

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
UNSTARRED QUESTION NO. 1290
TO BE ANSWERED ON 11th FEBRUARY, 2026

World's Largest Grain Storage Plan in Cooperative Sector

1290. Shri Ashok Singh:

Will the Minister of COOPERATION be pleased to state:

- (a) the progress of the "World's Largest Grain Storage Plan in Cooperative Sector" in the pilot districts of Madhya Pradesh;
- (b) how Government plans to integrate Primary Agricultural Credit Societies (PACS) with the Agriculture Infrastructure Fund (AIF) to build godowns at the village level, preventing distress sales by small farmers; and
- (c) the estimated reduction in post-harvest losses and transportation costs for farmers due to this decentralized storage model?

ANSWER

THE MINISTER OF COOPERATION
(SHRI AMIT SHAH)

(a): Balaghat district of Madhya Pradesh was selected as the pilot district under World's Largest Grain Storage Plan in Cooperative Sector (WLGSP). Under the pilot project one 500 MT godown was constructed at Bahudeshiya Prathamik Krishi Saakh Sahakari Society Maryadit Parswada in Balaghat District. The project has been fully completed and was inaugurated by the Hon'ble Prime Minister on 24 February 2024. The godown has been hired by Madhya Pradesh Warehousing and Logistics Corporation (MPWLC).

(b): The Plan is being implemented 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. 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 subsidy is given for the construction of foodgrain storage. The Department of Agriculture and Farmers Welfare has extended the loan repayment period 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.

This integration allows farmers to store produce locally, access pledge financing, and sell at opportune times, thereby preventing distress sales—particularly for small and marginal farmers.

(c): 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.
