

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
STARRED QUESTION NO. 339
TO BE ANSWERED ON 12th AUGUST, 2025**

World's Largest Cooperative Foodgrain Storage Scheme

***339. Smt. Kamaljeet Sehrawat:
Dr. Bhola Singh:**

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

- (a) the likely impact of the world's largest cooperative foodgrain storage scheme launched by the Government on employment generation in rural areas along with the role of Primary Agricultural Credit Societies (PACS) in the country's Gross Domestic Product (GDP);
- (b) whether the Government is making special provisions under the said scheme to enhance the financial stability and operational capacity of PACS, if so, the details thereof;
- (c) the details of the steps being taken to link/integrate PACS, State Cooperative Marketing Federations and other cooperative institutions with an integrated cooperative supply chain under the said scheme;
- (d) the manner in which the said scheme is likely to help in achieving national goals like 'Atmanirbhar Bharat' and 'Sahkar Se Samridhi' particularly in areas like Bulandshahr district of Uttar Pradesh; and
- (e) whether the Government is planning for cooperative foodgrain storage scheme in Palghar district in Maharashtra and if so, the details thereof?

ANSWER

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

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

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (E) IN RESPECT OF LOK SABHA STARRED QUESTION NO. 339 FOR REPLY ON 12TH AUGUST, 2025 ASKED BY SMT. KAMALJEET SEHRAWAT AND DR. BHOLA SINGH REGARDING WORLD'S LARGEST COOPERATIVE FOODGRAIN STORAGE SCHEME.

(a) to (b): In order to address the shortage of storage capacity for food grains in the country, the Government, on 31st May, 2023, has approved the Plan for the “World’s Largest Grain Storage Plan in Cooperative Sector”, which has been rolled out as a Pilot Project. The Plan is being implemented 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 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., for PACS.

Additionally, NABARD has allocated separate fund for refinancing facility to PACS under this Plan.

Further, some States such as Rajasthan and Gujarat are providing financial support for godown construction under the project through their own State level schemes.

The Plan entails creation of various agri infrastructure at Primary Agricultural Credit Societies (PACS) level, including godowns, custom hiring centers, processing units, Fair Price Shops, etc. and therefore enhancing the operational capacity and income of PACS and transforming them into multi-service centres.

This enhanced role of PACS aims to empower rural economy, reduce post-harvest losses, improve supply chain efficiency, and contribute positively to agriculture-driven growth, where agriculture and allied sector has a significant impact on India’s GDP.

The scheme is also expected to boost rural employment, both directly and indirectly by generating employment during the construction phase of godowns and by creating long-term jobs for operations, warehousing, and logistics services.

(c): Institutions like FCI, NAFED, NCCF, State Warehousing Corporations (SWCs) and State Marketing Federations (SMFs) have been roped in for identification of PACS, constructions of godowns, providing hiring assurance, and extending operational support under the plan. FCI plays a critical role in mapping storage gaps for construction of godowns at PACS level and issuing hiring assurances, especially in non-DCP States. NAFED and NCCF, being national-level procurement and marketing cooperatives, are responsible for identifying PACS in their procurement zones, issuing hiring assurances, guiding proposal development, and ensuring full operational utilization of constructed godowns. Additionally, SWCs, in coordination with the Central Warehousing Corporation (CWC) and State Cooperation Departments, are tasked with facilitating timely hiring commitments.

The Plan minimizes long-distance transportation costs and losses by enabling local storage of grains at the PACS level. Additionally, by integrating PACS with food supply management chain including agri-marketing and procurement systems, direct access to storage facilities is ensured for farmers, reducing their dependence on intermediaries. Hence, the Plan aims to ensure better price realization for farmers, reduce transportation costs, and strengthen the rural economy as a whole.

(d): The World's Largest Grain Storage Plan in Cooperative Sector is directly aligned with the national vision of 'Atmanirbhar Bharat' and 'Sahkar se Samriddhi' by empowering grassroots-level cooperative institutions with storage, processing, and marketing infrastructure across the country including agriculture-dominated regions like Bulandshahr in Uttar Pradesh.

(e): The Pilot Project of the Plan is extended to more than 500 PACS across the country including Palghar District in Maharashtra. It aims to empower PACS, reduce post-harvest losses, and improve livelihood and food security in the region. FCI has also identified storage gap in Palghar district for identification of sites for godown construction. Further, District Cooperative Development Committee (DCDC) in every district have been entrusted with responsibility to examine and assess the availability of existing storage facilities, their capacity utilization, storage gap, capacity of proposed godowns, viability of the applicant PACS, location of the proposed project, connectivity, logistics, etc.
