

16.55 hrs.

WAREHOUSING CORPORATIONS  
(AMENDMENT) BILL

[English]

MR. SPEAKER: The House will now take up consideration of Item No. 16, Warehousing Corporations (Amendment) Bill, Shri Sukh Ram.

THE MINISTER OF STATE OF THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI SUKH RAM): I beg to move:

"That the Bill further to amend the Warehousing Corporations Act, 1962 as passed by the Rajya Sabha, be taken into consideration."

The Central Warehousing Corporation and Sixteen State Warehousing Corporations are functioning under the Warehousing Corporations Act, 1962. These Corporations acquire and build warehouses at suitable places and also operate them for storage of agricultural produce, fertilizers and other commodities, both agricultural and industrial.

The Warehousing Corporation Act, 1962 extends to the whole of India except the State of Jammu and Kashmir. At the time of the enactment of the Act in 1962, entry 33 of the Concurrent List of the Seventh Schedule to the Constitution to which the Act is related was not made applicable to the State of Jammu and Kashmir. The entry has since been made applicable to the State of Jammu and Kashmir.

Government considers that the Warehousing Corporations Act, 1962 should also be extended to the State of Jammu and Kashmir. The extension of the Act to the State of Jammu and Kashmir would give that State two benefits. Firstly, the Central Warehousing Corporation, which is a central public sector undertaking, would be able to operate in the State. The second benefit is that the State Government would be able to set up its

own State Warehousing Corporation, which could avail of the 50% equity contribution being made by the Central Warehousing Corporation to the State Warehousing Corporations as per the provisions of this Act. The balance 50% of the equity capital would be provided by the State Government.

The extension of the Warehousing Corporations Act, 1962 to Jammu and Kashmir would enable to growth of warehousing facilities in the State which would help the farming community to store its produce and thereby get the most advantageous price. The availability of scientific storage facilities would also benefit trade and industry in the State.

The Bill seeks to achieve the above objects.

MR. SPEAKER: Motion moved:

"That the Bill further to amend the Warehousing Corporations Act, 1962 as passed by the Rajya Sabha, be taken into consideration."

Shri Harish Rawat.

[Translation]

SHRI HARISH RAWAT (Almora): Mr. Chairman, Sir, I support this Bill because now the benefit of Central Warehousing Corporation will be extended to Jammu and Kashmir also. The hon. Minister has stated that there is a provision in this Bill that the Jammu and Kashmir Government can set up Warehousing Corporation on its own so that the people of the State may be benefited.

Making use of this opportunity I would like to draw the attention of the hon. Minister that not even 5 per cent of the storage capacity required is available in our country. Consequently the Industry and the farmers have to suffer a lot. If warehousing facilities are made available in the rural the farmers can be immensely benefited. Therefore we

[Sh. Harish Rawat]

should streamline the working of our warehousing

I feel that while the storage facilities can be increased through warehousing, marketing and distribution too should be toned up. The hon. Minister should decide as to what percentage of our total warehousing capacity should be given to the Government agencies and what percentage to the private agencies respectively?

17.00 hrs.

I feel that not less than 50 per cent of the total storage capacity should be utilised for the farmers. The FCI is not able to make proper use of the warehousing facility provided to it. The foodgrain is stored in the open. Consequently there are heavy losses owing to rains and large quantity of foodgrain is stolen. I feel that even the Warehousing Corporation faces loss due to this. It would be better if the Central Government formulates a scheme in consultation with the State Government wherein not only the State and the Cooperative Sector but also private sector is involved in the warehousing activities, so that the warehousing facility may be increased. In the Central Sector there is a demand for about 70 lakh metric tonnes to storage capacity and in the State Sector it is nearly 90 lakh metric tonnes. The financial organisations should also be involved in the scheme. The agencies working in this area may also be involved in it. If the Government takes steps in this direction, not only the industries but the farmers too will be benefited. If the farmer gets storage facility at a nearby place, he can store his foodgrain there and earn profit as his bargaining capacity would increase, when the prices rise. With these words, I thank you for making this provision of extending the warehousing facilities to Jammu and Kashmir also.

[English]

SHRI CHINTAMANI JENA (Balasore)  
Mr. Speaker, Sir, I rise to support this Warehousing Corporation (Amendment) Bill. As

my hon. colleague Shri Harish Rawat has already stated, this involves the interest of millions and millions of farmers of our country, the others who are producing the agricultural goods and other goods also.

Sir, the public Warehouses outside Port areas are all maintained by the Central Warehousing Corporation and there are also 16 State Warehousing Corporations. The Warehousing Corporations are running about 1800 Warehouses with a capacity of about 15 to 16 million tonnes. But we have noticed that in the absence of required Warehouses specially in the rural areas, the farmers are the worst sufferers. So I request the hon. Minister to kindly look into this matter because while replying to the debate in the Rajya Sabha in November, 1988, the hon. Minister assured that the Government proposes to construct more and more Warehouses. So, this matter may be looked into. Secondly, among those Warehouses now existing, in many of those Warehouses, there is no scientific storage service. This should be looked with topmost priority. Most of the corporations have no facility to store perishable goods as well as liquid goods. In most of the warehouses, the condition is not up to the mark. Whenever we are going to construct such warehouses, such scientific facilities should be provided to store perishable goods as well as the liquid goods.

As we know, the perishability is responsible for fixing up the prices and ultimately the farmers are the sufferers. They cannot even get the support price for their produce. This should be looked into.

Besides, the CWC and SWCs, there are private warehouses. And there is a provision that they should get licences from the Government. In most of the cases, the owners of the private warehouses do not obtain licences and they run the warehouses according to the terms and conditions fixed by themselves. Even those who obtain licences, customers or the users do not know about the terms and conditions. Though the Warehousing Corporation has set up certain norms for storing the food articles, yet the customers do not know about it either because they

are illiterate persons or they do not know about certain terms and conditions. The owners of these warehouses fix up the terms and conditions according to their sweet will and whims. This may be looked into very seriously.

I would like to draw the kind attention of the hon. Minister to one thing that the Banking Law Commission had made certain recommendations to the Government in 1978. But those recommendations have been kept in the dustbin, so to say. They had recommended certain very good measures to have a uniform law for all such warehouses in the country besides some other recommendations. I do not want to elaborate it. I request the hon. Minister, while replying to this debate, to kindly assure the House so that recommendations should be implemented.

My humble submission is that the Government may kindly have farmers' cooperative society which would be entrusted with the task to construct such warehouses so that we may have more and more warehouses in the rural areas which will be run by the farmers cooperatives.

I request that these three or four suggestions may kindly be taken into consideration. With these words, I whole-heartedly support this amendment.

PROF. N.G. RANGA (Guntur): Mr. Speaker, Sir, I have to say only one thing. There is too much of wasting and too much of damage because of the carelessness and the unscientific way of warehousing. I would like the hon. Minister and his administration to minimise this wastage. There is bound to be some wastage but not as much as we are experiencing. I would like him to pay special attention to this so that they will have enough money for further extension of these warehousing facilities for our people. Thank you.

[Translation]

SHRIMOHD. AYUBKHAN (Jhunjhunu): Mr. Chairman, Sir, I welcome this Warehousing Corporation (Amendment) Bill. My

submission is that these warehouses should be constructed in large number in the rural areas and particularly in such villages where the number of ex-servicemen is more.

Sir, if you involve ex-servicemen in this work corruption and other types of bungling, which are often reported, will be checked. As such it is our duty to save the foodgrains from getting spoiled in the storage. If better means of storage are used and attention to ventilation etc. is paid, there is no reason why we cannot check the wastage of foodgrains in such huge quantities. Today, on the one hand a lot of foodgrains is spoiled for lack of proper storage facility whereas on the other hand the poor, in thousand, do not get even two square meals a day.

Sir, my suggestion is that better warehouses should be constructed and more of them in the villages. Besides, ex-servicemen should be made responsible for their maintenance. If this is done we can achieve great success.

SHRI YOGESHWAR PRASAD YOGESH (Chatra): Mr. Chairman, Sir, the hon. Minister has taken a welfare step by introducing this Bill. We appreciate it more so because it has been extended to Jammu and Kashmir also and of this Bill clause 33 enacted in 1962 has not been included in it. Now through this Bill distribution and storage facility will improve there.

Mr. Chairman, Sir, I would not like to repeat what other hon. Members have said but I would like to submit that due to the shortage of warehouses we have to face lot of problems although there is sufficient foodgrains in our country. The benefits of Green Revolution and other resources have not reached the right quarters. Foodgrains are stored in open racks due to which they are exposed to rain and sun and are spoiled by fungus. In this way lot of foodgrains is wasted. Similarly foodgrains are also destroyed in transit and as a result thereof the cost increases. Therefore, I welcome this legislation for a Warehousing Corporation and want to submit that it should be ex-

[Sh Yogeshwar Prasad Yogesh]

tended to plateau, forests and remote areas so that the distribution system improves

**SHRI BHANU PRATAP SINGH (Pilibhit)** Sir, I welcome the 'Central Warehousing Corporation (Amendment) Bill introduced by the hon. Minister. Our country produces nearly 15-16 lakh metric tonnes of foodgrains, whereas our storage capacity barely meets 5 to 6% of our needs. Foodgrains purchased in various blocks in many of the States is destroyed because of inadequate warehouses facilities. In order to augment the storage facilities I would like to suggest that the hon. Minister should take steps to set up more godowns under the Central Warehousing Corporation. In addition to it, co-operative institutions should also be issued license to set up their own godowns. This step will go a long way in solving this problem. If a foodgrains trader is interested in setting up a godown, he too should be given a license. This will protect foodgrains from damages and we shall then have enough to feed the poor.

I hope that the hon. Minister will consider my suggestions.

**KUMARI MAMATA BANERJEE (Jadavpur)** Mr. Speaker, Sir, I extend my support to the Bill. The point raised by hon. Shri Ranga is extremely important. We cannot hope improvement in the working of Warehouses unless they adopt scientific methods to preserve foodgrains. As I said that a lot of rice stored in the FCI godowns is eaten away by rats due to unscientific methods adopted by it. Storage of foodgrains in warehouses is also not done in a scientific manner. This is a modern age. We too should have a modern outlook, as we are on the threshold of the 21st Century. Most of public sector undertakings incur losses because of mismanagement. The Central Warehousing Corporation and the FCI are also no exception to it. The Chairman of the Hindustan Vegetable Corporation is not a technical expert and so he lacks technical knowledge. Such an individual cannot do justice to the

position he holds. There should be more warehouses in rural areas because farmers do not have adequate storage capacity for the foodgrains they produce. Given the facility they can store a larger amount of foodgrains.

I support hon. Shri Ayub Khan's view regarding ex-servicemen. It would be better if ex-servicemen, women and unemployment youths are given an opportunity to set up warehouses.

**SHRI UMAKANT MISHRA (Mirzapur)** Hon. Mr. Speaker, Sir, the Upanishads say that 'Annam Vai Prana' which means that foodgrains is life. Then a sage has written that 'Kalavan Gata Prana' which means that in kalyug foodgrains is a source of life. We lead luxurious life.

**MR. SPEAKER** You should also say that 'Annad Bhavanti Bhutani'.

**SHRI UMAKANT MISHRA** Foodgrains is life and clouds play a role in the production of foodgrains. Foodgrains is an extremely important item and care should be taken to avoid its wastage. People scrambled for even red variety of wheat imported from U.S.A. during the drought in 1966-67. The efforts of Jawaharlal Nehru and Shrimati Indira Gandhi led to an increase in agricultural productivity resulting in abundance of foodgrains. But a substantial quantity of our foodgrains is destroyed in the absence of adequate storage capacity. Therefore, more warehouses should be constructed.

A proposal was mooted for the setting up of a Food Corporation of India's warehouse in Mirzapur. For this purpose land was sought and subsequently allotted. But for the last 4-5 years the project has made no progress whatsoever. I request for the setting up of the proposed warehouse of the FCI in Mirzapur. With these words, I support this Bill.

**SHRI R. P. SUMAN (AKbarpur)** Sir, India is an agricultural country and our country has set world records in the agricultural

sector. At one time we used to beg foodgrains from the developed countries. Today our farmers have made the country self-sufficient in foodgrains. Yet the present-day farmer cannot live in peace for he stands witness to his own foodgrains getting destroyed before his eyes. Certainly, this matter deserves consideration. The Government should see that having a buffer-stock of foodgrains is of no use if most of it is exposed to the vagaries of weather. It is most unfortunate that there are no godowns at the district headquarters when such a facility should exist at every block headquarter. We are not able to provide facilities like water or electricity to the farmer but he still toils hard to produce a good crop. Their produce is being wasted. So I urge the hon. Minister to make sure that there is adequate storage capacity in the form of godowns or warehouses in every block headquarter or at least at the district headquarters so that foodgrains produced by farmers is not ruined.

The condition of the F.C.I. is also far from satisfactory. Its godowns are in a dilapidated condition. The Government should take steps to improve the condition of its godowns so that farmers can derive benefit from them. With these words I support the Bill.

SHRI SUKH RAM. Mr. Speaker, Sir, I am grateful to the hon. Members who have lent their support to this Bill and given some valuable suggestions. This Bill has been brought for a limited purpose to extend the jurisdiction of the Act to the State of Jammu and Kashmir also and during the course of debate on this Bill, hon. Members have given some suggestions and expressed some doubts also. I would say that the Central Warehousing Corporation is one of those public-sector undertakings that are showing profit. This can be judged by the fact that the budgetary support of Rs. 1.52 crore sought by it in 1985-86 from the Central Government has been repaid with interest. Today the Central Warehousing Corporation is constructing warehouses in the country with its own resources. At places where the State Warehousing Corporations are involved in

constructing warehouses, the Central Warehousing Corporation has a 50% equity participation in the projects which comes to Rs. 31.02 crore of the cost. In 1956 we had a total storage capacity of 7000 metric tonnes in the country. Today the 465 warehouses in the country have a combined storage capacity of 63.55 lakh metric tonnes. This is a 80% capacity utilization. I do agree with the suggestion that there should be a higher provision for the farmers for this purposes. This capacity utilisation has been kept not only for the farmers but for the traders and others as well. They can utilize the storage capacity in the godowns constructed by the Central Warehousing Corporation. Today 25 to 30 per cent of this capacity is utilized for storage of the foodgrains and the farmers are given special rebate. We provide rebate @ of 10 per cent to the farmers, whenever and wherever they want to store their produce in these godowns. However, the godowns of the Central Warehousing Corporation are located at the centres of national importance in the country. State Warehousing Corporation construct their godowns at the division and district level. Sixteen State Warehousing Corporations with fifty per cent equity participation of the Central Warehousing Corporations and with fifty per cent of share capital, have set up godowns at 1291 centres, for the total capacity of 85 lakh metric tonnes. Therefore, effort is being made to construct warehouses in the Cooperative sector at the village and the taluka levels.

As far as the issue of licences is concerned, it is the responsibility of the State Governments. Central Warehousing Corporation at no place into the picture, I do agree with the suggestion given by Professor Saheb to construct scientifically proven warehouses with a view to minimise losses. If we look into the statistics regarding the losses of the last three years, we will find that the losses are to the extent of 1/2 per cent, but we want to scale it down further. Our endeavour is to build good godowns.

There is a special scheme for the hilly areas of U.P. and Himachal Pradesh. In addition to this, F.C.I. is also there. We are

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right now working on a five year perspective plan to finalise the locations for the godowns to be constructed by the Central and the State Warehousing Corporations. The warehousing facilities in the country are to be expanded fast.

This Bill aims at helping the farmers of Jammu and Kashmir. I do agree with the suggestion made regarding help to be given to the ex-servicemen. I held the charge of the Ministry of Defence for more than one year and I know that they are honest and hard-working. The Government has provided reservation facility and priority is also given to them.

So I have taken note of the suggestions made and the apprehensions expressed on the floor of the House. As and when the lacunae are brought to the notice by the hon. Members, the Government will sincerely try to remove them to make the functioning smooth.

I would like to inform that dividend to the tune of Rs. 380 lakh has been paid during the year 1989-90. Every year dividend is paid by the Corporation which is functioning well. If there is any scope of further improvement, steps will be definitely be taken for the same. With these words I would like to thank the hon. Members for supporting the Bill.

[English]

MR. SPEAKER: The question is:

"That the Bill further to amend the Warehousing Corporation Act, 1962, as passed by Rajya Sabha, be taken into consideration."

*The motion was adopted*

MR. SPEAKER: The House will now take up clause-by-clause consideration of the Bill.

The question is:

"That Clauses 2 to 4 stand part of the Bill."

*The motion was adopted*

*Clauses 2 to 4 were added to the Bill*

*Clause 1*

*Amendment made*

"Page 1, line 4,—

for "1988" substitute "1989"

(Shri Sukh Ram)

MR. SPEAKER: The question is:

"That clause 1, as amended, stand part of the Bill"

*The motion was adopted*

*Clause 1, as amended, was added to the Bill*

*Enacting Formula*

*Amendment made*

"Page 1, line 1,—

for "Thirty-ninth" substitute "Fortieth"

(Shri Sukh Ram)

MR. SPEAKER: The question is:

"That the Enacting Formula, as amended, stand part of the Bill."

*The motion was adopted*

*The Enacting Formula, as amended, was added to the Bill*

MR. SPEAKER: The question:—

"That the long Title stand part of the Bill."

*The motion was adopted*

*The long Title was added to the Bill*

SHRI SUKH RAM: I beg to move:

"That the Bill, as amended, be passed."

MR. SPEAKER: Motion moved.

"That the Bill, as amended, be passed."

SHRIN. TOMBISINGH (Inner Manipur): Mr. Speaker, Sir, while supporting this Bill at the final stage, I have two concrete suggestions to make. First is that the Warehousing Corporation may strengthen its programme of establishing more warehousing facilities in the areas where transport facilities are very poor. For instance, in the North-Eastern States, the transport facilities are absolutely nil. In some States, the railway have not touched. In the hilly areas, there are so many difficulties; there are natural calamities etc. For example, in our area, the maize crop is abundantly available, but no agency is procuring it because of the lack of storing facilities. No private or State agencies like FCI are interested in the procurement of maize because of the difficulties of storage. It is abundantly available in the foothills and other areas. I would, therefore, request that you must think seriously of increasing the warehousing and storage facilities in these places

Then, there are some items of seasonal fruit like the pine apples. These are in abundance and are sold in heaps not by counts or by weight in this particular season. But at the end of the season, it is not available at all. This kind of commodity requires special attention. Storage facilities need to be provided during the season, so that these are available out-side the season also.

With these few words, I support the Bill.

[Translation]

SHRI SUKH RAM: Mr. Speaker, Sir, the storage facilities to the farmers are made available in abundance for storing maize and fruits. As far as the question of procurement of maize etc. is concerned, the Government of India announces support price only for wheat and paddy. NAFED and other agencies offer support price for fruits etc. The suggestions offered by the hon. Members will be taken into consideration. As far as practicable, the Central Warehousing Corporation will take into account the suggestions made by hon'ble Members while constructing godowns.

[English]

MR. SPEAKER: The question is:

"That the Bill, as amended, be passed."

*The motion was adopted*

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETRO-CHEMICALS IN THE MINISTRY OF INDUSTRY (SHRI P. NAMGYAL): Sir, I would like to submit that Item No. 18 may kindly be taken up first. This is a very important topic and it is pending since the last Session.

MR. SPEAKER. Do the hon. members agree?

SEVERAL HON. MEMBERS: Yes, Sir.

MR. SPEAKER: We may take up Item No. 18 now.