CHAPTER III

SCENARIO OF WAREHOUSING INDUSTRY IN INDIA AND MAHARASHTRA

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REFERENCES
SCENARIO OF WAREHOUSING INDUSTRY IN INDIA AND MAHARASHTRA

3.1 INTRODUCTION:

The developmental thought of storage and warehousing in India can be observed from pre-independence period that is from then Indian government under British rule.

The Royal Commission on Agriculture setup by the British Government conducted a detailed study on agriculture. In its’ report published during the year 1928, it called for scientific approach to the sector and stressed for developing rural industries and cooperatives. It had considered problem of warehousing and made important recommendations in regard to storage and warehousing. Then the Indian central banking enquiry committee in 1931 also emphasized the need for establishing warehouses.

The Reserve Bank of India in a circular letter addressed to all the state governments in November 1944 for passing of warehouse ACT. A model bill in which the state legislation could be based was circulated by RBI to the state governments.

The agricultural finance sub committee (Gadgil committee) for the first time in 1945 made specific recommendations for establishing licensed warehouses which will be scientifically managed with prescribed standards. It also recommended issuance of negotiable warehouse receipt paper to boost agricultural finance and trade. Committee recommended for construction of a chain of warehouses and it should be developed and operated by public undertaking as the sufficient private capital could not be attracted. In Bombay state, the warehouse Act was passed in the year 1947 and Rules under the Act were framed in 1949.

In spite of number of committee recommendations, negligible warehouses were set-up in public and especially in private sector as the cost of construction were too high in comparison with the returns expected in first few years.
3.2 DEVELOPMENTS IN INDEPENDENT INDIA:

The report of all India Rural Credit Survey Committee of RBI set up in 1949 gave it’s report in 1954. This report gave considerable importance to the problem of storage and warehousing and fully endorsed the views of Gadgil committee. Major suggestions and recommendations made by the committee related to warehousing were as follows.

1. Warehousing is necessary but relatively less profitable and capital intensive industry. Therefore it is difficult to attract private sector and need is there for public sector investment. It is also necessary to keep greater control of this activity in public sector because considering the insufficiency in food grain production; the large scale presence of private sector in warehousing can become a threat to the continued and smooth availability of produce for the consumption of mass people.

2. It is necessary to create scientific storage facility for farmers near to their farming activity to avoid storage loss in agricultural produce, which were estimated to be in the region of 9.6%

3. It is necessary to create negotiable warehouse receipt system to facilitate institutional credit to the farmers.

4. There should be a three-level structure for developing warehousing and storage infrastructure in the country. The role played on these three levels should be by Government of India, the State Governments and the Co-operatives.

Based on recommendation of the committee the Government of India enacted the Agricultural Produce (Development and Warehousing) Corporation Act, 1956, under which a 3 tier system was conceptualized, it was as follows –

1. Central Warehousing Corporation (CWC) – A central organization for the development of storage infrastructure at locations of national level importance.

2. State Warehousing Corporations (SWC’s) - State organizations in different states of India, for setting up warehouses and godowns at state and district level importance.

3. Co-operative organizations for setting up of godowns at Taluka and village level.
In accordance with the provisions of Warehousing Corporations Act of 1957, the government of India established Central Warehousing Corporation in 1957. Similarly state warehousing corporations in various states came into existence during July 1957 to August 1958 by the Act’s of the respective state legislations, as the state governments were empowered to establish their own warehousing corporations with the approval of CWC. The CWC played active role in creating 17 state warehousing corporations (S.W.C.) in different states.

In the state of Maharashtra, the Bombay Warehouse Act 1959 and Rules under the act called Bombay Warehouse Rules 1960 were framed and came into existence.

In 1960-61 there were only 40 general warehouses in the country with a total capacity of less than 0.1 million tonnes.

In 1962, the Agricultural Produce (Development and Warehousing) Corporations Act, 1956 was divided into two separate Acts, that is: National Cooperative Development Corporation Act, 1962 and Warehousing Corporations Act, 1962. In 1963, the National Cooperative Development Corporation (NCDC) was established by an Act of Parliament as a statutory corporation under the Ministry of Agriculture. Its functions include planning, promoting and financing programs for production, processing, marketing, storage, export and import of agricultural produce, food stuffs and certain other notified commodities. NCDC supported the co operatives in creating rural infrastructure, including rural godowns.

The Government of India and the State Governments expected the cooperative sector organization to develop rural warehousing. But, co-operatives had not performed as expected, leaving shortfalls. These shortfalls were reduced by informal storage services, which commission agents and rural merchants provide to farmers in their locality. Such merchants provide loan to the farmers against stocks stored with them. There were private intermediaries also, who provide storage services to traders, processors and others. But, all these arrangements did not have access to formal bank credit. The legal contractual obligations were also very loosely structured, which limited the usefulness of such system.

On the other hand, the private sector involvement in warehouse construction was limited to trade centric place such as port and big cities which are important consumption centers. At port location, warehousing was combined with freight-forwarding and other services and therefore it became viable for private players.
Compared to that, in rural areas, warehousing by private players had been unviable, because farmers and traders prefer to keep stock in their own home rather than availing professional warehousing services.

During 6th and 7th plans, the national government had promoted a national programme of storage with a view to develop a well spread out storage grid from the farm to the national level. Bulk of the rural godown under this programme were in the co-operative sector at the regional and national level, additional capacity was being creating by SWC’s and CWC’s and the food corporation of India. Also some capacity was added in the private sector under the NABARD assisted scheme on guaranteed utilization by FCI for a stipulated period.

As a result of the efforts made under various plans, the cumulative storage capacity constructed by various organizations till the end of 2000 was of the order of about 702 lakh tonnes.

**TABLE NO. 3.1: CUMULATIVE STORAGE CAPACITY CONSTRUCTED BY VARIOUS ORGANIZATIONS BY THE END OF YEAR 2000**

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Organization</th>
<th>Total Capacity (lakh tonnes)</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>FCI</td>
<td>150.4</td>
<td>21.4</td>
</tr>
<tr>
<td>2</td>
<td>CWC</td>
<td>64.0</td>
<td>9.1</td>
</tr>
<tr>
<td>3</td>
<td>SWC</td>
<td>111.4</td>
<td>15.9</td>
</tr>
<tr>
<td>4</td>
<td>Co-operatives through NCDC</td>
<td>137.4</td>
<td>19.6</td>
</tr>
<tr>
<td>5</td>
<td>Department of Rural Development</td>
<td>21.3</td>
<td>3.0</td>
</tr>
<tr>
<td>6</td>
<td>Various agencies through NABARD</td>
<td>135.0</td>
<td>19.2</td>
</tr>
<tr>
<td>7</td>
<td>Other agencies</td>
<td>82.1</td>
<td>11.7</td>
</tr>
<tr>
<td>8</td>
<td>Total</td>
<td>701.6</td>
<td>100.0</td>
</tr>
</tbody>
</table>


Government of India introduced Gramin Bhandaran Yojana, a Capital Investment Subsidy Scheme for Construction /Renovation of Rural Godowns in 2001-2002. The objective is to create a network of rural godowns, which enable small farmers to enhance their holding capacity in order to sell their produce at remunerative prices and avoid distress sales.

In the year 2000, the consultancy assignment was carried out jointly by World Bank, forward markets commission and government of India on “A strategy for the
development of warehouse receipt system for Agriculture in India.” The report suggested action on policy and legal reforms and institution of electric warehouse receipt systems with central registry.

The warehousing (Development and regulation) Bill, 2005 was introduced in the Lok Sabha on Dec. 7, 2005. The bill was passed on 19th Sept, 2007 and the notification to bring this act into effect was issued.

3.3 ORGANIZATIONAL PRACTICE OF WAREHOUSE BUSINESS IN INDIA:

According to the prevailing local conditions, different methods of conserving food grains are in vogue in different parts of the country. The present methods of storage and warehousing at various levels are given below:

1. Village Market - Bulk storage of food grain stocks are done at village level in mostly by the farmers for a short period, i.e. Kachchi Kothi, Pakki Kothi and in bags. All these method are unscientific.

2. Shops - Mostly storage is done in bags, but occasionally in bulk by shopkeepers in unscientific way.

3. Mill and Factories. - The mill owners have their own godowns in the premises of their mills and factories for storage of food grain stocks. Stocks are stored in bags on unscientific lines. The godowns are prone to insect infestation.

4. Railway Station - The Railways has it’s own sheds at railway stations for storage of food grain stocks for the purpose of only loading and unloading of the stocks. There is no permanent storage structure there.

5. Mandi Level - The various organizations including the Warehousing Corporation have their own godowns, campuses at mandi level and industrial areas for storage and warehousing of commodities for the purpose of long storage on scientific lines to enable the supply to the required places.

By and large warehousing is a well-established activity in India. Both the public sector and private sector have a significance presence. But if it is to be described as an Industry, the government of India and state governments is dominant players.
3.3.1) CENTRAL WAREHOUSING CORPORATION (CWC)

Central Warehousing Corporation is a government of India undertaking (Public Sector Unit) working under the ministry of food & consumer affairs. It was established on 2\textsuperscript{nd} March, 1957.\textsuperscript{4} It has its corporate office at New Delhi with 16 regional offices & 499 warehouses spread all over the country amounting total warehousing capacity around 10 million tonnes (year 200\textsuperscript{0}) It provides scientific storage facility for more than 400 commodities with the help of 6600 trained personnel. The shareholders of the corporation are Government of India, the State Bank of India, 35 other scheduled banks, 7 insurance companies, 6 recognized associations/companies dealing in agricultural produce and 400 cooperative societies.

Warehousing activities of CWC include food grain warehouses, industrial warehousing, custom bonded warehouses, container freight stations, inland clearance depots & air cargo complexes, temperature controlled warehouses, Liquid storage & custom bonded warehouses. Composition of the commodities that are held in storage of CWC warehouses includes 38\% food grains, 5\% fertilizers & 57\% others (2008)

Apart from storage & handling CWC offers services in the area of clearing & forwarding, handling & transportation, procurement & distribution, disinfections services, fumigation services & other ancillary activities. It also offers consultancy services/training for the construction of warehousing infrastructure to different agencies.

The corporation has devised & implemented customer friendly systems & procedures to ensure cost effectiveness of operations by adopting latest technology & optimum utilization of resources with an objective to encourage innovative & good performance at all levels & develop team spirit with sense of belongingness amongst all employees.

CWC Development through Years Is Given below

1. 1956 Agricultural produce (Development & warehousing) Act was passed
2. 2\textsuperscript{nd} March 1957 Establishment day of C.W.C.
3. 1957 First seven warehouses were established.
4. 1959- Sixty new warehouses were operationalised.
5. 1962 Act divided into two- NCDC Act & Warehousing Act. Still CWC had been incurring losses for warehouse operations
6. 1967 With the advantage of three special warehouses in Mumbai for supplying of ration, CWC started making profit.
7. 1968 Disinfestations Services started.
8. 1969 Cold Storage started at Hyderabad.
10. 1975 Custom Bonded Warehousing started.
11. 1982 1st license for CFS was taken in Mumbai.
12. 1985 CFS has come into existence.
13. 2002 Railside warehouse at Whitefield, Bangalore.
15. 2007 1st Container Freight Train inaugurated.

**Functions of the Central Warehousing Corporation Are as below**

1. To acquire and build godowns and warehouses at suitable places in India;
2. To run warehouses for the storage of agricultural produce, seeds, fertilizers and notified commodities for individuals, co-operatives and other Institutions;
3. To act as an agent of the Government for purchase, sale, storage and distribution of the above commodities;
4. To arrange facilities for the transport of above commodities;
5. To subscribe to the share capital of State Warehousing Corporations; and
6. To carry out such other functions as may be prescribed under the Act.
TABLE NO.3.2
STORAGE CAPACITY OF CWC AND DIVIDEND PAID BY IT TO IT’S SHAREHOLDERS

<table>
<thead>
<tr>
<th>Year</th>
<th>Storage Capacity Including Own, Hired and under CAP (In lakh metric tonnes)</th>
<th>Dividend Paid to Shareholders in lakhs of Rupees.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Available</td>
<td>Utilized</td>
</tr>
<tr>
<td>2001-2002</td>
<td>89.17</td>
<td>70.71</td>
</tr>
<tr>
<td>2002-2003</td>
<td>91.14</td>
<td>60.16</td>
</tr>
<tr>
<td>2003-2004</td>
<td>94.16</td>
<td>55.83</td>
</tr>
<tr>
<td>2004-2005</td>
<td>101.86</td>
<td>68.18</td>
</tr>
<tr>
<td>2005-2006</td>
<td>100.88</td>
<td>79.56</td>
</tr>
<tr>
<td>2006-2007</td>
<td>102.20</td>
<td>75.69</td>
</tr>
<tr>
<td>2007-2008</td>
<td>98.78</td>
<td>73.61</td>
</tr>
<tr>
<td>2008-2009</td>
<td>105.25</td>
<td>81.36</td>
</tr>
<tr>
<td>2009-2010</td>
<td>105.97</td>
<td>91.87</td>
</tr>
</tbody>
</table>

(Source: Annual Reports of Central Warehousing Corporation)

Major Services/ Facilities Provided by CWC –

1. Inland Clearance Depot (ICD)/ Container Freight Station (CFS)

CWC provides inland clearance depot and container freight station facility at different locations in India. For import & export activities special services are necessary to fulfill the norms & legal bindings of the nation & parties. They are like In-house customs examination, export cargo aggregation & storage, pre-shipment disinfestations of containers as well as export cargo, cargo stuffing under custom supervision, movement of import container from the port, de-stuffing of containers, bonded warehousing facilities etc. CWC had solved the problems in the movement of imported & exportable goods to & from the port towns & reduced the hurdles by developing an extensive infrastructure of container freight stations & inland clearance depots throughout the country. CWC operates 37 CFS/ICD where composite services for containerized movement of import/export cargo are provided.
TABLE NO.3.3
EARNING OF CWC THROUGH PEST CONTROL SERVICES & CONTAINER HANDLING

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount Earned in Rs.(In lakhs)</th>
<th>Number of Containers Handled in Twenty Equal Units (TEU) in lakhs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002</td>
<td>248.66</td>
<td>4.28</td>
</tr>
<tr>
<td>2002-2003</td>
<td>354.81</td>
<td>5.99</td>
</tr>
<tr>
<td>2003-2004</td>
<td>532.21</td>
<td>6.51</td>
</tr>
<tr>
<td>2004-2005</td>
<td>692.27</td>
<td>7.82</td>
</tr>
<tr>
<td>2005-2006</td>
<td>938.07</td>
<td>9.08</td>
</tr>
<tr>
<td>2006-2007</td>
<td>1179.67</td>
<td>7.74</td>
</tr>
<tr>
<td>2007-2008</td>
<td>1084.00</td>
<td>9.42</td>
</tr>
<tr>
<td>2008-2009</td>
<td>1256.00</td>
<td>10.59</td>
</tr>
<tr>
<td>2009-2010</td>
<td>1483.00</td>
<td>11.21</td>
</tr>
</tbody>
</table>

(Source: Annual Reports of Central Warehousing Corporation)

2. Disinfestations & Pest Control Services

Form 1968 onwards CWC undertakes disinfestations/pest control services beyond its warehouses in respect of Agricultural produce or other notified commodities. Over the years CWC has earned the status of a National Pest Control Agency. It has developed the expertise in pest management in the area of rodent control, household pest management, storage pest management, anti-termite treatments (pre & post construction), container fumigation, ship fumigation (or board), pre-shipment fumigation of export cargo, rail coach disinfestations, aircraft disinfestations, hospital & nursing homes treatments, disinfestations of hotels & restaurants, disinfestations of commercial complexes & office premises, disinfestations of oil refineries, disinfestations of airports & ports & of Delhi metro rail premises.
CWC is the only organization in the public sector recognized by the Directorate of plant protection quarantine & storage, Ministry of Agriculture, Government of India as well as the export inspection council of India to undertake pre-shipment fumigation & ship (on board) fumigation of exportable commodities. CWC earned a major break through in disinfestations of aircraft of Air India using timer device.

3. Custom Bonded Warehouses

CWC operates 75 custom Bonded Warehouses with a total operated capacity of nearly 0.5 million metric tonnes. The custom bonded warehousing has been promoted with a view to facilitate deferred payment of custom duty to encourage entrepreneurs & export oriented units to carry out their operations with least investment. These bonded warehouses are located all over the country at places well connected with the port towns for smooth movement of goods to and from the discharge points.

4. Aircargo Complexes

As a major step towards providing complete services as a multi-nodal transport operator, CWC is in the operation of Aircargo complexes. Presently CWC is operating two Aircargo Complexes at the international Airports at Amritsar & Goa besides managing the cargo warehouse at Indira Gandhi International Airport at New Delhi.

5. Railside Complexes

Concept of Railside Warehousing Facility was evolved by the corporation as value addition to the rail transport system which extends benefits to the users in avoiding multiple handling of their stocks and resultant escapable losses on this account. Curtailing handling cost & having a hassle free efficient operation. CWC & ministry of Railway joined their hands for developing Rail side warehousing facilities at strategic locations of Railway Terminal. It is to provide better services through total logistic solution to Rail users, to attract additional traffic & also to provide a cost beneficial & efficient transport cum storage service to the trade under single window concept. In the initial phase, facilities are created at 22 Railway terminals in the country.
6. Farmers extension service schemes

Farmer’s Extension Service Scheme (FESS) is being operated by the corporation since 1978-79 as a part of its wider social responsibility for educating farmers about the benefits of scientific storage and use of public warehouses. Under this scheme, technical staff imparts training on the techniques of scientific storage & preservation; demonstrate methods of spraying and fumigation to control insects, rodents etc. and assist farmers in getting loans from the banks against pledging warehouse receipts.

CWC upgraded to schedule “A” organization from 23rd September, 2009. Earlier to that it was schedule “B” organization. CWC has successfully implemented and maintained quality management system, it includes ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:2007 certifications since 1999. As on 31.3.2010, corporation has 917 certificates in hand under three standards, i.e., 376 units were certified for ISO 9001:2000, 365 units for ISO 14001: 2004 and 176 units for OHSAS 18001:2007.

During 2008-09, inspite of economic slowdown, CWC achieved highest turnover of Rs.850 crore & posted a net profit of Rs.110.14 crore.

3.3.2) STATE WAREHOUSING CORPORATIONS

Separate Warehousing corporations were also set up in different States of the Indian Union. The first warehouse was set up in Bihar in 1956 and now, 17 State Warehousing Corporations are operating.

The area of operation of the State Warehousing Corporations is centres of district importance. The total share capital of the state warehousing corporations is contributed equally by the concerned state governments and the Central Warehousing Corporation. The SWCs are under the dual control of the State Government and the Central Warehousing Corporation.
### TABLE NO.3.4

**NUMBER OF STATE WAREHOUSES AND THEIR CAPACITY IN INDIA**

<table>
<thead>
<tr>
<th>No. of Warehouses</th>
<th>Year</th>
<th>Capacity (lakh m.t.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1540</td>
<td>2001-2002</td>
<td>185.49</td>
</tr>
<tr>
<td>1529</td>
<td>2002-2003</td>
<td>199.31</td>
</tr>
<tr>
<td>1588</td>
<td>2003-2004</td>
<td>199.85</td>
</tr>
<tr>
<td>1599</td>
<td>2004-2005</td>
<td>195.20</td>
</tr>
<tr>
<td>1594</td>
<td>2005-2006</td>
<td>197.05</td>
</tr>
<tr>
<td>1579</td>
<td>2006-2007</td>
<td>191.80</td>
</tr>
<tr>
<td>1576</td>
<td>2007-2008</td>
<td>187.32</td>
</tr>
<tr>
<td>1595</td>
<td>2008-2009</td>
<td>196.82</td>
</tr>
<tr>
<td>1595</td>
<td>2009-2010</td>
<td>209.26</td>
</tr>
</tbody>
</table>

(Source: Annual Reports of Central Warehousing Corporation)

3.3.3) **MAHARASHTRA STATE WAREHOUSING CORPORATION (MSWC)**

Maharashtra State Warehousing Corporation (MSWC) is a major public sector undertaking working in the field of warehousing.

Established in 1958 under the warehouse Act, 1958, MSWC started its functioning by taking a godown/warehouse on rental basis in Bhavani Peth, Pune. Year 2007 is the golden jubilee year for MSWC & is the only state owned corporation which has recorded the net profit in Maharashtra.

The ownership of this corporation lies with Maharashtra State government & Central Warehousing Corporation (CWC), both have 50% share. The functional area of this corporation is Maharashtra State. The chairman & managing director is appointed by state government, who is an officer of IAS cadre. Other directors are appointed by both the partners. It also contains an Executive Committee. The central office of the corporation is in market yard Pune. The major functional divisions of the corporations are Engineering, Business Development, Quality Control, Administration, and Finance & Accounts. The warehouse centres are run by the trained & experienced employees who were imparted training in quality control & business development.

Today MSWC contains widest network of warehouses amongst all Indian states. It has 166 centres with 693 godowns with total warehousing capacity over
14,95,299 metric tonnes. Corporation has won National Productivity Award Winner for many years. Its average capacity utilization is high around 89%. MSWC warehouses are open to individuals as well as to organizations. Customers of MSWC include farmers, traders, importer, exporter, entrepreneur, industrialist, processing business units, co-operative societies etc. Even a single bag of any commodity can be stored by them. Farmers, scheduled castes and scheduled tribes and primary producers are given rebates in warehousing charges.

The commodities that are scientifically stored in MSWC warehouses includes agricultural produce such as food grains, pulses, seeds, chilly, Turmeric, onions, pickles, jaggery, sugar, milk powder, cotton bales etc. Industrial materials include cement, fertilizers, chemicals, plastic granules & other notified commodities. Depositors can avail credit from banks by pledging warehouse receipt issued by them. All warehouses of MSWC have insurance cover against burglary, riot, strike, impact damage, act of terrorism and fire. Depositors are provided with handling & transportation if requested, through approved contractors.

**TABLE NO.3.5**

**AVERAGE TOTAL STORAGE CAPACITY, CONSTRUCTED CAPACITY AND AVERAGE UTILIZATION OF MSWC WAREHOUSES**

<table>
<thead>
<tr>
<th>Year</th>
<th>Storage Capacity in lakh metric tonnes</th>
<th>% Utilization to Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Constructed</td>
</tr>
<tr>
<td>2000-2001</td>
<td>9.75</td>
<td>8.86</td>
</tr>
<tr>
<td>2001-2002</td>
<td>10.12</td>
<td>9.35</td>
</tr>
<tr>
<td>2002-2003</td>
<td>10.23</td>
<td>9.51</td>
</tr>
<tr>
<td>2003-2004</td>
<td>10.82</td>
<td>10.17</td>
</tr>
<tr>
<td>2004-2005</td>
<td>11.45</td>
<td>10.90</td>
</tr>
<tr>
<td>2005-2006</td>
<td>12.34</td>
<td>10.07</td>
</tr>
<tr>
<td>2006-2007</td>
<td>11.98</td>
<td>11.15</td>
</tr>
<tr>
<td>2007-2008</td>
<td>11.68</td>
<td>11.15</td>
</tr>
<tr>
<td>2008-2009</td>
<td>12.31</td>
<td>11.21</td>
</tr>
</tbody>
</table>

(Source: Annual Reports of Maharashtra State Warehousing Corporations)
The Major Services & Facilities Provided by MSWC are as below
1. Undertaking construction of godowns on turnkey basis for various clients.
2. Factory as well as Containers Freight station (CFS) stuffing.
3. Custom clearance
4. Import export warehouse facility
5. Custom clearance of import/export cargo
6. Electronic Data Interfacing service centre to process custom documents
7. Communication center & accommodation for shipping lines etc.
8. Provision of Custom Bonded Warehouse (CWB) at important trading centers of Maharashtra to importers. This enables importer to defer custom duty payment. Presently MSWC is providing 4 CBW in Navi Mumbai region, 1 in Nagpur region & 1 in Pune region.

Special Services Offered by MSWC are as below
1. Disinfestations extension service scheme
2. Pest control
3. Soil fumigation
4. Pest control services for eradication of cockroaches, mosquitoes, moths, bedbugs, silver fish, fleas, carpet beetles, lizards etc.
5. Rodent control
6. Anti termite treatment
7. Godown, building fumigation etc.

To open up or start a new warehouse centre, MSWC management does a priori survey of the market, if a good business is ensured then only decision of starting a new warehouse is taken. At the first instance godown of 1800 ton is used to build around in an area of 1 hectare and then as per the necessary additional godowns are built. While constructing, enough free space for transportation is kept. Each warehouse center is given an economic & turnover target & monthly review is taken. It is categorically seen that each center will run in profit. This is the reason why the MSWC is consistently a profit making public undertaking, which is giving 15% to 20% dividend to its shareholders.
### TABLE NO.3.6
**NET PROFIT BEFORE TAX EARNED BY MSWC**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount in lakhs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-2001</td>
<td>1370.71</td>
</tr>
<tr>
<td>2001-2002</td>
<td>1011.85</td>
</tr>
<tr>
<td>2002-2003</td>
<td>951.39</td>
</tr>
<tr>
<td>2003-2004</td>
<td>162.11</td>
</tr>
<tr>
<td>2004-2005</td>
<td>1463.74</td>
</tr>
<tr>
<td>2005-2006</td>
<td>1754.20</td>
</tr>
<tr>
<td>2006-2007</td>
<td>2128.98</td>
</tr>
<tr>
<td>2007-2008</td>
<td>2160.70</td>
</tr>
<tr>
<td>2008-2009</td>
<td>2523.02</td>
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<tr>
<td>2009-2010</td>
<td>3526.03</td>
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</tbody>
</table>

(Source: Annual Reports of Maharashtra State Warehousing Corporations)

**The Proposal Plans of MSWC**

1. To modernize warehouses for online trading for farmers through NCDCX
2. To construct & develop new warehouses on build transfer and operate (BTO) basis.
3. To construct 10 new warehouses each of 2800 MT capacity in near future.
4. To develop facilities for import export on Konkan (Maharashtra) coast.
5. To construct & develop new container freight stations.

**3.3.4) FOOD CORPORATION OF INDIA**

Though not directly in the business of warehousing, the functioning of Food Corporation of India directly and indirectly affects the demand for the warehousing space of the major players in the warehousing industry in India. The FCI owns large number of storage structures in the nation for the deposition of food grains which is distributed throughout the country.

The Food Corporation of India (F.C.I.) was setup under the food corporations Act 1964\(^7\). It started its work in 1965. FCI has successfully met the challenge of managing & providing food security for the nation. It has successfully tackled the droughts of the century. Today it can take credit for having contributed in transforming India from a chronically food deficit country to one that is self
sufficient. FCI operates through a country wide network with corporate office in New Delhi, 5 Zonal offices, 23 Regional offices partially in all the state capitals, 165 District offices & 1470 depots (as on 01/01/2007)

**The Objective with Which the FCI Working Is as below**

1. Effective price support operations for safeguarding the interests of the farmers.
2. Distribution of food grains throughout the country for public distribution system.
3. Maintaining satisfactory level of operational and buffer stocks of food grains to ensure National Food Security.

**Storage Management at FCI**

One of the important activities of the organization is the provision of scientific storage for the millions of tonnes of food grains procured by it. In order to provide easy physical access in deficit, remote and inaccessible areas, the FCI has a network of storage depots strategically located all over India. These depots include silos, godowns & an indigenous method developed by FCI, called cover and plinth (CAP). CAP storage is a term given to storage of food grains in open with adequate precautions such as rat & damp proof plinths, use of Dunnage and covering of stacks with specially fabricated polythene covers. FCI has 288.40 lakh tonnes (owned, hired & CAP) of storage capacity by the end of March 2010.

To nature the Green Revolution, the Govt. of India introduced the scheme of minimum assured price of food grains. FCI & the state government agencies in consultation with the concerned states governments establish large number of purchase centres throughout the state to facilitate purchase of food grains. Each year, the food corporation purchases roughly 15-20% of Indians wheat production & 12-15% of its rice production. This helps to meet the commitments of the public distribution system & for building pipeline & buffer stock. With the falling procurement levels between 2002-2003 and 2006-2007, the additional capacities hired by FCI during higher procurement levels in 2000-01 and 2001-02 had to be released to save on the storage charges. The released capacities were not available for hiring again while the procurement levels went up from 2007-08 onwards as these capacities were put to alternate uses in the meantime. The years from 2007-2008 to 2009-2010 saw highest levels of procurement of food grains by government agencies ever, resulting in severe strain on the available capacities with the government agencies for
storage of food grains. Due to insufficiency of covered space for storage of food grains and due to progressively increasing government stock, considerable amount of food grains had to be stored under open Cover and Plinth (CAP) storage.

The New Initiatives Taken by the FCI

1. Improved inventory management with real time on-line system through a recently launched integrated information system for food grains management.
2. Upgradation of technology through interface with agriculture Universities/ Management Institutes.
3. Multimodal transportation system through riverine container.
4. Micro level inventory management through focused weekly movement plans.
5. Sustained corporate communication for improving image perceptions.

As the large percentage of storage space of central warehousing corporation & State Warehousing Corporation and in some percentage that of private entrepreneurs is utilized by FCI, it is influencing the warehousing business directly and indirectly in the country.

3.3.5) CONSTRUCTION OF GODOWNS UNDER GUARANTEE SCHEME² OF FCI

In order to create the storage capacity required for storing at least 4 months requirement of PDS in consumption states and for storing procuring stocks in procurement states and with a view to substantially reduce CAP storage, the Department of Food & Public Distribution formulated a scheme for construction of godowns for FCI as well as for the states undertakings.

A state wise mapping of existing capacities and analysis of additional requirements was undertaken based on objective criteria by state level committees and a High Level Committee of FCI. Based on this analysis and criteria laid down in the scheme, state wise capacity requirement and locations were identified. Detailed terms and conditions for bid documents and model agreements Public Private Partnership (PPP) model were then formulated to minimize future legal complications.
To make the scheme more attractive for private entrepreneurs, the guarantee period was increased from five years to seven years and at present to 10 years. The ceiling of rate fixed for hiring of godowns has been revised from Rs.3.80 per quintal per month to Rs.4.78 per quintal per month.

For expeditious construction of godowns, it was decided that wherever CWC/SWCs have their own land and if this is within the identified locations and storage gap approved by the High Level Committee of FCI, CWC/SWCs will construct godowns on priority for which FCI would give a guarantee of 9 years for the storage charges.

3.4 COOPERATIVE STORAGE IN INDIA:

According to the Cooperative Planning Committee and by the National Commission of Agriculture’s recommendation, primary agriculture societies in India are working as village multipurpose society after independence. They were formed in cooperative sector and working under the name Krushi Seva Sahakari Sansthas (KSSSs) and the Primary Agricultural Credit Cooperative Societies. The society is expected to be sole agency taking care of all the development needs of the small and marginal farmers. Each society is to be treated as a Primary Agricultural Cooperative Credit Society.

Krushi Seva Sahakari Sansthas are working in their own operating area for fulfill the following objective.

1. To give incentive to its members, to improve co-operation, independence and economy.
2. To provide loan facility to increase income of farmer’s, small farmers, marginal farmers, agricultural labours, landless labours, village artisan and also to provide employment to members, so that living standard will be improved.
3. To provide essential agricultural services to the members of the society, for completing their agricultural needs.
4. To sanction credit limit to short-term, medium term, and long term loans to the members.
5. To provide improved seeds, fertilizer, insecticides, cattle food and agricultural instruments etc. through the society to its members and also to provide facilities for dairy, poultry keeping / fishery etc.
6. To provide marketing facilities for agriculture goods, as well as the products of secondary occupations to members such as milk, eggs, fish, cottage industries and small scale industries.

7. For providing the members to purchase/hire the machinery like tractor, threshers, sowing machinery, oil engine, electric motor, pumps etc.

8. To increase cattle breading by providing facilities of improved bulls, sheep, goats etc.

9. To provide employment to small farmers, agricultural labors, landless labor etc. by employing them and construction of roads, wells, dams etc.

10. To provide godown facilities in operating area.

Providing godown facility act as essential supporting service to fulfill the other majority of objectives mentioned above.

In the seventh plan period creation of 20 lakh tonnes of additional storage capacity in the cooperative sector was the target. This target has been over achieved in the first three years of the plan by creating additional storage capacity of 24 lakh tonnes. About 52,600 primary agricultural cooperatives in the country and most of the cooperative marketing societies at various levels have their own godowns by the end of 1997-98, with a total storage capacity of over 140 lakh tonnes. This achievement has been made possible by the implementation of cooperative storage projects in several states by National Cooperative Development Corporation (NCDC) with assistance from World Bank and European Economic Community (EEC).

The National Cooperative Development Corporation (NCDC) has played pivotal role in developing cooperative storage in the country. The Corporation, since its inception in 1962-63, has been making systematic and sustained efforts to assist in the creation of scientific storage facilities at various levels in cooperative sectors. As a result of concerted efforts, the storage capacity assisted by the Corporation and owned by cooperatives has increased from about 11 lakhs tonnes in 1962-63 to 145.77 lakhs tonnes comprising of 56168 rural and 9718 marketing godown by the end of March, 2006. A total amount of Rs.64192.200 lakhs has been provided by the Corporation under its various storage programmes towards construction / renovation / expansion of godowns.
3.5 PRIVATE WAREHOUSING IN INDIA:

The private sector has significant warehousing capacity, but such capacity is aimed at use by the owners. Warehouses are usually owned by companies for storing their own raw materials and finished goods. Such capacity is not likely to become available for hire, except under certain circumstances.

Most warehouse owners are sole proprietors and partnerships, usually having small and dispersed capacity. Private warehousing is slowly becoming an integral part of India’s warehousing industry, except in port warehousing, where it is playing an important role from earlier.

In ports, numbers of private players are in business of handling both bonded and non-bonded cargo\(^\text{10}\). In Mumbai freight forwarders were until recently the main players, operating warehouses and were nominated by banks as collateral managers. They are still used in this way by government-owned and smaller private banks. The liberalization of India’s oil import has led to a rapid growth in the volume of palm oil imported from Malaysia and other producing economies. Handling large volumes requires the services provided by the private sector owners along with superintendence and inspection companies.

Outside the port in upcountry, the activities of private operators are very limited. One of the reasons for it is the relatively unprofitable nature of upcountry warehousing. It can be profitable when combined with trading, so that it becomes a means by which a trader can earn extra income by using space not immediately required for his trading business.

Considering the requirement of huge capital to create required storage place, the government of India tries to seek private investment in warehousing. To attract private investment, a public private partnership model (PPP) has been brought by government. With this model, under the BOO scheme (Build Own and Operate) for the newly built godowns, a guarantee of utilization for ten years is given by the government with fixed rental charges. This makes private entrepreneurs and companies to foray into the business of warehousing.

The companies like Adani group, National Bulk Handling Corporation (NBHC) National Collateral Management Service Limited (NCMSL), GICKS logistics, Shree Shubham Logistics (SSIL), Star Agri, Credence logistics limited, Indian Commodity Company etc. are some of the companies entered into warehousing business in the last decade. Many of these companies have tie-up with
financial institutions for financing their depositors on goods stored. They are active in trading through commodity exchanges in India.

3.6 INDIAN GRAIN STORAGE MANAGEMENT AND RESEARCH INSTITUTE (IGMRI):

This organization was established at Hapur (U.P.) in 1958, for developing facilities for applied research and top level training in the field of food grain storage and preservation. Along with Hapur, organization has field stations at three locations. The work of popularizing scientific methods of food grain storage developed by IGMRI among farming community in the country, is implemented through the save Grain Campaign Programme.

**The Objectives with Which the Institute is Working Is as below**

1. To develop code of practice for proper grain storage & handling by recommending cost effective techniques for control of insects, rodent, birds & micro organisms and to investigate the nature, extent & degree of losses due to these factors under different agro-climatic conditions.

2. To develop improved type of storage structures, grain dryers, grain handling, cleaning & grading equipment besides, improvement in traditional storage structures using locally available & eco-friendly materials.

3. To develop suitable publicity material and semi-technical literature on grain storage & quality control in food grain.

4. To train personnel from various organizations like FCI, CWC, SWCs, Civil Supplies Corporation (Public Distribution System) etc. Along with this trainees from developing countries sponsored by FAO, UNDP and commonwealth secretariat on Grain Storage Management Practices.

Basically two distinct activities of IGMRI are identified, they are pest control, storage and training.

**Pest Control & Storage Activities Include:**

1. Testing of new insecticides, rodenticides, fungicides, non-chemical methods for control of stored grain insects, rats, mates & fungi.

2. Assessment of food grain losses & their quantitative & qualitative estimation.

3. Evaluation of pest control methods & developments of codes of practices for safe storage of food grains.
4. Study of insecticidal/pesticide resistance in stored grain insect/pest.

5. Monitoring of pesticide residues and mycotoxin contamination in food grains

**Training Activity**

The IGMRI, Hapur and its field stations at Hyderabad, Jorhat and Ludhiana conduct the following certificate courses.

1. Long Term Training Course (two months duration) on "Scientific Methods of Storage and Inspections of food grains" for the officials of Food Corporation of India, Central Warehousing corporation, Civil Supplies Corporation, candidates sponsored by Agricultural Universities and private candidates graduated in Agriculture/Biology/Chemistry as well as trainees from developing countries sponsored by FAO, UNDP, Commonwealth Secretariat and Colombo Plan etc.

2. Short Term Training/refreshers courses (1-2 weeks duration) on:
   a. Storage Pest Management and Fumigation
   b. Pesticide Residue Analysis
   c. Chemical and physical analysis of food grain
   d. Rodent control.

3. Specialized Training Course (two weeks duration) on Post Harvest Technology of Food grains.

   Artisan training course (ten days duration) for the rural Artisans on the fabrication of modern and traditional storage structures.

**Quality Control Cells (QCC)**

Eight Quality Control Cells located at New Delhi, Kolkata, Hyderabad, Bangalore, Bhopal, Bhuwaneshwar, Lucknow and Pune are functioning under the direct control of the Department of Food & Public Distribution.

The main objective of these cells is to ensure the quality of food grains at the time of procurement, storage and distribution. Surprise checks are conducted at procurement centers, food storage depots, rail heads, rice mills and fair price shops by the officers of these cells to ensure the quality of food grains. It is also ensured that the guidelines/instructions issued by Government about proper storage and maintenance of food grains are followed by the FCI, CWC, SWCs and State agencies. These cells attend to various complaints received from MPs, VIPs, State
Governments, media and consumers about the quality of food grains during procurement, storage and distribution. Discrepancies/shortcomings noticed during inspection/ investigations are communicated to the concerned authorities for taking remedial measures including action against the delinquents.

3.7 RURAL GODOWN SCHEME (GRAMIN BHANDARAN YOJANA):

Gramin Bhandaran Yojana Scheme was launched by Department of Agriculture & Co-operation in 2001 and extended up to 31.03.2007. The thought behind launching this scheme was to provide the farming community with facilities for scientific storage so that wastage& deterioration of the agricultural produce could be avoided, to increase the holding capacity of farmers so that they should not sell the produce at a time when the prices are low and by this enabling them to meet the credit requirement by pledging the agricultural produce stored in these godowns. The Scheme has now been approved for implementation during the years 2007–12\(^2\), with modifications in its operational guidelines for new projects to be sanctioned after 26/06 /2008. Under the Modified Scheme, creation of new 85 lakh tonnes and renovation of 5 lakh tonnes thus total of 90 lakh m.t. rural storage capacity is targeted. Since inception the total projects sanctioned as on 31/03/2011 are 19715 with total godown capacity of 283.26 lakh metric tonnes.

**Salient Features of the Scheme**

Eligible Organizations include individuals, farmers, group of farmers/growers, partnership/ proprietary firms, Non-Government Organizations (NGO’s), Self Help Groups (SHGs), Companies, Corporations, Co-operatives, Local Bodies other than Municipal Corporations, Federations, Agricultural Produce Marketing Committees, Marketing Boards and Agro Processing Corporations in the entire country. Assistance for renovation restricted to godowns constructed by cooperatives only. Location of the godown should be outside the limits of Municipal Corporation area. Capacities of the godowns are restricted to a minimum 100 tonnes to maximum of 10,000 tonnes. In some cases like hilly areas it is brought below 25 tonnes. Construction and layout standards need to be followed. One can get these standards from state public works department.

All Rural Godowns to be constructed under the scheme in future should be confirming to the technical specifications relating to the implementation of the
Negotiable Warehouse Receipt System (NWRS). The rural godowns of 1000 tones capacity and more shall be considered as eligible for assistance under the scheme, only on giving an undertaking along with the application that they would be implementing the Negotiable Warehouse Receipt System. Directorate of marketing and Inspection (DMI) in consultation with the Department of Food and Public Distribution and NABARD shall modify godown specifications to meet the requirements of implementation of Negotiable Warehouse Receipt System and NABARD shall ensure that these specifications are in-built in the eligibility criteria for giving subsidy to the rural godowns of any size under the Scheme.

Subsidy under the scheme is linked to institutional credit and will be available to only such projects as are financed by Commercial Banks, Regional Rural Banks, State Cooperative Banks (SCBs), State Co-operative Agricultural and Rural Development Bank (SCARDBs), Agricultural Development Finance Companies (ADFCs), North Eastern Development Finance Corporation (NEDFI), Urban Cooperative Banks etc. Institutions like NCDC and NABARD releases subsidies through these banks. Loan to the entrepreneurs from banks for the construction of godowns would carry an adequate long-term repayment period.

Assistance under the scheme is available on capital cost of construction of godown including the cost of allied facilities like boundary wall, internal road, platform, internal drainage system, weighing, grading, packaging, quality certification, warehousing facilities which are functionally required to operate the godown. According to renewed norms subsidy of 25% of the capital cost of the project will be granted to all categories of farmers (Other than Women Farmers), agriculture graduates, cooperatives and State/ Central Warehousing Corporations. While 33% subsidy is available in the hilly areas of north-west region. 15% subsidy available to individuals, companies. The project cost considered for godowns up to 1000MT capacity is Rs.2500/- per tonnes. While for godowns having more than 1000M.T. capacity it is Rs.1875/- per tonnes. The capacity of the godown is calculated at 0.4 M.T. per cubic meters

A general awareness programme on the scheme is organized by the National Institute for Agricultural Marketing, Jaipur (NIAM). To create awareness among various stakeholders about Gramin Bhandaran Yojana the scheme has been widely publicized by giving advertisements, distributing handouts, and through broadcasts TV both at national and regional programmes of Krishi Darshan. Reading material i.e.
Guidelines, Pamphlets, Manuals for Training of Farmers, Entrepreneurs, Trainers, Technical Specification & Economics of Rural Godown, and Scientific Storage Practices in Rural Godown etc. have also been distributed. In Maharashtra State level Institution Maharashtra state agricultural marketing board (MSAMB) is looking after as a nodal agency

**Distribution of Rural Godowns**

As on 31.03.2005, the state-wise distribution of Rural Godowns created by DMI if we see then states of Andhra Pradesh, Karnataka, Tamil Nadu, Maharashtra, Gujarat, Rajasthan, Madhya Pradesh, Chhattisgarh, Orissa, Bihar, West Bengal, Assam, Punjab, Haryana; and Uttar Pradesh account for almost 99% of the total storage facilities created by DMI in the country (both in terms of numbers as well as storage capacities created). The state wise distribution of godowns and storage capacity created is shown in the chart no. 3.1 & 3.2.

The scheme is implemented by the Directorate of Marketing and Inspection (DMI), an Attached Office of Department of Agriculture & Cooperation and it’s subsidiaries in the state.

The study was conducted by global Agrisystem Private Limited which was commissioned by Department of Agriculture & Co-operation, government of India to evaluate the Gramin Bhandaran Yojana Scheme. The findings of the study shows that the scheme has been successful in fulfilling objectives of creating scientific storage infrastructure for the various stakeholders, developing farmers storage, creating employment and economic value and bringing in private investment to the agricultural sector, assistance for the easy procurement of food grains by FCI and other agencies, renovation & up gradation of existing storage capacity created by co-operatives with the assistance of NCDC, encouraging private and co-operative sector investment in the creation of storage infrastructure in major producing zones & major consumption zones in the country, reduction in pressure on existing storage facilities with public agencies and co-operatives and reduction in pressure on the transport system in the post harvest period.
Objectives which have not been met like, promotion of grading, standardization and quality control of agricultural produce to improve their marketability, timely availability of fertilizers, pesticides, inputs, consumer articles
etc. to farmers which is being done through separate trade channels, providing the facility of pledge loan & marketing credit which were not availed by farmers due to procedural issues as well as because of lack of knowledge and absence of a national system of warehouse receipts in respect of agricultural commodities stored in such godowns which are issued by MCX & NCDEX.

The suggestion given by these consultants include: Scheme should be continued in view of storage gap based on production & storage estimates, it may incorporate provision for modern storage technology alternatives such as Silos and should review the cost of construction of godowns, it may incorporate scope for enabling W.R. for these godowns.

3.8 VILLAGE GRAIN BANK SCHEME14:

A Centrally Sponsored Scheme of Grain Banks in tribal villages was launched during 1996-97 in 11 States. From 1996-97 to 2004-05 Ministry of Tribal Affairs released Rs.10.26 crores for establishing 4858 Grain Banks. The scheme was transferred to the Ministry of Consumer Affairs, Food & Public Distribution, and Department of Food & Public Distribution in November 2004. The revised Village Grain Bank Scheme for establishment of Grain Banks in chronically food scarce areas was approved by Ministry of Finance on 15.2.2006 for the year 2005-06 and 2006-07 subject to its evaluation in the 11th Plan. The grain banks are to be set up in food scarce area like the drought prone areas, the hot and cold desert areas, tribal areas and the inaccessible hilly areas which remain cut off because of natural calamities like floods, etc. These villages are to be notified by the concerned State Governments/Union Territory. The revised scheme envisages inclusion of all willing BPL/AAY families in the villages which will be identified by the State Govt. in food deficit areas. The quantity to be lent and the period of repayment will be decided by the Group themselves. To ensure recovery of grains lent, it is proposed to tie the scheme with the entitlement of the members under Targeted Public Distribution System. Village Panchayat/Gram Sabha, Self Help Group or NGOs etc. identified by the State Govt. shall be eligible for running the Grain Banks. Each such Executive Committee will also have a woman as its member.
TABLE NO. 3.7
THE ACTUAL NUMBER OF GRAIN BANKS ESTABLISHED DURING PAST FEW YEARS

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>No. of Grain Banks</td>
<td>3282</td>
<td>8191</td>
<td>2598</td>
<td>2407</td>
<td>2214</td>
<td>1709</td>
<td>1082</td>
</tr>
</tbody>
</table>

3.9 PLEDGE FINANCE SCHEME OF THE MAHARASHTRA STATE AGRICULTURAL MARKETING BOARD (MSAMB):

At the time of harvest when large numbers of farmers bring their produce in the market, the price of the produce falls than the average prices. Farmers get low price to his commodities if he sales his produce at that time. Most of the farmers are in need of money and wants immediate returns to his produce. In such circumstances to make farmers capable to hold is produce up to the high prices of commodities, the Maharashtra government has brought the pledge finance scheme through Maharashtra State Agricultural Board from the year 1990-1991. For the implementation of the scheme own and affiliated godowns of the agricultural produce market committees are used.

Some of the important features of this pledge finance scheme is given below.

1. Only farmers are eligible to keep their produce under this scheme & not traders.
2. Food grain commodities of rice, wheat, bajra, jowar, maize and most of the cereals are included along with resins and turmeric.
3. Depending upon the commodities 50% to 75% loan amount on the price of that commodity on that day is sanctioned. The interest rate levied on loan is 6%. It is for the period of maximum six months.
4. The day on which the farmer keeps his produce under this scheme, on the same day he gets his payment under pledge finance.
5. Agricultural produce market committee godowns are used for this scheme. No rent is levied from the farmers for utilization of godown and also expenses on inspection of goods & for its scientific storage is borne by the market committee.
6. In the six months period, if goods could not be sold out due to lack of expected high prices, then schemes period could be extended for next six months with board’s approval.

This scheme is applicable to all the Agricultural Produce Market Committees in Maharashtra. It is observed that farmers of Vidarbh region of Maharashtra are well responding to this scheme and are benefitted through it.

TABLE: 3.8 AMOUNT OF LOAN DISBURSED UNDER THE PLEDGE FINANCE SCHEME OF MSAMB

<table>
<thead>
<tr>
<th>Season Year</th>
<th>Sanctioned Loan Amount (in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-2001</td>
<td>148.04</td>
</tr>
<tr>
<td>2001-2002</td>
<td>171.99</td>
</tr>
<tr>
<td>2002-2003</td>
<td>358.85</td>
</tr>
<tr>
<td>2003-2004</td>
<td>603.89</td>
</tr>
<tr>
<td>2004-2005</td>
<td>1530.32</td>
</tr>
<tr>
<td>2005-2006</td>
<td>564.16</td>
</tr>
<tr>
<td>2006-2007</td>
<td>929.88</td>
</tr>
<tr>
<td>2007-2008</td>
<td>974.05</td>
</tr>
<tr>
<td>2008-2009</td>
<td>1873.45</td>
</tr>
<tr>
<td>2009-2010 up to 17/03/2010</td>
<td>1664.27</td>
</tr>
</tbody>
</table>

(Source: Maharashtra State Agricultural Marketing Board. Pune)

3.10 CONCLUDING REMARK:

From pre independence period governments in India are concerned about having warehouses for scientific storage of agricultural produce. After independence government tried to develop warehousing as a well structured activity. Regulatory framework required to develop warehousing was mainly took place after independence only. The big players of the industry, Central Warehousing Corporation and State Warehousing Corporations delivered a major contribution in warehousing.
They increased their storage capacity constantly. Because of their credibility only, though in a small scale warehouse receipt finance could took place in the country. One of their big customers for their warehouse space is Food Corporation of India.

Private players in warehousing industry are active around ports. There they get business as freight forwarders, for handling bonded and non-bonded cargo. In upcountry their presence is not significant. But noting the need of huge investment, government is expecting private entrepreneurs/companies to invest in this industry. For that government has devised guaranteed utilization scheme through which investors could get guaranteed returns on their new warehouse for some period like 10 years.

Cooperative sector has played major role in enhancing storage capacity in India. Though very less percentage of cooperative units are in pure warehousing, more than 90% of cooperative units at village level like Krushi Seva Sahakari Sansthas and marketing cooperatives have their own godowns built under assistance of NCDC. The central government devised Rural Godown Scheme has got good response in the country and it has got extension up to 2012. With this scheme government seeks the enhancement of agricultural produce storage capacity in the nation. The Indian government is promoting local grain bank scheme. The establishment of grain banks is mainly for remote and in the areas of non-easy access. Maharashtra State Agricultural Marketing Board is implementing pledge finance scheme using its own and affiliated godowns & it is getting increasing response in the state.

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