

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

UNSTARRED QUESTION NO:4812

ANSWERED ON:12.08.2014

COLD STORAGE FACILITIES

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

- (a) whether there is an acute shortage of cold storage facilities for fruits and vegetables in the country;
- (b) if so, the details thereof and the reasons therefor alongwith the estimated requirement of cold storage facility and the present capacity of cold storage available as on date;
- (c) whether the Government is implementing any scheme to facilitate the farmers to set up post-harvest processing infrastructure including facilities aimed at reducing wastages and increasing shelf life of their produce;
- (d) if so, the details thereof and the funds sanctioned/released for the purpose during each of the last three years and the current year, State/UT-wise; and
- (e) the mechanism put in place by the Government for monitoring and effective implementation of the scheme to facilitate the farmers to establish post-harvest infrastructure for their produce?

Answer

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (DR. SANJEEV KUMAR BALYAN)

(a)&(b): Yes, Madam. Cold Storage/Cold Chain infrastructure is a capital intensive industry. Therefore, substantial investment has not taken place in this sector. 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) in 2010, has indicated cold storage requirement of 61.13 million MT. The existing capacity of cold storage is around 32 million MT in the country. Thus present gap is around 29 million MT.

(c)&(d): With the objective of reducing post-harvest losses of horticulture and non- horticulture produces by creating integrated cold chain and preservation infrastructure facilities without any break from the farm gate to the consumer, Ministry of Food Processing Industries is implementing a Central Sector Scheme of Cold Chain, Value Addition and Preservation Infrastructure since 2008-09 in the country. The financial assistance @ 50% of the total cost of plant & machinery and technical civil works in general areas and 75% for NE region and difficult areas (North-Eastern States, Sikkim, J&K, Himachal Pradesh and Uttarakhand) subject to a maximum grant-in-aid of Rs 10 Crore per project is provided for setting up the cold chain infrastructure in the country. 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. Under the scheme of Cold Chain, Value Addition and Preservation Infrastructure, the Ministry has sanctioned 121 cold chain projects for implementation in the country.

Further, the Ministry has also launched a Centrally Sponsored Scheme i.e. National Mission on Food Processing (NMFP) during 12th Plan. The NMFP is being implemented by the State/UT governments. Under the Mission, financial assistance is provided for setting up post-harvest processing infrastructure through following schemes:

- (i) Scheme for Cold Chain, Value Addition and Preservation Infrastructure for Non- Horticultural Products:- For setting up of cold chain projects for non-horticulture produce like dairy, meat, poultry, fish etc., the financial assistance is provided as (a) Capital Subsidy: Grant-in-aid @35% of the bank appraised project cost for general areas, and @ 50% of the project cost for difficult areas including North Eastern region, subject to maximum of Rs. 5 crore and (b) Interest Subsidy: @ 6% per annum subject to a maximum of Rs. 2.00 crore per project or actual interest accrued on term loan, which ever 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 North-Eastern Region and hilly States.
- (ii) Scheme for Creating Primary Processing Centres / Collection Centres in Rural Areas:- Under this scheme, financial assistance is provided for setting up processing and preservation facilities in rural areas to enhance shelf life of perishable produce. Admissible grant-in-aid under the scheme is @ 50% of the eligible project cost for the general areas and 75% in North-Eastern Region, ITDP & Difficult Areas including hilly States, respectively subject to a maximum of Rs. 2.5 Crore.
- (iii) Reefer Vehicles:- Financial assistance to standalone reefer vehicle(s) and mobile pre-cooling van(s) for carrying & transporting, both horticultural & non-horticultural produce is provided under the scheme as credit linked back ended grants-in-aid @ 50% of the cost of New Reefer Vehicle(s)/Mobile pre-cooling van(s) upto a maximum of Rs. 50.00 lakh.

(iv) Scheme of Technology Upgradation/Establishment/Modernisation of Food Processing Industries:-

a) The objective of this scheme is to increase the level of processing reduction of wastage, value addition, enhance the income of farmers as well as increase exports thereby resulting in overall development of food processing sector. The scheme envisages to extend the financial assistance for establishment of new food processing units as well as Technology Upgradation and Expansion of existing units in the country.

b) The scheme envisages financial assistance to food processing units in the form of grant-in-aid @ 25% of the cost of plant & machinery and technical civil works, subject to a maximum of Rs. 50 lakhs in general areas, 33.33% of the cost of plant & machinery and technical civil works, subject to a maximum of Rs. 75 lakhs in difficult areas (i.e. Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Andaman & Nicobar Islands and Lakshadweep) and Integrated Tribal Development (ITDP) areas and 50% of the cost of plant & machinery and technical civil works, subject to a maximum of Rs. 100 lakhs for North-Eastern State including Sikkim.

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-I. State-wise number of cold storage/cold chain projects sanctioned and funds sanctioned/released during last three years and the current year is at Annexure-II

(e): Monitoring and review of the progress for the effective implementation of the scheme for Cold Chain, Value Addition and Preservation Infrastructure of Ministry of Food Processing Industries is an ongoing process to ensure mid term correction and timely completion of the projects. The Ministry has appointed professional agencies as the Programme Management Agency (PMA) to provide management and monitoring support for implementation of the projects. The progress of the implementation of scheme is also reviewed by the Inter Ministerial Approval Committee (IMAC) and periodic review meeting are also held by the Ministry with the promoters. Further, impact evaluation by the external agencies is also undertaken to assess benefit of the scheme to all the stakeholders including farmers. The Ministry of Agriculture, Department of Agriculture & Cooperation has also in built a robust monitoring mechanism for their programmes.