



सत्यमेव जयते

Regional Conference on Negotiable Warehouse Receipt in warehouses and cold storage at Nagpur:

A regional conference on Negotiable Warehouse Receipt in warehouses and cold storage was held at Nagpur on 24th March, 2012. The conference which was jointly organised by the WDRA and Confederation of All India Traders, New Delhi was inaugurated by Sh. Vilasji Muttemwar, Hon'ble Member of Parliament and Chairman Standing Committee on Consumer Affairs, Food and Public Distribution. Sh. Dinesh Rai, Chairman, WDRA Sh. B. B. Pattanaik, MD, CWC, Sh. Karnail Singh, Member, WDRA, Sh. B. C. Bhartia, National Executive President, CAIT and Sh. R. K. Sharma, Senior Dy. Director, NHB addressed the conference which was attended by about 285 delegates from different organisations.

Appreciating the holding of seminar at Nagpur, Sh. Muttemwar said that warehousing has been an ignored subject for many years but now this seminar will prove to be very useful for development of warehouses in Central India. Sh. Dinesh Rai, Chairman, WDRA said that Govt. has introduced negotiable warehouse receipt system in the country with the objectives of the growth and development of the warehousing sector, to bring reforms in the agriculture marketing and to increase credit flow in the farm sector.



Allocation increased during 2012-13 under Rural Infrastructure Development Fund (RIDF) Scheme:

The scheme has been opened up for the first time for private sector in the country. An allocation of Rs. 2000 crores was 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) 2011-12. Under the scheme, loans would be given for the construction of warehouses, @ 8% with rebate of 1.5% for timely payment of the loan. The allocation has been increased to Rs. 5000 crores during 2012-2013.

Extension of Crop Loan Scheme to Post-Harvest loan:

For the appropriate growth and development of the warehousing sector in the country and to bring efficiency in the conduct of warehousing business, the Government of India has introduced NWR system in the country. The concessional crop loan @7% with interest rate subvention was available to farmers as pre-harvest loan. However, in case of post-harvest loan against the negotiable warehouse receipts, the farmers were granted loan at commercial rates.

In order to discourage distress sale by farmers and to encourage them to store their produce in warehousing against warehouse receipt, the benefit of interest subvention has been made available to small and marginal farmers having Kisan Credit Card 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 warehouse during the year 2011-12. This has been further extended to all the farmers having Kisan Credit Cards during 2012-2013.

Introduction of NWR system in cold storages:

The WDRA in consultation with the National Horticulture Mission (NHM) and the National Horticulture Board (NHB) is soon going to introduce the NWR system in cold storages so that the growers/farmers producing horticulture produce may store these commodities in cold storages and may avail the benefits of loan on the NWRs issued by the registered cold storages. The perishable commodities such as Potato, Dehydrated Onion, Garlic, Ginger, Turmeric, Apple and Resins etc. are proposed to be notified. The checklist containing basic requirements for accreditation of cold storages and cold storage Warehouse Manual have been formulated by a Committee appointed by the Government of India under the Chairmanship of the MD, National Horticulture Board. These have been approved by the Department of Agriculture and Co-operation, Govt. of India. The following horticulture commodities are being notified by the WDRA for the issuance of NWRs by the registered cold storage warehouses:

1. Table Potatoes (with or without CIPC application)
2. Seed Potatoes
3. Processing (Potatoes with CIPC application)
4. Apples in CA storage
5. Carrots
6. Nagpur Mandarin
7. Khasi/Darjeeling/NE Oranges
8. Kinnow
9. Sweet Lime
10. Lemon
11. Pomegranate
12. Grapes
13. Almond
14. Raisins
15. Onion (Fresh or dehydrated)
16. Garlic (Fresh or dehydrated)
17. Ginger (Fresh or dehydrated)
18. Dries edible mushrooms
19. Red Chillies
20. Coriander (dry)
21. Cinnamon
22. Turmeric
23. Tamarind
24. Date Palm
25. Frozen Processed Food item of horticulture Origin including those frozen in IQF or Blast Freezing.
26. Seeds & bulbs

Report of the RBI Committee on Priority Sector Lending:

The Reserve Bank of India (RBI) constituted a Committee headed by Sh. M. V. Nair, Chairman of the Union Bank of India (UBI) to re-examine the existing classification of priority sector direct lending by banks and related issues and to suggest revised guidelines. The Chairman and Member, WDRA discussed the issues related to warehousing sector with the Chairman and Members of the Committee. The Joint Secretary, WDRA also attended the meeting of the committee on 25th Nov, 2011. The committee made the following recommendations:

- (i) Direct and indirect lending to agriculture sector may be integrated in order to have all encompassing approach towards agriculture sector.
- (ii) Agriculture finance will encompass entire gamut of agriculture and allied activities, pre-harvest, post-harvest activities and the entire value chain of farm produce including transport, storage creation, grading, packaging, processing upto the market end, pledge/hypothecation of produce on warehouse receipt.
- (iii) The loan on pledge/hypothecation of produce on WHR upto 12 months has been revised upto 20 lakhs per farmer against the previous norm of Rs. 10 lakhs (Page-20 of the Report).
- (iv) Lending to Arthias/Commission agents is excluded from classifying under priority sector loans.

Need for Modern Warehousing in India:

- The storage capacity of the FCI and a part of warehousing capacity available with the CWC and the SWCs is used for the storage of Central Pool foodgrains.
- Due to lack of covered storage capacity, a substantial quantity of foodgrains is stored in Covered and Plinth (CAP).
- Due to record levels of procurement, States have been facing problem of covered storage capacity.
- As on 01.03.2012, the FCI was holding 46.3 million MTs of the wheat, rice and coarse grains against buffer and strategic norms of 31.9 million MTs of foodgrains (on 1st July of the year).
- The availability and augmentation of storage capacity is one of the main priorities of the Government of India.
- As per the estimates, additional 35 million MTs warehousing capacity is required in next 5 to 10 years.
- There is a need to create sufficient modern warehousing capacity for the foodgrains procured for Central Pool as well as for storage of non agricultural goods.

Revision of cost norms of Rural Godown Scheme (RGS):

The Rural Godown Scheme has been liberalized and the cost norms revised as follows:

- For godowns up to 1000 tonnes capacity- Project cost as appraised by financing Bank or actual cost or Rs. 3,500/- per MT of storage capacity, whichever is lower. The previous norms were Rs. 2500 per MT of storage capacity.
- For godowns exceeding 1000 MTs capacity- Project cost as appraised by Bank or actual cost or Rs. 3,000/- per MT of storage capacity, whichever is lower against the previous norms of Rs. 1850 per MT of storage capacity.
- For NE region/hilly areas, normative cost will be Rs. 4,000/- per MT or as appraised by bank/financial institution, whichever is lower irrespective of godown capacity.
- However, the revised cost estimates would need to be based on the rates of CWC and CPWD, wherever applicable.
- For godowns exceeding 30,000 MTs capacity (25,000 MTs for the NE States, Sikkim and hilly areas), the subsidy would be restricted to that admissible for capacity of 30,000 MTs (25,000 MTs for the NE States, Sikkim and hilly areas) only, excluding the cases of cooperatives.
- For renovation of godowns by cooperatives with assistance from NCDC- Project cost as appraised by Bank/NCDC or actual cost or Rs. 750/- per MT of storage capacity, whichever is lower against the earlier norms of Rs. 625 per MT of storage capacity.

Capacity Building Programme in Warehousing Sector:

There is an acute shortage of trained manpower in the warehousing sector, both in the public and private sectors. Most of the private warehouses are not having trained warehousemen and other technical staff. Moreover, they are not familiar with the code of practices of scientific storage of agricultural and other commodities. Graders and staff engaged in weighing, sampling and physical analysis of agricultural and other commodities are not properly trained. Therefore, there is a need that all these warehousemen and other personnel should be imparted proper training in their respective fields. The WDRA initiated training programme for the warehouses managers of the registered warehouses.

With a view to promote efficiency in the warehousing sector, a 5-day training programme for warehousemen of registered warehouses of the CWC, UP and Haryana regions and SWC Haryana was organised by the Warehousing Development and Regulatory Authority (WDRA) at National Institute of Agricultural Marketing (NIAM), Jaipur from 12th to 16th March, 2012. The training programme was inaugurated by Dr. R. P. Meena, Director General, NIAM. A field visit to RSWC warehouse at Kishangarh was also arranged to appraise the warehousemen about the functioning of the registered warehouses.

The third training programme is proposed to be organised from the 25th to 29th June, 2012 at Dr. MCR Human Resource Development Institute of Andhra Pradesh, Hyderabad for the warehouse managers of the registered warehouses of the CWC and APSWC.



Dr. R. P. Meena, IAS, Director General, NIAM, Jaipur inaugurating the training programme of warehouse managers of registered warehouses on the 12th March, 2012.

Monitoring of the Quality of Services in the Warehouses:

The WDRA through the accreditation agencies has put in place a system of monitoring the services of the warehouses. A check list has been provided to ensure that basic facilities for the scientific storage of the agricultural and other goods are available in the accredited/registered warehouses. Provisions have also been made for second inspection in the 1st year and subsequently yearly inspections for two more years to ensure that proper facilities for safe upkeep of goods continue to remain during the entire period of accreditation/registration. If required, surprise inspections of registered warehouses by the officers of the Authority may also be carried out.

Feedback from the Authority which have been inspected by it would be provided to the concerned warehouses. This feedback shall include both quality related and service delivery related parameters. It may also include system for internal feedback for the purposes of improvement. The accreditation agency and Authority will also make suggestions for improvement of equipment used in the warehousing sector including grading and pest control services. Based on the analysis of feedbacks received from the accreditation agency and Authority, the warehouse will carry out the required corrective actions and a compliance report would be submitted by the warehouses to the Authority.

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
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Sec. Off. (A & F.)	Sh. V K Singh	26515503	011-22758385	9868419285
Sec. Off. (Tech.)	Sh. Yatendra Jain		011-43035131	9871545186

Benefits of Warehousing:

- Warehousing adds value to a commodity by enhancing its time utility.
- Warehousing
 - ✓ helps ease pressure during harvest season and maintain uninterrupted supply of agriculture commodity during off season.
 - ✓ solves the problems of glut and scarcity - the usual problems in agricultural marketing.
 - ✓ helps the producer to bargain better prices.
 - ✓ helps in protection and preservation of goods,
- continuity in production.
- reduction in post-harvest losses.
- finance from banks and other financial institutions.
- cost-effective transportation.

Warehouses could be:

- ✓ owned by private people for storage of their own goods or for storage of public goods,
- ✓ Government warehouses (CWC, SWCs),
- ✓ bonded warehouses,
- ✓ cooperative warehouses, etc.
- Warehouses, which are essentially commercial buildings for storage of goods, could include godowns with pucca or semi-permanent (construction), storage tanks, silos, cold storages, etc.



Prof. K. V. Thomas, Hon'ble Minister of State (Independent Charge) Ministry of Consumer Affairs, Food and Public Distribution inaugurating a conference on Negotiable Warehouse Receipts in Warehouses and Cold Storages at Kolkata on 2nd March, 2012.