

## Cold storage facility

**About Cold storage plants:** Cold storages are large warehouses equipped with a vapour compression system for refrigeration; these are commonly used for storing fruits, vegetables, processed meat, and other processed and frozen foods.

**About the opportunity:** The cold chain market in India was anticipated to reach Rs 624 billion (US\$13 billion) by FY 2017, according to 2014 estimates<sup>1</sup>. The market is expected to grow at a CAGR of 16.09% by 2020<sup>2</sup> driven by the growth in the organized retail, Indian fast food market, food processing industry and e-commerce sectors.

India is the largest producer of fruits and 2<sup>nd</sup> largest for vegetables, however, post harvest losses account for about 25% to 30% of production<sup>3</sup>. The lack of cold storage and cold chain facilities are becoming major bottlenecks in tapping the potential. Cold storage has become an important stage in the distribution highly perishable food products (processed or not).

India currently has 6,300 cold storage facilities across various states with total capacity of 30.11 MMT<sup>4</sup>(India produces more than 130 MMT of fruits and vegetables / annum). Due to lack of cold storage facilities, India has wastage of more than 450MMT every year and leads to shortage of supply and price inflation.

### **Some of the top names in cold storage in India:**

- **Snowman:** Snowman, incorporated in 1993, is cold Warehousing and Logistics service provider. Snowman is based in Bangalore but have presence in all major cities in India, including Nagpur.
- **ColdEx:** Established in 1997 and based in New Delhi Swastik Road lines, was renamed as ColdEx in 2005 after adding cold storage services to its product portfolio.
- **Kelvin cold chain:** With vehicle fleet size of 180+ Trucks and carrying capacity from 0.5MT to 22MT, Kelvin cold chain, based in Mumbai covers pan India providing its services.
- **Amar cold storage:** established in the year 1981 and situated at Anand, GUJARAT Amar Cold storage specializes in Quick freezing, stock maintenance, stock sorting and packaging, etc.

**Budget:** The minimum viable capacity for a cold storage unit is 5000 MT as per NABARD (National Bank for Agricultural and Rural Development). The land requirement for a unit of such capacity is considered to be 1 Acre and total cost for setting up the same would be around Rs. 1.5 Crores including cooling equipment which will cost around Rs. 55 Lakhs.

### **Report coverage:**

1. How to start a Cold storage facility
2. Legal and requirements (business registration, building clearance, HACCP cert. etc.)
3. Competitive landscape (a study of cold storage facilities available in the neighbourhood, their rentals etc)
5. Market study (Demand and supply of cold storage facility in your location)

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<sup>1</sup>Source: FNB news

<sup>2</sup>Source: Novonous.com

<sup>3</sup>Sources: TN, agriculture university

<sup>4</sup>Source: FnB news

6. Profitability and break even time
7. Capital requirement (fixed and working capital)
8. Incentives by Horticulture board of India/NABARD

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