

Strengthening Cooperative

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In order to address the shortage of storage capacity for food grains in the country and creation of decentralised scientific grain storage infrastructure, the Government, on 31st May, 2023, has approved the “World’s Largest Grain Storage Plan in Cooperative Sector”, which has been rolled out as a Pilot Project. The Plan entails creation of various agri infrastructure including godowns, custom hiring centers, processing units, Fair Price Shops, etc. at PACS/ other cooperative societies level through convergence of various existing schemes of the Government of India (GoI), such as, Agriculture Infrastructure Fund (AIF), Agricultural Marketing Infrastructure Scheme (AMI), Sub Mission on Agricultural Mechanization (SMAM), Pradhan Mantri Formalization of Micro Food Processing Enterprises Scheme (PMFME), etc.

Committees have been constituted at State (State Cooperative Development Committee (SCDC) headed by State Chief Secretary and District levels (District Cooperative Development Committees (DCDC) headed by District Collector to monitor its implementation and ensure its seamless integration with the existing State policies/ programmes at the State level and District level.

Decentralized storage at the village/PACS level is expected to significantly reduce post-harvest losses by enabling scientific storage closer to farms and minimizing handling. Localized storage also lowers transportation distances and associated costs by reducing repeated long-haul movements to distant warehouses or mandis. Collectively, these measures improve price realization for farmers, enhance supply-chain efficiency, and strengthen food security outcomes.

As per information received from the State of Madhya Pradesh, since the State, including the Districts of Katni, Panna and Chhatarpur, has adequate storage infrastructure, hence no godowns have been constructed in the State under the Plan.

The Plan is being implemented across the country at the locations where there is storage requirement so that the farmers of those regions receive improved price realization and reduced post-harvest losses. Agencies such as Food Corporation of India (FCI), National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED), National Cooperative Consumers' Federation of India Ltd. (NCCF) and State Warehousing Corporations (SWCs) have identified 378 districts/ location across the country as per their storage requirement which constitutes a total storage gap of 46.92 LMT and States/UTs concerned have been requested for further identification of land in PACS and other Cooperative Societies. So far, under the Grain Storage Plan, 560 cooperative societies have been identified and construction of godowns has been completed in 120 cooperative societies across the country creating a total storage capacity of 72,702 MT.

Financial support is provided to the participating cooperative societies through various GOI schemes converged with the Plan. Under the AIF Scheme the benefit of interest subvention is given to the PACS against the loan taken for construction of godowns and under AMI Scheme 33% subsidy is given for the construction of foodgrain storage. The Department of Agriculture and Farmers Welfare has extended the credit guarantee under AIF Scheme from 2+5 to 2+8 years for PACS and also made the following amendments under the AMI scheme:

- Margin money requirement has been reduced from 20% to 10%.
- The construction cost has been revised from ₹3000–3500/MT to ₹7000/MT for plain areas and from ₹4000/MT to ₹8000/MT for northeastern states.
- The subsidy has been increased for PACS from 25% to 33.33% (from ₹875/MT to ₹2333/MT for plain areas and from ₹1333.33/MT to ₹2666/MT for northeastern states).
- For PACS, a provision has been made to provide an additional subsidy of 1/3 (one third) of the total admissible subsidy for ancillary infrastructure such as internal roads, weighbridges, boundary walls, etc.

The Plan also utilizes NABARD's special refinance scheme to significantly reduce the financial burden on participating cooperatives. When combined with the 3% interest subvention available under the AIF, the effective loan interest rate for PACS is reduced to 1% under World's Largest Grain Storage Plan.

Further, Food Corporation of India (FCI) has also agreed to provide uniform hiring assurance for 9 years to PACS/ other cooperative societies godowns under the Plan.

In order to broaden implementation capacity and scale, the Plan has been expanded beyond PACS to include all Cooperative Societies, Cooperative Federations, and Multi-State Cooperative Societies (MSCS).

This information was given by Union Minister for Home and Cooperation Shri Amit Shah in a written reply in Lok Sabha.

AK/AP

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