

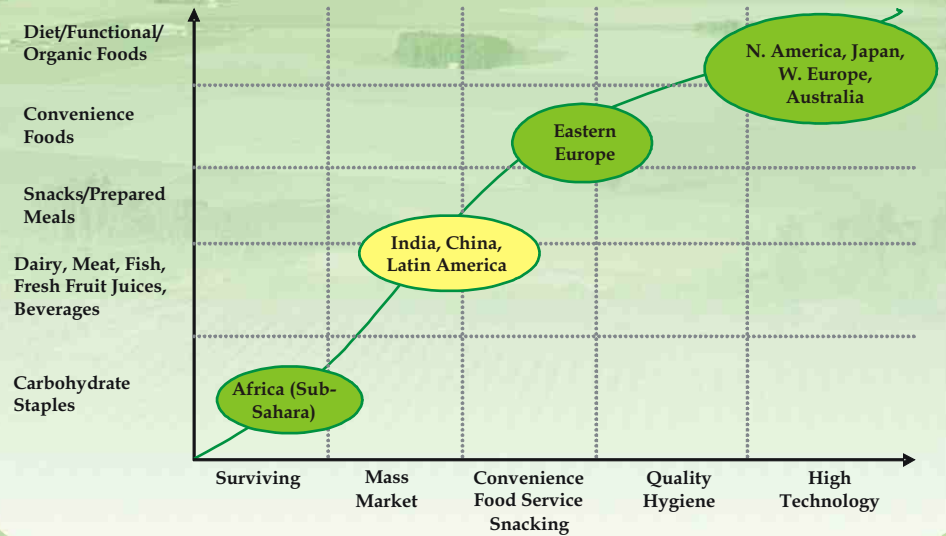


# IFFCO KISAN SEZ - Nellore

**Creating India's First Agribusiness Based Special Economic Zone**

## Introducing Metropolitan Agriculture to India

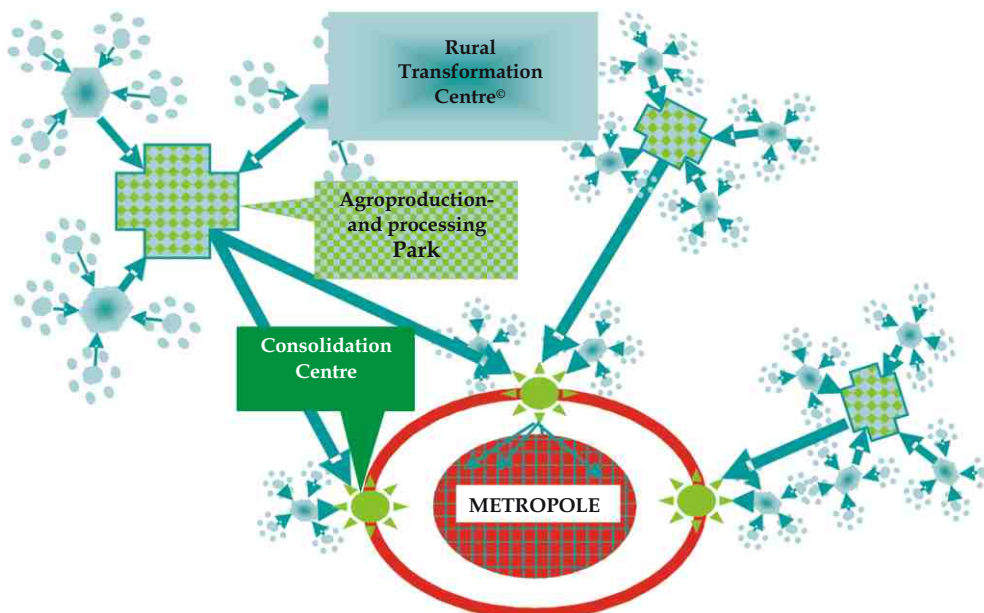
India is urbanizing. Projections indicate that by 2015 the percentage of urban population in India is likely to touch 32 percent from the current level of about 29 percent. Rapid economic growth and urbanization is resulting in demographic changes that are dramatically impacting food consumption patterns and driving up demand for high quality, safe and high value convenience foods. However, lack of scale and an integrated channel to link “farm gate to the food plate” has prevented the transfer of desired technology, infrastructure, high tech agriculture and efficient logistics into India. Realizing the need to bring in high value agribusiness activity into the country, **IFFCO**, Asia's largest fertilizer company and **Greenport Corporation**, part of a global alliance of Greenports has embarked on the development of an **Agri-based Special Economic Zone** based on the concept of **Agroparks (AP)** in Nellore. These developers have brought in the expertise and lessons learned by the Northwestern European agro sector in **innovating metropolitan agriculture** by forging strategic partnerships with Wageningen University and Research Center, the Netherlands and YES BANK Limited. The proposed Agropark would be **India's first Agribusiness based Special Economic Zone (SEZ)**. IFFCO Kisan SEZ is envisaged to be environmentally sustainable and with zero effluent emissions attuned to the philosophy of “**cradle to cradle**”.



## The Agropark Concept

An Agropark is a systems innovation of metropolitan agro production, processing and logistics. As part of an Intelligent Agrologistic Network, it enables a demand driven combination and integration of various agricultural activities.

## Intelligent Agrologistic Networks combine Consolidation Centres, Agroparks and Rural Transformation Centres©.



## The Agropark fits in a network containing three vital appearances:

- **Consolidation Centre:** serves a metropolitan market in a consumer responsive way throughout the year. Seasonal products not available from local producers are being supplied from storage or by trade
- **Agro Production and Processing Park:** combining tailor-made production, processing, collection, R&D, trade and social functions. An Agropark delivers its products throughout the year as independent as possible from season and land
- **Rural Transformation Centre® (RTC®) :** combining collection and storage of farmers produce with rural development services

This is an Intelligent Agrologistic Network which is not only a new perspective of metropolitan agriculture but it also offers access to markets for existing farmers

**An Agropark with components of production, processing, trade, demonstration, R&D, capacity building and social functions, delivers its products throughout the whole year as efficient as possible, independent of season and land.**



## Sustainable development

The spatial clustering of different agro-production chains and the spatial combination of agro-processing and non-agro functions enable many prosperous scenarios. It includes not only the production of food, feed, vegetables and fruits, but also of fuels, fibers, fermented products, flowers, fragrances, flavours, functional foods and nutraceuticals.

The concept of Agroparks is based on the principles of sustainable development.

- Environmental benefits through lower emissions, lower waste and precarious use of water
- Application of principles of industrial ecology, i.e. mutual use of waste and by-products
- Advantages of scale through industrial production and processing
- Reduction of fossil fuel use and veterinary risks because of reduced transport
- Improved animal health management and comfort thereby increasing production levels
- Independence from seasonality and land during the whole year of production cycle
- Enables chain transparency resulting in better quality management
- Improvement of farmers position as a preferred supplier
- Significant reduction of costs



## What is IFFCO Kisan SEZ ?

IFFCO Kisan SEZ is a agribusiness based special economic zone based on the concept of Agroparks. It comes with many customs duty and sales tax concessions provided by the government of India to promote economic activity in notified special economic zones.

IFFCO Kisan SEZ is:

- A notified SEZ spread over approximately 1000 hectares and situated in Nellore District of Andhra Pradesh on the basin of Pennar river.
- Located 20 KM north of Nellore (0.6 million population) in Andhra Pradesh ( a southern state of India)
- Spread on both sides of NH 5
- Has a dedicated railway siding
- Three hours drive from International airport and sea port
- Adresses three major metropolis of India:
  - Chennai with a population of 6.6 million
  - Bangalore with a population of 6.2 million
  - Hyderabad with a population of 5.4 million



## What are the locational advantages of IFFCO Kisan SEZ?



## Located in Nellore (Andhra Pradesh)

- 20 KM North of Nellore town
- Located on NH-5 connecting two large metros, Kolkata and Chennai
- On main line of Railways, connecting major metros, New Delhi, Kolkata, Hyderabad, Chennai and Bangalore (Railway line adjacent to the site)
- Has the most promising sea port, Krishnapatnam already operational at a distance of just 50km
- 180 KM from Chennai (6.6 million population)
- 385 KM from Bangalore (6.2 million population).

## What is the built up infrastructure being provided?

The IFFCO Kisan SEZ comes with a bundle of world class common infrastructure conforming to international standards including internal roads, high quality rain harvest supported water supply, uninterrupted power supply, common operation, maintenance and management of security, logistics, ICT etc. Moreover the agropark offers a framework of industrial ecology, managing waste and byproducts thus significantly reducing costs. The infrastructure includes :

### Industrial

- **Sector / Segment Specific Zones**
  - Greenhouses
  - Livestock
  - Dairy
  - Processing Zone (Primary and Secondary)
  - Knowledge Park
- **Standard Design Factories**

### Commercial

- **Infrastructure for**
  - Office space
  - Service Sector Units
  - Trading Houses
  - Offshore Banking Units
  - Insurance Companies
  - Commodity Exchanges
  - Exhibition Centres
  - Common logistics facility

## Global Trading Hub

- **Infrastructure for**
  - Warehouses
  - Container Freight Stations
  - Silos
- **Testing & Certification Labs**
- **Controlled Atmospheric Storage & Cold Storages**

## Residential and Educational Infrastructure

- **Housing**
- **Training centres**
- **Research and development**
- **Health services**
- **Utility services**

## Others

- **Waste Management and disposal**
- **Water management system**
- **Power supply**
- **Information and Communication Technology**
- **Security services**

## Conceptual master plan of IFFCO Kisan SEZ - Nellore



- Major sugarcane and lentil growing tract
- Primary catchment comprises 170 thousand Ha of Fruits and 30 Thousand Ha of Vegetables
- Primary catchment produces close to two million MT of Fruits and 0.6 million MT of Vegetables
- Major source of supply of fruits such as mango, citrus, papaya, banana and sappota
- Major tomato growing tract in close vicinity
- Heart of Indian Aquaculture
- Is a prime source of supply of poultry products and milk to near by metropolis
- Known for rearing of popular breeds of sheep and goat.

## What are some of the business opportunities that invite you to IFFCO Kisan SEZ?

- **Processing of cereals and pulses**
  - Ready to eat
  - Bakery
  - Biscuits
  - Primary processing and milling
  - Snack Foods
- **Fruits & Vegetables**
  - Mango
  - Citrus (Acid Lime and Sweet Lime)
  - Papaya
  - Tomato and varied vegetable crops
  - Sapota
  - IQF / Freeze dried / RTC / RTE / Pickles
  - Juices, Jams, Jellies, pulp making
  - Snack foods
- **Aquaculture**
  - Fish
  - Shrimp
- **Meat & Poultry**
- **Dairy Processing**
- **Medicinal & Aromatic plants**
- **Feed Manufacturing**
- **Nutraceuticals & Food Additives (ex. Pectin)**



## What are the tax benefits if you locate in a IFFCO Kisan SEZ?

- Exemption from customs duty for all plant & machinery imports
- **Income-tax Holiday for up to 15 years**
  - First 5 years 100%,
  - Next 5 yrs 50%
  - Next 5 yrs up to 50%  
(subject to creation of reserves)
- **No Capital Gains Tax on relocation to SEZ**
- **Exemption from Minimum Alternate Tax to the extent of export profits**
- **Indirect-tax exemptions**
  - Customs duty, Excise Duty, Service Tax, Central / Local Sales Tax

## What are the agri-produce supply strengths of the location?

The IFFCO Kisan SEZ is located in the southern part of Andhra Pradesh state. The catchment area is a strong source of various agricultural produce such as:

- A major paddy (rice) producing region with two to three harvests per year

## What are the additional strategic benefits of locating your facility in IFFCO Kisan SEZ?

Area	Advantages
Infrastructure bundle	<ul style="list-style-type: none"> <li>World class internal roads, drainage, waste management, ICT etc</li> <li>Centrally managed infrastructure</li> <li>Common office space, ware housing facility etc</li> </ul>
Industrial Ecology	<ul style="list-style-type: none"> <li>Common processing of waste and byproducts</li> </ul>
Power	<ul style="list-style-type: none"> <li>In-house power generation</li> <li>Supplementary power being planned with biomass and alternate energy sources.</li> </ul>
Water	<ul style="list-style-type: none"> <li>Assured water supply in different and specific qualities</li> <li>Planned to cover 3 consecutive years of drought</li> <li>Entire rain water harvesting has been incorporated in spatial design</li> </ul>
Manpower	<ul style="list-style-type: none"> <li>Skilled and semi-skilled manpower available from surrounding locations</li> <li>Provision of social infrastructure to employees</li> </ul>
Connectivity	<ul style="list-style-type: none"> <li>Adjacent to NH-5 providing excellent connectivity to near by metropolis</li> <li>180 KM from International Airport and Sea port at Chennai</li> <li>Within 50 KM from Krishnapatnam sea port</li> <li>Railway siding within the park</li> <li>Airport coming up ten kilometers from the park</li> </ul>
SEZ Status	<ul style="list-style-type: none"> <li>Customs duty waivers and tax holidays</li> <li>Customs office within the park</li> </ul>

### Project developers



- The Indian Farmers' Fertiliser Cooperative Limited [IFFCO] was established in 1967 and is the largest chemical fertiliser manufacturer in Asia
- IFFCO is a leading player in India's fertilizer industry and is making substantial contribution to the efforts of Indian Government to increase agricultural productivity in the country.
- IFFCO is an unique venture in which the farmers of the country through their own Co-operative Societies created this institution to safeguard their interests. The number of co-operative societies associated with IFFCO have risen from 57 in 1967 to 38,155 at present
- IFFCO has promoted several institutions and organizations to work for the welfare of farmers, strengthening cooperative movement and improving Indian agriculture as a whole
- IFFCO has more than 55 million farmers as its share holders and is among the most respected companies in India
- IFFCO Kisan SEZ is a forward looking effort to efficiently link farmers to the rapidly changing food demand in India and the world.



- Focused approach on building Agri Infrastructure
- Vast experience in project development
- Part of global alliance of GreenPorts

### Project advisors



- World renowned University of agriculture and applied sciences
- Pioneer in development of Agro Parks across the world
- Vast technical experience in agriculture, agro-logistics, spatial planning and industrial ecology
- Project team with vast experience in agriculture, food technologies, supply chain & logistics, production and processing



- India's only green field bank in the last 14 years
- Unique Knowledge based approach to banking
- Focused approach on food and agribusiness sector
- Specialized Food & Agribusiness Strategic Advisory and Research (FASAR) division domiciled within the bank to cater to stakeholders across the food & agri value chain

### Contact Information

**IFFCO Kisan SEZ:** raja@iffco.nic.in  
**Greenport Corporation:** balaji.s@greenportindia.com

**Wageningen University and Research Centre:** peter.smeets@wur.nl  
**YES BANK:** kalyan.chakravarthy@yesbank.in