

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

STARRED QUESTION NO:128

ANSWERED ON:18.11.2010

CAPACITY BUILDING FOR COLD STORAGE

Hooda Shri Deepender Singh;Rathwa Shri Ramsinhbhai Patalbhai

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

- (a) the objectives and the salient features of the plan schemes including Integrated Cold Chain, Value Addition and Preservation Infrastructure being run by the Government;
- (b) the number of cold chain and preservation centres set up in various States including Haryana under the schemes in the last three years;
- (c) the funds allocated by the Government for development of cold chain under these schemes during the above mentioned period; and
- (d) the extent to which the plan schemes launched by the Government have helped augmenting capacity of cold storages in the country?

**Answer**

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

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 128 FOR 18TH NOVEMBER, 2010 REGARDING CAPACITY BUILDING FOR COLD STORAGE

(a): 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 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 objective of the scheme is to provide integrated and complete cold chain and preservation infrastructure facilities without any break, from the farm gate to the consumer by linking groups of producers to the processors and market through well equipped cold chain. Integrated cold chain and preservation infrastructure can be set up by individuals or groups of entrepreneurs with business interest in cold chain solutions and also by those who manage supply chain. The initiatives are also 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.

The Scheme has the following components

- a. Minimal Processing Centre at the farm level and this centre is to have facility for weighing, sorting, grading waxing, packing, pre-cooling, Controlled Atmosphere (CA) / Modified Atmosphere (MA) cold storage, normal storage and IQF.
- b. Mobile pre-cooling vans and reefer trucks.
- c. Distribution hubs with multi product and multi CA /MA chambers cold storage /Variable Humidity Chambers, Packing facility, CIP Fog treatment, IQF and blast freezing.
- d. Irradiation facility.

To avail financial assistance, any two of the components, from (a), (b) or (c) above will have to be set-up by the units. Considering the functional nature of the facility, Irradiation facility can be treated as a stand alone one for the purpose of availing grant.

Other agencies of the Government like Department of Agriculture & Cooperation (DAC), National Horticulture Board (NHB), Agricultural and Processing Food Products Development Authority (APEDA), National Cooperative Development Corporation (NCDC) and State Governments also provide assistance for cold storages under their respective schemes.

Under National Horticulture Mission (NHM) scheme implemented by Deptt. of Agriculture and Cooperation, financial assistance is provided through State Horticulture Mission for construction / modernization / expansion of cold storages @40% of capital cost of the project in general areas and @55% in case of hilly and schedules areas for a maximum storage capacity of 5000 MT per project

@Rs. 6000 per MT and for CA storages @Rs. 32000 per MT for 5000 MT storage capacity.

National Horticulture Board (NHB) under Ministry of Agriculture provides back ended capital investment subsidy for construction / modernization / expansion of cold storages @40% of capital cost of the project in general areas and @55% in case of hilly and scheduled areas for a maximum storage capacity of 5000 MT per project @Rs. 6000 per MT and for CA storages @Rs. 32000 per MT for 5000 MT storage capacity.

Agricultural & Processed Food Products Export Development Authority (APEDA) under Ministry of Commerce provides financial assistance for setting up specialized storage facilities such as CA / MA cold storages, deep freezers etc. @25% of the cost subject to maximum of Rs. 10 lakh per beneficiaries.

Further, to promote setting up of more cold storages in the country, Government, in the Union Budget 2010-11, 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% 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.

(b): The scheme of MFPI is project based and not state wise Under the scheme for Cold Chain, Value Addition and Preservation Infrastructure, MFPI has assisted 10 cold chain projects during last three years in the States viz. Maharashtra, Bihar, Tamil Nadu, Rajasthan, Karnataka, Uttarakhand, West Bengal, Andhra Pradesh, Gujarat and Haryana. The statement indicating status of these 10 cold chain projects is at Annexure -II.

(c): 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. Grant-in-aid of Rs. 86.937 crore has been approved for above mentioned 10 cold chain projects and out of this, an amount of Rs. 60.05 crore has been released so far towards implementation these projects.

(d): As a result of implementation of above 10 cold chain projects, it is estimated to have 65000 MT additional cold storage capacity. However, as per the information available with Directorate of Marketing & Inspection (DMI), Ministry of Agriculture, total capacity of cold storage in the country as on 31.12.2007 was 23.33 Million MT, which has been increased to 24.45 Million MT as on 31.12.2009. State-wise and capacity-wise details are given in the Annexure -I.