

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

UNSTARRED QUESTION NO:2846

ANSWERED ON:27.08.2013

COLD STORAGE FACILITIES

Choudhary Shri Harish;M.Thambidurai Dr. ;Singh Rajkumari Ratna;Singh Shri Bhola;Singh Shri Uday Pratap

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

- (a) the criteria adopted by the Government for establishing/opening cold chain/storages to cater to the increasing demand in various parts of the country;
- (b) whether there is acute shortage of cold storage facilities in various parts of the country;
- (c) if so, the details thereof;
- (d) whether the Government has made any assessment of the cold storage requirement for the country by 2015; and
- (e) if so, the steps taken/proposed to be taken by the Government to set up more chains of cold storages at various places as well as under Public Private Partnership model, State-wise?

Answer

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (DR. CHARAN DAS MAHANT)

(a):The Ministry of Food Processing Industries is implementing the Scheme of Integrated Cold Chain, Value Addition & Preservation Infrastructure, a component of the scheme of Infrastructure Development for food processing under which 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% of the total cost of plant and machinery and technical civil works in difficult areas including North-Eastern States is provided, subject to a maximum of Rs.10.00 crore, for creation of cold chain infrastructure in the country. The project proposals are appraised on the following criteria:-

The net worth of the applicant/promoter is 1.5 times of the grant applied,

Appraisal report from bank/financial institution(FI),

Final term loan sanction letter, if term loan envisaged,

Detailed Project Report on the project,

Components as per the Scheme guidelines (i.e. the cold chain project proposal should have at least 2 of the 3 components of the scheme).

(b) to (d): Dr. Saumitra Chaudhuri Committee constituted by the Planning Commission in 2012 on Encouraging Investment in Supply Chains including Provision for Cold Storage for More Efficient Distribution of Farm Produce, citing a study conducted by National Spot Exchange Limited (NSEL), has indicated cold storage requirement of 61.13 million tonnes and the present capacity of cold storage at around 29 million MT in the country. The present gap is around 32 million MT.

(e): Government has approved taking up of 75 more projects under the Scheme of Integrated Cold Chain, Value Addition and Preservation Infrastructure during 12th Plan.

The Ministry is also providing financial assistance to the States/ UTs under National Mission on Food Processing (NMFP) for non-horticulture based cold chain projects in the form of grant-in-aid of

(i) Capital Subsidy @35% of the bank appraised project cost including interest during construction (IDC) for general areas, and @ 50% of the bank appraised project cost for difficult areas including North-Eastern region, subject to maximum of Rs. 5 crore, and

(ii) Interest subsidy @ 6% per annum subject to a maximum of Rs. 2.00 crore per project or actual interest accrued on term loan, whichever is lower, for a period of 5 year from completion of the project for general areas, and @ 7 % per annum subject to a maximum of Rs. 3.00 crore per project or actual interest accrued on term loan, whichever is lower, for a period of 7 years from completion of the project for difficult areas including NER.

Capital investment in the creation of modern storage capacity has been made eligible for viability gap funding scheme of the Finance Ministry. The cold chains and post-harvest storage has been recognized as an infrastructure sub-sector.