

Development of Post Harvest Infrastructure for Horticultural Crops in India: An Appraisal of Soft Loan Schemes

K G Kshirsagar*

India is the second largest producer of fruits and vegetables in the world. It is also an important flower growing country. However, the high ranking in horticultural production is not matched by the availability of post-harvest infrastructure (PHI), leading to estimated losses of 20 to 35 percent valued at more than 30 billions of rupees annually. The share of Indian horticultural commodities in the world trade is also insignificant. Recognizing the need for the development of PHI for horticultural crops, the National Horticulture Board (NHB) had initiated two soft loan schemes (SLSs) in 1993-94. The "Integrated Project on Management of Post-Harvest Infrastructure of Horticulture Crops" helped in the development of 127 grading / packing sheds, 64 pre-cooling units, 39 cold storages, 129 specialised / refrigerated transport vehicles and 214 retail outlets till 1996-97. Similarly, 69 projects were sanctioned under the scheme on "Development of Horticultural Produce through Participation of Soft Loan" during the same period. In order to evaluate the SLSs for the development of PHI for horticultural crops, this study was conducted in four states viz. Maharashtra, Karnataka, Punjab and Madhya Pradesh. The study covered a sample of 14 PHI units and 444 farmers. The study had brought out positive features of the SLSs like (1) the positive role played by the SLSs in attracting the private sector investment in development of PHI for horticultural crops, (2) reduction in post-harvest losses, and (3) positive impact on farmer's employment, incomes and assets. However, farmers faced several problems in using such PHI facilities created in their area. In addition to this, the repayment performance of SLSs was very poor. The study has brought out a number of action points worth considering by the NHB and other stakeholders interested in the improvement of working of the soft loan schemes and the development of PHI for horticultural crops in the country.

* Faculty Member, Gokhale Institute of Politics and Economics (Deemed University), Pine 411 004. E-mail: lkshirsagar@yahoo.co.uk. Tel: 020- 25650287; Fax: 020- 25652579.

This paper is a revised version of the study report on "Evaluation of Soft Loan Schemes for the Development of Post Harvest Infrastructure for Horticultural Crops in India (A Consolidated Report)" submitted to the Ministry of Agriculture, Government of India, New Delhi, in March 2004. The study was conducted in the states of Maharashtra, Karnataka, Punjab and Madhya Pradesh. The author is greatly indebted to and is most appreciative of the help rendered and contributions made by the respective Agro Economic Research Centers / Unit in the study states. The author is also grateful to an anonymous referee of the Journal for offering very useful comments on the study. However, none of the above mentioned individuals and institutions are responsible for any errors remaining in the study.