

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 3887
ANSWERED ON 9TH AUGUST, 2016

WASTAGE OF AGRICULTURAL PRODUCE

3887. SHRI ADHALRAO PATIL SHIVAJIRAO:

SHRI JAYADEV GALLA:

SHRI SHRIRANG APPA BARNE:

SHRI DHARMENDRA YADAV:

SHRI NIHAL CHAND:

SHRI KRUPAL BALAJI TUMANE:

DR. SWAMI SAKSHIJI MAHARAJ:

SHRI RAJU SHETTY:

SHRI M.I. SHANAVAS:

SHRI GODSE HEMANT TUKARAM:

SHRI VINAYAK BHAURAO RAUT:

SHRI RADHESHYAM BISWAS:

SHRI RAJESHBHAI CHUDASAMA:

SHRI S.P. MUDDAHANUME GOWDA:

SHRI RAMDAS C. TADAS:

SHRI NISHIKANT DUBEY:

SHRI ANANDRAO ADSUL:

DR. SHRIKANT EKNATH SHINDE:

SHRI V. PANNEERSELVAM:

SHRI P. KUMAR:

ADV. NARENDRA KESHAV SAWAIKAR:

SHRI S. SELVAKUMARA CHINNAYAN:

SHRI RAMESH BIDHURI:

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

- (a) whether the food processing sector is playing a vital role in processing of various food products, reducing wastage of farm produces, providing assured income to farmers and generating employment in the country and if so, the details thereof;
- (b) whether there is a shortage of basic facilities for processing, storage, preservation and transportation of food products in the country and if so, the details thereof and the reasons therefor along with value and volume of agricultural produce, milk, meat, marine and poultry products got wasted annually due to lack of such facilities in the country;
- (c) whether the Government has taken several measures to curb the losses in supply chain of agriculture produce and to improve the existing infrastructure for food processing, cold chain/cold storage, transportation, preservation and storage facilities to prevent the wastage of said food products and meet the growing demand of processed food in the country;

(d) if so, the details thereof including the funds allocated, released and utilised for the purpose and the outcome thereof along with the cold storage/cold chain infrastructure created during each of the last three years and the current year, State-wise; and

(e) whether the Government proposes to chalk out a road map to set up additional cold storage/cold chain projects, food processing industries and mega food parks to meet their requirement in the food processing sector and if so, the details thereof along with the proposed funding, incentives and packages for setting up such projects in rural, backward and North-Eastern Region of the country?

ANSWER

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

(a) Yes, Madam. The growth rate of gross value added in food Processing industries has increased from 1.91% in 2013-14 to 5.78% in 2014-15 at constant prices. Further, as per the Annual Survey of Industries 2013-14, the food processing industry as compared to other industries in the registered sector has the largest number of factories and engages largest number of employees. Further, as per Annual Survey of Industries 2013-14 the total number of persons engaged in registered food processing sector is 17.41 lakh which constitutes 11.69 per cent of employment generated in all registered factory sector. As per the NSSO 67th Round, 2010-11 unregistered food processing sector provides employment to 47.9 lakh workers.

(b) Dr. Saumitra Chaudhuri Committee in 2012 constituted by the then Planning Commission had indicated cold storage requirement of 61 million tonnes. The present capacity of cold storage is estimated at around 32 million tonnes in the country.

The Central Institute of Post-Harvest Engineering and Technology (CIPHET), Ludhiana has estimated the annual value of harvest and post-harvest losses of major agricultural produces at national level to be of the order of Rs. 92,651 Crore calculated using production data of 2012-13 at 2014 wholesale prices. Annual wastage of agricultural produce, milk, meat, marine and poultry products as assessed by CIPHET is as under:

Commodity/Crop	Losses during Transportation (%)	Losses during Farm Operations (including transportation loss) (%)	Losses during Storage (%)	Overall Total Loss (%)	Monitory value of the loss (in Rs. crore)
Milk	0.02	0.71	0.21	0.92	4409
Meat	0.00	1.99	0.72	2.71	1235
Marine Fish	0.91	9.61	0.91	10.52	4315
Inland Fish	0.17	4.18	1.05	5.23	3766
Egg	0.36	4.88	2.31	7.19	1320
Poultry Meat	0.66	2.74	4.00	6.74	3942
Cereals				4.65-5.99	20698
Pulses				6.36-8.41	3877
Oilseeds				3.08-9.96	8278
Fruits & Vegetables				4.58-15.88	40811

(c) & (d) To curb the losses in supply chain of agriculture produce and to improve the existing infrastructure for food processing, the Ministry of Food Processing Industries has been implementing the Schemes of Mega Food Parks; Integrated Cold Chain, Value Addition and Preservation Infrastructure; and Setting up/ Modernization of Abattoirs. The scheme for Mega Food Parks aims to provide modern Infrastructure for food processing Units in the country on pre-identified cluster basis. Under the scheme, grant-in-aid is provided @ 50% of the eligible project cost in general areas and 75% thereof in difficult areas and hilly areas i.e., North East Region including Sikkim, J&K, Himachal Pradesh, Uttarakhand and ITDP notified areas of the states, subject to a maximum of Rs.50.00 Crore per project. A total of 42 Mega Food Park projects have been approved by the Government to be set up in the country. The Scheme for Setting up/ Modernization of Abattoirs aims to provide hygienic finished meat and meat products, slaughter waste management and pollution control. The Scheme envisaged grant-in-aid @ 50% of the project cost in general areas and 75% for North- Eastern region subject to a maximum of Rs.15.00 Crore per project. So far, 41 Abattoir projects have been sanctioned. The Scheme of Cold Chain, Value Addition and Preservation Infrastructure aims at arresting post-harvest losses of horticulture & non-horticulture produce and providing remunerative price to farmers for their produce. Under the scheme, financial assistance is provided in the form of grant-in-aid of maximum Rs.10 Crore per project for setting up of integrated cold chain and preservation infrastructure facilities without any break from the farm gate to the consumer. 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. The scheme is primarily private sector driven and proposals under this scheme are invited through Expression of Interest (EOI). The scheme is available in all States/UTs and rural & urban areas. So far, 134 Integrated Cold Chain Projects have been sanctioned by the Ministry in the country to reduce the cold chain gap. Of this, 88 Integrated Cold Chain projects have achieved completion and commenced commercial operation, 46 Integrated Cold Chain projects are in various stages of implementation. The impact of these 134 integrated Cold Chain projects being assisted by Ministry in the country under the Scheme of Cold Chain, Value Addition and Preservation Infrastructure in respect of expected capacity creation is 4.92 Lakh MT of Cold Storage/Controlled Atmosphere/Deep Freezer, 113.90 MT/Hour of Individual Quick Freezer (IQF), 54.65 Lakh Litter Per Day of Milk Storage/Processing and 761 Number of Reefer Vans. Capacity created from 88 completed cold chain projects is 3.31 Lakh MT of Cold Storage/CA/Deep Freezer, 77.15 MT/Hr of Individual Quick Freezing, 31.80 Lakh Litre Per Day of Milk Processing/Storage and 423 Number of Reefer Vans. State wise funds are not allotted under the scheme of Cold Chain, Value Addition and Preservation Infrastructure. However, Details of number of projects with state-wise and year-wise funds released under the scheme of Cold Chain, value addition and Preservation Infrastructure of Ministry of Food Processing Industries during last three years and the current year are at **Annexure-I**.

In addition, National Horticulture Mission (NHM), National Horticulture Board (NHB), and 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 setting up cold storages under their respective schemes.

Various other incentives provided by the Government to promote creation of cold chain infrastructure are at **Annexure-II**.

(e) In addition to operationalisation of 4 Mega Food Parks and 29 Cold Chain Projects during 2016-17, Government has also approved setting up of 100 cold chain projects and 250 units under the scheme of creation/expansion of food processing and preservation. The projects set up under the Schemes of this Ministry are granted financial assistance at a higher rate in difficult areas and North East Region as compared to general areas.

Annexure I

**ANNEXURE REFERRED TO IN REPLY TO PARTS (c) & (d) OF LOK SABHA
UNSTARRED QUESTION NO. 3887 FOR ANSWER ON 09TH AUGUST, 2016
REGARDING WASTAGE OF AGRICULTURAL PRODUCE**

**Details of number of units with state-wise and year-wise funds released (in Crore) under
the scheme of Cold Chain, value addition and Preservation Infrastructure.**

Name of the state	2013-14		2014-15		2015-16		2016-17*	
	Nos.	Amount	Nos.	Amount	Nos.	Amount	Nos.	Amount
Andhra Pradesh	2	4.28	0	0	2	4.00	0	0
Arunachal Pradesh	0	0	0	0	0	0	0	0
Assam	0	0	2	6.54	2	2.27	0	0
Bihar	0	0	0	0	0	0	0	0
Chhattisgarh	0	0	0	0	0	0	0	0
Gujarat	2	3.49	3	12.05	3	10.31	1	3.87
Haryana	1	21.37	2	19.35	2	10.28	3	8.63
Himachal Pradesh	3	10.50	3	6.57	4	18.02	2	3.12
Jammu & Kashmir	0	0	2	4.80	2	16.06	2	4.80
Jharkhand	0	0	0	0	0	0	0	0
Karnataka	1	2.08	2	7.38	2	1.97	0	0
Kerala	1	4.80	0	0	0	0	0	0
Madhya Pradesh	1	2.37	2	5.50	2	3.89	1	2.50
Maharashtra	6	9.96	11	27.66	13	36.84	8	22.06
Manipur	1	5.00	1	2.45	0	0	0	0
Meghalaya	0	0	0	0	0	0	0	0
Mizoram	2	8.00	2	2.49	0	0	0	0
Nagaland	0	0	0	0	0	0	0	0
Odisha	0	0	1	0.566	1	0.92	0	0
Punjab	4	13.67	3	10.32	4	12.67	2	5.00
Rajasthan	0	0	1	2.02	3	9.22	2	2.95
Sikkim	0	0	0	0	0	0	0	0
Tamil Nadu	1	1.79	0	0	0	0	0	0
Telangana	0	0	0	0	0	0	0	0
Tripura	0	0	0	0	0	0	0	0
Uttar Pradesh	3	4.94	3	7.50	2	10.69	1	1.99
Uttarakhand	1	2.25	7	37.43	5	14.52	2	5.00
West Bengal	2	7.26	1	0.433	2	7.3	1	1.65
Andaman & Nicobar	0	0	0	0	0	0	0	0
Chandigarh	0	0	0	0	0	0	0	0
Dadar & Nagar Haveli	0	0	0	0	0	0	0	0
Damn and Diu	0	0	0	0	0	0	0	0
Lakshadweep	0	0	0	0	0	0	0	0
Delhi	0	0	0	0	0	0	0	0
Puducherry	0	0	0	0	0	0	0	0
Total	31	101.76	46	153.059	49	158.96	25	61.57*

*As on date 31.07.2016

ANNEXURE REFERRED TO IN REPLY TO PARTS (c) & (d) OF LOK SABHA UNSTARRED QUESTION NO. 3887 FOR ANSWER ON 09TH AUGUST, 2016 REGARDING WASTAGE OF AGRICULTURAL PRODUCE

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

- 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.
- 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.