



**It is very essential for the cold chain market to exhibit a strong growth during 2021-2026 whether it is preserving seed, food or pharma."**

**KIRAN GUBBA**  
CEO  
Gubba Cold Storage

During this pandemic, this temperature abuse and minor temperature deviations have resulted in the wastage of vaccines across states.

### **COST OF OPERATION:**

Setting up a cold facility in the nation is a capital incentive activity. The Operating costs for a cold storage business in India are approximately INR 80-90 per cubic foot per year as compared to INR 40 per cubic foot per year in the West. On top of this, there is minimal support from the government like tax breaks or subsidies.

Also, setting up cold storage in India involves energy expenses as well. Energy consumption alone makes up about 30% of the total expenses for the cold storage industry in India compared to 10% in the West.

"Cold Chain is a Capital Intensive business with higher operating costs, especially the organised quality warehouses. Further, India is a price-sensitive market, and the inclination to Quality & Safety is relatively low putting further stress on yield and operating margins. This is not encouraging many players to foray into this space. A medium to long term perspective is required for Cold Chain to prosper and bring in investment in this sector," said Mr Sharma

### **UNEVEN DISTRIBUTION OF CAPACITY:**

In India, a majority of investment in setting up cold storage is concentrated in certain areas. About 60% of cold storage capacity is concentrated in the states of West Bengal, Uttar Pradesh, and Bihar, out of which, storage of potatoes accounts for 85-90% of the capacity. As per available information via the Ministry of Agriculture and Farmers Welfare, there are 8,186 cold storage with a capacity of 374.25 Lakh MT is available in the country for storing perishable horticulture produce like fruits and vegetables.

Cold storage in India contributes 43.7% of the total revenue from the cold chain industry and only 36% have a capacity below 1,000 MT.

Post-COVID, the cold chain industry is gaining more importance and a strong need to strengthen the Cold Chain Infrastructure has been felt, and to do so the persisting challenges of the cold chain need to be eliminated.

If usage of a cold warehouse is grown, it will also increase the other ecosystem to develop and to grow. As the Indian market is huge and the diversity in products, season, and consumption pattern is different, a lot more study has to



establish models that can create growth of the cold chain. Standards have to be established and certified, said Mr Jeevan.

## TRENDS AND TECHNOLOGICAL ADVANCEMENTS

While challenges persist, the growing cold chain sector is making way for new trends and technological advancements.

Speaking of the emerging trends, Mr Gubba mentions, "Currently, we are expecting to have developments in the infrastructure of a cold chain, we will not deny the fact that there has been upliftment in the following domains yet there is space for more - cost-effective equipment, less power consumption technologies, online data monitoring systems, 21 CFR data loggers, new age dock-levelers".

As far as technological advancements are concerned, JLL India said that in the coming years, automation in the logistics sector will become more pronounced. The firm sees innovation in the multimodal and cold supply chain as catalysts for new segments of demand, said a JLL spokesperson while speaking to a media house.

As perishables and pharma companies strive to make their operations efficient and meet consumer demands, it makes the location and time of delivery more important than ever. Making visibility and traceability solutions are some of the most prolific technologies in the sector.

"Technology is playing a crucial role in maintaining and monitoring the temperature consistency, even remotely. New materials are available that will consume less power but has