

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
RAJYA SABHA
UNSTARRED QUESTION NO. 3271
ANSWERED ON 20TH MARCH, 2026

**INFRASTRUCTURE AND SUPPLY CHAIN CONSTRAINTS FOR FOOD
PROCESSING INDUSTRY IN PUNJAB**

3271. SHRI SANT BALBIR SINGH:

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

- (a) whether Government is aware that the food processing industry in Punjab faces significant challenges due to inadequate cold chain infrastructure, unreliable power supply, poor rural road connectivity and insufficient aggregation centres, leading to high post-harvest losses;
- (b) the steps taken/ proposed by the Ministry to strengthen integrated cold chain networks, modern warehousing, primary processing centres and logistics infrastructure in Punjab; and
- (c) whether any special financial package or cluster-based intervention has been sanctioned to address supply chain fragmentation and reduce wastage and price volatility in the State, if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES
(SHRI RAVNEET SINGH)

(a) to (c): The post-harvest losses of farm produce are attributed to various factors including inadequate post-harvest infrastructure like integrated cold chain and logistics infrastructure from farm to consumer point. In order to address these issues and promote overall development in food processing sector across the country including the State of Punjab, the Ministry of Food Processing Industries (MoFPI) is implementing schemes like Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), Production Linked Incentive Scheme for Food Processing Industry (PLISFPI), and Pradhan Mantri Formalization of Micro Food Processing Enterprises (PMFME) across the country.

Under the component schemes namely (i) Integrated Cold Chain and Value Addition Infrastructure (Cold Chain scheme), (ii) Creation of Infrastructure for Agro Processing Clusters (APC scheme) and (iii) Operation Greens (OG scheme)- Long term intervention of PMKSY, cold storage and transport facilities (reefer vehicles/ insulated vans) are supported as constituent in the integrated food processing projects. However, these component schemes do not support setting up of standalone cold storage and transport facilities. All the component schemes of PMKSY are demand driven and financial assistance in the form of grants-in-aid/ subsidy is provided for setting up of food processing projects at the rate of 35% of the eligible project cost in case of projects from general areas and 50% in case of projects from difficult areas as well as projects for SC/ ST, FPOs and SHGs subject to a maximum of ₹ 10.00 crore in case of Cold Chain scheme/ APC scheme as well as in case of standalone projects under OG scheme and ₹ 15.00 crore in case of

integrated projects under OG scheme. As on 31.12.2025, 75 food processing projects have been approved under PMKSY in the State of Punjab. Out of this, 62 projects have been completed with grants-in-aid/ subsidy of Rs. 302.26 crore leading to creation of 10.10 LMT/ annum and 5.25 LMT/annum of processing and preservation capacity respectively, generating 22,293 employment and benefitting 2,14,845 farmers.

In addition to above, Department of Agriculture & Farmers Welfare (DA&FW) is implementing Mission for Integrated Development of Horticulture (MIDH) for holistic development of horticulture sector in the country. Under MIDH, financial assistance is provided for various post-harvest management infrastructure including setting up of Pack Houses, Integrated Pack House, cold storage, Reefer Transport, Ripening Chamber etc. on the basis of Annual Action Plan (AAP) received from States/UTs. AAPs are prepared by the States/UTs based on their requirement, capacity and availability of resources. This scheme is demand/ entrepreneur driven and financial assistance in the form of credit linked back ended subsidy is provided at the rate of 35% of the project cost in general areas and 50% of the project cost in case of NE & Himalayan States, Tribal Sub-Plan (TSP) and Scheduled areas, vibrant villages, Andaman & Nicobar and Lakshadweep Islands through respective State Horticulture Mission(s) (SHMs).

To strengthen agriculture infrastructure in the country, DA&FW has launched Agriculture Infrastructure Fund (AIF) of ₹ 1.00 lakh crore. Under AIF, there is provision for collateral free term loans up to ₹ 2.00 crore and interest subvention of 3% on the term loan availed for creation of post-harvest infrastructure including establishment of cold storages and transportation facilities.

Besides, National Horticulture Board (NHB) under DA&FW is implementing a scheme namely, Capital Investment Subsidy for Construction/ Expansion/ Modernization of Cold Storages and Storages for Horticulture Products. Under this scheme, credit linked back-ended subsidy @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 financial assistance.

As on 31.01.2025, 770 cold storage facilities with 26.04 LMT capacity have been created in the State of Punjab under various schemes being implemented by DA&FW and MoFPI.

The above schemes of Government of India help in increasing the level of processing and value addition of farm produce and thereby leading to reduction in their wastage, increase in their shelf life, which contributes towards enhancement of farmers' income.
