

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
STARRED QUESTION NO. 209
TO BE ANSWERED ON 19th MARCH, 2025

New warehouse for food security in Tamil Nadu

209. Shri M. Mohamed Abdulla:

Will the Minister of COOPERATION be pleased to state:

- (a) whether the Union Government identified specific regions in Tamil Nadu, for prioritizing warehouse construction to support food security, for its high agricultural output;
- (b) the manner in which the Union Government will determine priority areas for warehouse construction, and how Tamil Nadu's needs be considered in this decision;
- (c) whether it is a fact that due to the agricultural challenges in Tamil Nadu, the Union Government allocate additional resources for developing adequate storage infrastructure; and
- (d) if so, the details of this allocation?

ANSWER

THE MINISTER OF COOPERATION
(SHRI AMIT SHAH)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (D) IN RESPECT OF RAJYA SABHA STARRED QUESTION NO. 209 FOR REPLY ON 19TH MARCH, 2025 ASKED BY SHRI M. MOHAMED ABDULLA REGARDING NEW WAREHOUSE FOR FOOD SECURITY IN TAMIL NADU.

(a) to (b): In order to prioritize food security of the country, the Government of India through Food Corporation of India (FCI), mainly stores wheat and rice after procurement, for Public Distribution System (PDS) operations and to maintain buffer stock. The requirement of storage capacity in FCI depends upon the level of procurement, requirement of buffer norms and PDS operations for food grains (rice and wheat). FCI continuously assesses and monitors the storage capacity and based on the requirement and storage gap assessment, storage capacities are created/ hired through following schemes at a pan India level, including Tamil Nadu:

- i. Construction of silos under Public Private Partnership (PPP) mode
- ii. Private Entrepreneur Guarantee (PEG) scheme
- iii. Central Sector Scheme – Storage and Godowns’
- iv. Hiring of godowns from Central Warehousing Corporation (CWC)/ State Warehousing Corporations (SWCs)/ State agencies
- v. Private Warehousing Scheme (PWS)
- vi. Creation of godowns under Asset Monetization

Further, to strengthen agriculture infrastructure in the country, the Union Government launched the Agriculture Infrastructure Fund (AIF) of Rs. 1.00 lakh crore, under which there is provision for collateral free term loan up to Rs. 2.00 crore and interest subvention of 3% on the term loan availed for creation of post-harvest infrastructure including warehouses and cold storages.

Under the Central Sector Scheme of ‘Agriculture Marketing Infrastructure (AMI)’, which is meant for holistic development of agricultural value chain, subsidy at the rate of 25% to 33.33% is provided for creation of storage infrastructure (50 – 5,000 MT) and non-storage infrastructure.

Additionally, under the Centrally Sponsored scheme of Mission for Integrated Development of Horticulture (MIDH), capital assistance in the form of subsidy (35% of project cost in general areas and 50% in hilly and scheduled areas) is provided by the Union Government for various horticulture activities, including construction/ expansion/ modernization of cold storages of capacity up to 5,000 MT in the country on the basis of Annual Action Plans (AAPs) prepared by States/ UTs based on their requirement.

Further, under National Horticulture Board's scheme "Capital Investment Subsidy for Construction/ Expansion/ Modernization of Cold Storages and Storages for Horticulture Products", credit linked back-ended subsidy is provided at the rate of 35% of the capital cost of the project in general areas and 50% in case of North East, hilly & scheduled areas for construction/ expansion/ modernization of cold storage and Controlled Atmosphere (CA) storage of capacity above 5,000 MT and up to 20,000 MT.

In addition to the above, in order to create decentralized food grain storage capacity in the country, the Government on 31.5.2023 approved the World's Largest Grain Storage Plan in Cooperative Sector, which has been rolled out as a Pilot Project. It entails creation of various agri infrastructure at the level of Primary Agricultural Credit Society (PACS), including setting up decentralized godowns, custom hiring center, processing units, etc. 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.

Under the Pilot Project of the Plan, a godown of 1,000 MT capacity has been constructed in Silamarathupatti Primary Agricultural Credit Society in Theni district of the State of Tamil Nadu.

The States/ UTs have been entrusted with the responsibility of identifying suitable PACS, to be approved by their respective District Cooperative Development Committees (DCDCs), which have been constituted under the chairmanship of District Collector concerned, for participating in the Project, as per the food grain storage requirements of the region.

PACS participating under the World's Largest Grain Storage Plan in Cooperative Sector can avail benefits in the form of subsidy or interest subvention under the GoI schemes being converged at PACS level. Further, the following modifications have been made in certain GoI scheme guidelines to encourage PACS to participate in the World's Largest Grain Storage Plan:

i. **AMI:**

- Margin Money requirement has been reduced from 20% to 10%.
- PACS are eligible to avail subsidy @ 33.33%.
- Cost norms for calculation of subsidy for godown construction have been revised upwards, from Rs.4,000/MT to Rs.8,000/MT for North Eastern States, and from Rs.3500/MT to Rs.7000/MT for other States.

- Additional subsidy to PACS for ancillary infrastructure (boundary wall, internal road, etc.), restricted to a maximum 1/3rd of the total permissible subsidy of the godown component or actual, whichever is lower.

ii. **Credit Guarantee Cover to PACS:**

PACS participating in the World's Largest Grain Storage Plan in Cooperative Sector, have been made eligible to avail of the NabSanrakshan credit guarantee facility under 'Formation & Promotion of 10,000 FPO' scheme, at par with FPOs, as follows:

- In case of project loans up to Rs. 1 crore, credit guarantee cover will be 85% of bankable project loan with ceiling of Rs. 85 lakh.
- In case of project loans above Rs. 1 crore and up to Rs. 2 crore, credit guarantee cover will be 75% of bankable project loan with a maximum ceiling of Rs. 1.5 crore.
- However, for project loan over Rs. 2 crore of bankable project loan, credit guarantee cover will be limited maximum up to Rs. 2 crore only.

(c) and (d): Under the Central Sector Scheme of Agriculture Infrastructure Fund (AIF), a total of 1,416 projects have been sanctioned for warehouse construction in the State of Tamil Nadu, for which Rs. 434 crores have been sanctioned by the Union Government.

Under the AMI Scheme, a total of 1,238 projects with a total capacity of 15.22 Lakh MT have been sanctioned in the State of Tamil Nadu, for which subsidy of Rs. 54.24 crore has been released. Under MIDH and National Horticulture Board's Scheme 'Capital Investment Subsidy for Construction/ Expansion/ Modernization of Cold Storages and Storages for Horticulture Products', there are 188 cold storages in the State of Tamil Nadu with a total capacity of 3.99 Lakh MT.
