

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO. 2704
TO BE ANSWERED ON 16th DECEMBER, 2025**

World's Largest Cooperative Foodgrain Storage Scheme

2704. Shri Kamakhya Prasad Tasa:

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

- (a) the manner in which the world's largest cooperative foodgrain storage scheme would strengthen India's GDP and generate rural employment;
- (b) whether the Government is taking steps to improve the financial viability of Primary Agricultural Credit Societies (PACS) through this storage scheme;
- (c) if so, the details thereof;
- (d) the measures being adopted to integrate more PACS and State-level marketing federations into a complete cooperative supply chain; and
- (e) the manner in which this storage scheme would help achieve the goals of 'Atmanirbhar Bharat' and 'Sahkar Se Samridhi'?

ANSWER

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

(a): 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. It is being implemented through convergence of various existing schemes of the Government of India (GoI).

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 facilitating local procurement, processing, warehousing, financial and credit services among others. These services are 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, logistics and other services related to the Plan.

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.

(b) to (c): 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. Various measures have been taken to make suitable amendments in these schemes to improve financial viability of PACS.

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., for PACS.

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

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. Further, FCI has also agreed to extend a uniform 9-year hiring assurance to all PACS godowns of 2,500 MT capacity and above under the Plan. Further, agencies such as NAFED and NCCF are also providing hiring assurance to PACS godowns in their procurement zones. Additionally, SWCs, in coordination with the Central Warehousing Corporation (CWC) and State Cooperation Departments, are tasked with facilitating timely hiring commitments.

(d): 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. 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.

Further, in order to broaden implementation capacity and scale, the World's Largest Grain Storage Plan in Cooperative Sector has been expanded beyond PACS to include willing Cooperative Societies, Cooperative Federations, and Multi-State Cooperative Societies (MSCS).

This 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.

(e): The World's Largest Grain Storage Plan in Cooperative Sector is directly aligned with the national vision of 'Atmanirbhar Bharat' and 'Sahkar se Samridhhi' by empowering grassroots-level cooperative institutions with storage, processing, and marketing infrastructure across the country.