



3 - 5 November • New Delhi

## Investment Environment & Opportunities in Food Processing

# MIZORAM



Ministry of Food Processing Industries  
Government of India

  
Knowledge Partner

  
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National Event Partner

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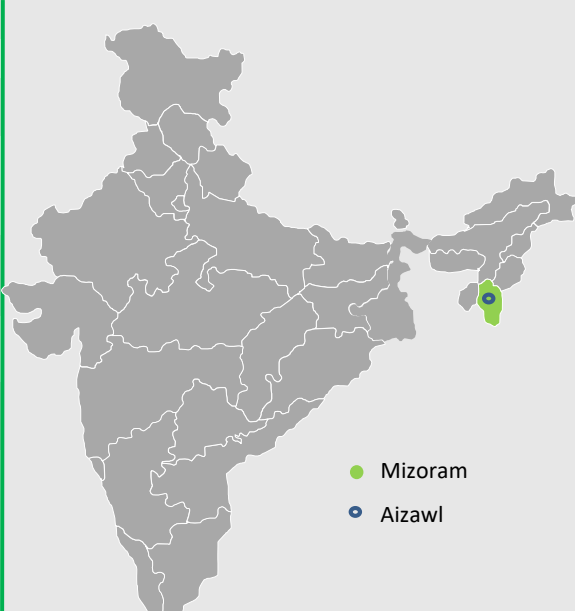
## State Introduction

Perching on the high hills of North Eastern corner, Mizoram is a storehouse of natural beauty with its endless variety of landscape, hilly terrains, meandering streams deep gorges, rich wealth of flora and fauna.

Flanked by Bangladesh on the west and Myanmar on the east and south, Mizoram occupies an importance strategic position having a long international boundary of 722 Kms.

Like several other northeastern states of India, Mizoram was previously part of Assam until 1972, when it was carved out as a Union Territory. It became the 23rd state of India, a step above Union Territory, on 20 February 1987.

Mizoram - key highlights	
<b>State capital</b>	Aizawl
<b>Geographical area<sup>1</sup></b>	21,087 Km <sup>2</sup>
<b>Population<sup>2</sup></b> (Census 2011)	1.09 Million
<b>Gross state domestic product (GSDP)<sup>3</sup></b> (at current price, base year 2011-12)	INR 9634 Crore (USD 1.41 Billion) in 2014-15 at constant price, base year 2011-12
<b>Per capita income<sup>4</sup></b> (Measured as Per Capita NSDP at current prices for 2011-12)	INR 76,120 (USD 1114.49)
<b>FDI inflows<sup>5</sup></b>	INR 462 Crore (USD 67.64 million)- FY00-FY17
<b>Total road length (kms)<sup>6</sup></b>	8518
<b>Rail length (route kms)<sup>7</sup></b>	1.5 km
<b>Airports<sup>8</sup></b>	1



The map shows the outline of India with state boundaries. Mizoram is highlighted in green in the northeastern region. Aizawl is marked with a blue dot within Mizoram. A legend indicates that the green dot represents Mizoram and the blue dot represents Aizawl.

## Why Mizoram

- 1 Mizoram is a large producer of Areca nut, Ginger and Turmeric
- 2 Over 80% of the fruit crop in the state are Bananas and Oranges.
- 3 The state has high potential for processing of spices as Chilli, Ginger and Turmeric.
- 4 High potential state for the production of Palm oil and Palm oil related products.

## Raw material base (1/3)

***The landlocked area is bounded by foreign countries on all sides except for a small stretch that rubs shoulder with Assam, Manipur and Tripura. Its international border, which is about 722 km, is almost 3 times longer than its border with the mainland.***

The State's economy is pre-dominantly agricultural with more than 60% of the total work force engaged directly or indirectly in agriculture. Aizawl district, capital of Mizoram has feasibility and scope for cultivation of wide variety of crops. The staple food crop is paddy (rice), maize is secondary. Wide range of fruits, vegetables, spices, oilseeds and pulses are grown. There are plenty of grasslands, wherein livestock rearing is possible due to naturally available fodder.

The rich diversity of agro climatic conditions, topographical variations and altitudinal differences offer good scope for horticulture activities. The State Government has given full effort to not only achieving self-sufficiency in fruit, vegetable, flowers, spices and plantation crops in Mizoram but also building commercial scale production for identified horticulture crops with a mission to enhancement in production, marketing and processing of Horticulture produces for increasing income and employment

### SNAPSHOT OF LAND UNDER CULTIVATION

Arable land	286
Net sown area	94
Total area sown	138

(2013-14, '000 hectare)

***Mizoram has three agro-climatic zones<sup>9</sup> beneficial for cultivation of a multitude of crops, vegetables and fruits round the year. Based on soil characterization, rainfall and temperature, the three agro climatic zones in Mizoram been identified as under:***

#### Temperate Zone

District: Blue mountain, Halkhan, Turpang

#### Subtropical Zone

District: As whole except lower valleys, adjoining area of Cachar and lower parts of Chhimtuipuii

#### Tropical Zone

District: Northern and western part, Chhimheipuii district

## Raw material base (2/3)

### Major strength of Mizoram's food processing industry lies in the following:

- ▶ **Food Grains:** Paddy, Maize
- ▶ **Fruits-** Banana, Mandarin Orange/Orange, Pineapple
- ▶ **Plantation-** Sugarcane
- ▶ **Oilseeds-** Palm Oil

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

- ▶ **Total production of 6.5 Million Tonnes of food grains**
  - Paddy – 60.7 Thousand Tonnes
  - Maize – 8.6 Thousand Tonnes

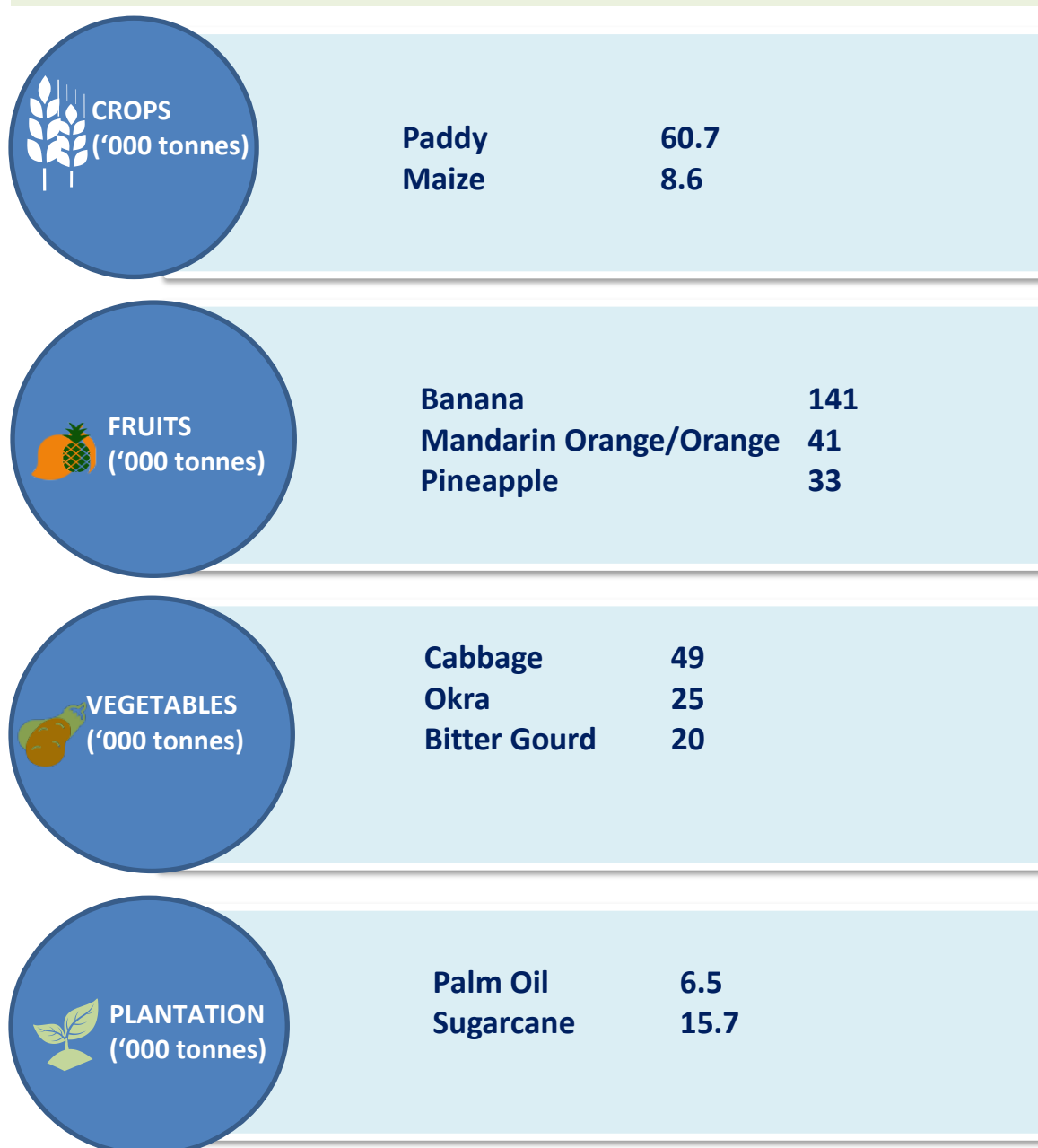
### Horticulture products: Key production highlights (2015-16)

- ▶ **Total production of 587 Thousand Tonnes of horticulture products**
  - Fruits – 330 Thousand Tonnes
  - Vegetables – 179 Thousand Tonnes
  - Spices – 69 Thousand Tonnes

## Raw material base (3/3)

### Livestock & Fisheries: Key production highlights<sup>10</sup> (2015-16)

- ▶ Milk production in Mizoram was 22 thousand tonnes.
- ▶ Total egg production in the state was 39 million.
- ▶ Total meat output from the state was 13.5 thousand tonnes and pig is the major source of meat for the state.
- ▶ Fish production is primarily inland, Mizoram being a land locked state. It was over Six thousand tonnes in 2015-16



## Production Clusters 1/2

The major production clusters<sup>11</sup> of Mizoram are given below:

### Potato

Mamit, Aizawl, Lunglei



### Ginger

Mamit, Aizawl, Kolasib, Champai



### Tapioca

Mamit, Kolasib, Lunglei



### Pineapple

Mamit, Aizawl, Lunglei, Saiha



### Rice

Aizawl, kolasib, Champai



### Maize

Aizawl, Champai, Lunglei



### Sugarcane

Aizawl, Saiha



### Livestock

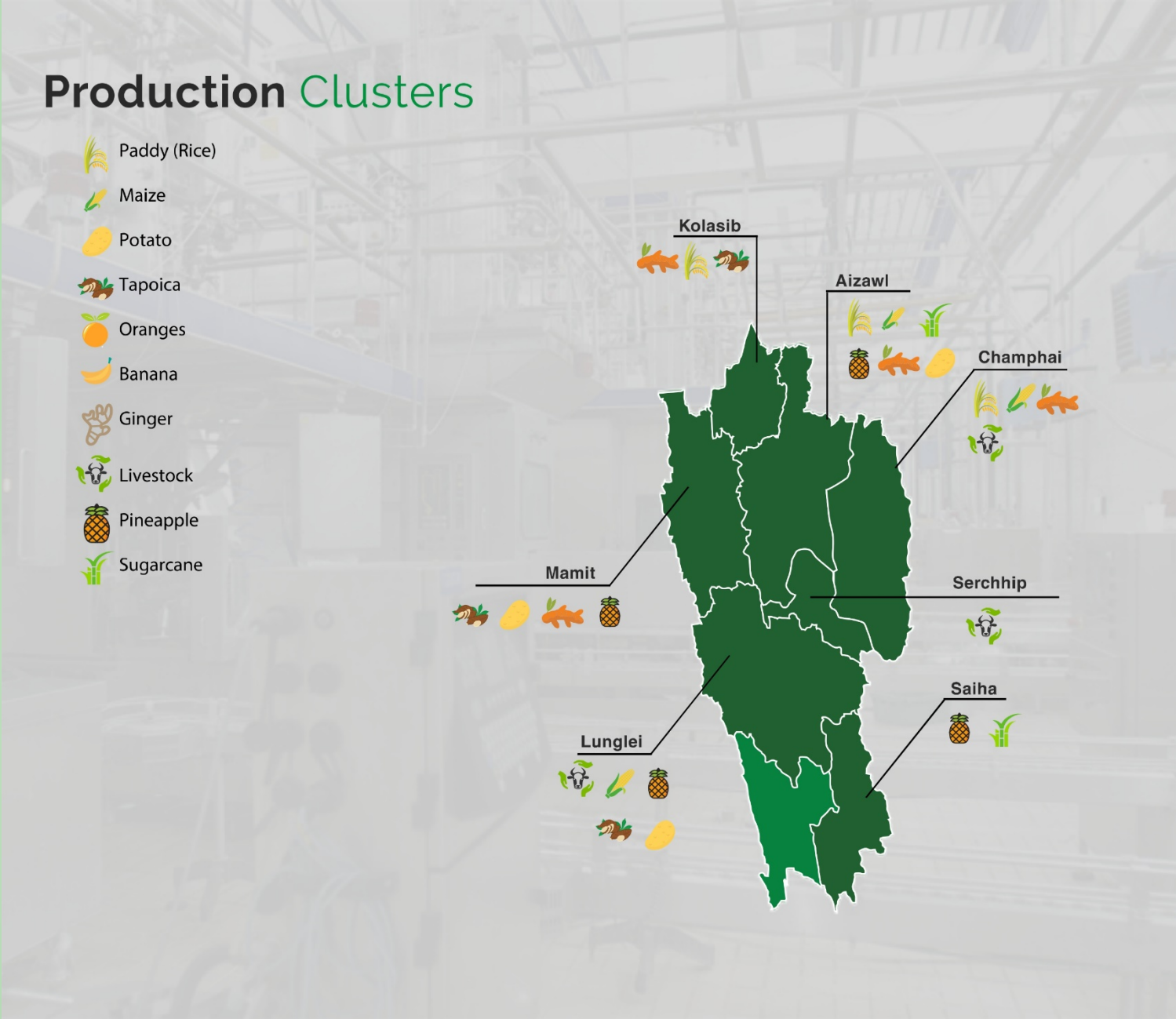
Champai, Serchhip, Lunglei



Geographical Indication for Agricultural Products in Mizoram:

► Mizo Chilli

# Production Clusters

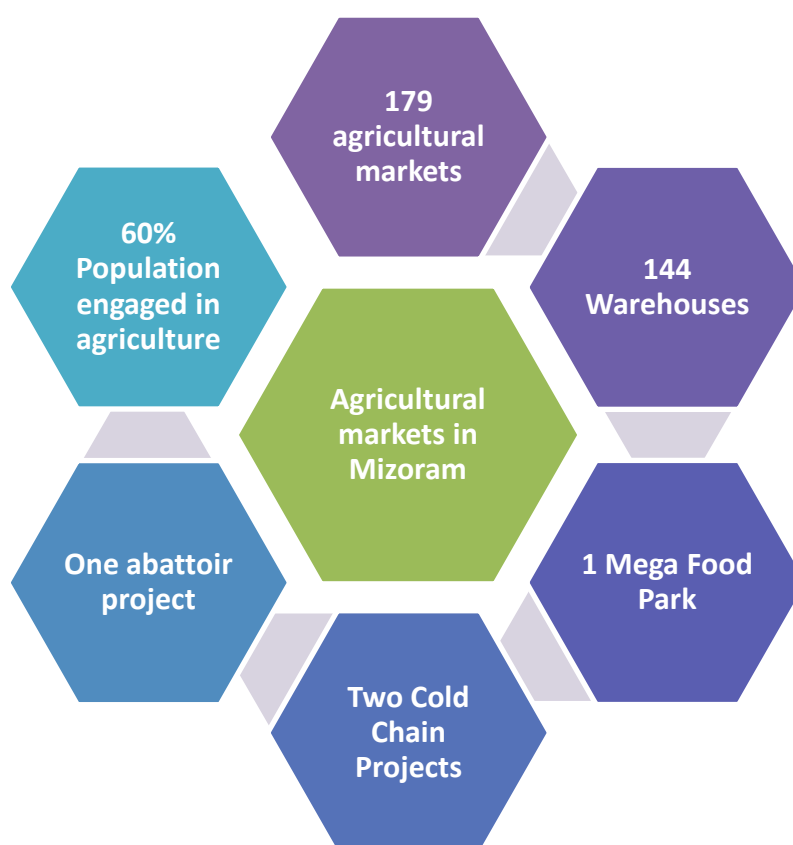




## Agriculture marketing

### Mizoram has the following marketing facilities<sup>12</sup> in the state:

- ▶ There are currently 179 markets across the state which is directly or indirectly managed by the Department of Trade and Commerce, Government of Mizoram
- ▶ 60% Population engaged in agriculture or agriculture related activities
- ▶ 144 warehouses in the state with total storage capacity of 37,330 MT
- ▶ One mega food park approved by MoFPI
- ▶ Two cold chain projects have been sanctioned by Ministry of Food Processing Industries
- ▶ One abattoir project has also been sanctioned in the state



## Processing Clusters (1/2)

### Spices & Condiments

Mamit



### Tea

Champai, Aizawl



### Mandarin Orange

Aizawl



### Bakery Products

Aizawl



### Milk Processing

Aizawl



### Beverages

Aizawl



### Ginger

Aizawl



### Turmeric

Aizawl



### Birds Eye Chilli

Aizawl



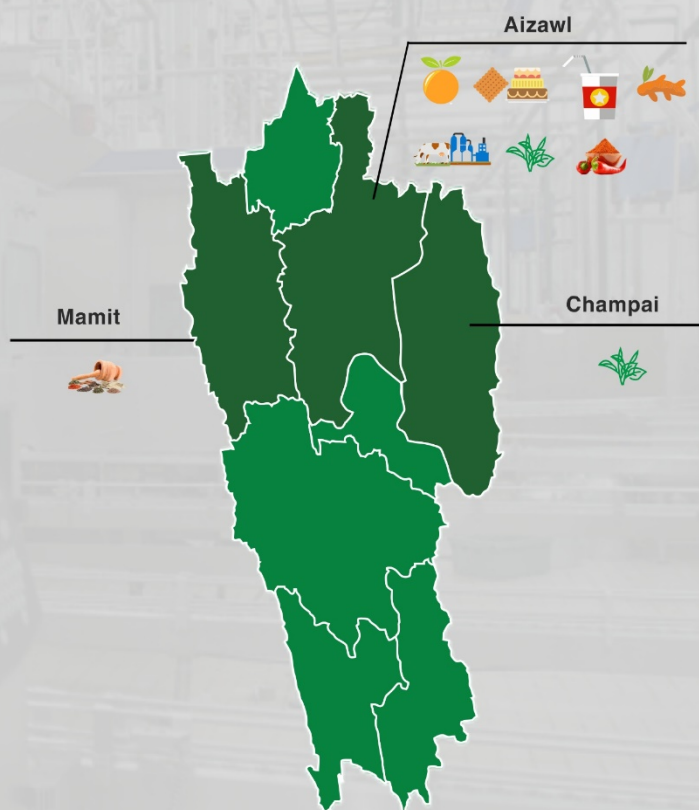
### Famous Ethnic Foods of Mizoram:

- ▶ **Bai:** Bai is a Mizo cuisine made of pork, spinach and bamboo shoots.
- ▶ **Arsa Buhchiar:** Herbed whole chicken, roasted in an open fire and served with sticky rice.
- ▶ **Vawksa Rep:** Cubes of smoked pork flavored with herbs
- ▶ **Misa Maas poora:** Special dish made of shrimp and vegetables, served with rice.
- ▶ **Poora Haah:** Roasted duck curry.
- ▶ **Laksa:** Hot stew made of tamarind, vegetables and flaked fish.
- ▶ **Paanch Phoran Tarka:** Purely a vegetarian delicacy, this dish is made up of vegetables such as pumpkin, potatoes, brinjal amongst others.

# Processing Clusters

## Processing Clusters

-  Mandarin Orange
-  Bakery Products
-  Beverages
-  Ginger
-  Milk Processing
-  Tea
-  Turmeric
-  Bird Eye Chilli
-  Spices & Condiments



## Infrastructure (1/2)

The status of key physical and agricultural infrastructure in Mizoram is as follows:

Parameter	Status
<b>Airports</b>	One operational Airport in Lengpui, Aizawl
<b>Existing Industrial Areas/ SEZs<sup>13</sup></b>	<ul style="list-style-type: none"> <li>▶ 13 Industrial Areas</li> <li>▶ One Mega food Park</li> </ul>
<b>Installed power<sup>14</sup></b> (including allocated shares in Joint and Central Sector Utilities as on 31 Mar 2017)	<ul style="list-style-type: none"> <li>▶ Thermal: 61.16 MW</li> <li>▶ Hydro(Renewable): 34.19 MW</li> <li>▶ RES(MNRE): 41.57 MW</li> </ul>
<b>Utilities</b>	
<b>Electricity cost<sup>15</sup></b>	Industrial Rate – INR 5.5 Unit
<b>Water Cost<sup>16</sup></b>	INR Ten per cubic metre

## Infrastructure (2/2)

A number of industrial areas and food parks are available in the state for investors keen on setting up food processing units in the state. The key food parks in the state include:

S. No.	Industrial Park	Location	Type (Multi/ single product), ETC.	Total Area (Hectare)	Total Land Available
<b>Mega Food Park</b>					
1	Zoram Mega Food Park Private Limited	Kolasib	Multi products	9.3	9.3

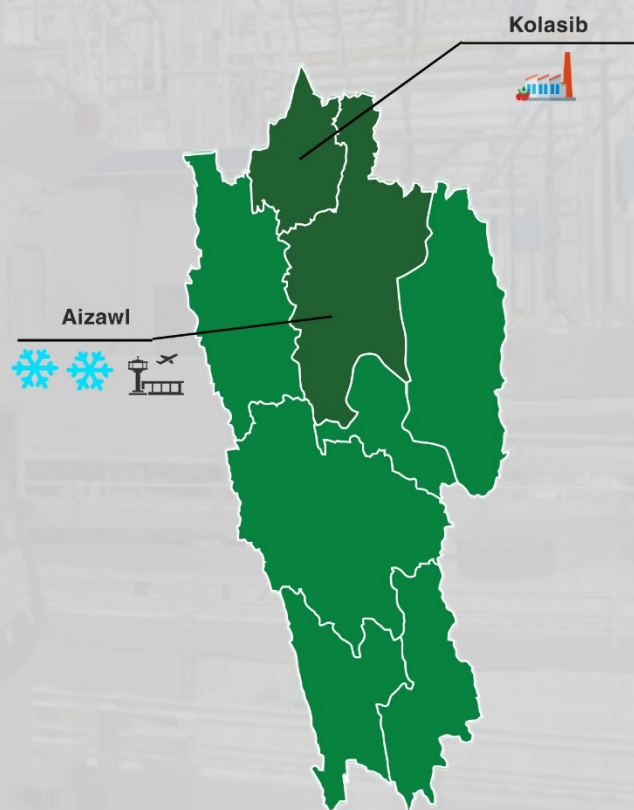
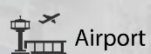
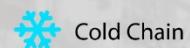
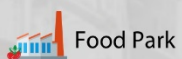
### Cold Chains:

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<sup>17</sup>:

S.no	Project	Type of Product	District
1	Zoram Fish Seeds Production Centre	Fish Seeds	Aizawl
2	Mizofa Fish Seed Farm	Fish Seeds	Aizawl

# Infrastructure

## Infrastructure Clusters



## State government initiatives (1/2)

### Investor Facilitation Initiatives



- ▶ **Time Bound Service Delivery:** Legislation has been implemented to ensure time bound delivery of services to deter officials from not complying with the defined timelines for services being provided to Industries/ Businesses



- ▶ **Grievance Redressal:** Clear mechanisms defining clear procedures for applicants to submit grievances relating to non-compliance with the defined timelines



- ▶ **Commercial Courts:** Special bench under the High Court for commercial cases with clear procedures and defined timelines for all key court events.



- ▶ **Online Filing:** Online system for filing of EM Part I and Part II under The Micro, Small and Medium Enterprises Development Act, 2006



## State government initiatives (2/2)

### Key Highlight: Mizoram Industrial Policy 2012<sup>20</sup>

Name of Policy	Mizoram Industrial Policy 2012
<b>Focus Sector</b>	Industries based on agricultural, horticultural and plantation produce
<b>Nodal Department</b>	North Eastern Development Finance Corporation Limited (NEDFI)
<b>Capital Subsidy</b>	(i) 90 per cent in case of micro enterprises subject to a ceiling of INR 5,000/- per unit. (ii) 75 per cent in case of small enterprises subject to a ceiling of INR 25,000/- per unit. (iii) 50 per cent in case of medium enterprises subject to a ceiling of INR 50,000/- per unit.
<b>Interest Rebate/Subsidy</b>	Only for new Industrial Unit for a period of 5 years:  i) The interest on loan paid by an industrial unit in excess of 8.5% shall be subsidized up to a maximum of 4%  ii) Subsidy shall be limited to a claim on a total amount not exceeding INR 3,60,000/- paid by an industrial unit towards interest on term loan in a full year. However, for working capital loan, the total amount paid towards interest on which subsidy can be claimed shall be limited to INR 1, 20,000/- in a full year.  iii) If the unit avail interest subsidy under NEIIPP, only the shortfall amount, if any, will be applicable for interest subsidy on working capital loan
<b>Quality Certification</b>	Scheme will be formulated to support industrial unit for obtaining quality certification
<b>Power Related Incentives</b>	Only for new MSME unit for a period of 5 years:  i) 60% of total expenditure on power consumption in case of micro enterprises ii) 50% of the total expenditure on power consumption in case of small enterprises iii) 30% of the total expenditure on power consumption in case of medium enterprises iv) Subsidy on Power Plant: 50% of the actual expenditure to a ceiling of INR 50,000/- per unit v) 50% of the cost of Captive generating set and installation charge thereof subject to a ceiling of INR 3,00,000/- per unit
<b>Land Related Concession/Exemption</b>	Govt. of Mizoram is mandated in giving sustainable employment and introducing better utilization of land by introducing New Land Use Programme (NLUP). The NLUP aimed at increasing Agriculture, Horticulture and livestock produce, better utilization of forest resources, plantation and development of Micro Enterprises at the rural level At the Notified industrial area:  ▶ 25% of the lease charge/fee of allotted developed/undeveloped land will be subsidized for a period of 5 years unless the claimable amount is not adjusted at the time of payment of such fee or charges ▶ 25% of the amount spent by the unit on development of undeveloped land allotted to the unit will be subsidized ▶ Rent Subsidy: 50% of the duly assessed rent of factory Shed subject to a ceiling of INR 30,000 per unit per year



<b>Reimbursement on Transportation</b>	For New MSME unit for a period of 5 Years: 50% of the actual cost of transportation by railway or on road or both of plants and machineries
<b>Skill Development / Human Resource Development</b>	50% of the actual course fee for training subject to a ceiling of INR 10,000 per trainee and INR 50,000 per unit per year Other state initiatives include: <ul style="list-style-type: none"> <li>▶ Training will be organized and sponsored trainees based on the industrial requirement of the state</li> <li>▶ Organizing product specific skill development training in association with various training institutions</li> <li>▶ Sponsorship of trainees in various national level training Institutions</li> <li>▶ Capacity building and training for officials of Industries Department in various fields in association with national institutes and funding from Govt. of India</li> </ul>
<b>Employment Generation related incentives</b>	Entrepreneur's facilitation centre will be set up in all the DICs which will be networked to the resource centre in the Directorate of Industries. This centre will act as source of information for the entrepreneurs and will extend guidance support to entrepreneurs
<b>Technology upgradation and R&amp;D related Incentives</b>	Scheme will be formulated to support industrial unit to undertake R&D activities for development of new design, products, machines and technology
<b>Others:</b>	100% Income Tax exemption will continue under NEIIPP, 2007 as was available under NEIP, 1997 New industrial units as well as the existing units on their substantial expansion will be eligible for reimbursement of 100% insurance premium
<b>Website link of policy document</b>	<a href="https://industries.mizoram.gov.in/downloads/file/3">https://industries.mizoram.gov.in/downloads/file/3</a>

## Snapshot of potential investable projects

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

Project name	Processable Products/ Infrastructure	Value Proposition
Establishment of Fruit Processing Unit	Pulp, squash/ juices, jam & jellies, pickles, etc.	The project is essential as the state government is trying to make use of the availability of raw material and need for controlling wastage through processing. As the production increases there will be need for processing facilities and FPU is one of the basic processes required.
Medical Herbs Extraction Unit	Herbs & Spices	Large raw material base of ginger & turmeric has created an opportunity for value chain of these products.

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- <sup>6</sup> Statistical Year Book India 2017, MOSPI (includes state highway, national highway, other PWD roads, rural roads, urban roads).
- <sup>7</sup> As per Ministry of Railways press release it is 5258.49 km (As on 31.3.2016)
- <sup>8</sup> <http://ourairports.com/countries/IN/OR/airports.html>
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