vegetable cultivation.

The state also ranks among the top states in the production of fruits such as mango, banana, pineapple, litchi, guava, jackfruit and citrus. Districts such as Malda and Murshidabad are renowned for their high-quality mango varieties like Langra and Himsagar while Jalpaiguri and Darjeeling are renowned for cultivation of pineapples and oranges.

Exhibit 18 depicts the key fruits and vegetables produced in West Bengal and their ranking in total production.

Exhibit 18: Ranking of fruits and vegetables for West Bengal against India production





Source: <https://agriwelfare.gov.in/en/StatHortEst>

West Bengal is also one of the leading producers of betel leaf (paan) and areca nut, with districts such as South 24 Parganas, Nadia, and Purba Medinipur playing a leading role. Areca nut is grown mainly in the coastal and southern districts.

West Bengal is also the second largest honey-producing state in India. In 2023-24, West Bengal is estimated to have produced 16.2% (23, 690 MT) of India's total honey production (1,46,260 MT).<sup>22</sup> The Sundarbans, with its vast mangrove forests, is famous for wild organic honey collected by traditional methods. Districts like Purulia, Bankura, Birbhum, and Paschim Medinipur are known for organized beekeeping practices, primarily using the Indian honeybee, *Apis cerana indica*. In the northern parts, including Darjeeling and the Himalayan foothills, specialty honeys such as multifloral and litchi honey are produced. Honey production not only supports rural and tribal livelihoods but also caters to the rising demand for natural and health-based products.

### 3.1.3 Tea

West Bengal is the second largest tea-producing state in India, after Assam, playing a critical role in supply for both domestic consumption and export. The state produced 0.43 million MT of tea in 2023-24, contributing ~30% to India's tea production<sup>23</sup>. The Darjeeling region, located in the Himalayan foothills, is world-renowned for its premium Darjeeling tea, often called the "Champagne of teas" for its delicate flavor and aroma. Besides Darjeeling, the Dooars and Terai regions in northern West Bengal also produce significant quantities of CTC (Crush, Tear, Curl) tea, which is strong and mainly used for commercial blends. Tea cultivation provides employment to thousands of workers, particularly women, and supports the economy of many rural communities. West Bengal's tea industry is known for its heritage, geographical indications (GI tags), and a growing focus on organic and specialty teas to meet global demand.

### 3.1.4 Fisheries

West Bengal is the second largest state in terms of fisheries production. The state produces 2.0 million MT of fish annually<sup>24</sup>. With a vast network of rivers, ponds, wetlands, and a 158 km long coastline<sup>25</sup>, the state has strong supply strengths for both inland and marine fisheries. South 24 Parganas is the leading district for inland fish production followed by Paschim Medinipur, North 24 Parganas, Bardhaman, and Nadia. Rui, Katla, Mrigel, Koi, Mangur, Singi, and Pabda are the major inland fish species produced in the state. South 24 Parganas and Purba Medinipur are major districts for marine fisheries, due to their coastlines. The state also has hill stream fisheries (Jhora fisheries) in the Darjeeling and Kalimpong districts. The fisheries sector provides employment to over 2 million people, reflecting deep-rooted community involvement and expertise. The state is implementing

<sup>22</sup> Ministry of Agriculture and Farmers' Welfare

<sup>23</sup> Tea board India

<sup>24</sup> Production for the year 2023-24, NABARD State Focus Paper 2025-26

<sup>25</sup> West Bengal Inland Fisheries Policy, 2023

the Banga Matsya Yojana to boost fish production, improve infrastructure, and enhance the standard of living for fisher farming community. Government support through various schemes and infrastructure development has further strengthened the sector. West Bengal exported 0.12 million MT of fish (mostly frozen shrimp) worth more than INR 50 billion in 2022-23.<sup>26</sup>

### 3.1.5 Livestock, Dairy & Meat

West Bengal has considerable strengths in dairy and animal husbandry, contributing significantly to rural livelihoods, nutritional security, and the state's economy. Exhibit 19 provides a snapshot of livestock, dairy and meat sectors in West Bengal.

Exhibit 19: A snapshot of livestock dairy and meat sectors in West Bengal

Crop	Production (2023-24)
Meat (Total)	1.3 million MT
Poultry Meat	0.7 million MT
Egg	16.24 billion nos.
Milk	7.6 million MT

Source: Ministry of Fisheries, Animal Husbandry and Dairying, Govt. of India,



Dairy farming is widely practiced by small and marginal farmers, with crossbred and indigenous cattle forming the backbone of milk production. With an annual output of 7.6 million MT of milk, primarily from cow and buffalo milk, **the state ranks 12th in milk production.**<sup>27</sup> Paschim Medinipur, Hooghly, Barwan, Murshidabad, Bankura, Nadia, and Purulia are the major milk production districts in the state and contributes almost 60% in the states' milk production basket. For the procurement of milk, state has 16 Milk Unions and 4,722 Milk Producers Cooperative Societies, with a membership of 2.88 lakh and a daily procurement of 2.37 lakh liters of milk. The cooperative sector includes 12 dairy plants, 5 chilling plants, 153 Bulk Milk Cooling Units (BMCUs), and 717 Automated Milk Collection Units (AMCUs).<sup>28</sup> West Bengal has a high bovine population, and efforts to improve productivity through breed improvement, veterinary care, and artificial insemination have been supported by schemes like Rashtriya Gokul Mission, National Livestock Mission, and State Animal Health Programs. The government has also promoted cooperative dairy models and infrastructure development like milk chilling plants, processing units, and fodder banks.

<sup>26</sup> West Bengal Inland Fisheries Policy, 2023

<sup>27</sup> Ministry of Fisheries, Animal Husbandry and Dairying, Govt. of India

<sup>28</sup> NABARD State Focus Paper, 2025-26

The state also has a strong and vibrant poultry farming sector. Districts such as North 24 Parganas, Nadia, and Murshidabad are key poultry hubs. As per the 20th Livestock Census 2019, the state has approximately 77.32 million poultry birds. However, this is insufficient to meet local consumption demands. The state requires about 2.6 crore eggs per day, almost 30% of this demand is met through imports from Andhra Pradesh, Telangana and other states.<sup>29</sup>

Similarly, goat and pig farming are widely practiced, particularly in tribal and economically weaker regions, offering vital income and nutrition sources. The state is known for unique goat and pig breeds, such as the 'Black Bengal' goat, the 'Garole' sheep, and the 'Ghungroo' pig. As per the 20th Livestock Census 2019, the sheep and goat population in West Bengal stands at approximately 17.2 million. The state has two modern abattoirs, located in Durgapur (Bardhaman) and Mourigram (Howrah). Additionally, there are 11 registered slaughterhouses in the state, and 21,063 unregistered slaughterhouses (meat shops for animals and birds) spread across West Bengal.<sup>30</sup>

Animal husbandry supports millions of rural households, especially women, who are actively engaged in livestock care and marketing. With increasing demand for milk, meat, and eggs, and rising investments in value addition and cold chain infrastructure, the dairy and livestock sector in West Bengal offers strong potential for growth, entrepreneurship, and sustainable rural development.

### 3.1.6 Organic Agriculture

In 2023-24, West Bengal had 8,117.80 ha of land under organic cultivation and produced 15,910.74 MT of organic commodities. In addition, 15,000 ha organic area was under wild collection.<sup>31</sup> Many traditional scented and aromatic varieties of rice like Radhatilak, Dudheswar, Kalabhat, Kalomumiya, Gobindobhog are produced under organic farming in some parts of the state. Apart from this tea, flowers, fruits are also produced organically. West Bengal has good potential to increase organic production particularly in pulses, non-basmati aromatic rice, tea and vegetables.

Government has mandated the promotion of organic farming in the state and adding over 10,000 hectares of additional land into existing organic land. The agriculture department of West Bengal has identified 32 villages in North and South 24 Parganas, Howrah and Hooghly to convert the land into fully organic villages.<sup>32</sup> Also, realising the need of creating sustainable supply chain for this high value produces the state government has planned the development of organic supermarkets in West Bengal exclusively for organic producers.

West Bengal exports organic cereals, millets and tea among other commodities. Around 37% of organic production from West Bengal is exported to different countries and rest (63%) is being consumed in domestic markets.<sup>33</sup>

## 3.2 Infrastructure

West Bengal is strategically located in eastern India and is recognized for its strong and diverse physical infrastructure. The state has a well-connected network of roads, railways, ports and airports. With initiatives like the Tajpur deep seaport project, West Bengal is steadily enhancing its infrastructure to support sustainable development and inclusive growth. A snapshot of physical infrastructure available in the State is captured in Exhibit 20.

<sup>29</sup> NABARD State Focus Paper, 2025-26

<sup>30</sup> NABARD State Focus Paper, 2025-26

<sup>31</sup> <https://sec-npop.apeda.in/Organic-Certification-Data>

<sup>32</sup> Agribusiness Opportunities of Organic Agriculture in West Bengal – An Empirical Analysis, Sreemoyee Das, Subhasis Mandal† and Suchitra Mohanty

<sup>33</sup> Agribusiness Opportunities of Organic Agriculture in West Bengal – An Empirical Analysis, Sreemoyee Das, Subhasis Mandal† and Suchitra Mohanty

## Exhibit 20: Physical infrastructure strengths of West Bengal

### Sea Port



- Leading state in terms of spread, density and reach of inland waterways, with ~950 kms of waterfront along with natural maritime.
- Major ports- Haldia and Kolkata. In addition to these, there are 2 other ports -Kulpi Port, Farakka Port
- Proposed deep seaport in Tajpur.

### Airport



- 2 international airports- Kolkata & Bagdogra.
- First green field domestic airport set up at Andal. Proposed to be developed into international airport.

### Road Network



- West Bengal has the 3<sup>rd</sup> largest road coverage in India - over 3 lakh km.

### Railway



- 6<sup>th</sup> largest railway line network in India with route length of 4,161 km in 2023-24
- 2<sup>nd</sup> largest metro rail network; first under-water metro tunnel.

### Industrial Corridor



- 4 industrial and economic corridors across Raghunathpur- Dankuni- Haldia-Tajpur; Dankuni-Klayani, Dankuni- Kharagpur & Drajeeling More- Coochbehar corridors are being developed.
- Eastern Dedicated Freight Corridor (EDFC) is under development.

### Industrial Infrastructure



- West Bengal offers ready industrial infrastructure with 148 industrial parks/estates/growth-centres covering around 27,000 acres.

### Power



- West Bengal has the highest installed capacity of power utilities in Eastern India with 10.80 GW as of June 2024.

### Natural Gas



- Availability of natural gas- CBM, GAIL.

Source: Government of West Bengal- Silpasathi; WBIDC, Indian Railways Yearbook 2023-24, <https://www.investindia.gov.in/state/west-bengal>



Complementing this infrastructure is a vast agricultural infrastructure landscape, including the irrigation network, KVKs, soil testing centers, regulated market committees, warehousing, Cold storage, that supports the vast farming community of the state. A snapshot of critical infrastructure auguring well for food processing industry in the state is captured herewith.

#### ▪ **Food parks**

West Bengal has 13 designated Food Parks- which include one Mega Food Park (MFP), nine mini Food Parks, two Industrial Areas (IA), and one Industrial Growth Centre (IGC)<sup>34</sup>. The Mega Food Park in Bengal is the “Jangipur Bengal Mega Food Park” located in Murshidabad. This food park provides infrastructure support for modern food processing units, with a focus on establishing a strong end to end supply chain.

#### ▪ **Warehousing & Cold Chain**

As per NABARD State Focus Paper, 2025-26, the total combined storage capacity of public and private sector warehouses and godowns (including FCI) in West Bengal stands at 4.19 million MT.<sup>35</sup> Additionally, the Food and Supplies Department of the Government of West Bengal manages 647 godowns, of which 535 are active, providing a total storage space of 2.05 million MT for foodgrains, primarily rice. The state also has 583 licensed cold storages, with a total storage capacity of 7.55 million MT. Majority of cold storages are single chamber and a significant portion (over 95%) of this capacity is dedicated to storing potatoes, along with other horticultural produce and multipurpose items<sup>36</sup>. Considering the age and type of infrastructure, there is significant scope for investment in modernized warehouses and cold storages to meet the Warehouse Development and Regulatory Authority (WRDA) standards. Establishment of additional storage capacity is critical to future demands.

#### ▪ **Food processing units**

According to the Annual Survey of Industries (2022-23), there were 2,230 registered food processing units in the state. The state has 322,590 unincorporated food processing units, the second highest in the country.<sup>37</sup> Leading food processors in the state include ITC, PepsiCo, Britannia, IFB Agro, Keventers, Bisk Farms, and Haldiram's.

### **Agri Markets**

West Bengal has 22 Regulated Market Committees (RMCs), 4,406 agricultural markets including primary, secondary, terminal and retail outlets, out of which 85% (3,456) are privately managed. There are 186 Krishak Bazars (rural markets) and sub-market yards are operational providing vital marketing infrastructure for farmers and enhancing access to aggregation and markets<sup>38</sup>. The state has also established 186 Krishak Bazaars for efficient marketing services to small and marginal farmers in the state. 18 such Krishak Bazaars in 23 districts have been registered under e-NAM. Currently, 46 agri-commodities have been registered under e-NAM. The state has also introduced online integrated electronic single platform permit (e-Permit) system for efficient and

<sup>34</sup> [https://www.mofpi.gov.in/sites/default/files/designated\\_fp\\_325\\_17.05.2024.pdf](https://www.mofpi.gov.in/sites/default/files/designated_fp_325_17.05.2024.pdf)

<sup>35</sup> NABARD state focus paper 2025-26

<sup>36</sup> NABARD state focus paper 2025-26

<sup>37</sup> Annual Report 2023-24, Ministry of Food Processing Industries

<sup>38</sup> NABARD state focus paper 2025-26

transparent transactions of agricultural produce. The state is also operating “SUFAL BANGLA” program since 2014 and pro-actively procuring potato and other vegetables from individual farmers/FPOs/FPCs etc assisting in their marketing.

A snapshot of agricultural infrastructure available in the State is depicted in exhibit 21.

#### Exhibit 21: Agricultural infrastructure available in West Bengal



**48**

Soil Testing Centres



**23**

Krishi Vigyan Kendras



**424**

Custom Hiring & Agro Service Centers (No.)



**22**

Regulated Market Committees (RMCs)



**4,406**

Agricultural markets (including primary, secondary, terminal and retail outlets) out of which **85% (3,456)** are privately managed.



**~6.25**

million MT of warehousing



**583**

licensed cold storages, with storage capacity of

**7.55 million MT**



**724**

Veterinary Hospitals



**728**

Disease Diagnostic Centers



**6,033**

Artificial Insemination Centers



**4,722**

Dairy Cooperative Societies



**1,454**

Fishermen Societies

Source: NABARD state focus paper 2025-26

# 4

## Policy support for food processing industry



While West Bengal enjoys an abundant and diverse agricultural base, the state's food processing sector continues to face structural challenges – ranging from fragmented supply chains to limited access to finance. Recognizing these challenges, both the Central and State Governments have instituted a comprehensive framework of policy measures aimed at enabling value addition, enhancing competitiveness and attracting private investment across the food processing sector. A snapshot of key incentives provided by the government is captured herewith. Exhibit 22 outlines the key initiatives that have shaped the growth trajectory of food processing industry in the state.

Exhibit 22: Key Government initiatives supporting food processing sector

### Infrastructure development and logistics schemes

- Pradhan Mantri Kisan Sampada Yojana (PMKSY) - Mega Food Parks, Cold Chain, Agro-Processing Clusters
- Agri-Infrastructure Fund (AIF)
- Animal Husbandry Infrastructure Development Fund

### Export promotion and market access schemes

- West Bengal Export Promotion Policy, 2023
- Production Linked Incentive (PLI) Scheme for Food Processing
- Export Development and Promotion Program under Spices Board of India
- Financial Assistance Scheme by Agricultural & Processed Food Products Export Development Authority (APEDA)

#### MSME and enterprise support schemes



- West Bengal Food Processing Incentive Scheme 2021
- PM Formalization of Micro Food Processing Enterprises (PMFME)
- Assistance For Setting Up Factory, Tea Board

#### Convergence support schemes



- Trade Infrastructure and Export Scheme by Ministry of Commerce and Industry
- Remission of Duties and Taxes on Exported Products (RoDTEP) under Ministry of Finance
- Micro & Small Enterprises Cluster Development Program (MSE-CDP) under Ministry of Micro, Small & Medium Enterprises

Source: MoFPI, MoFAH&D, MoA, APEDA, Tea Board, Spices Board, Department of Food Processing Industries and Horticulture, Government of West Bengal, Department of Industry, Commerce and Enterprises, Govt. of West Bengal, YES BANK Analysis

## 4.1 State Government support schemes and incentives

### West Bengal Food Processing Incentive Scheme 2021

The scheme aims to strengthen post-harvest operations and promote the establishment of micro-food processing industries. It focuses on enhancing the capacity of food processors through capital infusion, technology transfer, skill development and handholding support. Refer exhibit 23 for the incentives provided under the scheme.

Exhibit 23: Incentives under the West Bengal Food Processing Incentive Scheme 2021

Components Covered	Grant-in-aid/Incentives
Food processing sectors like fruits & vegetables, bakery and confectionary, milk/meat/poultry/fish products, cereal/other consumer food products, flour/pulse/oil milling and such other agri-horti sectors including food flavours, colours, oleoresins, spices, coconut, honey, mushrooms etc. (having P&M investment less than INR 1 Cr and turnover less than 5 Cr.)	<ul style="list-style-type: none"> <li>▪ Credit linked back ended grant-in-aid @40% of total cost of P&amp;M of a micro food processing enterprise.</li> <li>▪ Max. up to INR 10 lakhs per unit.</li> </ul>

Source: Department of Food Processing Industries and Horticulture, Government of West Bengal

### West Bengal Export Promotion Policy, 2023

The policy aims to expand, diversify and strengthen the export product base along with increasing the competitiveness of exporters. The policy also focuses on boosting exports from agriculture and food processing sectors by developing infrastructure such as pack houses, warehouses, cold chains, and testing laboratories, and by promoting value added products like organic and GI tagged items. It also emphasizes collaboration with national export bodies to conduct training and capacity building workshops for FPOs and exporters. Refer exhibit 24 below for the incentives provided under the scheme.

Exhibit 24: Incentives for food processing industry under the West Bengal Export Promotion Policy 2023

Components Covered	Incentives
Food Processing, Cold Chain Infrastructure, Dairy, Poultry, Fisheries	Skill development, market research, market access and promotional activities, sensitization programme, branding, promotion of R&D, etc.

Source: Department of Industry, Commerce and Enterprises, Govt. of West Bengal

## 4.2 Central Government support schemes and incentives

### Pradhan Mantri Kisan Sampada Yojana (PMKSY) under Ministry of Food Processing Industries

PMKSY is a comprehensive package of incentives which is expected to result in creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet to provide better farmers returns, creating employment, reducing wastage, and increasing the processing level. Various schemes under PMKSY relevant for maize sector are listed in Exhibit 25 below.

Exhibit 25: Schemes under the Pradhan Mantri Kisan Sampada Yojana (PMKSY)

Scheme	Components Covered	Grant-in-aid/Incentives
Creation/ expansion of food processing and preservation capacities	Creation of processing and preservation capacities and modernization/ expansion of existing food processing units.	<ul style="list-style-type: none"> <li>@ 35% of eligible project cost in general areas &amp; 50% of eligible project cost in difficult areas.</li> <li>Max grant limit per project -INR 5 Cr.</li> </ul>
Integrated Cold Chain and Value Addition Infrastructure	Provide integrated cold chain and preservation infrastructure facilities viz. pre-cooling, sorting, grading, waxing facilities at farm level, cold storage, CA storage, IQF, blast freezing, reefer vans and irradiation units	<ul style="list-style-type: none"> <li>@ 35% of eligible project cost in general areas &amp; 50% of eligible project cost in difficult areas.</li> <li>Max grant limit per project -INR 10 Cr.</li> </ul>
Infrastructure for Agro - processing Clusters	Development of modern infrastructure and common facilities to encourage group of entrepreneurs to set up food processing units based on cluster approach.	<ul style="list-style-type: none"> <li>@ 35% of eligible project cost in general areas and @ 50% of eligible project cost in difficult areas.</li> <li>Max grant limit per project -INR 10 Cr.</li> </ul>



Scheme	Components Covered	Grant-in-aid/Incentives
Setting up/ Upgradation of food testing laboratories	Supports setting up of new food testing laboratories as well as upgrading existing ones with modern equipment for chemical and microbiological analysis.	<ul style="list-style-type: none"> <li>▪ @ 50% of eligible cost of the equipment in general areas and @ 70% of eligible cost of the equipment in Difficult Areas as well as for SC/ST applicants</li> <li>▪ 2% of the eligible cost of approved equipment or INR 15.00 lakh, whichever is lower, towards Technical Civil Work (TCW) and Furniture &amp; Fixtures</li> </ul>
Operation Greens Scheme	Provides financial assistance for transportation of eligible crops from eligible production cluster; and/or hiring of appropriate storage facilities for eligible crops (for maximum period of 3 months)	<ul style="list-style-type: none"> <li>▪ @ 35% of eligible project cost in general areas and @ 50% of eligible project cost in difficult areas.</li> <li>▪ Maximum grants-in-aid is INR 15 crore per project for Integrated Value Chain Development Projects and INR 10 crore per project for Standalone Post-Harvest Infrastructure Projects.</li> </ul>

Difficult areas mentioned refers to NE region and other Himalayan States/ J&K and Ladakh, states notified ITDP areas and Islands

Source: Ministry of Food Processing Industries, Govt. of India

### Production Linked Incentive (PLI) scheme under Ministry of Food Processing Industries

The scheme aims to support food manufacturing entities with stipulated minimum sales and willing to make minimum stipulated investment for expansion of processing capacity and branding abroad to incentivize emergence of strong Indian brands. Refer exhibit 26 for the incentives provided under the PLI scheme



#### Exhibit 26: Incentives under the PLI scheme

Categories	Components Covered	Grant-in-aid/Incentives
Category 1	Incentivising manufacturing of four major food product segments viz. Ready to Cook/ Ready to Eat (RTC/ RTE) including millet-based foods, processed fruits & vegetables, marine products & mozzarella cheese.	<ul style="list-style-type: none"> <li>▪ RTC/RTE - 8% to 10% on incremental sales</li> <li>▪ Processed F&amp;V - 8% to 10% on incremental sales</li> <li>▪ Marine Products – 4 % to 6% on incremental sales</li> </ul>
Category 2- Innovative / organic products	Incentivising innovative/ organic products of SMEs across all the above four food product segments including free range eggs, poultry meat & egg products.	<ul style="list-style-type: none"> <li>▪ Mozzarella Cheese – 4% to 10% on incremental sales</li> </ul>
Category 3- Branding & marketing	Support for branding and marketing abroad to incentivise the emergence of strong Indian brands.	50% grant on branding & marketing expenditure abroad (capped at Rs 50 Cr or 3% of sales of food products.)

Source: Ministry of Food Processing Industries, Govt. of India

#### PM Formalization of Micro Food Processing Enterprises Scheme under Ministry of Food Processing Industries

The scheme aims to formalize and strengthen the unorganized micro-enterprises in the food processing sector. The scheme targets support for 2 lakh micro enterprises through credit linked subsidies, capacity building, and technical training. Refer exhibit 27 for the incentives provided under the scheme.

#### Exhibit 27: Incentives under the PM Formalization of Micro Food Processing Enterprises scheme

Components Covered	Grant-in-aid/Incentives
Existing micro food processing units in operations for individual micro enterprises	Credit-linked capital subsidy @35% of eligible project cost with a maximum ceiling of INR 10 lakhs per unit.
<ul style="list-style-type: none"> <li>▪ Seed capital per SHG member for working capital and purchase of small tools.</li> <li>▪ Priority for SHGs involved in ODOP produce.</li> </ul>	INR 40,000 per member of SHG to maximum of INR 4 lakhs per SHG federation.
Support for common infrastructure such as premises for assaying of agriculture produce, sorting, grading, warehouse and cold storage at the farm-gate/ processing facility for ODOP produce/ incubation centre) for FPOs, SHGs, cooperatives, any Government agency or private enterprises.	Credit linked grant would be available @ 35%.  Max. limit would be INR 3 Cr

Components Covered	Grant-in-aid/Incentives
Support for branding and marketing.	Upto max. 50% of the total expenditure on branding and marketing

Source: Ministry of Food Processing Industries, Govt. of India

### Export Development and Promotion Program under Spices Board of India

The scheme facilitates increase in marketability and exports of spices and value-added spice products from India, in compliance with the global standards of food safety and quality, with a view to further boost India's position as the global manufacturing & export hub of high end valued added spice products. Refer exhibit 28 for the incentives provided under the scheme.

#### Exhibit 28: Incentives provided under the Export Development and Promotion Program of Spices Board of India

Sub scheme	Components Covered	Grant-in-aid/Incentives
Adoption of Hi-tech/ technology upgradation and setting up/ upgradation of in-house labs	<ul style="list-style-type: none"> <li>Assistance under the scheme will be considered only once during the entire plan period irrespective of the amount of assistance.</li> <li>Multiple devices can be included in a single application.</li> </ul>	<ul style="list-style-type: none"> <li>@33% of the cost of machinery/ equipment &amp; accessories subject to max. INR 1 Cr. per exporter for general category.</li> <li>75% of the cost of machinery/ equipment &amp; accessories subject to max. INR 1.5 Cr for SC/ST exporters, FPO exporters and exporters in difficult areas.</li> </ul>
Installation of primary processing equipment for spices	<ul style="list-style-type: none"> <li>Total ceiling of assistance under the scheme shall be applicable for the entire plan period.</li> <li>Only one application per financial year shall be considered, provided the exporter has not exceeded the ceiling.</li> <li>Multiple devices can be included in a single application.</li> </ul>	<ul style="list-style-type: none"> <li>@33% of the cost of machinery cost of machinery for the primary processing like cleaning, grading, sorting, slicing, cutting, crushing, grinding, packing for spices subject to max. of INR 10 lakhs for general category exporters.</li> <li>@75% of the cost of equipment &amp; accessories subject to max. INR 15 lakhs for SC/ST exporters and FPO exporters.</li> </ul>

Difficult areas mentioned refers to NE region and other Himalayan States/ J&K and Ladakh, states notified ITDP areas and Islands

Source: Spices Board of India, Ministry of Commerce & Industry, Govt. of India

## Financial Assistance Scheme by Agricultural & Processed Food Products Export Development Authority (APEDA) under Ministry of Commerce and Industry

The scheme facilitates agri exports through development of export infrastructure, quality development and market development. Refer exhibit 29 for the incentives provided.

### Exhibit 29: Incentives under the Financial Assistance Scheme by APEDA

Components Covered	Grant-in-aid/Incentives
<b>Export Infrastructure Development</b> <ul style="list-style-type: none"> <li>Integrated Pack House and food processing facilities for addressing missing gaps</li> <li>Purchase of insulated, reefer transport /mobile pre-cooling units</li> <li>Cable handling system for banana and other crops</li> <li>Up-gradation and modernization of existing facilities</li> <li>Common infrastructure facilities such as Integrated Pack houses, Processing Units, Laboratories etc. to be set up by Central and State government institutions</li> </ul>	<ul style="list-style-type: none"> <li>The assistance will be upto 40% of the total cost subject to a ceiling of INR 2 Cr per beneficiary per location</li> <li>For common infrastructure, the assistance will be up to 90% of the approved cost subject to a ceiling of INR 6 Cr. The funds shall be released against bank guarantee.</li> </ul>

Source: APEDA, Ministry of Commerce & Industry, Govt. of India

### Assistance For Setting Up Factory, Tea Board

The scheme supports both large and mini tea factories with capital subsidies, enabling growers to improve their price realization. A key objective of the scheme is to promote value addition and quality improvement at grassroot level, allowing producers to maintain better control over standards and branding. Refer exhibit 30 for the incentives provided under the scheme.



### Exhibit 30: Incentives for setting up Factory, Tea Board

Components Covered	Grant-in-aid
Setting up mini factor and big factories for processing of tea	<ul style="list-style-type: none"> <li>Assistance for FPOs: 40% of cost with ceiling limit of INR 2.00 Cr /factory</li> <li>Assistance for Individual/Association of Small Tea Growers or farmers producer company: <ul style="list-style-type: none"> <li>40% of cost with ceiling limit of INR 0.33 Cr /factory</li> <li>50% in case of Non-traditional areas North-East, Idukki (Kerala), Nilgiris, Tamil Nadu and Kangra in Himachal Pradesh</li> </ul> </li> </ul>

Source: Tea Board of India, Ministry of Commerce & Industry, Govt. of India

### Animal Husbandry Infrastructure Development Fund (AHIDF), Ministry of Fisheries, Animal Husbandry and Dairying

The primary aim of this scheme is to incentivize investments in the animal husbandry sector by supporting the establishment and modernization of infrastructure related to dairy processing, meat processing, animal feed plants, wool segments, among others. Refer exhibit 31 for the incentives provided under the AHIDF scheme.

### Exhibit 31: Incentives under the AHIDF scheme

Components Covered	Grant-in-aid/Incentives
Focused on capital investments in Dairy, poultry, meat, animal feed and wool segments	3% interest subvention for a period of 8 years (+2 years moratorium)

Source: Ministry of Fisheries, Animal Husbandry and Dairying, Govt. of India

Apart from the aforementioned schemes targeted at the food processing sector, there are other tangential schemes offering benefits and incentives offered by other central government ministries such as Agri infrastructure fund (AIF) including primary processing run by Ministry of, Development of Commercial Horticulture through Production and Post-Harvest Management of Horticulture Crops run by National Horticulture Board (NHB); Trade Infrastructure and Export Scheme by Ministry of Commerce and Industry; Remission of Duties and Taxes on Exported Products (RoDTEP) under Ministry of Finance; Micro & Small Enterprises Cluster Development Program (MSE-CDP) under Ministry of Micro, Small & Medium Enterprises; Prime Minister's Employment Generation Programme (PMEGP) under Khadi and Village Industries Commission.



# 5

## Unlocking West Bengal's Agri & Food Processing Potential



West Bengal possesses significant potential in the agriculture and food processing sectors, owing to its diverse agro-climatic conditions, strong primary production base, and strategic location. With a wide array of field crops, horticultural produce, fisheries, and livestock resources, the state offers considerable opportunities for enhancing value addition, improving supply chain efficiencies, and expanding export markets. Key strengths of West Bengal that bode well for the food processing industry are indicated in the Exhibit 32.

Exhibit 32: Key strengths of West Bengal in Food Processing

### Production Strengths

- 2<sup>nd</sup> largest producer of inland fish and total fish production in India, accounting for more than 14.15% and 11.66% of national output in 2022-23, respectively.
- 2<sup>nd</sup> largest producer of vegetables, with crops such as potatoes, brinjal, cabbage, tomatoes, and cauliflower, and brinjal
- Ranks 1<sup>st</sup> in total meat production (lean meat and red meat).
- 3<sup>rd</sup> largest producer of rice in India, contributing over 11.38% of the country's total production.
- Ranks among the top states in the production of fruits like mango, banana, pineapple, litchi, guava, jackfruit and citrus.
- 2<sup>nd</sup> largest producer of tea
- West Bengal grows 145 varieties of medicinal plants and herbs.

### Geographical Advantage

- Six agro-climatic zones, which allow the state to grow a diverse range of crops, fruits, and vegetables throughout the year
- Strategic location as gateway to North-East India & well-connected internationally and nationally through an extensive network of rail, road, air and seaports
- 4<sup>th</sup> most populous state in India and has international borders with Nepal, Bhutan and Bangladesh

### Robust Infrastructure

- 3.2 lakh food processing units
- India's 2nd largest cold storage state with 7.55 million tons of cold storage installed capacity
- Well-developed Rail & Road Network/close to port and airport.

Source: MoFAH&D, MoA, NABARD State Focus Paper (2025-26), West Bengal

These strengths present a broad spectrum of investment opportunities across multiple value chains. There are two primary areas of investment opportunity. First is the opportunity to tap the strong supply strengths that West Bengal offers, particularly in fruits, vegetables, rice and fisheries. Second is to capture opportunities that emerge due to inefficiencies and infrastructure gaps in upstream activities of the value chain such as cold storage infrastructure, food testing labs and skilled manpower. An overview of opportunities identified across these two broad areas is captured herewith

## 5.1 Opportunities to Tap the Immense Supply Strengths of West Bengal

### Horticulture crops

West Bengal is one of the leading states in India for fruits and vegetable cultivation, supported by its nutrient-rich soil and favorable agro-climatic conditions. The state's rich diversity in horticulture and plantation crops has become a significant contributor to its economy, with many farmers relying on these crops for their livelihoods.

The horticulture sector in West Bengal includes vegetables, fruits, spices, flowers, plantation crops (like coconut, arecanut, cashew, betelvine), and aromatic and medicinal plants. The state ranks second in vegetable production, contributing 14.09% of India's total, and ninth in fruit production (2023-24).<sup>39</sup> Some of the key opportunities for investment in horticultural crops are depicted in the exhibit 33 below.



<sup>39</sup> Ministry of Agriculture and Farmers Welfare

Exhibit 33: Processing & value addition opportunities in horticulture crops

Commodity	Production Clusters	Processing Opportunity
Banana	Nadia, Murshidabad, North 24 Parganas, Hooghly	Starch, Chips, Powder
Pineapple	Jalpaiguri, Darjeeling, North Dinajpur, Cooch Behar	Juice, Candy, Pulp, Concentrate, Jam, Jelly
Mango	Malda, Murshidabad, Nadia, Hooghly, Bankura, Purulia, North 24 Parganas	Pickles, Puree, Canned or Frozen Slices, Juice, Squash Powder, Flakes, Mango Bar, Jam, Drink
Citrus Fruits	Darjeeling, Jalpaiguri	Juice, Candy, Powder
Guava	South 24 Parganas, North 24 Parganas, Hooghly	Concentrate, Fruit Drinks, Frozen Halves, Candies.
Litchi	Murshidabad, Malda, South 24 Parganas	Dried Litchi, Canned Litchi, Juice, Jam, Syrup, Wine, Frozen Litchi, Cordial, Squash, Pulp
Potato	Hooghly, Purba and Paschim Bardhaman, Paschim Medinipur, and Bankura	Chips, Flakes, Powder, Fries, Starch
Tomato	Coochbehar, North 24 Parganas, Nadia, Murshidabad, Alipurduar	Puree, Juice, Concentrate, Ketchup, Sauce
Cauliflower, Cabbage, Carrot	24 Parganas North, 24 Parganas South, Hooghly, Purba Bardhaman, Medinipur East, Murshidabad, Nadia, Bankura, Maldah, Medinipur West	Fresh Cut, Frozen, Assorted Products
Okra	Nadia, South 24 Parganas, Bankura, North 24 Parganas, Purba Bardhaman, Murshidabad, Paschim Medinipur, Purba Medinipur, Hooghly	Primary processing, IQF

Source: Department of Food Processing Industries and Horticulture, Government of West Bengal, YES BANK Analysis

Processing of fruits and vegetables into purees, juices, dehydrated products, and ready-to-eat packaged foods represents a major growth avenue. Given that processing levels of fruits and vegetables in West Bengal is estimated at about 2.8%, developing robust processing infrastructure in West Bengal can significantly reduce waste and enhance farmers' incomes.<sup>40</sup>

<sup>40</sup> S. (Sabyasachi) Ojha 2018 Fruit and Vegetable Processing Sector in Bengal: Opportunities, Status and Challenges

## Rice and other cereal

As the leading rice producing state in India, West Bengal offers significant scope for modernizing rice milling infrastructure, enhancing packaging capabilities, and developing fortified rice products and building brands for local varieties of rice. Moreover, diversification into value added segments such as rice-based snacks, breakfast cereals, and ready to cook products is gaining traction, driven by evolving consumer preferences. Similarly, maize and wheat production opens opportunities for starch processing, flour-based products and convenience foods. These strengths collectively position the state as a high potential destination for investment in the cereal processing sector. Some of the key investment opportunities that West Bengal offers in cereals processing are presented in the exhibit 34 below.

Exhibit 34: Processing & value addition opportunities in rice and cereal

Commodity	Production Clusters	Processing Opportunity
Rice	Medinipur West, Purba Bardhaman, Medinipur East, 24 Paraganas South, Bankura	Milled Rice, Rice Bran Oil, Powder, Poha, Puffed Rice, Noodles
Maize	Dinajpur Uttar, Murshidabad, Maldah	Starch, Grit, Powder
Wheat	Dinajpur Dakshin, Murshidabad	Atta, Flour (Maida), Suji, Rava. Pasta, Noodles

Source: Department of Food Processing Industries and Horticulture, Government of West Bengal, YES BANK Analysis

## Tea

West Bengal holds a prominent place in India's tea landscape, with regions like Darjeeling, Dooars and Terai producing globally renowned varieties. The state accounts for 30.64% of India's total tea production supported by its well-established tea gardens. As global demand for high quality, sustainable and traceable teas rises, West Bengal is well positioned to tap niche markets and boost farmer and estate level incomes through strategic interventions. This indicates immense potential for value addition by branding of specialty teas, premiumization, organic certification and diversification into ready to drink and health based tea products. Investment opportunities are also there in modernizing processing units, improving packaging, product quality and traceability.

## Fisheries and aquaculture

The fisheries sector plays a crucial role as a key income and employment generator, stimulating the growth of various subsidiary industries and providing affordable and nutritious food. In West Bengal, fishing and fish farming are deeply ingrained in the local culture, and the sector has substantial potential to increase the income of fishers and fish farmers. The state's abundant freshwater resources—including rivers, ponds, and wetlands—support a thriving aquaculture ecosystem.

This natural advantage creates substantial opportunities for fish and seafood processing, especially in areas such as freezing, filleting, drying, and value-added packaging. Growing domestic demand, coupled with export potential to markets in Southeast Asia, the Gulf, and Europe, further enhances the potential for investments in this sector. Strengthening cold chain logistics and modern processing infrastructure will be key to unlocking the full potential of fisheries and aquaculture processing in the state. Key opportunities in fish processing are mentioned in the exhibit 35 below.

#### Exhibit 35: Processing & value addition opportunities in fisheries

Commodity	Production Clusters	Processing Opportunity
Fish	South 24 Pargana, Paschim Midnapore, North 24 Parganas, Bardhaman and Nadia	Fresh and Frozen Processed

Source: Department of Food Processing Industries and Horticulture, Government of West Bengal, YES BANK Analysis

#### Dairy

In 2023-24, West Bengal annual milk production reached 76.50 lakh MT contributing to 3.28% of the country's milk production. However, per capita milk availability in the state is 211 gm/day which is still low as compared to the national average of 471 gm/day.<sup>41</sup> This indicates a potential to improve state's milk productivity as well as milk processing infrastructure to enable availability of good quality dairy products to the consumers.

With increasing urbanization and consumer demand for diversified dairy products, there is strong potential for investment in value-added processing. Products such as flavored milk, yogurt, paneer, cheese, and traditional sweets like Sandesh and Rosogolla have both local appeal and market expansion possibilities. Modernizing milk collection, chilling infrastructure, and packaging technologies will be vital for enhancing product quality, shelf life, and competitiveness in regional and national markets. Key opportunities in dairy are listed in the exhibit 36 below.

#### Exhibit 36: Processing and value addition opportunities in dairy

Commodity	Production Clusters	Processing Opportunity
Milk	Paschim Medinipur, Hooghly, Barwan, Murshidabad, Bankura, Nadia and Purulia	Butter, Cream, Ghee, Cottage Cheese, Flavored Milk, Spreads, Milk powder, Ice-cream, Curd, Buttermilk

Source: YES BANK Analysis

<sup>41</sup> MoFAH&D



## Export of food products

West Bengal's strategic geographic location, agro-resource diversity, and proximity to major ports like Kolkata and Haldia provide it with a unique edge in agri and food product exports. High-potential segments for export include rice, processed fruits and vegetables, seafood, and ethnic food products. With rising global demand for Indian food items and growing support from export promotion agencies such as APEDA, the state is well-positioned to scale up its presence in international markets. Emphasis on food safety standards, traceability, and branding will further strengthen West Bengal's export competitiveness. Key export opportunities include:

- **Non-Basmati Rice:** Growing demand in the Middle East and African countries.
- **Processed Fruits:** Particularly mango pulp, guava puree, and litchi-based products.
- **Marine Products:** Frozen fish, prawns, and value-added seafood products find ready markets in Europe, Japan, and the Gulf countries.

The state government has identified six agri-export zones to boost the production of specific crops: Malda for mango, Murshidabad for litchi, Jalpaiguri for pineapple, Hooghly for potato, North 24 Parganas for vegetables, and Darjeeling for tea.

## Export of GI products

West Bengal has a rich tradition of Geographical Indications (GIs) which highlight the states unique agricultural heritage. GIs are used to identify products that possess qualities, or a reputation tied to their specific geographic origin adding both value and protection to these traditional items. Among the most famous GI products from West Bengal is Darjeeling Tea globally recognized for its distinctive flavour a result of the region's unique climate and elevation. The GI tag has helped protect this iconic tea from being falsely marketed as Darjeeling tea ensuring authenticity and quality.

Other celebrated GI products of West Bengal include the Banglar Rasogolla, Kaji Nemu (a variety of lemon) from Malda and Gorib's Kolar (a specific type of banana).

The state government is working with export promotion councils to help GI-tagged products reach international markets. Initiatives such as organizing international trade missions and helping artisans participate in global exhibitions are part of these efforts.

## 5.2 Opportunities to Invest in Building Efficiencies across the Value Chain

Presently, various inefficiencies and redundancies across the supply chain is hampering entrepreneurs to harness the true potential of the food processing sector. While on the production front, the farm holdings are small and farm productivity is low, the post-harvest side of the supply chain is adversely impacted by factors such as lack of scale, lack of post-harvest quality standards and inadequate post-harvest infrastructure.

These challenges open up huge opportunities to build efficiencies across the supply chain. Some key investment opportunities in this space are discussed herewith.

### **Introduction of high yielding planting material, animal breeds and farm technologies**

There is huge scope to unlock the true potential of agricultural productivity in West Bengal by addressing basic issues such as making available high yielding planting material and breeding material. In addition, investment in advanced farm technologies such as drip irrigation systems, farm machinery also holds immense potential.

### **Developing procurement models**

Severe challenges in aggregation of agricultural produce throws up immense opportunities for entrepreneurs to develop innovative and efficient models for aggregation, including models such as crop cluster and FPO formation. The objective of developing such models is to assure quality, volumes and timely supply.

Developing models for direct procurement of raw material from FPOs would ensure required quality of raw material for processing, facilitate accelerated technology transfer, capital inflow and assured markets for the produce.

### **Cold chain logistics development**

West Bengal has the second-highest cold storage capacity in India, with approximately 583 licensed cold storages and a combined capacity of 7.55 million MT.<sup>42</sup> However, about 95% of this cold storage capacity is dedicated to potatoes, along with other horticultural produce and multipurpose items. The growing demand for high-quality perishable food products in both domestic and export markets has made cold chain logistics a critical area for investment in West Bengal. Enhancing cold storage facilities will not only help preserve the produce but also reduce losses and improve overall agricultural productivity.

However, the development of cold chain infrastructure faces notable challenges, including varied requirements for different crops, lack of standardized pricing, inadequate scale, and limited participation from organized players. Despite these hurdles, the surging demand is creating strong momentum for innovation and private sector participation. The Government of India has further incentivized this sector through targeted schemes, subsidies, and policy support. In addition, multi-purpose cold chain service models and container pooling systems offer scalable, cost-effective solutions to bridge infrastructure gaps. Strengthening warehousing and refrigerated logistics have the potential to enhance supply chain efficiency and plays a pivotal role in linking farmers to retail chains, food parks, and export hubs—ultimately improving market access and reducing post-harvest losses.

### **Development of Hygienic Fish Marketing Infrastructure**

Promoting hygienic fish markets and establishing cold chain systems will improve the quality and shelf life of fish products, thereby benefiting both producers and consumers.

### **Introduction of modern technology in food processing**

The food processing industry in West Bengal is largely dominated by small and medium enterprises (SMEs) and remains significantly unorganized, leading to the continued use of inefficient technologies. This presents a strong case for the adoption of modern technology across the entire value chain—from farm to fork. There is considerable potential for the introduction of advanced solutions such as AI based systems, mechanized sorting and grading, post-harvest preservation techniques, and automated packaging systems. In particular, sectors such as dairy processing, meat processing, and horticulture can benefit from technologies supporting modernized processing, energy-efficient cold storage, and traceability systems.

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<sup>42</sup> NABARD state focus paper 2025-26

Embracing innovation and technology transfer will not only enhance productivity and reduce waste but also improve product quality and competitiveness in both domestic and global markets.

### **Quality control and food safety**

Increased demand for safe food opens opportunity for development of a robust food safety infrastructure, specially focused on modernization of food testing labs. The current food testing lab infrastructure in the state needs to be strengthened to cater the growing food testing requirements of domestic and exports market. Focus areas could include gearing up laboratory infrastructure to test a variety of food contaminants which pose serious health risks, thus opening up immense opportunity for development of modern food testing laboratories.

### **Human Resource Development**

Application of modern technology is a key imperative for the growth of food processing industry. Introduction of modern technology is expected to lead to unprecedented demand for scientists, technologists and other professionals across the agri-value chain - with the right techno-commercial expertise to effectively handle the emerging challenges of the food processing industry.

The demand for high quality skilled manpower opens opportunities for investors to establish professional training institutes catering to technical and managerial skill set requirement for verticals across the agri-value chain including procurement and commodity trading, logistics and distribution, research and development, technology management and implementation engineering and marketing among others.

To conclude, with a vast pool of natural resources, diverse agro-climatic conditions and excellent infrastructure in place, West Bengal has a strong comparative advantage to attractive investment in the food processing sector. In addition, the State Government has taken up various initiatives creating a positive investment climate that encourages private sector participation in this industry. To fully leverage these opportunities, entrepreneurs must focus on innovation, long term development and creative models suited to a fast-evolving food processing landscape.

With strategic focus, continued government support, and private sector engagement, West Bengal is well positioned to emerge as a leader in inclusive and sustainable growth and development of the food processing sector in India.

# Annexure 1

## 3/4-digit NIC-2008 codes for Food Processing Sector

3-digit NIC-2008	4-digit NIC-2008	Description	Food processing sub-sectors
101	1010	Processing and preserving of meat	Meat
102	1020	Processing and preserving of fish, crustaceans and molluscs and products thereof	Marine
103	1030	Processing and preserving of fruit and vegetables	Fruits and Vegetables
104	1040	Manufacture of vegetable and animal oils and fats	Oils and Fats
105	1050	Manufacture of dairy products	Dairy
106		Manufacture of grain mill products, starches and starch products	
	1061	Manufacture of grain mill products	Cereals and Pulses
	1062	Manufacture of starches and starch products	Starch and Starch Products
107		Manufacture of other food products	Other Food Products
	1071	Manufacture of bakery products	Bakery Products
	1072	Manufacture of sugar	Sugar
	1073	Manufacture of cocoa, chocolate and sugar confectionery	Chocolate and Confectionary
	1074	Manufacture of macaroni, noodles, couscous and similar farinaceous products	Processed Cereals
	1075	Manufacture of prepared meals and dishes	Prepared Meals and Dishes
	1079	Manufacture of other food products n.e.c.	Other Food Products
108	1080	Manufacture of prepared animal feeds	Animal Feeds
110		Manufacture of beverages	Beverages
	1101	Distilling, rectifying and blending of spirits; ethyl alcohol production from fermented materials	
	1102	Manufacture of wines	
	1103	Manufacture of malt liquors and malt	
	1104	Manufacture of soft drinks; production of mineral waters and other bottled waters	

## Exhibits

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# Abbreviation

AHIDF	Animal Husbandry Infrastructure Development Fund
AI	Artificial Intelligence
AIF	Agri Infrastructure Fund
AMCU	Automated Milk Collection Units
APEDA	Agricultural and Processed Food Products Export Development Authority
ASEAN	Association of Southeast Asian Nations
ASI	Annual Survey of Industries
BMCU	Bulk Milk Cooling Units
CAGR	Compounded Annual Growth Rate
CBM	Coal Bed Methane
CTC	Crush, Tear, Curl
RoDTEP	Remission of Duties and Taxes on Exported Products
EDFC	Eastern Dedicated Freight Corridor
e-NAM	Electronic National Agriculture Market
FAOSTAT	Food and Agriculture Organization Corporate Statistical Database
FCI	Food Corporation of India
FDI	Foreign Direct Investment
FPC	Farmer Producer Company
FPO	Farmer Producer Organization
FY	Financial Year
GAIL	Gas Authority of India Limited
GI	Geographical Indications
GVA	Gross Value Added
GVO	Gross Value of Output
GW	Gigawatt
IA	Industrial Areas
ICAR	Indian Council of Agricultural Research
IGC	Industrial Growth Centre
INR	Indian Rupees
IQF	Individual Quick Freezing

ITDP	Integrated Tribal Development Programme
KVK	Krishi Vigyan Kendra
MFP	Mega Food Park
MoAFW	Ministry of Agriculture and Farmers' Welfare
MoFAH&D	Ministry of Fisheries, Animal Husbandry and Dairying
MoFPI	Ministry of Food Processing Industries
MoSPI	Ministry of Statistics and Program Implementation
MPCE	Monthly Per Capita Consumption Expenditure
MSE	CDP Micro & Small Enterprises Cluster Development Program
MT	Metric Ton
NABARD	National Bank for Agriculture and Rural Development
NDDB	National Dairy Development Board
NE	North-East
NFSM	National Food Security Mission
NHB	National Horticulture Board
NIC	National Industrial Classification
NSSO	National Sample Survey Office
ODOP	One District One Product
PIB	Press Information Bureau
PLI	Production Linked Incentive
PMEGP	Prime Minister's Employment Generation Programme
PMFME	Pradhan Mantri Formalisation of Micro Food Processing Enterprises
PMKSY	Pradhan Mantri Kisan Sampada Yojna
RMC	Regulated Market Committees
RTC	Ready to Cook
RTE	Ready to Eat
SC	Scheduled Castes
SHG	Self Help Group
SME	Small and Medium Enterprises
ST	Scheduled Tribes
TCW	Technical Civil Work
WBFPIIP	West Bengal Food Processing Industry Policy
WBIDC	West Bengal Industrial Development Corporation
WRDA	Warehouse Development and Regulatory Authority



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### **At a Glance - A New Generation Private Sector Bank**

At YES BANK, we are driven by a deep purpose and relentless commitment to our customers.

Headquartered in Mumbai, YES BANK is the 6th largest private sector Bank in India offering full-fledged banking solutions with its comprehensive bouquet of product and services, digital solutions catering to Retail, MSME, Wholesale and Rural segments. The Bank has a pan India presence with 1,255 branches, 235 BCBOs and 1,331 ATMs (including CRMs and BNAs) in over 300 districts in India.

The Bank operates its Brokerage business through YES SECURITIES, a wholly-owned subsidiary of the Bank. The Bank has a pan-India presence including an International Banking Unit (IBU) at GIFT City in the Ahmedabad district, Gujarat and a Representative Office in Abu Dhabi. Through a growing pan-India presence, we empower our customers to achieve their full potential and serve India's future businesses.

The Bank's vision rests on three strategic pillars:

**Universal Banking with Granular Focus:** Maintain our role as a universal bank while concentrating on refining and expanding each business segment.

**Digital Leadership and Relationship Banking:** Leverage our established digital market leadership to serve the new-age economy and future value pools, ensuring we also support and capture transactional business.

**Employee-centric Culture and Efficient Processes:** Prioritise an employee-focussed culture, streamline processes, and develop a scalable technology infrastructure.

YES BANK has consistently fostered a strong sustainability ethos within its culture, enabling it to respond effectively to evolving ESG expectations, regulations, and opportunities. The Bank continuously monitors ESG and climate developments, collaborating with stakeholders to integrate key sustainability themes and practices into its operations.

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ASSOCHAM initiated its endeavor of value creation for Indian industry in 1920. It brings in actionable insights to strengthen the Indian ecosystem, leveraging its network of more than 4,50,000 members, of which MSMEs represent a large segment. With a strong presence in states, and key cities globally, ASSOCHAM also has more than 400 associations, federations and regional chambers in its fold.

Aligned with the vision of creating a New India, ASSOCHAM works as a conduit between the industry and the Government. The Chamber is an agile and forward-looking institution, leading various initiatives to enhance the global competitiveness of the Indian industry, while strengthening the domestic ecosystem. With more than 100 national and regional sector councils, ASSOCHAM is an impactful representative of the Indian industry. These Councils are led by well-known industry leaders, academicians, economists, and independent professionals. The Chamber focuses on aligning critical needs and interests of the industry with the growth aspirations of the nation.

ASSOCHAM is working hand in hand with the government, regulators and national and international think tanks to contribute to the policy making process and share vital feedback on implementation of decisions of far-reaching consequences. In line with its focus on being future-ready, the Chamber is building a strong network of knowledge architects. Thus, ASSOCHAM is all set to redefine the dynamics of growth and development in the technology-driven 'Knowledge-Based Economy'. The Chamber aims to empower stakeholders in the Indian economy by inculcating knowledge that will be the catalyst of growth in the dynamic global environment.

#### **Vision**

Be the knowledge architect for the Indian economy, with a focus on strengthening India's domestic ecosystem and enhancing global competitiveness.

#### **Mission**

Its mission is to impact the policy and legislative environment so as to foster balanced economic, industrial, and social development.

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