

Sector	Project Title
Logistics	Operation and maintenance of Centre for Perishable Cargo (CPC) at Indore airport

Project Description

Logistics spending in India is currently estimated to be around 13% of GDP and the Logistics Industry is valued at approximately Rs. 4,068 billion. The size of the Logistics sector is expected to be more than USD 120 billion (Rs. 5,400 billion approx.) by 2015.



The total logistics cost / spending in India is estimated at 4.59% of sales and 10% of value added. Logistics is a growing sector now and not just limited to warehousing and transportation. Logistics presently includes newer concepts like logistics hubs, cold chains, integrated logistics complexes, 3PL logistics, cargo consolidators, etc.

The proposed project envisages selection of strategic partner for operation and maintenance of Centre for Perishable Cargo at Indore airport.

Project's Value Proposition

The Government of Madhya Pradesh is setting up a centre for perishable cargo at Devi Ahaliyabai Airport at Indore with an estimated throughput of 40 MT/day comprising of perishable agro products such as fresh fruits, vegetables, flowers, poultry products, meat, pharmaceuticals and vaccines on a Public Private Partnership (PPP) basis.

The proposed project is expected to provide the following inherent value propositions:

- Perishable goods are among the major commodities grown in the area. Approximately 40% of the perishable goods grown in the area get damaged before they reach the market. Specialised facilities are required for handling and preserving such products. This project hence has a ready market to serve.
- Horticultural crops being perishable in nature are subject to post harvest losses. Factors like respiration, ethylene production, evaporation, temperature and relative humidity affect the keeping quality of these products. Post harvest facilities from production linking to the market and consumption points help in the reduction of losses due to wastage. The current processing is less than 2% of the total horticulture production. This project hence has a ready market to serve.

MP's value proposition

- Madhya Pradesh ranks
 - 2nd in the production of Garlic and Orange,
 - 3rd in the production of Coriander,
 - 5th in the production of Onion and
 - 6th in the production of Bananas.
- Banana, Orange and Mango are the leading fruit crops in Madhya Pradesh and account for over 82% of the area under fruit cultivation and over 87% of the total fruit production.

- Potato, Onion and Sweet Potatoes are the major vegetables grown in the state and account for over 49 % of the area under vegetable cultivation and over 82% of the total vegetable production. The area under flowers is approximately 6700 Ha with a production of 4000 tonnes. The main districts for flower cultivation are Bhopal, Betul, Ujjain, Ratlam and Indore.

- Other important products include:

Crop	All India Production	Production in MP	All India Rank
Soyabean	8.85	4.78	1st
Gram	6.33	2.41	1st
Pulses	14.2	3.2	1st
Lentil	0.91	0.26	2nd
Rapeseed & Mustard	7.44	0.69	4th
Wheat	75.81	7.33	4th
Tur	2.31	0.22	5th
Maize	15.1	0.84	7th

- Indore is the commercial capital of MP. Indore airport is an international airport which is capable of handling international cargo.
- Land is available in MP in abundance at lesser rates than other regions in India. The labour rate in MP is Rs.135-150 per hour as compared to Rs. 225-250 per hour in metros. There is larger pool of qualified manpower available in MP

- Madhya Pradesh Warehousing & Logistics Corporation Ltd. (MPWLC) is the nodal agency for development of logistics and warehousing facilities in MP. Current Joint Venture scheme by MPWLC provides for development of warehousing facility through a joint venture between a private player and MPWLC. Presence of such an agency will help this project immensely.



- Central location of the state gives it inherent potential to become the logistics hub of the country.

Project Specification

- **Capacity:** The Government of Madhya Pradesh is setting up a centre for perishable cargo at Devi Ahaliyabai Airport at Indore with an estimated throughput of 40 MT/day comprising of perishable agro products such as fresh fruits, vegetables, flowers, poultry products, meat, pharmaceuticals and vaccines on a Public Private Partnership (PPP) basis.
- The required investment in the development of the infrastructure facilities will be made by the developer of the CPC which is already in place. The main responsibility of the strategic partner will be to operate and maintain the infrastructure which actually delivers the services to the international standards.
- **Know-how & technology:** The strategic partner is expected to have a know-how and technology in handling cargo and other regular day to day functions for the operation and maintenance CPC.
- **Facilities:** The cargo related activities using the following facilities at the CPC could be provided by the said partner:
 - Cold storages with different technical specification for various types of perishable cargo
 - X – Ray scanning of the cargo
 - Automated and computerized document processing
 - Operation of area using the modern material handling equipments
- The operator will earn the revenue from cargo handling activities.

Project Contacts

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