



Government of Uttarakhand

UTTARAKHAND AROMA POLICY, 2018

उत्तराखण्ड शासन
उद्यान एवं रेशम अनुभाग-2
संख्या: 915/XVI-2/18/19(14)2018
देहरादून दिनांक 28 सितम्बर, 2018

अधिसूचना

उत्तराखण्ड राज्य के अन्तर्गत सगन्ध फसलों के कृषिकरण की व्यापक संभावनाओं को दृष्टिगत रखते हुए कृषकों के द्वारा उत्पादित विभिन्न सगन्ध प्रजातियों/सगन्ध तेल/हर्ब आदि के लिए बेहतर बाजार उपलब्ध कराकर कृषकों की आय में वृद्धि एवं ग्रामीण क्षेत्रान्तर्गत रोजगार के बेहतर अवसर सृजित करने के निमित्त श्री राज्यपाल उत्तराखण्ड राज्य हेतु संलग्न "Uttarakhand Aroma Park Policy-2018" प्रख्यापित करने की सहर्ष स्वीकृति प्रदान करते हैं।
संलग्न: प्रश्नोत्तर

(अरविन्द सिंह हयाँकी)
सचिव।

संख्या: 915/XVI-2/18/19(14)2018 तददिनांक

प्रतिलिपि, निम्नलिखित को सूचनार्थ एवं आवश्यक कार्यवाही हेतु प्रेषित:-

1. निजी सचिव, मा. मुख्यमंत्री, उत्तराखण्ड शासन को मा. मुख्यमंत्री जी के संज्ञानार्थ।
2. निजी सचिव, मा. उद्यान मंत्री, उत्तराखण्ड शासन को मा. मंत्री जी के संज्ञानार्थ।
3. निजी सचिव, मुख्य सचिव, उत्तराखण्ड शासन को मुख्य सचिव के संज्ञानार्थ।
4. समस्त अपर मुख्य सचिव/प्रमुख सचिव/सचिव/सचिव (प्रभारी), उत्तराखण्ड शासन।
5. सचिव, गोपन (मंत्रि परिषद) अनुभाग, उत्तराखण्ड शासन।
6. महालेखाकार, उत्तराखण्ड ओबराय मोटर्स बिल्डिंग माजरा, देहरादून।
7. आयुक्त, गढ़वाल मण्डल/कुमायूँ मण्डल, पौड़ी/नैनीताल।
8. समस्त विभागाध्यक्ष, उत्तराखण्ड।
9. निदेशक, सगन्ध पौधा केन्द्र, सेलाकुई, देहरादून।
10. निदेशक, उद्यान एवं खाद्य प्रसंस्करण, चौबटिया, रानीखेत।
11. निदेशक, रेशम विकास विभाग, प्रेमनगर, देहरादून।
12. निदेशक, उत्तराखण्ड चाय विकास बोर्ड, अल्मोड़ा।
13. निदेशक, जड़ी-बूटी शोध एवं विकास संस्थान, मण्डल गोपेश्वर, चमोली।
14. मुख्य कार्यकारी अधिकारी, राज्य औषधीय पादप बोर्ड, देहरादून।
15. मुख्य कार्यकारी अधिकारी, भेषज विकास इकाई, देहरादून।
16. मुख्य कार्यकारी अधिकारी, औद्यानिक विपणन परिषद, सर्किट हाउस, देहरादून।
17. समस्त जिलाधिकारी, उत्तराखण्ड।
18. समस्त वरिष्ठ कोषाधिकारी/कोषाधिकारी, उत्तराखण्ड।
19. निदेशक, राष्ट्रीय सूचना विज्ञान केन्द्र, सचिवालय परिसर, देहरादून।
20. गार्ड फाईल।

आज्ञा से,

(डॉ. मेहरबान सिंह बिष्ट)
अपर सचिव।

UTTARAKHAND AROMA POLICY, 2018

1. INTRODUCTION

1.1 The country's INR 15000 crore fragrances and flavours market (aromatic sector) is witnessing buoyant times with consumption demand going up in the Fast Moving Consumer Goods (FMCG) sector, rapid penetration in the rural market, and growing acceptance of Indian items in the global market. Highlights of the sector are as given below:

- India ranks 2nd in essential oil production value (21-22% share)
- The essential oil market is expected to reach USD 11,188 million by 2022, with a Compounded Annual Growth Rate (CAGR) of 8.7% from 2016 to 2022
- Turnover of Indian Herbal industry is around INR 20000 crores (in 2015)
- India ranks 3rd in essential oil production (16 - 17% share)

1.2 The State of Uttarakhand was formed on 9th November 2000 as the 27th State of India, when it was carved out of northern Uttar Pradesh. Located at the foothills of the Himalayan mountain ranges, it is largely a hilly State, having international boundaries with China (Tibet) in the north and Nepal in the east. The State is close to the National Capital and has excellent connectivity with its neighboring States.

1.3 Uttarakhand being a Himalayan state enjoys a distinct advantage over the availability of some valuable Aromatic Plants in the State. Key factor which supplements cultivation of aromatic plants in the State is as given below:

- Uttarakhand is blessed with a variety of soils and agro-climatic conditions, ranging from Sub-Tropical to Alpine, which is a mega biodiversity hotspot for wide range of wild and cultivated aromatic species

1.4 Highlights of Aromatic sector in Uttarakhand are mentioned below:

- Approximately 179 unique & high value aromatic plants found in the State.
- Indian Cassia (Cinnamomum tamala) first Geographical Indication (GI) registration of State (No. 520) due to its rich Cinnamaldehyde content.
- CAGR of 27% (2002 – 17) in turnover of Aromatic sector in Uttarakhand.
- Uttarakhand promotes aromatic crops in organized manner through cluster approach.
- Establishment of 109 aroma clusters.
- Networking of 178 field distillation unit.
- Unique quality of essential oil is produced in the State. Approx 600 tonne of pure and natural essential oils suitable for aroma therapy and spa industry is being produced by around 18000 trained farmers.
- Major aromatic crops include Lemongrass, Damask Rose, Japanese Mint, Chamomile, Cinnamon etc.

2. NEED FOR ESTABLISHING AROMA PARK

2.1 Uttarakhand farmers face typical challenges like damage to crops by wild animals, less of irrigation facilities i.e rain-fed agriculture, transportation constraints, scattered and small land holdings, etc. These challenges force the farmers to shift from agriculture to other livelihood options (in urban areas).

- 2.2 In the last decade, aromatic sector has emerged as viable solution for above mentioned challenges being faced by farmers because aromatic plants are stress tolerant, safe from wild life, require less water, are non-perishable in nature, can be converted into low-volume at field level etc.
- 2.3 In the last ten to fifteen years, more than 18000 farmers have been engaged in aromatic cultivation in 109 aroma clusters and 178 primary distillation units have been installed by the farmer groups. Total production of aromatic sector (essential oil) is around 600 MT. The sector has been growing at CAGR of 27% (during 2002 – 2017).
- 2.4 As a result of the potential as well as success of aromatic sector, the State government has decided to expand aromatic sector in a big way by adding 5000 hectares new area under aromatic sector on a yearly basis.

3. THE PROPOSED AROMA PARK

3.1 Keeping in view the above facts in mind, Aroma Park is being proposed in the State for following reasons:

- Currently, most of the aromatic produce goes out of the State resulting in farmers getting less remunerative prices for their produce
- Industries face logistic problems in collection of raw materials. High transportation costs often make purchase from Uttarakhand less remunerative for Industry

3.2 Following common facilities for Aroma Park are being proposed so that the same could be shared by all the industries being set-up in the Aroma Park:

- Aroma business centre which includes conference cum meeting room, guest house, cafeteria, recreation centre, library etc.
- Vermi-composting unit
- Fire protection
- Security
- Collection and disposal of estate waste
- Provision of medical care
- Warehouse
- Bank and Post Office
- Weighbridge
- Central repair workshop are the common service facilities
- Common production facilities like distillation & extraction of essential oil units
- Pilot plant facilities for value addition of aromatic produce
- Parking of vehicles

Common facilities such as, Aroma business centre, provision of medical care, bank & post office, etc can be accommodated in one single building, i.e separate floors/ areas for separate activities. Running and maintenance of guest house can be outsourced on PPP basis.

3.3 Apart from the common facilities mentioned above, some additional common facilities (listed below) are also available with Centre for Aromatic Plants (CAP) situated at Industrial Estate Selaqui, Dehradun for use by the industry:

- Survey & selection of land
- Awareness and training
- Counselling for cultivation of aromatic crops
- Extension in cluster approach
- Quality assessment & certification
- Agro techniques & technical literature
- Quality planting material & seeds of aromatic crops
- Marketing of essential oil & aromatic produce
- Pilot scale processing & value addition
- Integrated IPR facilitation center

3.4 Following advantages of CAP – aroma park association are envisaged:

- Employment generation in rural areas
- Establishing primary processing in farmer's fields
- Increase in income of farmers
- Local market available to farmers for their produce
- Rehabilitation of abandoned land through expansion of aromatic crop cultivation
- Improvement in environment by preventing soil erosion, water recharging and more accumulation of CO₂ (carbon sequestration) through aroma cultivation in abandoned land of mountain areas of Uttarakhand
- Entrepreneurship would be encouraged and replicated in this sector
- Availability of qualitative essential oils and aromatic produce made available to entrepreneurs in bulk quantity

4. TYPES OF INDUSTRIES PROPOSED IN AROMA PARK:

Following industry types are proposed to be set up in the aroma park:

- Distillation and extraction of essential oil from aromatic produce
- Fractionation of aroma chemicals & isolates
- Fragrance and flavour creation (blending)
- *Dhoop and agarbatti* manufacturing
- Drying & packaging of aromatic & culinary herbs
- Perfumery & deodorant
- Designing & packaging of various aroma products
- Flavoured & blended tea
- Traders & exporters/ importers
- Aroma candles/ diffusers/ Handmade soaps
- Cosmeceutical
- Aroma therapy products, etc

5. LAND REQUIREMENT FOR AROMA PARK:

5.1 As per discussions with representatives of various industry associations, such as, "Essential Oil Association of India (EOAI)", "Fragrance & Flavour Association of India (FFAI)", "Sugandh Vyapar Sangh, Delhi" it emerged that around 50 aroma units would be interested in setting up bases in the State.

5.2 Land requirement for Aroma park is expected to be 30 acres. Distribution between saleable land and common facilities land is likely to be in the proportion of 60% and 40%, respectively. Thus 18 acres of land is likely to be available to units and 12 acres of land is likely to be available for development of common facilities. Average size of land per unit is expected to be 1600 sq m (land allocation to small units would be 1000 sq m and to large units would be 6000 sq m). Thus, 50 units are likely to be accommodated in the aroma park.

5.3 Road and air connectivity to Delhi NCR from proposed aroma park would be ensured by the State Government. The State Government would also ensure existence of basic infrastructure, such as, electricity, water, etc in the aroma park.

6. **INVESTMENT:**

Assuming an average investment @ 10 crore per unit (investment range 5 to 25 crore), total investment is expected to be around INR 500 crore (@INR 10 crore per unit multiplied by 50 units).

7. **EMPLOYMENT GENERATION:**

Assuming 6 to 10 employees in small units i.e 5 - 8 crores (investment) and 25 - 35 employees in large units i.e 20 - 25 crores (investment), it emerged that average employee size would be about 18 employees per unit. Thus, employment generation for about 900 people would be generate i.e (@18 employees per unit multiplied by 50 units).

8. **ADMISSIBLE INCENTIVES FOR ESTABLISHING AROMA PARK/ AROMA UNITS IN THE AROMA PARK**

Sl. No.	Parameter	Incentives proposed for units being set up in Aroma Park
1	2	3
1.	Stamp Duty	100% exemption on land purchase and lease deed for the first time.
2.	SGST Concession	100% exemption of SGST for 5 years from the date of start of production.
3.	Mandi Fee	100% exemption of mandi fee on raw materials for a period of 5 years from the date of start of production.
4.	Interest Subsidy	@ 6% (max. upto 4 lacs) per annum for a period of maximum 5 years.
5.	Power Bill Rebate	As per electricity tariff as applicable for Irrigation Tubewells (presently INR 1.55 per unit) for a period of 5 years from the date of start of production and uninterrupted electricity will be provided.

Note: The aroma units set up in Aroma Park shall undertake the same works/activities for which the units have been installed, otherwise the State government shall withdraw all grants or incentives given or proposed to be given under this policy.

(Arvind Singh Hyanki)
Secretary, Horticulture.