

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO. 2586
TO BE ANSWERED ON 19/12/2023**

World's Largest Grain Storage Plan

**2586. SHRI SUNIL BABURAO MENDHE:
SHRI KANAKMAL KATARA:
SHRI GYANESHWAR PATIL:
SHRI KUNWAR PUSHPENDRA SINGH CHANDEL:
SHRI VIVEK NARAYAN SHEJWALKAR:
SHRI PRADEEP KUMAR SINGH:
SHRI SRIDHAR KOTAGIRI:
SHRI SHANKAR LALWANI:
DR. BHARATIBEN DHIRUBHAI SHIYAL:
SHRI MANOJ TIWARI:**

Will the Minister of COOPERATION (**सहकारिता मंत्री**) be pleased to state:

- (a) the details of the World's Largest Grain Storage Plan in Cooperative Sector approved for construction of godowns including its primary objectives, current status, the advantages it aims to deliver and the manner in which it fulfils the food security need of the country;
- (b) the expectations from this initiative to alleviate the issues/problems surrounding with the foodgrain storage in the country benefiting both farmers and consumers;
- (c) the measures or strategies outlined to ensure transparency, accountability and timely execution of this initiative within the cooperative sector;
- (d) the benefits likely to be obtained at panchayat/village level due to the said scheme;
- (e) the manner in which the farmers are likely to get fair price on their yield on account of the said scheme;
- (f) the various benefits to be availed by the Primary Agriculture Credit Societies (PACS) getting these godowns/storage facilities through the said scheme; and
- (g) whether the economic condition of PACS will be strengthened through the said scheme and if so, the details thereof?

ANSWER

**THE MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)**

(a) to (g): In order to address the shortage of food grain storage capacity in the country, the Government on 31.05.2023, has approved the "World's Largest Grain Storage Plan in Cooperative Sector", which is being rolled out as a Pilot Project in different states/UTs of the country.

The Plan entails creation of various agri infrastructure at PACS level, including setting up decentralized godowns, custom hiring center, processing units, Fair Price Shops, 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 these schemes, PACS can avail subsidies and interest subvention benefits for construction of godowns/storage facilities and setting up of other agri infrastructure. Further, NABARD is also extending financial support to PACS by refinancing them at highly subsidized rates of around 1 percent, after incorporating the benefits of 3% interest subvention under AIF scheme for projects up to Rs. 2 Crore. Therefore, the plan aims to strengthen the economic condition of PACS by diversifying their business activities and giving them additional sources of revenue thus improving their financial sustainability.

The Pilot project is being implemented by National Cooperative Development Corporation (NCDC) with the support of NABARD, Food Corporation of India (FCI), Central Warehousing Corporation (CWC), NABARD Consultancy Services (NABCONS), National Buildings Construction Corporation (NBCC), etc. in different States/ UTs. Consultancy support is also being extended to PACS through these agencies under the project.

In order to ensure accountability and smooth, effective and transparent implementation of the plan, Ministry of Cooperation has constituted an Inter-Ministerial Committee (IMC), which is authorized to modify guidelines/ implementation methodologies of the schemes identified for convergence, as and when need arises. A National Level Coordination Committee (NLCC) has also been constituted having members from Ministry/ Departments, Central Government agencies concerned to steer the overall implementation of the Plan and reviewing the progress of implementation, etc.

To monitor the implementation of the project and to ensure its seamless integration with the existing policies/ programmes at State level, State Cooperative Development Committee (SCDC) at State level and District Cooperative Development Committee (DCDC) in each District of the State/UT have also been constituted.

Further, an MoU has been signed between Ministry of Cooperation (GoI), Department of Food and Public Distribution (GoI), Food Corporation of India (FCI) and National Cooperative Development Corporation (NCDC) to ensure full capacity utilization of the storage capacity being created at PACS level under the Project. This will facilitate hiring of godowns constructed at PACS level by FCI, integration of these godowns with the supply chain of foodgrains, thereby providing requisite forward and backward market linkages to PACS.

States/ UTs and National level Cooperative Federations, like National Cooperative Consumers Federation (NCCF) and National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED), have identified 1,711 PACS for creation of storage capacity under the Pilot Project. Presently, construction of godown is going in 13 PACS of 13 States/ UTs under the Pilot Project.

Establishment of decentralized storage capacity at PACS level would reduce post harvest losses by creating sufficient storage capacity in the country and strengthen food security of the country up to

Panchayat/village level. It will also prevent distress sale of crops by farmers and enable them to realise better prices for their crops. Since PACS would be operating as procurement centre as well as Fair Price Shops (FPS), the cost incurred in transportation of food grains to procurement centres and again transporting the stocks back from warehouses to FPS would also be saved.

The project will also provide various benefits to the farmers, including the following:

- i. Farmers will be able to store their produce in the godown constructed at PACS and avail bridge finance for the next cycle of crop and sell the produce at a time of their choice, or sell their whole crop to the PACS at Minimum Support Price (MSP), which would enable them to avoid distress sale of crops.
- ii. They will be able to get various agri inputs and services at the Panchayat/ village level itself.
- iii. Through diversification of business, farmers will be able to get additional sources of income.
- iv. Through integration with the food supply management chain, farmers will be able to expand their market size and realize better value for their produce.
- v. Creation of adequate food grain storage capacity at PACS level will help in reduction of post-harvest loss, thus enabling farmers to earn better prices.
- vi. In addition to the above, this Plan would help in ensuring food security at Panchayat/ village level across the country, thereby benefitting the consumers.
