



# WDRA BULLETIN



A Quarterly News Bulletin of the Warehousing Development and Regulatory Authority

Bulletin No. 3 of 2011

Saturday, 31st December, 2011

## WORKING GROUP ON WAREHOUSING DEVELOPMENT & REGULATION FOR THE 12TH PLAN PERIOD

In the context of the formulation of the 12th Five Year Plan, the Planning Commission has constituted a Working Group on Warehousing Development & Regulation under the Chairmanship of Sh. Dinesh Rai, IAS, (Retd), Chairman, WDRA. The other members of the Working Group were from Department of Agriculture and Co-operation, Deptt. of Food & PD, Deptt. of Financial Services, NABARD, PNB, CWC, FCI and NCMSL.

After detailed deliberations with Members and other stakeholders, the Working Group has submitted its report to the Planning Commission. The important recommendations made by the Working Group are:

- (i) A comprehensive "Post-Harvest Management Scheme at farm level".
- (ii) Rebate on storage charges for small and marginal farmers.
- (iii) Some incentives to farmers over and above the MSP on staggered procurement of foodgrains.
- (iv) Post-harvest loans to farmers against NWRs with interest subvention at par with crop loans.
- (v) Targets for banks and financial institutions for lending against NWRs.
- (vi) Incentives for aggregators at village level.
- (vii) The Rural Godown Scheme to be liberalized by revising the capital cost and increasing the maximum capacity of the warehouses upto 25,000 MTs.
- (viii) Full-fledged infrastructure status to warehousing sector.
- (ix) The CWC and SWCs to take the lead in inviting private entrepreneurs for the construction of warehouses under Viability Gap Funding (VGF) scheme.
- (x) Setting up of Agricultural Economic Zones (AEZs).
- (xi) Warehouses to be declared as mandis by the State Governments.
- (xii) Development of modern integrated storage facilities for foodgrains and other agricultural commodities.
- (xiii) The procedures for conversion of land use need to be simplified.
- (xiv) Procurement of foodgrains through NWRs.
- (xv) Market Information Network for the benefit of farmers/traders.
- (xvi) Capacity building programmes for warehousing sector.
- (xvii) Integration of godowns of PACS with NWR system.
- (xviii) Linkage of Rural Godown Scheme with NWR system.
- (xix) Registration of all warehouses receiving deposit of goods of others.
- (xx) Study for the assessment of post-harvest losses.

## IMPORTANT GOVT. CIRCULARS:

### (I) EXTENSION OF CROP LOAN FACILITY WITH INTEREST SUBVENTION TO POST – HARVEST LOAN ON NWRs TO FARMERS

At present concessional crop loan @7% with interest rate subvention is available to farmers as pre-harvest loan. In case of post-harvest loan against the negotiable warehouse receipts, the farmers are granted loan at commercial rates. In order to discourage distress sale by farmers and to encourage them to store their produce in warehousing against the warehouse receipt, the benefit of interest subvention has been extended to small and marginal farmers having Kisan Credit Card (KCC) for a further period of up to six months post-harvest on the same rate as available to crop loan against negotiable warehouse receipt for keeping their produce in the warehouses during the year 2011-12. The Ministry of Finance, Department of Financial Services has issued necessary orders in this regard on the 30th Dec, 2011.

**(ii) RIDF Scheme:** The scheme has opened up for the first time for private sector in the country. An allocation of Rs. 2000 crores has been announced by the Government of India for the setting up of warehousing infrastructure in the country under the scheme for Financing Warehousing Infrastructure under Rural Infrastructure Development Fund (RIDF). Loans to Government entities and private sector would be given for the construction of warehouses, @ 8% with rebate of 1.5% for timely payment of the loan. The necessary circular has been issued by NABARD, Mumbai on dated 23rd Dec, 2011.



Inauguration of training programme for warehousemen of registered warehouses at NIAM, Jaipur by Sh. Dinesh Rai, Chairman, WDRA.

## REGISTRATION OF WAREHOUSES IN DIFFERENT STATES

404 applications from different States with a capacity of over 14 Lakh tonnes, have been received till date. 238 warehouses have been accredited and 189 warehouses have been registered with the Authority. 115 agricultural commodities have been notified for the issuance of NWRs. Over 1000 NWRs have been issued and 40% have been financed by the banks.

State wise warehouses registered with the WDR A.

Sl. No.	Name of the State	No. of Warehouses Registered
1.	Rajasthan	47
2.	Tamil Nadu	39
3.	Andhra Pradesh	28
4.	Madhya Pradesh	03
5.	Uttar Pradesh	20
6.	Maharashtra	22
7.	Haryana	15
8.	Punjab	04
9.	Kerala	09
10.	Orissa	01
11.	Himachal Pradesh	01
	<b>Total</b>	<b>189</b>

## REGISTRATION OF WAREHOUSES WITH CONTROLLED CONDITIONS OF TEMPERATURE AND HUMIDITY (COLD STORAGE)

The Warehousing Development and Regulatory Authority (WDR A) is soon going to introduce negotiable warehouse receipt system for warehouses with controlled conditions of temperature and humidity (Cold Storage). Initially, NWR system may be introduced by notifying commodities like potato, onion, ginger, garlic and coriander. The Agmark standards for all these commodities except potato are available. For potato, standards used by commodities exchanges may be adopted till its Agmark standards are formulated by the DMI. In the second phase, commodities like apple, mangoes etc. may be considered. National Horticultural Board (NHB) will provide technical specifications and other basic requirements for scientific cold storages on the basis of which a check list will be prepared by the WDR A in consultation with NHB/NCCD for accreditation of cold storages.

The Department of Agriculture and Co-operation,

Govt. of India has constituted a Committee under the Chairmanship of MD, NHB to recommend norms for accreditation of cold storages and related issues. The Committee will prepare the check list for accreditation of warehouses and also recommend the standards for storage, packaging and preservation of potato, apple and other fruits and vegetables which can be storage in Cold Storage/CA and MA storages for long / medium duration. The WDR A is one of the members of the Committee.

## REGISTRATION FEE FOR WAREHOUSES:

Every application in Form-A1 for registration of warehouse or renewal thereof shall be accompanied with fee by way of bank draft or bankers cheque of any nationalized bank in favour of the Drawing and Disbursing Officer, the Warehousing Development and Regulatory Authority payable at New Delhi at the rate as indicated below:-

Registration/renewal of registration of warehouse:-

- (i) State Capital cities Rs.2.50 per MT
- (ii) District Headquarters Rs.1.50 per MT
- (iii) For rural and other areas Re.1.00 per MT

Subject to a minimum amount of Rs.7500 for each warehouse.

**Security Deposit:** Every applicant, at the time of registration of each warehouse, shall furnish to the Authority, security deposit by bank draft or bankers cheque of any nationalised bank in favour of Drawing and Disbursing Officer, the Warehousing Development and Regulatory Authority payable in New Delhi at the rate as indicated below:-

- (i) State Capital cities Rs.2.50 per MT
- (ii) District Headquarters Rs.1.50 per MT
- (iii) For rural and other areas Re.1.00 per MT

Subject to a minimum amount of Rs.7500 for each warehouse.

Capacity of the Warehouse	Accreditation Fee for the first year	Accreditation Fee for the second year	Accreditation Fee for the third year
Upto 10,000 MTs	Rs.15,000/- for 2 visits	Rs.7500/- for one visits	Rs.7500/- for one visits
More than 10,000 MTs	Rs.21,000/- for 2 visits	Rs.10,000/- for one visit	Rs.10,000/- for one visit

## NOTIFICATION OF 75 MORE AGRICULTURAL COMMODITIES BY THE WDRA FOR THE ISSUANCE OF NWRs

The WDRA vide its circular dated 12.08.2011 has notified the following 75 more agricultural commodities for the issuance of NWRs:

Sl.No.	Name of the Commodity
<b>(A)</b>	<b>Pulses</b>
1.	Urd Whole (Black Gram)
2.	Urd split (husked)
3.	Urd split (unhusked)
4.	Moong (whole)
5.	Moong split (husked)
6.	Moong split (unhusked)
7.	Masoor (Lentil) whole
8.	Masoor (Lentil) split (husked)
9.	Arhar/Tur (Red gram) whole
10.	Arhar/Tur (Red gram) split (husked)
11.	Kabuli Chana
12.	Chana whole (Bengal Gram)
13.	Chana split (husked)/Dal Chana
14.	Matki / Moth (whole)
15.	Matki / Moth split (husked)
16.	Yellow Peas (whole)
17.	Rajma
18.	Lobia
<b>(B)</b>	<b>Cereals</b>
19.	Raw Milled Superfine / Fine Rice
20.	Raw Milled Medium Rice
21.	Raw Milled Common (Coarse) Rice
22.	Parboiled Milled Superfine / Fine Rice
23.	Parboiled Milled Medium Rice
24.	Parboiled Milled Common (Coarse) Rice
25.	Fine Broken Rice
26.	Common Broken Rice
<b>(C)</b>	<b>Vegetable Oils*</b>
27.	Mustard Oil
28.	Groundnut Oil
29.	Sesame (Til or Gingelly Oil)
30.	Coconut Oil
31.	Linseed Oil
32.	Castor Oil
33.	Niger Seed Oil
34.	Safflower Seed Oil
35.	Cotton Seed Oil
36.	Rice Bran Oil
37.	Soyabean Oil
38.	Sunflower Seed Oil
39.	Maize (Corn) Oil
40.	Mahua (Mowrah Oil)
41.	Salseed Oil (Fat)
<b>(D)</b>	<b>Oilseeds*</b>
42.	Taramira Seeds
43.	Sesame seeds
44.	Cotton seeds
45.	Safflower seeds
46.	Linseeds
47.	Mahua seed
48.	Sal seeds
49.	Niger seeds
<b>(E)</b>	<b>Edible Nuts</b>
50.	Walnuts
51.	Raw cashewnuts
52.	Groundnuts
53.	Coconut
<b>(F)</b>	<b>Spices*</b>
54.	Ajowan Seeds (Whole And Powdered)
55.	Mace
56.	Seedless Tamarind

57.	Cloves
58.	Mixed Masala Powders
59.	Sun Dried Raw Mango Slices And Powder
60.	Compounded Asafoetida
61.	Nutmeg
62.	Curry Powder
63.	Saffron
64.	Tejpat
65.	Poppy Seeds
<b>(G)</b>	<b>Makhana</b>
66.	Makhana
67.	Makhana Powder
68.	Makhana Fried
<b>(H)</b>	<b>Miscellaneous</b>
69.	Guar Seed
70.	Tea **
71.	Coffee, Arabica and Robusta **
72.	Tobacco **
73.	Rubber **
74.	Desi Chana
75.	Indian sugar**

40 agricultural commodities including cereals, pulses, spices, vegetable oil seeds etc. had already been notified by the Authority vide Gazette Notification dated 31.01.2011.

### TRAINING PROGRAMME FOR WAREHOUSEMEN OF REGISTERED WAREHOUSES AT NIAM, JAIPUR

A five day training programme for 31 warehouse managers of registered warehouses of CWC, RSWC and Private Organisations of Rajasthan region was organised at National Institute of Agricultural Management (NIAM), Jaipur from 31st Oct, 2011 to 4th Nov, 2011. The training programme was inaugurated by Sh. Dinesh Rai, Chairman, WDRA and attended by Dr. R. P. Meena, Director General, NIAM, Sh. Madhukar Sharma, ED, RSWC and Dr. M. S. Jairath, Director, NIAM. The Chairman apprised the participants about the action initiated by the WDRA for popularising the benefits of negotiable warehouse receipt system in the country particularly among farmers. The certificates to the participants were distributed by Sh. B. K. Bal, Member, WDRA on 4th Nov, 2011, on the successful completion of the training programme.

### APPOINTMENT OF RITES AS AN ACCREDITATION AGENCY FOR THE WAREHOUSES

RITES Ltd., an ISO 9001-2000 company, a multi-disciplinary consultancy organization in the fields of transport, infrastructure and related technologies has also been appointed as an accreditation agency for the warehouses by the WDRA.

### VISIT OF THE CHAIRMAN, WDRA, TO RSWC, KISHANGARH

**Shri Dinesh Rai**, Chairman WDRA visited Kishangarh in Rajasthan on 29th Oct, 2011 to see the actual warehousing operation of RSWC. He was welcomed by Sh. Aditya Bafna, ED, Shree Shubham Logistics Limited (SSL) and Sh. Madhukar Sharma, ED, RSWC. This warehouse of 20,000 MTs capacity is being managed by (SSL) and is having most modern scientific equipment for the estimation of moisture content and oil content in vegetable oil seeds.

## COMMITTEE FOR RE-EXAMINATION THE EXISTING CLASSIFICATION OF PRIORITY SECTOR LENDING BY BANKS

The Reserve Bank of India has constituted a committee under the Chairmanship Sh. M. V. Nair, Chairman & Managing Director, Union Bank of India to re-examine, the existing classification of priority sector lending by banks. The WDR A has made following suggestions to the committee:

- (i) The post-harvest loan against negotiable warehouse receipts may attract a rate of interest at par with crop loan i.e. 7% with interest sub-vention of 3% on timely repayment of loan.
- (ii) Since the prices of cash crops have gone up significantly, the limit of loan on warehouse receipt may be enhanced from Rs. 10 Lakh to Rs. 25 Lakh and in case of negotiable warehouse receipt upto Rs 50 Lakh.
- (iii) Considering the importance of warehousing in the agriculture sector and huge short fall of warehousing facilities, loan for construction of storage infrastructure/ warehouses/cold storages should be classified as direct priority lending by the banks, both, by public sector and private sector banks. The payback period guidelines by NABARD and other banks should be same i.e. 1+10 years. The scheme may be implemented initially for a period of 10 years and may be reviewed thereafter.
- (iv) The WDR A is of the opinion that the loans to cooperative societies of farmers for disposing of the produce of members may be brought under direct finance wherein the cooperatives store their produce directly with the WDR A registered warehouses. Similarly, loans to Arthias including aggregators who directly procure agricultural commodities for storage of agriculture produce in the WDR A registered warehouses, may be allowed loans under direct priority sector lending.
- (v) Interest rate on loan for construction of warehouses under RIDF to Private Sector should remain closest to the rate of interest charged from Government entities like CWC and SWCs. Moreover, these warehouses should be WDR A compliant.
- (vi) Private banks, financial institutions, NBFCs and NGO may also be encouraged in a systematic manner for financing of negotiable warehouse receipt. These should be reimbursed the interest sub-vention.
- (vii) Setting up of a Market Information Network for the benefit of farmers.

## REGISTRATION OF WAREHOUSES

The WDR A has received 396 applications for registration of warehouses from different States. This includes 14 applications received from Maharashtra States Warehousing Corporations MSWC recently. 220 warehouses have been accredited and 185 warehouses, both from public and private sectors have been granted registration certificate for issuing the NWRs.

The registered warehouses located in different States have issued NWRs against the deposit of agricultural commodities like wheat, rice, paddy, barley, gram, mustard seeds, turmeric, cotton bales pulses and rubber. A number of farmers have availed the facility of loan on these NWRs from banks.

## TRAINING OF TRAINERS ON WDR A BY CWC

Training programmes for trainers (TOT) on aims, objectives and salient features of Warehousing (Development and Regulation), Act, 2007 have been organised by the CWC at Bhubaneswar, Chennai and Bhopal. The basic objective of organising such training programmes is to prepare a band of trainers on important objectives of Warehousing Act so that they may further impart training to middle and junior level officers associated with warehousing sector. Sh. B. K. Bal, Member, WDR A made a presentation on draft WDR A (Electronic Warehouse Receipts) Regulations, 2011 in a TOT programme organised at Chennai from 16th Nov, 2011 to 18th Nov, 2011. Dr. N. K. Arora, Director (Tech.) attended a similar programme organised by CWC at Bhubaneswar from 20th Oct, 2011 to 21st Oct, 2011.

Name & Design. of Officers		Telephone Nos.		
		Off.	Res.	Mob.
Chairman	Sh. Dinesh Rai	26515505	0120-2395092	9818433622
PPS to Chairman	Sh. Ashok Kashyap			9868859584
Member	Sh. Karnail Singh	26536215	011-44067838	9899299975
Member	Sh. B.K. Bal	26516074		9910100487
Joint Secretary	Smt. Ravneet Kaur, IAS	26521012	011-24622237	
Dir. (A & F)	Smt. Yatinder Prasad	26536214	011-26110334	9871179180
Dir. (Tech.)	Dr. N.K. Arora	26536212		9810338356
U.S. (A&F)	Dr. B.B. Singh	26536211	011-43041935	9810261161
U.S. (Tech.)	Sh. H.K. Dabas		01262-266649	9968222353
Sec. Off. (A & F.)	Sh. V K Singh	26515503	011-22758385	9868419285
Sec. Off. (Tech.)	Sh. Yatendra Jain		011-43035131	9871545186