

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

UNSTARRED QUESTION NO:80

ANSWERED ON:22.02.2011

COLD CHAIN FACILITIES

Majumdar Shri Prasanta Kumar; Tirkey Shri Manohar

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

- (a) whether the Government proposes to encourage setting up of cold chain facilities and backward linkages in the country;
- (b) if so, the details thereof;
- (c) whether inadequate infrastructure is a major hurdle in the way of agro-food processing in the country; and
- (d) if so, the steps taken/proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES(SHRI HARISH RAWAT)

(a) to (d): Yes, Sir. Ministry of Food Processing Industries (MFPI) through its various schemes for financial assistance and other promotional measures, facilitates creation of post harvest infrastructure including processing facilities aimed at reducing wastages, enhancing value addition and increasing shelf life. To encourage setting up of cold chain facilities 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 been operating 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 Processed Food Products Development Authority (APEDA), National Cooperative Development Corporation (NCDC) and State Government also provide assistance for cold storages under their respective schemes.

Lack of infrastructure results in wastage of agro food produce and also impedes development of agro food processing in the country. In the 11th Plan, the Ministry is implementing a plan scheme to establish Mega Food Parks with a view to provide state-of-the-art infrastructure facilities for food processing sector in the country on pre- identified cluster basis with a strong backward and forward linkages and to provide value addition of agricultural commodities including poultry, meat, dairy, fisheries etc. in a demand driven. The Scheme envisages financial assistance in the form of grant-in-aid upto 50% of the project cost excluding land component in general areas and up to 75% of the project cost in difficult areas subject to a maximum of Rs. 50.00 crores.

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.