

**GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:5229

ANSWERED ON:27.04.2010

INCENTIVES TO AGRO BASED INDUSTRIES

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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) the policy adopted by the Government for promoting cold chain facilities in agro based industries in the country;
- (b) whether the Government has taken any steps to give more incentives to agro based industries and for setting up of cold chain facilities;
- (c) if so, the details thereof;
- (d) the details of the incentives being given at present in this regard;
- (e) whether the cold chain facilities are not adequate to promote value addition of agricultural produce and prevent post harvest waste; and
- (f) if so, the details thereof alongwith the corrective measures being taken in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a) to (d): To encourage setting up of cold chain facilities in the country, The Government (in the Ministry of Food Processing Industries) has a Plan Scheme for Cold Chain, Value Addition and Preservation Infrastructure during the 11th Plan to provide financial assistance to project proposals received from public/private organizations for cold chain infrastructure development. The scheme envisages financial assistance in the form of grant-in-aid @ 50% of the total cost of plant and machinery and technical civil works in general areas and 75% for North Eastern Region and difficult areas subject to a maximum of Rs.10 crore. The initiatives are aimed at filling the gaps in the supply chain, strengthening of cold chain infrastructure, establishing value addition with infrastructural facilities like sorting, grading, packaging and processing for horticulture including organic produce, marine, dairy, poultry, etc. Other agencies of the Government like National Horticulture Board, Agricultural and Processed Food Products Export Development Authority, National Cooperative Development Corporation and State Governments also provide financial assistance for cold storages under their respective schemes.

The Government (in the Ministry of Agriculture, Department of Agriculture and Cooperation) also supports the development of standardized cold chain facilities for promoting perishable horticulture sector by providing assistance under the schemes of National Horticulture Mission, Technology Mission for Integrated Development of Horticulture in North Eastern States, Sikkim, Jammu and Kashmir, Himachal Pradesh, Uttarakhand.

(e) & (f): As per the information available with Directorate of Marketing & Inspection, Ministry of Agriculture, total number of cold storages in the country as on 31.12.2008 was 5386 having total capacity of 23.66 million MT. In the Union Budget 2010-11, Government has announced to allow external commercial borrowings for cold storage or cold room facilities, including farm level pre-cooling for preservation or storage of agricultural and allied produce, marine products and meat, as a part of the farm to market initiative and to promote private sector investment in setting up of cold storages. In addition, Government has also announced project import status at a concessional customs duty of 5 per cent with full exemption from service tax to the initial setting and expansion of cold storage, cold room including farm pre-coolers for preservation or storage of agricultural and related sectors produce and full exemption from customs duty to refrigeration units required for the manufacture of refrigerated vans or trucks.