

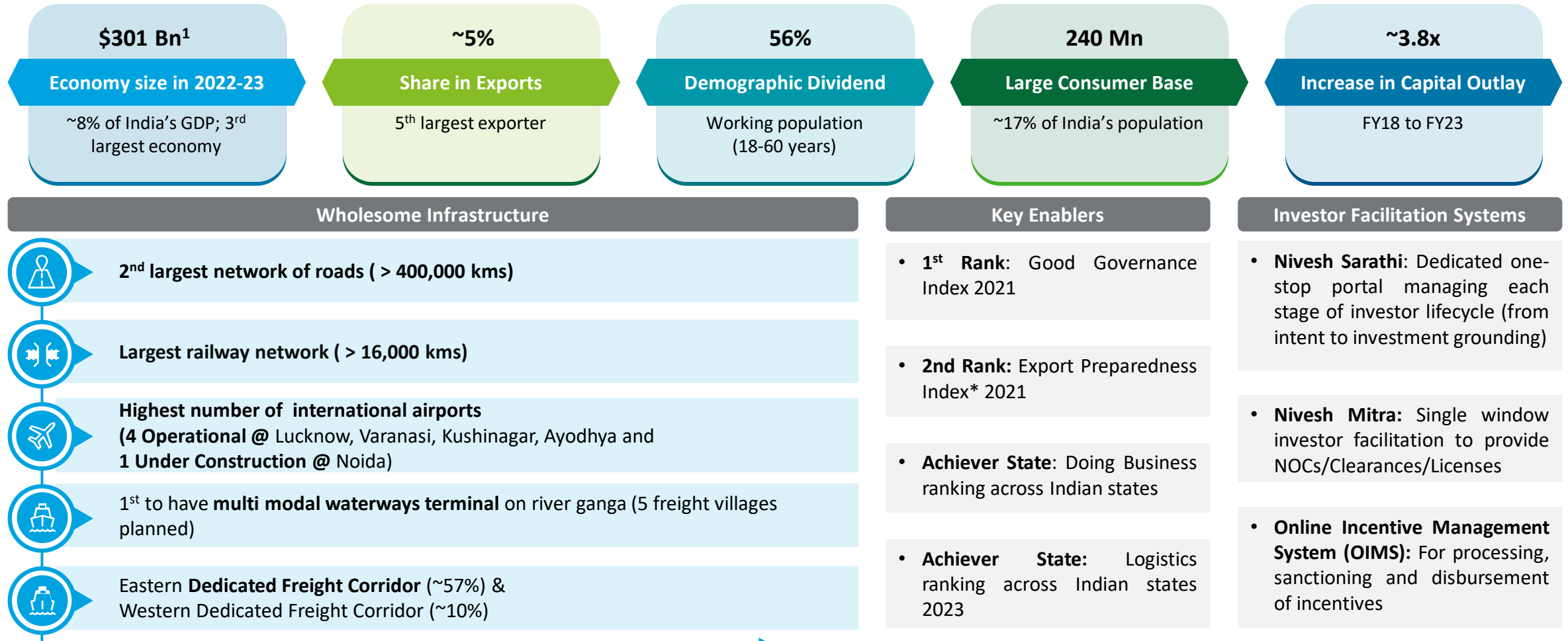


Uttar Pradesh Agri Input

Sowing Prosperity, Harvesting Progress

UP – State with Robust and Resilient Economy

The economic momentum of UP is well-poised to continue on a higher trajectory



¹Exchange rate assumed as \$1 = ₹75

*Among landlocked states

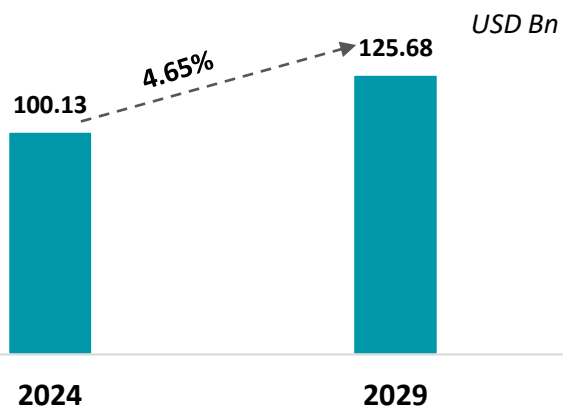
Sources: UPDES; Population Projections – MoHFW for FY22, GSVA at current prices 2011-12 series; InvestUP; RBI; World Bank; DGCIS; Deloitte Analysis



Section A – Agriculture & allied (Crop Protection) in UP | An overview

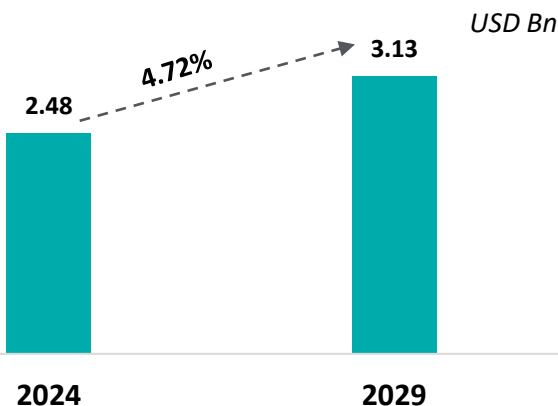
Uttar Pradesh, a key agricultural hub, features a sizable crop protection market driven by growing demand for food grains and horticultural products, leading to consistent market growth.

Global Crop Protection Chemicals Market*

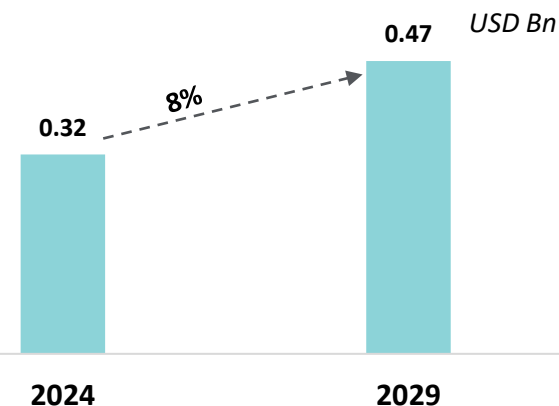


*Source: Mordor Intelligence

India Crop Protection Chemicals Market*



Uttar Pradesh Crop Protection Chemicals Market#



#Source: Internal research

Cutting-edge solutions provided by private enterprises based in UP

- Introduce new AIs or blends for enhanced pest, disease, and weed control.
- Innovate AI formulations to boost agricultural productivity.
- Develop advanced, sustainable, eco-friendly solutions for effective pest, disease, and weed management.
- Engage in continuous R&D to offer cutting-edge technologies.

Existing Demands

- Lack of awareness about pesticide residues in UP market, critical for export markets.
- Presence of only few companies/startups offering non-chemical solutions.
- Rising demand for environmentally friendly alternatives.
- Opportunity to promote and expand adoption of biological solutions in UP and beyond.

Major Players





Section B – Government initiatives to boost the sector

Agri/Horti Sector initiatives under UP \$1TN

Policy Highlights

As part of UP govt's initiative to achieve a \$1Tn Economy, UP Govt has introduced multiple policies which would greatly benefit investors in the state.

UP Agriculture Export Promotion Policy 2022

| Cluster Area | Incentives |
|--------------|------------|
| 50 – 100 ha | 10 lakhs |
| 100 – 150 ha | 16 lakhs |
| 150 – 200 ha | 20 lakhs |
| 200 – 250 ha | 28 lakhs |
| 250 – 300 ha | 34 lakhs |
| 300 – 350 ha | 40 lakhs |

If area of cluster increases, increase in amount of INR 6 lakh permitted

The incentive limit is on completion of cluster construction, registration and export obligation

UP Industrial Investment & Employment Promotion Policy 2022

| Categories | Capital Investment |
|------------|--------------------------------------|
| Large | Above ₹50 Cr but below ₹200 Cr |
| Mega | ₹200 Cr or above but below ₹500 Cr |
| Super Mega | ₹500 Cr or above but below ₹3,000 Cr |
| Ultra Mega | ₹3,000 Cr or above |

Investment Promotion Subsidy: A **one-time choice** is given between **three mutually exclusive options** during the time of application. Request for additional chance of changing the option has been processed and is pending for the approval.

- **Option 1:** Capital subsidy with boosters (Employment booster, Export booster & Ecosystem booster)
- **Option 2:** Net SGST 100% Reimbursement subject to conditions
- **Option 3:** PLI Top-up

A Policy Implementation Unit (PIU) will be established under Invest UP for effective implementation of the policy

Agri/Horti Sector initiatives under UP \$1TN

Policy Highlights – Uttar Pradesh Food Processing Industry Policy 2023

Subsidies & Incentives

01

Capital subsidy

- Plant, machinery, and technical civil work - 35% capped at INR 5 Cr
- Expansion and modernization / up-gradation – 25% capped at INR 1 Cr

Incentives

- Exemption from charges: 2% of the value at circle rate
- 75% rebate on external development charges
- 50% fees waived off on CLU (Conversion of Land Use)
- Stamp Duty Exemption @100%

Infrastructure Support

02

- Cold Chain and value addition infrastructure: 35% capped at INR 10 Cr
- Frozen storage/deep freezer & value addition: 50% capped at INR 10 Cr
- Agro processing clusters: 35% capped at INR 10 Cr
- Creation of backward and forward linkages: 35% capped at INR 10 Cr

Technology & Innovation

03

- Solar power projects: 50% subsidy in rural areas, 90% for women entrepreneurs
- Assistance for modern technology adoption: Up to Rs. 5 crores
- Promotion of decentralized processing and storage: Assistance for SHGs/FPOs/Farmers capped at 50% of total project cost or Rs. 50 lacs

Market Facilitation

04

- 25% Freight Subsidy on exports excluding Nepal, Bangladesh and Bhutan
- Exemption from Mandi fees and cess
- Support for food processing start-ups and SHGs/FPOs/Farmers

Key supporting measures:



Affirm fair & remunerative price of the produce to the growers



Ensure Value addition to the price of raw produce



Promote setting up of food processing industries



Easy availability of processed food products to consumers at competitive prices



FDI, Fortune Global 500 & Fortune India 500 Companies Investment Promotion Policy, 2023

Eligibility Criteria:

- ✓ Projects with Foreign Direct Investment (FDI) Capital Investment of above ₹100 crores.
- ✓ Projects with Capital Investment of more than ₹100 crores by companies included in the list of Fortune Global-500 and Fortune India-500, subject to Negative list.

UP FDI and Fortune 500 Policy 2023 – Fiscal Incentives

Major benefits

Capital subsidy

- 25% of *ECI (excluding land cost) in Gautam Buddha Nagar and Ghaziabad regions
- 30% of ECI (excluding land cost) in Paschimanchal and Madhyanchal regions
- 35% of ECI (excluding land cost) in Bundelkhand and Purvanchal regions

Capital Subsidy will be provided in 7 equal annual instalments with annual capping of INR 100 crores

SGST reimbursement/ refund

- **Option A - Net SGST reimbursement on sales:**
 - 100% of net SGST paid for 10 years
 - Annual capping: Upto 10% of ECI, Overall capping: Upto 100% of ECI (excluding land cost and capital subsidy)
- **Option B - Input SGST refund on capital goods:** 100% SGST refund in 5 annual instalment (Applicable only in case of inverted duty structure)

Note: Option to choose any one out of A and B is available

Land subsidy

- Upto 75% in Paschimanchal and Madhyanchal region
- Upto 80% in Bundelkhand and Purvanchal region

Other fiscal benefits

- **Stamp Duty & Registration Fees:** 50% - 100% exemption/ reimbursement

- **Electricity Duty:** 100% exemption from for 5 years

- **Skill development subsidy:** Upto INR 5,000 p.m. per person for 5 years (max. 500 persons)

- **Green Industry Incentives:** 50% capital subsidy on the cost of Effluent Treatment Plant capped at INR 2.5 crores

- **Industrial Housing Incentives:** Reimbursement upto 10% of the cost of development of workers' housing or dormitory for 7 years overall capped at INR 10 crores

- **R&D incentives:** Reimbursement upto 25% of the cost of standalone R&D centre capped at INR 10 crores (with minimum capital investment of INR 20 crores)

- **Centers of Excellence (CoE):** Grant upto 50% of the project cost capped at INR 10 crores per project
Note: Option to choose any one out of above is available

- **Logistics Subsidy:** Reimbursement upto 50% of the transportation cost on import capped at INR 12 crores per unit (in case of shifting of existing plant from international or domestic locations to UP)

- **Patent cost:** Reimbursement upto 75% of the cost capped at INR 10 lakh (for domestic) and INR 20 lakh (for international)

*ECI – Eligible capital Investment



Section C : Overview of Key Opportunities in UP

Key Identified Opportunities

Primary Opportunities:



Zeba Technology's Success Paves the Way to Expansion –

2021 Adoption: 25K acres, 12.5K farmers, in 10 UP & 5 Maharashtra districts.

- **Yield Surge:** 50% rise, from 35-40 to 50-80 tonnes/acre
- **Efficiency Boost:** Cost-saving resource management
- **Financial Gains:** Rs. 5K cost saving (10%), Rs. 20K income increase (15%)
- **Water Conservation:** Saved 7L liters/acre
- **Nutrient Optimization:** 25% reduction in usage

Potential

- Expand Zeba adoption to new crops and regions within UP
- Target water-scarce areas for significant impact



Strategy: UPL can invest in Integrated Farming Systems (IFS), merging crop protection with intercropping, organic farming, and livestock management.

Success Snapshot: In Western UP, intercropping mustard with sugarcane boosted system yield from 58.89% to 86.17%.



Invest in crop protection solutions tailored for food processing crops, leveraging incentives from UP's Food Processing Industry Policy 2023.



Partner with research institutes like the Indian Institute of Sugarcane Research (IISR) Lucknow to conduct joint research studies on crop protection efficacy in UP's agro-climatic conditions.

Other Opportunities



Collaborate with farmers to implement Integrated Farming Systems (IFS) for productivity enhancement



Utilize climate-smart farming expertise to implement resilient practices with UP farmers



Promote Integrated Pest Management (IPM) strategies to reduce pesticide usage in regions lacking IPM