

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1421**  
TO BE ANSWERED ON THE 07<sup>TH</sup> DECEMBER, 2021

**PROCEDURE FOR SETTING UP COLD STORAGE**

1421. SHRI SHRIRANG APPA BARNE:  
SHRI RAVINDRA KUSHWAHA:  
SHRI RAVI KISHAN:  
SHRI SANJAY SADASHIVRAO MANDLIK:  
SHRI MANOJ TIWARI:  
SHRI SUDHEER GUPTA:  
SHRI PRATAPRAO JADHAV:  
SHRI BIDYUT BARAN MAHATAO:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) the criteria and procedure for setting up of cold storages by the Government in the country;
- (b) whether the Government proposes to provide adequate storage facility for agricultural produce across the country and if so, the details thereof along with the action taken thereon;
- (c) whether farmers are facing difficulties due to lack of storage facilities and they have to face the problem of wastage of their produce and if so, the steps taken to provide adequate amount of storage facilities across the country;
- (d) whether the Government proposes to provide any financial assistance for the construction of storage, cold storage and warehouse facilities and if so, the details thereof, State-wise;
- (e) the present capacity of storage facility, cold storage and warehouses in the country; and
- (f) the other steps taken/being taken by the Government to save the produce of farmers?

## ANSWER

MINISTRY OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) to (f): Government does not setup cold storage of its own. However, Government is implementing various schemes under which financial assistance is provided for setting up of cold storage throughout the country.

Department of Agriculture and Farmers Welfare (DA&FW) is implementing Mission for Integrated Development of Horticulture (MIDH) under which financial assistance is provided for various horticulture activities including setting up of cold storages. The component is demand/entrepreneur driven for which Government assistance in the form of credit linked back ended subsidy is available at the rate of 35% of the project cost in general areas and at the rate of 50% of the project cost in Hilly and Scheduled areas.

Under MIDH, cold storages are sanctioned by State and Central level Committees constituted for this purpose under operational guidelines of MIDH. For seeking assistance for setting up of cold storage under MIDH, promoter/entrepreneur submits the proposal to the concerned State Horticulture Mission. The powers for sanction of projects up to project cost of Rs.500 lakh including setting up of cold storage have been delegated to State Level Executive Committee (SLEC). Projects with a project cost of more than Rs. 500 lakh and up to a capacity of 5000 MT are approved by the Empowered Monitoring Committee (EMC) of DA&FW on recommendation of SLEC.

Besides, National Horticulture Board (NHB) is implementing a scheme namely "Capital Investment Subsidy for Construction/Expansion /Modernization of Cold Storages and Storages for Horticulture Products". Under the scheme, credit linked back-ended subsidy at the rate of 35% of the capital cost of the project in general areas and 50% in case of North East, Hilly & Scheduled areas for construction/expansion/modernization of cold storage and Controlled Atmosphere (CA) storage of capacity above 5000 MT and up to 10000 MT is available. In case of North Eastern region, the units with capacity above 1000 MT are also eligible for assistance under NHB. The Scheme is demand/entrepreneur-driven. As per Scheme Guidelines, applicant has to make an online application to NHB for In-Principle Approval (IPA). After receipt of IPA, applicant is required to get the Term Loan sanctioned from Bank/Financial Institution. Thereafter, NHB issues Grant of Clearance to start the project. Upon completion of project using promoter's equity and bank term loan, the subsidy claim is to be submitted to NHB. After physical joint inspection of the project, subsidy claim is considered and approved by the Project Approval Committee of NHB. Thereafter, NHB subsidy is released in the subsidy reserve fund account of the lending Bank/Financial Institution.

Further, Ministry of Food Processing Industries (MOFPI) is implementing a Scheme for Integrated Cold Chain, Value Addition and Preservation Infrastructure as one of the

component of Pradhan Mantri Kisan Sampada Yojana with the objective of reducing post-harvest losses of horticulture and non-horticulture produce and providing remunerative price to farmers for their produce. Under the scheme, Ministry provides financial assistance in the form of grant-in-aid at the rate of 35% for general areas and 50% for North East States, Himalayan States, Integrated Tribal Development Programme (ITDP) areas and Islands for storage and transport infrastructure and at the rate of 50% and 75% respectively for value addition and processing infrastructure subject to a maximum grant-in-aid of Rs.10 crore per project for setting up integrated cold chain projects including irradiation facility. The 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. Standalone cold storages are not covered under the Scheme. The entrepreneurs desiring to set up a cold chain project has to apply against Expression of Interest (EOI) issued from time to time.

Department of Agriculture and Farmers Welfare is also implementing Agricultural Marketing Infrastructure (AMI) scheme, a sub-scheme of Integrated Scheme for Agricultural Marketing (ISAM) across the country. AMI is demand driven, credit linked, back ended subsidy scheme. Under the scheme, subsidy at the rate of 25% for plain areas and 33.33% for NER, hilly area is available for beneficiaries viz, Individuals, Farmers, Group of farmers/growers, Agri-preneurs, Registered Farmer Producer Organizations (FPOs), Cooperatives, and state agencies etc. for development of Agricultural Marketing Infrastructure Projects including storage infrastructure.

Depending on requirement in specific areas and for modernization of the storage facilities, the Government has been implementing the following schemes for construction of Warehouse/godowns including silos in the country:

- i. Private Entrepreneurs Guarantee (PEG) Scheme: Under this Scheme, which was formulated in 2008, storage capacity is created by private parties, Central Warehousing Corporation (CWC) and State Government Agencies for guaranteed hiring by Food Corporation of India (FCI).
- ii. Central Sector Scheme: This scheme is implemented in the North Eastern States along with Himachal Pradesh, Jharkhand and Kerala. Funds are released by the Government to FCI and also directly to the State Governments for construction of godowns.
- iii. Construction of steel silos: In addition to conventional godowns, construction of steel silos has been undertaken from 2016 for modernizing the storage infrastructure and improving shelf life of stored food grains.

Further, as per the study on “All India Cold-chain Infrastructure Capacity (AICIC-2015)” conducted by NABARD Consultancy Services (NABCONS) reported the capacity of Cold storages required at that time was 35 million MT against the existing capacity of 32 million MT in 2014. The present capacity of cold storages is 37.83 million MT and Warehouses is 173.65 million MT in the country.

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