

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:3135  
ANSWERED ON:16.03.2010  
NORM FOR CONSTRUCTION OF RURAL GODOWNS  
Singh Shri Ganesh

**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether any terms and conditions exist for providing financial assistance for construction of rural godowns;
- (b) if so, the details thereof; and
- (c) the percentage of assistance provided by the Government for such constructions?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) & (b): Yes, Madam. The following major terms and conditions exist for providing financial assistance for construction of rural godowns under Rural Godown Scheme:

- (i) Subsidy would be credit linked, back ended and based on capital cost of the construction of the rural godown.
- (ii) Term loan from financing bank would be minimum 50% of the project cost (46.67% in case of North Eastern (NE) States, Hilly Areas, women farmers/their self help groups /cooperatives, SC/ST entrepreneurs & their self-help groups/Co-operatives).
- (iii) Eligible amount of subsidy would be initially allowed as term loan to the beneficiary.
- (iv) Subsidy amount would be adjusted after liquidation of bank loan (net of subsidy) but not before 5 years from the date of disbursement of first installment of term loan.
- (v) Minimum 25% of the project cost is to be borne by the owner.

(c): Subsidy is provided @ 25% to all categories of farmers, agriculture graduates, Cooperatives & Central Warehousing Corporations/ State Warehousing Corporations for construction of rural godowns. All other categories i.e. individuals, companies and corporations are provided subsidy @ 15% of the project cost. In case of NE States/hilly areas & SC/ST entrepreneurs and their cooperatives and Women Farmers, subsidy would be 33.33%.