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State Introduction

Arunachal Pradesh is the largest state among the North Eastern States having an area of 83,743 Sq. Km and borders the states of Assam and Nagaland to the south and shares international borders with Bhutan in the west, Myanmar in the east and is separated from China in the north by the disputed McMahon Line. The state holds the distinction of being the Northeastern-most state of the county. It forms a complex hill system of Shivalik and Himalayan origin and is crisscrossed by numerous rivers and streams.

<table>
<thead>
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<th>Arunachal Pradesh - key highlights</th>
</tr>
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<tr>
<td><strong>State capital</strong></td>
</tr>
<tr>
<td><strong>Geographical area</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Population</strong>&lt;sup&gt;2&lt;/sup&gt; (Census 2011)</td>
</tr>
<tr>
<td><strong>Gross state domestic product (GSDP)</strong>&lt;sup&gt;3&lt;/sup&gt; (at current price, base year 2011-12)</td>
</tr>
<tr>
<td><strong>Per capita income</strong>&lt;sup&gt;4&lt;/sup&gt; (Measured as Per Capita NSDP at current prices for 2013-14)</td>
</tr>
<tr>
<td><strong>FDI inflows</strong>&lt;sup&gt;5&lt;/sup&gt; (FY2000-FY2017)</td>
</tr>
<tr>
<td><strong>Total road length (kms)</strong>&lt;sup&gt;6&lt;/sup&gt; (National Highways + State Highways)</td>
</tr>
<tr>
<td><strong>Rail length (route kms)</strong>&lt;sup&gt;7&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Airports</strong>&lt;sup&gt;8&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

Why Arunachal Pradesh

1. Arunachal Pradesh is the top producer of Kiwi and second largest producer of large cardamom in India.

2. Ecological conditions of Arunachal Pradesh are congenial for the growth of horticulture.

3. With more than 60% of the population dependent on agriculture, the state offers enterprising and skilled farmers.

4. Arunachal Pradesh with its vast inland fishery resources in the form of rivers, streams, lakes, ponds and tanks, marshy lands offers tremendous scope for fisheries.

Investment Environment & Opportunities in Food Processing- Arunachal Pradesh

*1 Million = 10 Lakhs

** 10 Million = 1 Crore
Arunachal Pradesh’s economy is largely agrarian, based on the terraced farming of rice and the cultivation of crops such as maize, millet, wheat, pulses, sugarcane, ginger, oilseeds, cereals, potato, and pineapple. About 80% of the population living in rural areas and 62.2% of total working population are dependent on agriculture for their livelihood.

The state gets as much as 500 centimeters of rainfall and this accounts for the large number of rivers and lakes in the region apart from extensive forests which have induced the people to adopt the 'Jhum' form of cultivation in which a select area of the forests is burnt and used for cultivation. In the following years the farmers shift to another forest plot which leads to the cultivation being called shifting cultivation. About 53% of the total cultivated area is under Jhum and the rest under permanent cultivation.

Arunachal Pradesh being a hilly state with deep valleys and high mountain peaks traversed by number of rivers and rivulets, has varying agro-climatic zones which can broadly be classified as:

<table>
<thead>
<tr>
<th>Zone</th>
<th>Description</th>
</tr>
</thead>
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<tr>
<td>Tropical Zone</td>
<td>With high rain-fall and humidity, warm temperature ranges from 22-36 degree C in summer and 10-25 degree C in winter. The elevation ranges 80-900m MSL (mean sea level).</td>
</tr>
<tr>
<td>Sub-tropical zone</td>
<td>With moderate rain-fall and humidity, cool temperature ranges from 15-30 degree C in summer and 14-21 degree C in winter. The elevation range: 900-1,800 m MSL. This zone experiences less rain fall, partially dry zones in the inner Himalayas.</td>
</tr>
<tr>
<td>Temperate Zone</td>
<td>With less rain-fall, cool temperature is ranging from 0-22 degree Celsius. The elevation ranges from 1,800 m to 2,500 m MSL.</td>
</tr>
<tr>
<td>Alpine Zone</td>
<td>Essentially cool temperature ranging from 0-20 degree Celsius with snow-fall and elevation above 2,500 m MSL.</td>
</tr>
</tbody>
</table>

Heterogeneous climate and soil conditions of the state are an advantage. There is a vast area suitable for temperate fruits of both high and low chilling requirements. But the major areas of the state are fit for tropical and subtropical fruits. Apple is a major fruit of temperate areas which is a unique aspect of Arunachal among the north eastern states. On the other hand, mandarin, sweet orange and pineapple among others grow abundantly in the mid and foothill areas.
Major strength of Arunachal Pradesh’s food processing industry lies in the following:

- **Seed Spices** - Ginger, Turmeric, Garlic, Large Cardamom, Tejpata (Cinnamomum tamala)
- **Fruits** - Kiwi, Apple, Pineapple, Oranges, Pears, Banana and, Jackfruits
- **Coarse cereals** - Pearl Millet, Rice, Wheat, Maize
- **Oilseeds** - Groundnut, Rapeseed and Mustard
- **Commercial crop** - Sugarcane

### Food Grains: Key production highlights (2015-16)

- Total production of 409 lakh* MT of food grains
  - Rice – 285 lakh* MT
  - Wheat – 75 lakh* MT
  - Millet – 14.50 lakh* MT

### Horticulture products: Key production highlights (2015-16)

- Total production of 236.2 thousand MT of horticulture products
  - Fruits – 146 thousand MT
  - Vegetables – 20.6 thousand MT
  - Spices – 68.7 thousand MT
Raw material base (3/3)

Key production highlights (2015-16)
- Ranked one in production of Kiwi (6.05 Thousand MT)
- Top producer of Kiwi and second largest producer of large cardamom in India.

Grains (000 MT)
- Rice: 2850
- Wheat: 750
- Millet: 270

Fruits (000 MT)
- Kiwi: 6.05
- Apple: 7.28
- Pineapple: 37.33

VEGETABLES (000 MT)
- Potato: 5.65
- Cabbage: 9.62

LIVESTOCK
- Eggs: 400 lakh* in numbers
- Meat: 18.04 thousand MT
- Milk: 430 lakh* litres
The major production clusters\textsuperscript{10} of Arunachal Pradesh are given below:

**Production Clusters**

**Kiwi**
Upper Siang, Tawang, Dibang Valley, Lower Subansiri, West Kameng

**Walnut**
Tawang, West Kameng, Lower Subansiri

**Apple**
Tawang, Dibang Valley, Lower Subansiri, West Kameng

**Potato**
West Siang, Tawang, Lower Dibang Valley, East Siang, Lohit

**Ginger**
Changlang, Lower Dibang Valley, East Siang

**Rice**
East Siang, Tawang, Dibang Valley, Lohit

**Maize**
Tawang, East Kameng, Upper Subansiri, East Siang, Papumpare

**Fisheries**
Papumpare, West Siang, Changlang, Upper Subansiri

**Sugarcane**
Papumpare, Upper Subansiri, Upper Siang

**Cabbage**
Upper Siang, West Siang, Lower Dibang Valley, East Siang, Lower Subansiri

**Large Cardamom**
Papumpare, West Kameng, Lower Subansiri, West Siang, Siang, Lohit
Production Clusters

- Kiwi
- Rice
- Apple
- Potato
- Ginger
- Cabbage
- Maize
- Fisheries
- Walnut
- Sugarcane
- Cardamom
Arunachal Pradesh has the following marketing facilities in the state:\n
- **Food Processing Units**: A few food processing units are present in the state, the units are mainly focused on Kiwi and apple processing products.
- One cold storage (capacity 5000 MT) in the state established under the National Health Mission.

Agriculture Marketing is governed by the Agricultural Produce Marketing Committee (APMC) Acts, which are administered by respective State Governments. In order to keep pace with the changing production pattern and growing marketable surplus, the Government advocates development of adequate number of markets equipped with modern infrastructure, with increased private sector participation and development of other marketing channels like direct marketing and contract farming etc.

The reforms taken up the Government that are applicable to Arunachal Pradesh are given below:

<table>
<thead>
<tr>
<th></th>
<th>Establishment of private market yards/ private markets managed by a person other than a market committee.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Establishment of direct purchase of agricultural produce from agriculturist (Direct Purchasing from producer)</td>
</tr>
<tr>
<td>3</td>
<td>Establishment of farmers/ consumers market managed by a person other than a market committee (Direct sale by the producer)</td>
</tr>
<tr>
<td>4</td>
<td>Contract Farming Sponsor shall register himself with the Marketing Committee or with a prescribed officer in such a manner as may be prescribed.</td>
</tr>
</tbody>
</table>
Processing Clusters (1/2)

Cereals Processing
- Tawang, Upper Subansiri

Ginger Products & Processing
- Upper Siang, Papumpare, Lower Dibang Valley

Vegetables Processing
- Papumpare, West Kameng, Changlang

Fruits Processing
- West Kameng, Papumpare

Fish & Fisheries Products
- Papumpare, West Siang, Changlang, Lower Subansiri, Ziro

Sugarcane Products
- Upper Siang, Papumpare, Upper Subansiri

Rice Mills
- West Kameng, East Kameng, Tawang, East Siang, Siang, West Siang, Lohit, Namsai

Geographical Indication of Agricultural Products in Arunachal Pradesh:
- Arunachal Orange
**Famous Ethnic Food of Arunachal Pradesh**

- **Pikke Pila** is a type of a pickle that is made by using bamboo shoot and pork fat with a little addition of King Chilly. There are many variations of Pikke Pila with using ingredients such as local vinegar, local fermented pork meat & vegetables.
- **Luktir** is a combination of cooked dry meat and chilly flakes from the King chilly. The dish is served with rice.
- **Momo** is a dumpling stuffed with various vegetables like cabbage, potato, carrot etc in case of Veg- Momo and Chicken, mutton, beef etc.
Processing Clusters

- Ginger Products & Processing
- Vegetables Processing
- Fish and Fisheries Products
- Fruits Processing
- Sugarcane Products
- Rice Mills
- Cereals Processing
The status of key physical and agricultural infrastructure in Arunachal Pradesh is as follows:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Status</th>
</tr>
</thead>
</table>
| Existing Industrial Areas/Industrial Estates | ▶ 17 Industrial areas such as Industrial estates- IIDC, IGC that are located in different districts and spread over a total area of 345 hectare  
▶ 1 cold chain |

**Installed power**

| (including allocated shares in Joint & Central Sector Utilities as on 31 Mar 2017) | ▶ Thermal - 71.52 MW  
▶ Hydro-97.45 MW  
▶ RES - 104.87 MW |

**Utilities**

| Electricity cost | ▶ AC 50 Hz, 1-phase, 230 V – INR 5/unit  
▶ AC 50 Hz, 3-phase, 400 V – INR 5.1/unit |

**Cold Chains:**

The objective of the Scheme of Cold Chain, Value Addition and Preservation Infrastructure is to provide integrated cold chain and preservation infrastructure facilities, without any break, from the farm gate to the consumer. Below is the list of cold chains present in the state:

<table>
<thead>
<tr>
<th>S.no</th>
<th>Project</th>
<th>Type of Food Product</th>
<th>District</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gangri Food Products</td>
<td>Meat</td>
<td>Tawang</td>
</tr>
</tbody>
</table>
Infrastructure Clusters

Airport
Cold Chain

Tawang
West Siang
East Siang
State government initiatives (1/2)

Arunachal Pradesh State Industrial Policy, 2008

Objectives/Highlights:

- To create an investment-friendly environment in the State for industrial growth in the private/joint venture/cooperative sectors for sustainable economic development of Arunachal Pradesh.
- To generate employment opportunities in the State.
- To make Arunachal Pradesh a preferred destination for outside investors.
- To encourage local entrepreneurs to set up enterprises based on locally available raw materials.
- To promote export oriented industrial units.
- To take steps to promote handloom and handicrafts.
- To promote local investors through joint ventures with outside investors.
- To encourage industrial units producing high value-low volume products.
- To ensure fast track clearance of industrial proposals.

Development of Infrastructure:

The State Government shall make special efforts to create proper infrastructure by promoting establishment of Industrial Estates, Industrial Growth Centers, Integrated Infrastructure Development Centers, Small Industries Cluster Development, Export Promotion Industrial Parks, Export Promotion Zones, Special Economic Zone (SEZ), Food Parks; strengthening of existing Industrial Estates, Border Trade Centers, Industrial Cluster Development etc.,
## Highlights of Arunachal Pradesh State Industrial Policy

<table>
<thead>
<tr>
<th>Name of Policy</th>
<th>Arunachal Pradesh State Industrial Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sector</strong></td>
<td>Industries based on agricultural, horticultural and plantation produce</td>
</tr>
<tr>
<td><strong>Capital Subsidy</strong></td>
<td>In addition to Government of India subsidy, for the food processing sector; additional State Capital Investment Subsidy @ 20% subject to a ceiling of INR 25 lakhs (USD 38428)</td>
</tr>
<tr>
<td><strong>Stamp duty &amp; Reg. fee exemption</strong></td>
<td>Exempted from payment of Stamp Duty up to 80% of the applicable amount in execution of deeds for a period of 5 years</td>
</tr>
<tr>
<td><strong>Electricity Duty exemption</strong></td>
<td>Power subsidy shall be regulated under State Power Policy and Northeast Industrial Investment Promotion Policy, 2007</td>
</tr>
<tr>
<td><strong>Technology up-gradation and R&amp;D related Incentives</strong></td>
<td>State Government will draw up a comprehensive skill upgradation programs for ensuring that local personnel/workers gain the required skill to meet the skilled manpower needs of the industries in collaboration and consultation with various training and educational institutions. With this objective the existing Industrial Training Institutes will be upgraded into a Centre of Excellence</td>
</tr>
<tr>
<td><strong>Link of policy document</strong></td>
<td><a href="http://www.nedfi.com/NEIIPP%202007">http://www.nedfi.com/NEIIPP%202007</a></td>
</tr>
</tbody>
</table>
**Snapshot of Potential Investable Projects**

Arunachal Pradesh offers diverse set of investment opportunities in the food processing sector. An indicative list of potential projects for investments is presented below:

<table>
<thead>
<tr>
<th>Project name</th>
<th>Process-able Products/ infrastructure</th>
<th>Value Proposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Establishment of Fruit Processing Unit</td>
<td>Fruits</td>
<td>Manufacturing unit focussing on pulp, concentrate and juices</td>
</tr>
<tr>
<td>2. Processing of herbs and aromatic plants</td>
<td>Herbs &amp; Plants</td>
<td>Extraction of dried concentrates from herbs - Mill these herbs separately using suitable mill to suitable mesh size, steam distillation of milled herbs, concentration of extract, drying and pulverization of extract</td>
</tr>
<tr>
<td>3. Modern Abattoir for sheep and goat</td>
<td>Meat</td>
<td>Modern abattoir for multiple animals</td>
</tr>
<tr>
<td>4. Establishment of special Kiwi Wineries</td>
<td>Kiwi</td>
<td>Extraction of Wine from Kiwi.</td>
</tr>
</tbody>
</table>
References

1. https://data.gov.in/catalog/land-use-pattern
8. https://www.aai.aero/
9. https://goo.gl/c9bYS
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A global event to facilitate partnerships between Indian and international businesses and investors, World Food India (WFI) is a gateway to the Indian food economy and an opportunity to showcase, connect, and collaborate.

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Government of India
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