

GOVERNMENT OF INDIA  
MINISTRY OF FOOD PROCESSING INDUSTRIES  
**LOK SABHA**  
**UNSTARRED QUESTION NO 3907**  
ANSWERED ON 22<sup>ND</sup> DECEMBER, 2015

SETTING UP OF COLD STORAGEES

3907. SHRI KALIKESH N. SINGH DEO:  
SHRI VENKATESH BABU T.G.:  
SHRI PINAKI MISRA:  
SHRI C.S. PUTTA RAJU:  
SHRIMATI RAMA DEVI:  
SHRI FEROZE VARUN GANDHI:  
SHRIMATI SAKUNTALA LAGURI:

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

- (a) the number of existing cold storages in rural areas vis-à-vis urban areas of the country ;
- (b) whether majority of cold storages are mainly concentrated in urban areas leaving behind the rural areas where there is imperative need for more cold storages;
- (c) if so, the details thereof and corrective measures taken by the Government in this regard;
- (d) whether the Government has conducted a survey to assess the number of cold storages required to be set up in rural areas in next two years ; and
- (e) if so, the outcome thereof and the steps taken by the Government to involve private sector/co-operative sector in setting up of more cold storages in rural areas?

**ANSWER**

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

(a) to (c): National Horticulture Board, Department under Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture & Farmers Welfare has conducted an “All India Cold Storage Capacity & Technology – Baseline Survey” through M/s Hansa Research Group Pvt. Ltd., Mumbai. As per the survey report, 68% of the existing cold storages in the country are located at the farm gate. Further, 75% of the cold storages in the country are exclusively storing horticulture produce and directly linked to farms.

Setting up of cold storages/ cold chain infrastructure forms part of the total agri-logistics supply chain from farm gate to the consumers. The schemes being implemented by the Government for assisting in creation of cold storage/ cold chain infrastructure are primarily private sector driven and provide flexibility to the promoters to choose the

components, their capacities and location of the project as per technical feasibility and economic viability of the project.

(d) & (e): National Centre for Cold Chain Development (NCCD) – an autonomous organization under Department of Agriculture, Cooperation and Farmers Welfare through NABARD Consultancy Pvt. Ltd. (NABCONS) has conducted a consumption driven study to understand the holistic requirement of cold chain infrastructure. The report released in September, 2015 provides details of cold storage requirements as well as associated key infrastructure such as pack houses and reefer trucks integral to the appropriate and holistic cold chain connectivity between production areas and consumption centres. As per above All India Cold Chain Infrastructure Capacity (Assessment of status & gap) conducted by NABCONS, the total Cold Chain requirement has been assessed to be 35.10 million tonnes and taking into present capacity of 31.82 million tonnes, the gap is of 3.28 million tonnes.

To attract investment in cold chain infrastructure the Ministry of Food Processing Industries is implementing the Central Sector Scheme of Cold Chain, Value Addition and Preservation Infrastructure since 2008-09. The scheme has provision for providing financial assistance for setting up of integrated cold chain infrastructure for arresting post-harvest losses of horticulture & non-horticulture produce. The scheme is primarily private sector driven wherein 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. Various other incentives provided by the Government to promote this sector are at **Annexure-I**.

In addition, Department of Agriculture and Cooperation is implementing Mission for Integrated Development of Horticulture (MIDH) for holistic development of horticulture in the country including creation of post-harvest management infrastructure for better efficiency of cold supply chain to reduce losses of perishable horticulture produce. Post-Harvest Management component includes establishment of cold storages, primary/ mobile processing units, pack houses, pre-cooling units, controlled atmosphere storage, reefer vans and setting up of ripening chambers etc. Under post-harvest component credit linked back ended subsidy @ 35% of the project cost in general areas and 50% in case of hilly and schedule areas is available.

Further, National Cooperative Development Corporation (NCDC) under Department of Agriculture, Cooperation and Farmers Welfare, Ministry of Agriculture & Farmers Welfare 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 creation of post-harvest management infrastructure through their respective schemes.

\*\*\*\*\*

## Annexure-I

### **ANNEXURE REFERRED TO IN THE REPLY TO PART (d) AND (e) OF LOK SABHA UNSTARRED QUESTION NO. 3907 FOR ANSWER ON 22<sup>ND</sup> DECEMBER, 2015 REGARDING SETTING UP OF COLD STORAGES**

#### Details of various other incentives provided by the Government to the cold chain sector

- Services of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling of fruits and vegetables have been exempted from Service Tax in Budget 2015-16.
- 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.
- Under Section 35-AD of the Income tax Act 1961, deduction to the extent of 150% 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.
- Government has extended Project Imports' 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%.
- 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 under Tariff Head: Chapter 84 are exempted from Excise Duty.
- 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.
- Capital investment in the creation of modern storage capacity has been made eligible for Viability Gap Funding scheme of the Finance Ministry. Cold chain and post-harvest storage has been recognized as an infrastructure sub-sector.