

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

UNSTARRED QUESTION NO:1370

ANSWERED ON:28.07.2015

Cold Chain Capacity

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

- (a) whether there is mismatch between existing capacity and requirement of cold chain/ cold storages in the country and if so, the details thereof, State-wise and the reasons therefor;
- (b) whether the Government has launched a Central Sector Scheme of Cold Chain, value addition and Preservation of Infrastructure for setting up of integrated cold chain infrastructure for minimizing post harvest losses of horticultural and non-horticultural produce in various parts of the country and if so, the details thereof including the salient features and the components of the Scheme and its impact and achievements in the development of food processing sector;
- (c) the details of the funds allocated and utilized for the purpose thereunder during each of the last three years and the current year, State-wise;
- (d) whether the National Spot Exchange Limited (NSEL) has made any assessment with regard to requirement of cold storage capacity in the country and if so, the outcome thereof and the follow-up action taken by the Government in this regard; and
- (e) the measures taken/being taken by the Government to give impetus to food processing industries and prevent the hurdles being faced by the entrepreneurs of food processing industries and other stakeholders in the country?

**Answer**

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES  
(SADHVI NIRANJAN JYOTI)

(a) to (d): Yes, Madam. 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. The present capacity of cold storage is at around 32 million MT in the country. The present gap is around 29 million MT. State-wise gap has also been estimated in the National Spot Exchange Limited (NSEL) study which is placed at Annexure-I.

Creation of cold storage/cold chain infrastructure is a capital intensive activity. Therefore, enough investment has not taken place in this sector. To encourage investment in this Sector, the Ministry of Food Processing Industries is operating a Central Sector Scheme of Cold Chain, Value Addition and Preservation Infrastructure with the objective of preventing post-harvest horti & non-horti losses by providing financial assistance for setting up integrated cold chain and preservation infrastructure facilities. Under the Scheme, financial assistance is provided in the form of grants-in-aid upto 50 % of the cost of technical civil work and Plant & Machinery in general areas and 75 % in NE and hilly areas subject to maximum of Rs. 10 crore per project. Integrated cold chain and preservation infrastructure can be set up by individuals, groups of entrepreneurs, cooperative societies, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs), NGOs, Central/State PSUs, etc.

The Scheme has following components:

- a) Minimal Processing Centre at the farm level. This centre may have facilities for weighing, sorting, grading, waxing, packing, pre-cooling, Controlled Atmosphere (CA)/ Modified Atmosphere (MA) cold storage, normal storage, Ripening Chamber and Individual Quick Freezing (IQF) etc.
- 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, grading and sorting facility, CIP Fog treatment, Ripening Chambers, IQF and Blast Freezing etc.
- d) Irradiation facility.

To avail financial assistance under this scheme, any two of the components, from (a), (b) and (c) above will have to be set-up by the units. Considering the functional nature of the facility, Irradiation facility is treated as a stand alone project for the purpose of sanctioning grant-in-aid. Both horticultural and non-horticultural produce are eligible for support under this scheme.

Impact of the Scheme:-

(i) Under the cold chain scheme, the Ministry has sanctioned 138 cold chain projects so far, since inception of the scheme in 2008. The cold chain infrastructure expected to be created by the approved 138 cold chain projects are as follows:

â€¢ 4.77 lakh MT of Cold Storage, Controlled Atmosphere (CA) / Modified Atmosphere (MA) storage, Deep Freezer

â€¢ 118.50 MT per hour of Individual Quick Freezing (IQF)

â€¢ 118.10 Lakh Litres Per Day (LLPD) of milk storage

â€¢ 810 numbers of reefer vehicles.

(ii) Establishment of cold chain infrastructure in the country will help reduce wastage of perishable horticulture and non-horticulture produce in the country.

(iii) The Cold Chain scheme has acted as a catalyst in bringing investment in this sector. The total project cost of 138 projects is Rs. 3271 crore with private investment of Rs. 2162 crore and grant-in-aid of Rs. 1109 crore.

Under the scheme of Cold Chain, Value addition and Preservation Infrastructure, State-wise allocation of funds is not done. Details of funds allocated and utilized during each of the last three years is at Annexure-II.

In addition, National Horticulture Mission (NHM), National Horticulture Board (NHB), and National Cooperative Development Corporation (NCDC) under Department of Agriculture and Cooperation, Ministry of Agriculture and Agricultural and Processed Food Products Export Development Authority (APEDA) under Department of Commerce, Ministry of Commerce and Industries, Government of India are also providing assistance for setting up cold storages under their respective schemes. Various other incentives provided by the Government to promote this sector are at Annexure-III.

(e): Lack of efficient cold chain infrastructure, inadequate processing capacity and access to affordable credit are important factors for low level of processing and higher level wastages of agri-produces. It has been the endeavour of the Government to promote food processing industry in the country to reduce wastage of agricultural produces, control food inflation and ensure higher returns to the farmers. With a view to promote the sector, Ministry of Food Processing Industries is implementing various Central Sector Schemes, namely (i) Scheme for Development of Infrastructure for Food Processing having components of Mega Food Parks, Integrated Cold Chain, Value Addition and Preservation Infrastructure and Modernization of Abattoirs (ii) Scheme for Quality Assurance, Codex Standards, Research & Development and Other Promotional Activities.

Government has also extended number of fiscal incentives to promote processing of agricultural produce including fruits and vegetables. A special fund of Rs.2000 crore was created in National Bank for Agriculture and Rural Development (NABARD) during Financial Year 2014-15 for extending concessional credit to designated Food Parks and the individual food processing units being set up in the Designated Food Parks. The Fund is now being continued in 2015-16.

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