

**GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:4364

ANSWERED ON:22.04.2010

INVESTMENT IN COLD CHAIN INFRASTRUCTURE

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Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

- (a) whether the Government has formulated any action plan to increase the capacity of cold storages in the country;
- (b) if so, the details thereof;
- (c) the funds allocated for the said purpose during the Eleventh Five Year Plan, State-wise;
- (d) whether the Government proposes to include investment made in agri-infrastructure concerning supply chain and cold storages under priority lending and also promote private sector investment in setting up of storages;
- (e) if so, the details thereof; and
- (f) the steps taken by the Government in this regard?

Answer

THE MINISTER OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHA)

(a) & (b): Yes, Sir. To increase the capacity of the cold storages in the country, Government is operating several Plan Schemes under which financial assistance is provided for setting up of cold storages / cold chain facilities. Ministry of Food Processing Industries (MFPI) has also 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.10.00 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 (NHB), Agricultural and Processing Food Products Development Authority (APEDA), National Cooperative Development Corporation (NCDC) and State Government also provide assistance for cold storages under their respective schemes.

(c): The scheme of MFPI is project based and not state wise. Rs.210 crore has been allocated by MFPI for the purpose of development of Cold Chain, Value Addition and Preservation Infrastructure during the 11th Plan. Details of project wise / state wise funds released during 11th Plan is at Annexure-I

(d) & (f): The investment made in cold chain facilities has not been included under priority lending by banks. However, in the Union Budget 2010-11, Government has announced to allow external commercial borrowings for cold storage or cold room facilities including for 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% with full exemption from service tax to the initial setting up and expansion of cold storage, cold room including farm pre-coolers for preservation or storage of agriculture and related sectors produce and full exemption from custom duty to refrigeration units required for the manufacture of refrigerated vans or trucks.

Annexure-I

DETAILS OF PROJECT WISE / STATE WISE FUNDS RELEASED DURING 11TH PLAN

(Rs. in crores)

Sl. No.	State	Implementing Agency	Project cost	Approved Amount of grant-in-aid	Amount released
I	II	III	IV	V	VI

1.	Andhra Pradesh Ltd.	M/s Creamline Dairy Products	23.86	9.75	7.32
2.	Bihar Ltd.	M/s Ganga Dairy	22.60	10.00	2.50
3.	Gujarat Frozen Facilities Pvt Ltd.	M/s Hi-Tech	16.83	7.19	5.39
4.	Haryana Fresh Pvt. Ltd.	M/s Suri Agro	23.52	9.84	7.39
5.	Karnataka Traders Pvt Ltd.	M/s Atharvass	28.61	10.00	2.50
6.	Maharashtra Fruits Ltd.	M/s Freshtrop	32.75	10.00	7.50
7.	Rajasthan Chemicals Pvt. Ltd.	M/s Jhunsons	17.73	7.33	5.49
8.	Tamilnadu Banana	M/s Farm Fresh	15.54	6.057	4.53
9.	Uttarakhand Foods Pvt. Ltd.	M/s Bio Life	17.71	9.81	7.39
10.	West Bengal Products Exporters & Builders Pvt. Ltd.	M/s Ascon Agro	21.27	6.96	1.74
Total			220.42	86.937	51.73