

Highlights of BUDGET 2014-15

relating to Cold-chain Sector

The Finance Minister has announced a slew of measures for the benefit of Agriculture & Horticulture sectors:

Warehousing infrastructure Rs 5000 crores

The Finance Minister said that increasing warehousing capacity for increasing shelf life of agriculture produce and thereby earning capacity of the farmer is of utmost importance. An allocation of Rs 5,000 crore is proposed for developing scientific warehousing. This is expected to cover all kinds of commodities including cold-chains. This will ease funding for developing cold chain infrastructure.

Price stabilization fund Rs 500 crores

To mitigate the risk of Price volatility in the agriculture produce, a sum of Rs 500 crores is initially provided for establishing a 'Price Stabilisation Fund' for cereals and vegetables. Besides setting up production areas close to cities, this will also facilitate the establishment of cold chain distribution.

Rural irrigation

Finance minister said bulk of our farm lands are rainfed and dependent on monsoons. Therefore, there is need to provide assured irrigation to mitigate risk. To improve access to irrigation, he has initiated the scheme 'Pradhan Mantri Krishi Sinchayee Yojana' and allocated Rs 1,700 crore for this purpose to provide assured water to farmers. This will enhance horticulture production and productivity in the country and in turn increase demand for cold chains for perishable produce.

River linking

FM said that rivers form lifeline of our country. He provided Rs 100 crore for Detailed Project Reports for linking of the rivers. Such a project when implemented, will feed growth in horticulture coverage and in turn increase cold chain demand.

Rural power

Rs 500 crore for "Deen Dayal Upadhyaya Gram Jyoti Yojana" for feeder separation to augment power supply to the rural areas and strengthening sub-transmission and distribution system. This is an initiative that brings availability of power at rural level into focus. In turn the benefit to cold chain and the development of packhouses is evident.

Gram sadak yojna

Rs 14,389 crore provided for 'Pradhan Mantri Gram Sadak Yojna' to improve access for rural population. Road connectivity with rural India can only aid cold chain development and is a welcome move.

Agriculture credit

(a) As a very large no of landless farmers are unable to provide land title as guarantee, institutional finance is denied to them and they become vulnerable to money lenders. It is therefore proposed to provide institutional finance to 5 lakh joint farming groups of “Bhoomi Heen Kisan” through NABARD. (b) A target of Rs. 8 lakh crore has been set for agriculture credit during 2014-15. (c) An amount of Rs 50,000 crore allocated for short term cooperative rural credit. It is expected that such credit facilities will empower farmers to embrace business opportunities and give a fillip to cold chains as a conduit to markets.

Agriculture and Horticulture Universities

Two more institutions of excellence on the pattern of Indian Agricultural Research Institute, Pusa, will be set up in Assam and Jharkhand with initial sum of Rs 100 crores. Besides, Agricultural Universities are proposed to be set up in Andhra Pradesh and Rajasthan and two horticulture universities in Tehlangana and Haryana with a provision of Rs 200 crores. Cold chain development will benefit by the scientific approach provided by Agriculture Universities.

Kisan TV dedicated to interests of agriculture and allied sector will be launched in the current financial year with a budget of Rs. 100 crore to disseminate real time information to the farmers on issues such as new farming techniques, water conservation, organic farming, etc. Capacity building is critical and this will help further the cause of cold chain knowledge dissemination.

Ports

Rs 11,635 crore will be allocated for development of ports (phase-I). This is welcome as will also lead to specialised cold chain enabled gateways for export of food products.

Solar power projects

Rs 400 crores provided for a scheme for solar power driven agricultural pump sets and water pumping stations. Another initiative focused on power availability and irrigation, which will help cold chain development. Already the MIDH cold chain incentives include solar & alternate power in its support components.

North East States

An investment of Rs 3000 crores is proposed for construction of roads in North East. This is besides Rs 1000 crores provided for development of rail connectivity in NE region. This will boost movement of horticulture produce from NE region to other states in the country. This gives long term empowerment to a very fertile NE, connecting it with rest of the country. Any improvement in rail and road connectivity will boost cold chain development.