

GOVERNMENT OF INDIA  
MINISTRY OF FOOD PROCESSING INDUSTRIES  
**LOK SABHA**  
**STARRED QUESTION NO. 63**  
ANSWERED ON 07<sup>th</sup> FEBRUARY 2017

COLD STORAGEES

\*63. SHRI OM PRAKASH YADAV

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

- (a) the number of cold chain units/cold storages set up in collaboration with public-private partnership in the country during the last three years and the current year, State-wise;
- (b) the problems being faced by the entrepreneurs and stakeholders of food processing industries and the steps taken to solve these problems/issues; and
- (c) whether the Government has conducted any survey to identify the places/regions for setting up of cold chain/food chain in various parts of the country in future and if so, the details thereof and the follow up action taken thereon?

**ANSWER**

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

(a) to (c): A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PART (a) to (c) OF LOK SABHA STARRED QUESTION NO. \*63 FOR ANSWER ON 07.02.2017 REGARDING COLD STORAGES.**

(a) The Government has formulated the Viability Gap Funding (VGF) scheme for financial support to Public Private Partnership (PPP) in Infrastructure including cold chains and post-harvest storage. Under PPP mode, no cold chain/cold storage project has been set up in last 3 years and current year.

However, in order to arrest post-harvest losses of horticulture and non-horticulture produce, and to provide integrated cold chain and preservation infrastructure facilities from the farm gate to the consumer or from the production site to the market, Ministry of Food Processing Industries is implementing the Central Sector Scheme for Integrated Cold Chain and Value Addition Infrastructure. The scheme is primarily private sector driven wherein financial assistance in the form of grant-in-aid upto maximum of Rs. 10 crore per project is provided for setting up the cold chain infrastructure in the country. Details of projects assisted by MoFPI for last 3 years and current year is as per **Annexure-I**

(b) On the basis of experience in implementation of the schemes of this Ministry and interaction with the various stakeholders, the major problems being faced by the food processing industries sector have been identified as below:

- i. Availability of affordable credit from the Banks/Financial Institutions for the projects in the sector.
- ii. Delay in statutory clearances from the State Government /Agencies, namely, Change in land use, consent to establish and operate from respective State Pollution Control Board, power connection, water connection etc.
- iii. Availability of raw material suitable for processing purposes, etc.

In order to promote the food processing sector including availability of credit, Government has taken various measures as detailed in **Annexure-II**.

The Ministry reviews and monitors the progress of implementation of various schemes and follows up issues with the State Governments/ concerned agencies to resolve issues affecting implementation.

Further, in order to strengthen backward linkages so as to ensure suitable raw material for processing units, better price realization for farmers and to reduce post-harvest losses, creation of farm level infrastructure has been made mandatory under the Scheme for Integrated Cold Chain and Value Addition Infrastructure.

- (d) Yes, Madam. A study was undertaken by the Ministry of Agriculture and Farmers Welfare in 2015 to assess the requirement for cold chain infrastructure in the country. The study was primarily based on requirement of fruits and vegetables. As per the study report, State wise breakup of cold chain infrastructure required is at **Annexure-III**. Keeping in view the findings of the study report and stakeholder consultation, the operational guidelines for the Scheme for Integrated Cold Chain and Value Addition Infrastructure have been revised with effect from 29.08.2016. In the revised guidelines, weightage has been given in the evaluation criteria to proposals in uncovered areas having abundant raw material availability and lacking cold chain infrastructure.

**STATE-WISE DETAILS OF COLD CHAIN PROJECTS SANCTIONED BY MINISTRY OF FOOD PROCESSING INDUSTRIES DURING THE LAST THREE YEARS AND CURRENT YEAR**

State	2013-14	2014-15	2015-16	2016-17 (till date)	Total No. of Projects sanctioned
	Nos.	Nos.	Nos.	Nos.	Nos.
Andhra Pradesh	0	0	1	0	1
Assam	1	0	0	0	1
Bihar	0	0	1	0	1
Chhattisgarh	0	0	0	0	0
Gujarat	4	0	1	0	5
Haryana	1	0	4	0	5
Himachal Pradesh	5	0	0	1	6
Jammu & Kashmir	3	0	1	0	4
Karnataka	2	0	0	0	2
Kerala	0	0	0	0	0
Madhya Pradesh	2	0	1	0	3
Maharashtra	15	0	2	2	19
Manipur	0	0	0	0	0
Mizoram	0	0	0	0	0
Odisha	1	0	0	0	1
Punjab	4	0	3	0	7
Rajasthan	2	0	1	0	3
Tamil Nadu	0	0	1	0	1
Telangana	1	0	0	0	1
Uttar Pradesh	3	0	3	0	6
Uttarakhand	7	0	5	1	13
West Bengal	0	0	2	0	2
<b>Total No. of Projects Approved</b>	<b>51</b>	<b>0</b>	<b>26</b>	<b>4</b>	<b>81</b>

**Note:-** Total Cold Chain projects sanctioned by the Ministry since 2008-09 is 135, of which 81 have been sanctioned since 2013-14

**DETAILS OF VARIOUS MEASURES TAKEN BY THE GOVERNMENT TO PROMOTE FOOD PROCESSING SECTOR**

- i.** Loans to food & agro-based processing units and Cold Chain have been classified under Agriculture activities for Priority Sector Lending (PSL) as per the revised RBI Guidelines issued on 23/04/2015.
- ii.** In the Budget 2014-15, a special fund of Rs. 2,000 crore has been created with NABARD to provide affordable credit to designated Food Parks and food processing units to be setup in these parks.
- iii.** Refrigeration machineries and parts used for installation of cold storage, cold room or refrigerated vehicle, for the preservation, storage, transport or processing of agricultural, apiary, horticultural, dairy, poultry, aquatic and marine produce and meat are exempted from Excise Duty.
- iv.** Construction, erection, commissioning or installation of original works pertaining to post-harvest storage infrastructure for agricultural produce including cold storages for such purposes are exempted from Service Tax.
- v.** Government has extended Project Import benefits to cold storage, cold room (including for farm level pre-cooling) or industrial projects for preservation, storage or processing of agricultural, apiary, horticultural, dairy, poultry, aquatic and marine produce and meat. Consequently, all goods related to Food Processing, imported as part of the project, irrespective of their tariff classification, would be entitled to uniform assessment at concessional basic customs duty of 5%.
- vi.** Under Section 80(1B) (11A) of the Income Tax Act, 1961, 100 percent tax exemption is available for the first five years of operation and after that, at the rate of 25 per cent (30 per cent in case of a company) for next five years for new units in the business of processing, preservation and packaging of fruits or vegetables, meat and meat products, poultry, marine or dairy products.
- vii.** Under Section 35-AD of the Income tax Act 1961, deduction to the extent of 100 per cent is allowed for expenditure incurred on investment for (i) setting up and operating a cold chain facility; and (ii) setting up and operating warehousing facility for storage of agricultural produce.
- viii.** Services of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labeling of fruits and vegetables have been exempted from Service Tax in Budget 2015-16.
- ix.** Foreign Direct Investment (FDI) is permissible in food processing sector up to 100 per cent on automatic route.

In 2016, Department of Industrial Policy and Promotion (DIPP) vide press note No. 5 allowed 100 per cent FDI under Government approval route for trading, including through e-commerce, in respect of food products manufactured and / or produced in India.

**ALL INDIA COLD-CHAIN INFRASTRUCTURE CAPACITY (ASSESSMENT OF STATUS & GAP) CONDUCTED BY NATIONAL CENTRE FOR COLD CHAIN DEVELOPMENT**

**State – Wise breakup of cold – chain infrastructure requirement**

<b>State</b>	<b>Urban Population (2014-15)</b>	<b>% share population</b>	<b>Pack-house (No.)</b>	<b>CS Bulk* (MT)</b>	<b>CS Hub** (MT)</b>	<b>Onion Storage (MT)</b>	<b>Ripening Chamber (MT)</b>
Andhra Pradesh	18428602	4.46	3124	489195	41730	551273	4070
Arunachal	354419	0.09	60	6705	803	-	78
Assam	4774459	1.15	809	61185	10811	-	1054
Bihar	13008947	3.15	2205	5094524	29458	155936	2873
Chhattisgarh	6670958	1.61	1131	498724	15106	-	1473
Delhi	17718674	4.29	3003	-	40122	-	3913
Goa	1002786	0.24	170	-	2271	-	221
Gujarat	28523771	6.90	4835	2174886	64590	305066	6299
Haryana	9998498	2.42	1695	217754	22641	305686	2208
HP	722662	0.17	122	304511	1636	-	160
J&K	3807726	0.92	645	899220	8622	-	841
Jharkhand	8710072	2.11	1476	5228	19723	-	1923
Karnataka	25886395	6.26	4388	151695	58618	809817	5717
Kerala	19831340	4.80	3361	968	44906	-	4379
MP	21658925	5.24	3671	1818134	49045	1130550	4783
Maharashtra	54543414	13.19	9245	34200	123509	3063522	12045
Manipur	943761	0.23	160	2925	2137	-	208
Meghalaya	651738	0.16	110	17228	1476	-	144
Mizoram	623469	0.15	106	7508	1412	-	138
Nagaland	676818	0.16	115	7142	1533	-	149
Odisha	7583316	1.83	1285	288328	17172	-	1675
Punjab	11227754	2.72	1903	1667984	25424	-	2479
Rajasthan	18558887	4.49	3146	11370	42025	337343	4098
Sikkim	210234	0.05	36	2145	476	-	46
Tamil Nadu	37817826	9.15	6410	109005	85635	-	8351
Telangana	12806317	3.10	2171	248130	28999	442517	2828
Tripura	1161198	0.28	197	5925	2629	-	256
Uttar Pradesh	48414644	11.71	8206	10565506	109631	72945	10691
Uttarakhand	3410752	0.82	578	65208	7723	273893	753
West Bengal	31729218	7.67	5378	9409081	71848	-	7007
UT & Others			340	-	4539	-	443
<b>All – India Urban</b>	<b>413461936</b>		<b>70080</b>	<b>34164411</b>	<b>936251</b>	<b>7448545</b>	<b>91306</b>

**\*Cold Storage Bulk:-** A bulk cold storage unit is located in areas close to producing area(farm gate).

**\*\* Cold Storage Hub:-** A cold storage hub is located near the consumption centre.

- All Figures in MT indicate size in metric tonnes.
- It may be noted that this gap is assessed solely on current consumption patterns of the urban population in the country.

The size for storage of onion at farm-gate is not considered under cold stores (bulk).