

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:2018
ANSWERED ON:04.08.2000
STORAGE POLICY
INDRAJIT GUPTA;MD ANWARUL HAQUE

Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Government are formulating a new national storage policy;
- (b) if so, the salient features thereof;
- (c) whether the construction work of new godowns is being assigned to the private sector under the new storage policy;
- (d) if so, the details thereof;
- (e) whether the interests of consumers are kept in view in doing so; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI CHAUHAN)

- (a) Yes, Sir. The Government has announced a National policy on handling, storage and transportation of foodgrains.
- (b) The salient features of the policy are:
 - I.
 - (i) Creation of integrated bulk handling facilities with silos of large capacity for wheat along with testing facilities for quality control at about 20 identified central locations in producing, consuming and a few port towns for storage of foodgrains procured by the FCI.
 - (ii) These facilities including the facilities for bulk transportation to these centres through specially designed top-filling-bottom-discharge wagons to be created and maintained in private sector under the over all coordination of the FCI.
 - (iii) FCI to guarantee utilisation of these facilities to the extent of 100% for the first ten years and 75% for the next ten years.
 - (iv) From these points, secondary transportation of foodgrains to be made in bag form to about 500 large godowns in important central locations in different States to be owned and maintained by the FCI.
 - (v) Further transportation to the consuming centres for retail distribution by State Government to be carried out by the State Governments.
 - II. The Government has also announced various fiscal incentives for participation of private sector in creation of bulk handling infrastructure. These include:
 - (i) Schemes such as Build-Own-Operate-Transfer (BOOT), Build-Own-Lease- Transfer(BOLT), Build-Own-Operate (BOO), Lease-Develop-Operate (LDO), Joint Ventures etc.
 - (ii) Generation of funds through public issues by private enterprises.
 - (iii) Automatic approval for Foreign Director Investment (FDI) upto 100%.
 - (iv) Loans from financial institutions, NABARD, external commercial borrowings.
 - (v) 100% deductions in profit for the purpose of Income Tax for first 5 years and 30% for the next five years.
 - (vi) Custom duty exemption on imported machinery not manufactured in India, on a case to case basis.
 - III. The private sector will also be encouraged to build storage capacities in which they will store and maintain foodgrains procured by the Government agencies, for which they will be entitled to storage charges.

IV. In order to reduce post harvest losses at farm level, the policy provides for:

(i) Introduction of a scheme to encourage use of metal bins as well as non-metallic storage structures at individual farm level and construction of RCC bins at community level with appropriate financial incentives.

(ii) Strengthening of the existing training and research components of the Save Grain Campaign Scheme for scientific storage and preservation of foodgrains and their propagation among farmers.

(c) & (d): As per the policy, the private sector would be encouraged to build storage capacities in which they will store and maintain foodgrains procured by Government agencies, for which they will be entitled to storage charges.

(e) & (f): The foodgrains would be stored in scientific manner and all quality control measures would be adopted during storage and preservation of foodgrains, which would be for the benefit of consumers.