



FOOD PROCESSING SECTOR IN BIHAR

*Where abundance
meets opportunity*



SAMIR KUMAR MAHASETH
Hon'ble Minister,
Department of Industries
Government of Bihar

MESSAGE FROM THE MINISTER

Bihar is an agricultural powerhouse with a significant production base of fruits, vegetables, grains, milk and meat. It also has a large and growing consumer market, making it an ideal investment destination for the food processing sector.

The Government of Bihar is committed to developing the food processing sector in the state. We have implemented a number of policies and initiatives to attract investment and promote growth in this sector. These include: providing financial incentives to food processing units; setting up mega food parks and industrial clusters and providing support for infrastructure development.

There is much scope for growth in the food processing sector in Bihar. We are working hard to attract more investment and promote innovation in this sector. We are also working to improve the infrastructure and logistics facilities that support the food processing industry.

I invite all investors and entrepreneurs to come to Bihar and explore the opportunities in the food processing sector. We are committed to providing you with all the support you need to succeed. Together, we can build a thriving food processing industry in Bihar that will benefit all stakeholders.



MESSAGE FROM THE ADDITIONAL CHIEF SECRETARY

SANDEEP POUNDRIK
Additional Chief Secretary
Department of Industries
Government of Bihar
[@SandeepPoundrik](#)

Bihar is a state with immense potential for the food processing industry. It is one of the largest producers of agricultural and horticultural produce in India, with a significant share in the production of cereals, pulses, oilseeds, fruits and vegetables.

The Government of Bihar is committed to developing the food processing industry in the state. It has recognised the sector as a priority sector and has taken a number of initiatives to promote its growth.

One of the most significant achievements in the state's food processing sector is the Motipur Mega Food Park in Muzaffarpur. This 144-acre park is one of the largest mega food park in eastern India.

Bihar also ranks first among all Indian states in terms of the number of micro food processing enterprises registered under the PM Formalization of Micro Food Processing Enterprises (PMFME) scheme. This scheme, which was launched in 2020, aims to provide financial, technical, and business support to MFPEs.

The food processing industry in the state has a bright future ahead. I am confident that the industry will play a major role in the state's economic development.

I invite entrepreneurs and investors to explore the opportunities available in the food processing industry in Bihar. Together, we can create a vibrant and thriving food processing industry in Bihar.

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MESSAGE FROM THE DIRECTOR, FOOD PROCESSING

VIVEK RANJAN MAITREY
Director, Food Processing
Department of Industries
Government of Bihar

Bihar is committed to the development of the food processing sector, which is a key driver of agricultural growth, rural employment and economic prosperity. Bihar is a major producer of a wide range of agricultural products, including fruits, vegetables, cereals, pulses and dairy. This provides food processors with access to a consistent supply of high-quality raw materials.

The state is also centrally located, which makes it easy to transport processed food to major markets across India.

In recognition of the sector's importance, Bihar promotes food processing sector growth with streamlined single window system, guided support, financial incentives and infrastructure support.

As a result of these efforts, the food processing sector in Bihar is growing rapidly. The sector is currently estimated to contribute nearly INR 2700 crores to the state economy, and it is projected to grow to INR 4700 crores by 2027-28.

Bihar's exceptional performance in implementing the PMFME scheme has earned it the accolade of "Outstanding Performing State".

The Bihar government is committed to supporting investors and entrepreneurs in the food processing sector. Contact us today to learn more about the many opportunities that Bihar has to offer.

Invest in Bihar's food processing sector and be a part of India's growing food story!

FOOD PROCESSING

ADVANTAGE BIHAR

Bihar, known for its rich history and vibrant culture, is also home to some of the most fertile lands in the country.

Bihar is one of the largest producers of food crops in the country. The state's agriculture sector is a major contributor to its economy.

With a population of nearly 140 million, Bihar represents a significant consumer base for food products.

With abundant agricultural resources, Bihar provides reliable supply of raw materials for food processing businesses.

The state has emerged as a leader in the production of fruits and vegetables, and a variety of crops such as foxnut (makhana), mango, litchi, guava, pineapple, banana, papaya, maize, wheat, sugarcane, tomato, green chillies, beans, carrots, and potatoes, among others.



The state has rich flora and ecological conditions favourable for beekeeping.

Bihar also has tremendous potential for growth in areas such as dairy.

Bihar has a large pool of skilled and semi-skilled workers available at competitive wage rates making it cost-effective to set up food factories.

The state ensures a stable supply of electricity to industrial units.

1. The state has developed agro business ecosystem providing necessary infrastructure and facilities.
2. Land bank of 3000 acres available in industrial areas for allotment.
3. Plug-and-play industrial infrastructure is available for monthly rental as low as INR 4 per square foot.
4. Guided tours to available industrial plots and facilities with opportunity assessment.
5. Operational Single Window Clearance System to ensure ease of doing business.
6. Facilitation in getting mandatory NOCs/licenses and departmental approvals through weekly review meetings.
7. The government provides financial incentives such as subsidies and tax exemptions for businesses operating in the food processing sector.
8. Support for workforce and bank linkages
9. Training support

Bihar is well-positioned to benefit from various economic corridors, including the Amritsar-Kolkata Industrial Corridor (AKIC), the Eastern Dedicated Freight Corridor (EDFC), SAARC Corridor, and the East West Corridor

Infrastructure:
The Key to
Economic Growth



Connectivity

The state has a well-developed transport infrastructure, with good connectivity by road, rail, air, and water.

1 //

ACCESS TO 7 AIRPORTS (3 IN THE STATE)

There are 3 airports in Bihar (Patna, Gaya, and Darbhanga) and 4 airports in adjoining states (Deoghar, Varanasi, Kushinagar, and Bagdogra) that are all within a distance of 50 kilometers.

2 //

NATIONAL WATERWAY (NW)

Seven national waterways pass through Bihar, and one of them, the Allahabad-Haldia waterway, is already operational. The other six waterways are still under development.

3 //

EDFC (EAST DEDICATED FREIGHT CORRIDOR)

The Eastern Dedicated Freight Corridor (EDFC) connecting Ludhiana to Kolkata through rail freight also passes through Bihar (Kaimur, Rohtas, Aurangabad, and Gaya), spanning a length of 239 kilometers (out of a total of 1,839 kilometers).

4 //

SAARC (SOUTH ASIAN ASSOCIATION FOR REGIONAL COOPERATION) CORRIDOR

Promoted by the Asian Development Bank (ADB), the SAARC corridor is being developed under the South Asia Subregional Economic Cooperation (SASEC) program.

5 //

EAST WEST CORRIDOR (SILCHAR-PORBANDAR)

The 3,300 km corridor via National Highway 27 also passes through Bihar (Muzaffarpur, Darbhanga, Supaul, Purnia, and Kishanganj).

6 //

AKIC (AMRITSAR KOLKATA INDUSTRIAL CORRIDOR)

Integrated Manufacturing Cluster (IMC) is being developed by the Government of India (GoI) at Gaya under the AKIC with a site area of approximately 1,670 acres.

The IMC is profoundly suitable for the purpose of transforming it into a manufacturing hub of the future in the state of Bihar.

Proposed sectors include textile, food processing, engineering, fabrication, defense products, etc.

IRRADIATION CENTERS AND PACK HOUSES

With a view to carving out a niche for Bihar's fruit and vegetables (F&V) produce and for ensuring an appropriate standard in exports, Department of Industries is developing integrated facilities such as pack house to encourage exporters of horticultural produce to meet the international standards in terms of quality of produce with quarantine safety.

Department of Industries plans to establish four Irradiation Centers and nine pack houses in coming years.



MOTIPUR

MEGA FOOD PARK

The 144-acres Motipur Mega Food Park is one of the largest food parks in eastern India, with an expected investment of ₹1500 crores and a project cost of ₹180 crores.

The Mega Food Park in Muzaffarpur aims to facilitate the establishment of a strong food processing industry backed by an efficient supply chain including Collection Centres (CC), Primary Processing Centers (PPC), Central Processing Center (CPC) and Cold Chain infrastructure.

The Mega Food Park on being fully operational is expected to benefit about 25000 farmers.

CCs & PPCs: These components have facilities for cleaning, grading, sorting & packing, dry warehouses, specialised cold stores including precooling chambers, ripening chambers, etc.

CPCs: This Includes common facilities like Testing Laboratory, Cleaning, Grading, Sorting and Packing Facilities, Dry Warehouses, specialized storage facilities including Controlled Atmosphere Chambers, Pressure Ventilators, variable Humidity Stores, pre-cooling Chambers, etc.

The primary processing centres for the Mega Food Park are located in Donar Darbhanga, Pandaul Madhubani and Kumarbagh West Champaran. These centres will be responsible for collecting and processing raw materials from the surrounding areas.



BIADA
BIHAR INDUSTRIAL AREA
DEVELOPMENT AUTHORITY



INDUSTRIAL LAND BANK

Bihar has 75+ industrial areas that have been categorised into six categories based on connectivity, infrastructure, and accessibility.

3000+ acres of industrial land available

acres of +3000 Bihar offers 90 industrial land for lease for years, with lease rates starting lakh/acre and most from ₹37 65-rates ranging between ₹50 .lakh/acre

Infrastructure

Department of Industries has recently developed a significant infrastructure, including plug-and-play infrastructure, drainage systems, internal roads, boundary walls, street lights in industrial areas, startup business centers, investment promotion complexes, malls, data centers, and city logistic plans. INR 1,372.81 crores have been spent so far, and another INR 2,000 crores have been proposed for further infrastructure development.



Quick Land Allotment Process

BIADA provides land to industries for setting up Industrial Projects on leased basis. Land allotment process is hassle-free and quick.

Plug & Play Industrial Sheds

The Bihar Industries Department is offering 24 lakh square feet of pre-constructed industrial facilities with basic infrastructure, available for immediate occupancy at a monthly rent of ₹4-8 per square foot, on a 15-year initial lease.

Area wise land and Plug & Play details along with the rate and map available on biadabihar.in

**FOOD PROCESSING SECTOR
IN BIHAR - AN OVERVIEW**

1. Agriculture sector in Bihar contributes more than 20% to the state GSDP.
2. Total vegetable production in the state was 178.4 lakh tonnes in 2021-22.
3. Total production of flowers in the state was 11.14 thousand tonnes grown on 1.21 thousand hectares.
4. GI-tagged agricultural products include Shahi Litchi, Zardalu Mango, Magahi Paan, Katarni Rice, Makhana, Silao Khaja, and Marcha rice.
5. The state has a wide and diversified crop base and the capacity to establish food processing units.
6. Agro-climatic zones favor the cultivation of a multitude of crops, vegetables, and fruits.



Bhagalpuri Zardalu



Katarni Rice



Magahi Paan



Silao Khaja

INDIGENOUS PRODUCE - 7 GI TAGS

Bihar has many Geographical Indication (GI) tagged food products, a sign of their unique quality and origin.

Bihar produces nearly 85% of India's makhana, or foxnut, considered a superfood due to its high protein, fiber, and iron content.

Muzaffarpur district in Bihar, the most important litchi-growing state, records the maximum yield of the Shahi litchi variety.

Champan in Bihar grows the Marcha rice, an indigenous variety of paddy famous for its aroma and taste.

Bhagalpur and Banka districts in Bihar grow the Katarni rice, a short-grained variety.

Bhagalpur district in Bihar grows the Zardalu mango, known for its light yellow skin, sweet taste, and distinct aroma.

Silao Khaja is a layered flaky, sugary delight from Nalanda district of Bihar.

Aurangabad, Gaya and Nalanda districts in central Bihar grow the Magahi paan, a non-fibrous, sweeter, tastier, and softest variety of betel leaf.



Shahi Litchi



Mithila Makhana



Marcha Rice



Largest producer of Litchi in India



3rd largest producer of Mangoes in the country

BIHAR
WHERE
ABUNDANCE
MEETS
OPPORTUNITY



4th largest producer of Vegetables in India



3rd largest producer of Mangoes in the country

ROBUST AGRICULTURAL BASE

Bihar is an agricultural powerhouse, with 77.9% of its workforce employed in the sector, significantly higher than the national average of 54.6%.

Agriculture is a vital sector of the Bihar economy, and the food processing industry has immense potential in the state.

Agriculture and allied sectors have shown encouraging growth in Bihar, with the gross cropped area

at 72.97 lakh hectares in 2019-20 and a cropping intensity of 144 percent. Over the past five years (2017 to 2022), agriculture and allied sectors grew at an average rate of 2.1%, contributing 20% to the Gross State Value Addition (GSVA) during the same period.

Livestock and fisheries have grown particularly well among the sub-sectors.

The state has achieved near self-sufficiency in fish production with record output figures. Bihar also has impressive milk production figures.

The food processing sector is essential for building strong ties between the industrial and agricultural sectors.

It encourages cooperation and integration, which benefits both sectors and strengthens the entire agricultural value chain.



1. FOOD CROPS

Bihar's crop growth is attributed to fertile soil, ample water, abundant labour, input subsidies and new technology adoption. Foodgrain production rose from 163.8 lakh tonnes in 2019-20 to 184.9 lakh tonnes in 2021-22.

Key Statistics

6149.7
WHEAT

12109.8
SUGARCANE

376.8
PULSES

6747
RICE

All figures in '000 MT

Investment Opportunities

Bihar is a major producer of food crops such as rice, wheat, maize, and pulses. There are a number of investment opportunities in the food processing industry related to these crops. Some of the most promising opportunities include:

Primary processing: This involves cleaning, grading, and milling the crops to produce basic products such as rice flour, wheat flour, and cornmeal.

Secondary processing: This involves using the primary processed products to produce more complex food products, such as bread, pasta, biscuits, cereal, and snack foods.

Value-added processing: This involves further processing the food products to improve their quality, shelf life or nutritional value.

2.

HORTICULTURE

Bihar's horticulture sector, comprising fruits, vegetables and flowers, is a vital cog in the state's agricultural economy. Bihar is the **third largest** producer of vegetables and **fourth largest** producer of fruits in the country.

Investment Opportunities

There is significant potential for investment in food processing units for horticultural produce, such as fruit and vegetable processing units, spice processing units, and juice and beverage manufacturing units.

Fruits

Total fruit production in the State stood at 49.87 lakh tonnes grown over an area of 3.64 lakh hectares as per 2021-22.

1549.97
MANGO

434.41
GUAVA

308.06
LITCHI

1968.21
BANANA

All figures in '000 MT

Vegetables

Bihar's favorable soil conditions and abundant water resources provide a robust foundation for vegetable production. The Chief Minister's Horticulture Mission has accelerated vegetable production in the state, resulting in a record total production of 178.4 lakh tonnes in 2021-22.





3. ANIMAL HUSBANDRY, FISHERIES AND DAIRY

Animal-sourced food demand is rising due to nutrition and changing dietary preferences, presenting a significant opportunity for meat and milk processing units.

Investment Opportunities

01. There is a growing demand for imported meat and poultry products in many countries. Investors can invest in exporting meat and poultry products to these markets. Processed meat products, such as sausages, bacon, and ham, are in high demand from consumers. Investors can invest in building or expanding processing plants that produce processed meat products.
02. Processed products, such as canned fish, frozen fish, and fish sticks, are in high demand from consumers abroad. Investors can invest in building or expanding processing plants that produce processed products.
03. Investors can capitalise on the high demand for processed dairy products, such as cheese, yogurt, butter, and ice cream or developing and marketing new value-added dairy products, such as lactose-free milk, fortified milk, and probiotic yogurt.



11502
'000 tonnes
Milk



397
'000 tonnes
Meat



6.4 lakh
tonnes
Fish

OUR OFFER

1. Ready to move

Plug & Play facilities and fast land allotment process

2. Guided Tours

Guided tours to available plots and Plug & Play facilities with opportunity assessment

3. Regulatory Approvals

Full support in getting mandatory NOCs/licenses and departmental approvals through weekly review meetings



4. Single Window Clearance

You will just apply for clearances. We follow up in weekly meetings

5. Bank Linkages

Our support for bank linkages to industries aims to improve the flow of credit to businesses

6. Training Supportt

Businesses that set up their unit in Bihar will be provided with 3-6 months of training support for their employees.

POLICY SUPPORT

INCENTIVES

Bihar offers a suite of fiscal and non-fiscal incentives to investors in the food processing sector.

1

INTEREST SUBVENTION

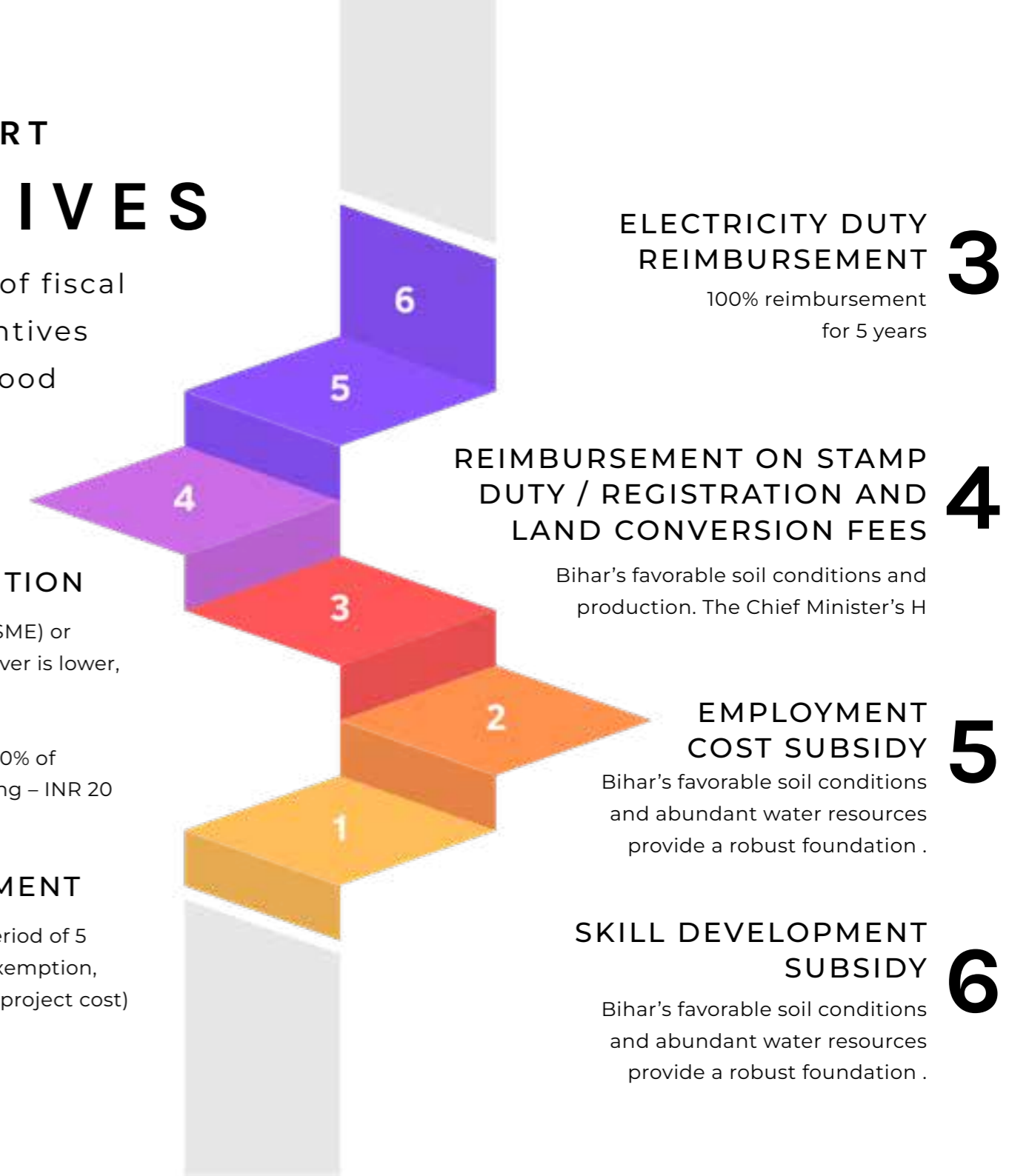
10% on Term Loan (12% for MSME) or actual rate of interest whichever is lower, for a period of 5 years.

Upper limit: (High-Priority – 50% of approved project cost, Capping – INR 20 crores)

2

SGST REIMBURSEMENT

SGST reimbursement for a period of 5 years. (High- Priority : 100% exemption, Maximum: 100% of approved project cost)



ELECTRICITY DUTY REIMBURSEMENT

100% reimbursement for 5 years

3

REIMBURSEMENT ON STAMP DUTY / REGISTRATION AND LAND CONVERSION FEES

Bihar's favorable soil conditions and production. The Chief Minister's H

4

EMPLOYMENT COST SUBSIDY

Bihar's favorable soil conditions and abundant water resources provide a robust foundation .

5

SKILL DEVELOPMENT SUBSIDY

Bihar's favorable soil conditions and abundant water resources provide a robust foundation .

6

FOOD PROCESSING IN BIHAR

SOME KEY PLAYERS



OUTSTANDING PERFORMING STATE

Bihar has been awarded the “Outstanding Performing State”

under the PMFME scheme for its commendable efforts

in promoting the food processing industry. The state is

honoured during the World Food India 2023 event held at

Pragati Maidan from November 3 to 5, 2023.



invest
BIHAR
A land of immense opportunities



DIRECTORATE OF FOOD PROCESSING
DEPARTMENT OF INDUSTRIES
GOVERNMENT OF BIHAR

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2ND FLOOR, VIKAS BHAWAN, NEHRU PATH, PATNA. PHONE: +91 612-221508 EMAIL : invest-bihar@gov.in
INVESTMENT FACILITATION CENTRE, INDIRA BHAWAN, ATAL PATH, PATNA