

THE MINISTER OF STATE IN THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SADHVI NIRANJAN JYOTI): (a) Yes, Sir. Two Mega Food Parks have been sanctioned by the Ministry in Maharashtra under its Central Sector Scheme of Mega Food Parks. One of these Mega Food Parks is being set up at Village Wahegoan, District Aurangabad by M/s Paithan Mega Food Park Ltd. at a total approved cost of ₹ 124.56 crore. Another Mega Food Park is being set up at Village Degaon, District Satara by M/s Satara Mega Food Park Pvt. Ltd. at a total approved cost of ₹ 139.33 crore. A grant-in-aid of ₹ 50.00 crore has been approved by the Ministry to each of these projects. These Mega Food Park projects are under implementation presently.

(b) and (c) Currently, there exists a vacancy of a total of 17 Mega Food Parks in the country. The Ministry had invited Expression of Interest (Eoi)/proposals on 10.02.2014 from throughout the country to fill up the existing vacancies of Mega Food Parks. The last date was 31.07.2014. In response, a total 72 proposals have been received for setting up Mega Food Parks in various parts of the country including four proposals for setting up Mega Food Parks in Maharashtra, which are being appraised in the Ministry.

#### **Setting up of cold storage chains**

2270. SHRIMATI JAYA BACHCHAN: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether there is an acute shortage of cold storage facilities in various parts of the country, if so, the details thereof;

(b) whether Government has made any assessment of cold storage requirement for the country by 2015; and

(c) if so, the steps taken/proposed to be taken by Government to set up more chains of cold storages at various places as well as under Public Private Partnership mode, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SADHVI NIRANJAN JYOTI): (a) and (b) Dr. Saumitra Chaudhuri Committee constituted by the Planning Commission in 2012 on Encouraging Investment in Supply Chains including Provision for Cold Storage for More Efficient Distribution of Farm Produce, citing a study conducted by National Spot Exchange Limited (NSE), has indicated cold storage requirement of 61.13 million tonnes and the present capacity of cold storage at around 32 million MT in the country. The present gap is around 29 million MT.

(c) With the objective of reducing post harvest losses and providing integrated cold chain and preservation infrastructure facilities without any break from the farm gate to the consumer, Ministry of Food Processing Industries is implementing a Central Sector Scheme of Cold Chain, Value Addition and Preservation Infrastructure since 2008-09. The scheme is primarily private sector driven wherein financial assistance @ 50% of the total cost of plant and 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 ₹ 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.

Further, the Ministry has launched a Centrally Sponsored Scheme *i.e.* National Mission on Food Processing (NMFP) during 12th Plan. For setting up of cold chain infrastructure in the country, following schemes have been included in the National Mission on Food Processing (NMFP):

- (i) Scheme for Cold Chain, Value Addition and Preservation Infrastructure for Non-Horticultural Products: For setting up of cold chain projects for non-horticulture produce like dairy, meat, poultry, fish etc. the financial assistance as (a) Capital Subsidy: Grant-in-aid @35% of the bank appraised project cost for general areas, and @ 50% of the project cost for difficult areas including North- Eastern Region, subject to maximum of ₹ 5 crore, (b) Interest Subsidy: Interest subsidy @ 6% per annum subject to a maximum of ₹ 2.00 crore per project or actual interest accrued on term loan, whichever is lower, for a period of 5 year from completion of the project for general areas, and @ 7% per annum subject to a maximum of ₹ 3.00 crore per project or actual interest accrued on term loan, whichever is lower, for a period of 7 years from completion of the project for difficult areas including NER.
- (ii) Scheme for Creating Primary Processing Centres/Collection Centres in Rural Areas: For creation of primary processing facilities and Preservation Infrastructure in rural areas, grant-in-aid is provided @ 50% of the eligible project cost for the general areas and 75% in North-East, ITDP and Difficult Areas (NE States including Sikkim, notified ITDP areas and hilly States like H.P., J&K, Uttarakhand), subject to a maximum of ₹ 2.5 crore per project.

- (iii) Scheme for Reefer Vehicles: The objective of the scheme is to provide financial assistance to standalone reefer vehicle/s and mobile pre-cooling van/s for carrying and transporting both Horticultural and Non-Horticultural produce. Credit linked back ended grants-in-aid @ 50% of the cost of New Reefer Vehicle(s)/ Mobile pre-cooling van(s) upto a maximum of ₹ 50.00 lakh is provided under the Scheme.

In addition National Horticulture Mission (NHM), National Horticulture Board (NHB), and National Cooperative Development Corporation (NCDC) under Department of Agriculture and Cooperation, Ministry of Agriculture and Agricultural and Processed Food Products Export Development Authority (APEDA) under Department of Commerce, Ministry of Commerce and Industry, 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 this sector are given in Statement (*See below*).

***Statement***

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

1. Under Section 35-AD of the Income tax Act 1961, deduction for expenditure incurred on investment is allowed if this investment is wholly and exclusively for the purpose of (i) setting up and operating a cold chain facility; and (ii) setting up and operating warehousing facility for storage of agricultural produce. This deduction is allowed to the extent of 150% provided the taxpayer has commenced its business on or after 01.04.2012.
2. 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%.
3. All 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.

4. 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.
5. Capital investment in the creation of modern storage capacity has been made eligible for viability gap funding scheme of the Finance Ministry. The cold chains and post-harvest storage has been recognized as an infrastructure sub-sector.

#### **Development of food processing sector**

2271. SHRI D. KUPENDRA REDDY: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

- (a) whether it is a fact that the food processing sector is still at a nascent stage in the country;
- (b) if so, the details thereof and whether inadequate infrastructural facilities, access to credit, food safety laws, etc. are the main reasons therefor; and
- (c) if so, the details thereof and the steps taken/being taken by Government to address these issues and for developing the food processing sector to the level of other developing countries?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SADHVI NIRANJAN JYOTI): (a) and (b) As per the “Vision 2015: Strategy & Action Plan for Food Processing Industries in India” prepared by Rabo India Finance in April, 2005, the level of processing in India is very low and varies from sector to sector and is estimated at 2 per cent in the case of fruits and vegetables. It is very high in developed countries (80% in USA, 70% in France) and in many developing countries as well (80% in Malaysia, 30% in Thailand). Lack of efficient supply chain infrastructure, inadequate processing capacity and access to affordable credit are some of the important causes of slow development of food processing sector in the country.

- (c) For promotion and development of food processing sector in the country, Government is implementing Central Sector Scheme for Development of Infrastructure for Food Processing having components of (a) Mega Food Parks (b) Integrated Cold Chain, Value Addition and Preservation Infrastructure and (c) Setting-up/Modernization of Abattoirs (subsumed in NMFP *w.e.f.* 01.04.2014); Scheme of Technology Upgradation/Establishment/Modernization of Food Processing Industries; Scheme for