

मूल्यांकन अध्ययन सीरीज हरियाणा क्षेत्रीय कार्यालय सं: 2  
Evaluation Study Series Haryana Regional Office No. 2

# ग्रामीण भंडारण योजना

हरियाणा में एक मूल्यांकन अध्ययन

## GRAMEEN BHANDARAN YOJANA

An Evaluation Study in Haryana



राष्ट्रीय कृषि और ग्रामीण विकास बैंक

हरियाणा क्षेत्रीय कार्यालय, चण्डीगढ़

**NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT**

HARYANA REGIONAL OFFICE, CHANDIGARH

**2011**

## प्रस्तावना

कृषि क्षेत्र लाखों लोगों को आजीविका और खाद्य सुरक्षा प्रदान करने की क्षमता के कारण भारतीय अर्थव्यवस्था का सबसे महत्वपूर्ण क्षेत्र रहा है. कृषि उत्पादन में वृद्धि, बफर स्टॉक की बढ़ती मांग और विशेषकर विश्व व्यापार संगठन की उदार व्यापारिक नीतियों के चलते बाजार में उत्पादों की पहुंच के जबरदस्त अवसरों के कारण उत्पादों के वैज्ञानिक भण्डारण जैसी नई चुनौतियाँ भी सामने आई हैं ताकि कटाई के उपरांत भण्डारण की सुविधा न होने के कारण फसलों की क्षति को कम किया जा सके.

खाद्यानों के स्टॉक की बढ़ती हुई मांग को देखते हुए भारत सरकार ने एक उच्च स्तरीय विशेषज्ञ समिति की सिफारिशों के आधार पर नवंबर 1998 में नियुक्त श्री जे. एल. एन. श्रीवास्तव, पूर्व सचिव, कृषि और सहकारिता मंत्रालय की अध्यक्षता में ग्रामीण गोदामों के निर्माण/ नवीकरण/ विस्तार के द्वारा कृषि उत्पादों की भण्डारण क्षमता को बेहतर बनाने के लिए नई केन्द्रीय क्षेत्र की योजना, ग्रामीण भण्डारण योजना अर्थात् कैपिटल निवेश सब्सिडी योजना को मंजूरी दी. यह योजना 01 अप्रैल 2001 से विपणन और निरीक्षण निदेशालय के सहयोग से नाबार्ड / एनसीडीसी द्वारा कार्यान्वित की जा रही है और 11वीं पंचवर्षीय योजना की समाप्ति अवधि अर्थात् मार्च 2012 तक जारी रहेगी. इस योजना के तहत 31 मार्च 2010 तक अखिल भारतीय स्तर पर 256.44 लाख मीट्रिक टन की अतिरिक्त भण्डारण क्षमता के साथ 21837 इकाइयों के निर्माण में मदद मिली. हरियाणा में 31 मार्च 2010 तक 20.3 लाख मीट्रिक टन की अतिरिक्त भण्डारण क्षमता के साथ 322 इकाइयों का निर्माण किया गया.

इस योजना के अंतर्गत विभिन्न हितधारकों को हो रहे लाभों के मेनजर इसके प्रभावों का मूल्यांकन और इसके कार्यान्वयन में आ रही बाधाओं की पहचान करके मौजूदा दिशानिर्देशों में अपेक्षित परिवर्तन लाने के उद्देश्य से नाबार्ड ने हरियाणा राज्य के गुड़गाँव और हिसार, 02 जिलों में एक अध्ययन किया जिसमें विभिन्न बैंकों द्वारा वित्तपोषित 22 सैम्पल ग्रामीण गोदामों को शामिल किया गया. इस अध्ययन में इस योजना के सकारात्मक प्रभाव जैसे वैज्ञानिक भण्डारण क्षमता, निवेश और स्थायी आय में वृद्धि एवं आवर्ती और गैर-आवर्ती रोजगार के अवसरों में वृद्धि पर प्रकाश डाला गया है.

योजना के उद्देश्यों में से कुछ जैसे वैज्ञानिक भण्डारण क्षमता का सृजन, उत्पाद की गुणवत्ता में वृद्धि व मात्रा में होने वाली हानि में कमी, भण्डारण बुनियादी ढांचे के सृजन के लिए निजी निवेश को प्रोत्साहित करना और रोजगार के अतिरिक्त अवसरों का सृजन आदि को प्राप्त कर लिया गया है. यद्यपि कुछ उद्देश्य जैसे कृषि उत्पादों की बिक्री बढ़ाने के लिए ग्रेडिंग, मानकीकरण और गुणवत्ता नियंत्रण को बढ़ावा देना और बैंक ऋण की मंजूरी के लिए ऐसे गोदामों में संग्रहीत कृषि उत्पादों के लिए वेयर हाउस की राष्ट्रीय प्रणाली की शुरुआत अभी की जानी है.

मुझे पूर्ण विश्वास है कि अध्ययन के कार्रवाई बिंदु और निष्कर्ष न केवल संबंधित एजेन्सियों को योजना के कार्यान्वयन को बेहतर करने में सहायक होंगे अपितु इनसे योजना में लक्षित संबंधित किसानों/ ग्रामीण उद्यमियों के आर्थिक लाभों को बढ़ाने में भी मदद मिलेगी.

चंडीगढ़  
15 मार्च 2011

एच. के. तलरेजा  
मुख्य महाप्रबंधक

## **FOREWORD**

The agricultural sector has been the most important sector of the Indian economy because of its ability to provide livelihood and food security to the teeming millions. The increased agricultural production coupled with increased requirement of buffer stock, however, has brought, in its wake, new challenges in terms of its scientific storage and reducing post harvest losses especially in the post WTO liberalised trade regime offering tremendous market access opportunities.

Recognising the increased requirement for storage of food grains stock, Govt. of India, as recommended by a High Level Expert Committee (HLEC) under the Chairmanship of Shri J.L.N. Srivastava, former Secretary, Ministry of Agriculture and Cooperation appointed in November 1998, had approved a new Central Sector Scheme, Grameen Bhandaran Yojana, i.e. Capital Investment Subsidy Scheme for construction/ renovation/expansion of rural godowns for improving the storage capacities for agriculture produce. The scheme is being implemented through NABARD/NCDC in association with Directorate of Marketing and Inspection, GoI since 01 April 2001 and will continue till the end of 11th plan period i.e. March 2012. The scheme has, as on 31 March 2010, helped in creation of 21837 units with additional storage capacity of 256.64 lakh MT at all India level. In Haryana, 322 units with additional storage capacity of 20.3 lakh MT have been created up to 31 March 2010.

With a view to evaluate the impact of the said scheme in terms of benefits accruing to the various stakeholders and also to identify the bottlenecks in its implementation for fine tuning of the existing guidelines, NABARD conducted a study in two districts viz. Gurgaon and Hisar of Haryana State covering a sample of 22 rural godowns financed by different banks. The study has highlighted some of the positive features of the scheme like increase in scientific storage capacity, investment, sustainable income level and generation of recurring and non recurring employment.

Some of the objectives of the scheme viz., creation of scientific storage capacity, reduction of loss of quantity/quality of the produce, encouraging private investment in creating storage infrastructure, creation of additional employment opportunities, etc. have been fulfilled. However, some of the objectives viz., promotion of grading, standardization and quality control of agricultural produce to improve their marketability and introduction of a national system of warehouse receipts in respect of agricultural commodities stored in such godowns for sanctioning bank loans are yet to be fulfilled.

I am sure the findings and action points of the study will not only be useful in fine tuning the implementation of the scheme by the agencies concerned but also in enhancing the economic benefits to the farmers/rural entrepreneurs.

Chandigarh  
15 March 2011

**H.K. Talreja**  
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आभार सूची

समग्र निदेश

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## आभार

इस मूल्यांकन अध्ययन में सहयोग के लिए हम पंजाब नेशनल बैंक की शाखाओं, गुड़गाँव ग्रामीण बैंक, जिला केन्द्रीय सहकारी बैंक और गुड़गाँव और हिसार में स्थित जिला प्राथमिक सहकारी कृषि और ग्रामीण विकास बैंक का आभार व्यक्त करते हैं. गुड़गाँव और हिसार जिले में तैनात नाबार्ड के जिला विकास प्रबंधक सुश्री विनिता सिंह और श्री सतपाल आजाद द्वारा दिया गया समग्र सहयोग सराहनीय है. उनके सक्रिय सहयोग के बिना यह अध्ययन सम्भव नहीं था. अध्ययन दल सैम्पल ग्रामीण गोदामों के मालिकों और उनके ग्राहकों के प्रति भी आभार व्यक्त करता है जिन्होंने अध्ययन दल को अपेक्षित जानकारी उपलब्ध कराई. इस रिपोर्ट के चयनित अंशों का हिन्दी संस्करण प्रस्तुत करने में सक्रिय सहयोग के लिए अध्ययन दल सुश्री जसवीर चौधरी, राजभाषा अनुभाग, नाबार्ड, हरियाणा क्षेत्रीय कार्यालय का भी आभार व्यक्त करता है.

## लेखक

## **ACKNOWLEDGMENT**

The assistance and cooperation received in the conduct of the Evaluation Study from the Officers of branches of Punjab National Bank, Gurgaon Grameen Bank, District Central Cooperative Bank, and District Primary Cooperative Agriculture and Rural Development Bank in Hisar and Gurgaon Districts are gratefully acknowledged by the Study Team. The overall assistance rendered by Ms Vinita Singh and Shri Satpal Azad, District Development Managers of NABARD posted at Gurgaon & Hisar districts respectively is also appreciated. The study would not have been successful without their active cooperation. The Study Team also expresses its gratitude to the owners of sample Rural Godowns and their clientele who took personal interests in providing the information sought by the Study Team. The study team is also grateful towards the Rajbhasha Section in the NABARD RO, Haryana for their active cooperation in presenting the Hindi version of select portion of the report.

**AUTHOR**

### **Abbreviations / Acronyms /Terms used in the Report**

BCR	Benefit Cost Ratio
CWC	Central Warehousing Corporation
DCCB	District Central Cooperative Bank
DPCARDB	District Primary Coop. Agriculture & Rural Development Bank
FCI	Food Corporation of India
GBY	Capital Investment Subsidy
GoH	Government of Haryana
HAFED	Haryana State Cooperative Supply &Marketing Federation Limited
HO	Head Office
IRR	Internal Rate of Return
Km	Kilometre
MT	Metric Tonne
NABARD	National Bank for Agriculture and Rural Development
NCDC	National Cooperative Development Corporation
PNB	Punjab National Bank
PRIs	Panchayati Raj Institutions
Qtl/qtl	Quintal
RCC	Reinforced Concrete Column
RG	Rural Godown
RRB	Regional Rural Bank
Rs.	Rupees
SCARDB	State Cooperative Agriculture and Rural Development Bank
SCB	State Cooperative Bank
SWC	State Warehousing Corporation
TFO	Total Financial Outlay

## Basic Data Sheet

	<b>Title of the Study</b>	<b>Grameen Bhandaran Yojana : An Evaluation Study in Haryana</b>
1.	Study Area	Gurgaon and Hisar Districts
2.	Implementing Banks	Commercial Banks, RRB, DCCB, DPCARDB
3.	No. of branches	11
4.	No. of sample Rural Godowns (RG)	22
5.	Period of Implementation	2001 to 2009
6.	Reference year	2008-09
7.	Average Capacity Created	6491 MT
8.	Average Capacity Utilised	6134 MT (94.5% of capacity created)
9	Average investment Cost	
i	At Historical Prices	Rs. 106.49 Lakh
ii.	At Reference Year Prices	Rs. 122.65 Lakh
10	Economics of Sample Godowns (per MT)	
i	Average Annual Gross Income	Rs. 415
ii	Average Annual Expenditures	Rs.26
iii	Average Net Income	Rs. 389
11.	Financial Rate of Return	16.8 %
12.	Benefit Cost Ratio	1.08
13.	Macro impact in Study area	
i	Increase in Storage Capacity	4.67 lakh MT
ii	Increase in Investment	Rs. 7783.84 lakh
iii	Increase in Income	Rs. 1817.17 lakh
iv	Employment Generation	
A.	Non Recurring	1014243 mandays
B.	Recurring	72819 mandays

## कार्यकारी सारांश

वर्तमान अध्ययन हरियाणा में ग्रामीण गोदामों के लिए शुरू की गई ग्रामीण भण्डारण योजना के कार्यान्वयन का मूल्यांकन करने का प्रयास है ताकि निवेश के लाभों और साथ ही किसानों द्वारा कृषि उपज के भण्डारण पर योजना के प्रभाव का आकलन किया जा सके. यह अध्ययन 02 चुनिंदा जिलों यथा गुड़गाँव और हिसार में किया गया. इसमें योजना के अंतर्गत सैम्पल 20 किसानों और विभिन्न बैंकों द्वारा वित्तपोषित 22 ग्रामीण गोदामों को शामिल किया गया. विभिन्न आकार के ग्रामीण गोदामों के कार्यनिष्पादन का मूल्यांकन करने के लिए सैम्पल इकाइयों को क्षमता के अनुसार छोटे और बड़े आकार की इकाइयों में वर्गीकृत किया गया. अध्ययन का संदर्भ वर्ष 2008-09 था. अध्ययन के प्रमुख निष्कर्ष निम्नानुसार हैं:

- I. इस योजना के अंतर्गत अप्रैल 2009 के अंत तक 17.47 लाख मीट्रिक टन की क्षमता वाले 309 ग्रामीण गोदामों को स्थापित किया गया. राज्य में प्रति गोदाम औसत क्षमता 5656 मीट्रिक टन थी. (पैरा 1.5.3)
- II. सैम्पल अध्ययन के अनुसार 6491 मीट्रिक टन की औसत क्षमता का निर्माण किया गया. छोटी इकाइयों में औसतन 393 मीट्रिक टन और बड़ी इकाइयों में 8285 मीट्रिक टन क्षमता का निर्माण किया गया. हिसार जिले में बनाए गए गोदाम आकार में गुड़गाँव जिले के गोदामों से अपेक्षाकृत छोटे थे. गुड़गाँव जिले में औसतन 8652 मीट्रिक टन की क्षमता का निर्माण किया गया जो कि हिसार जिले की औसत क्षमता 4690 मीट्रिक टन से 1.8 गुणा ज्यादा है. (पैरा 3.5)
- III. छोटे और बड़े आकार की इकाइयों में उपयोग की गई औसत क्षमता क्रमशः 386 मीट्रिक टन (98.2%) और 7843 मीट्रिक टन (94.7%) थी. समग्र रूप से सैम्पलों का क्षमता उपयोग 6134 मीट्रिक टन अर्थात् निर्मित क्षमता का 94.5% था. गुड़गाँव जिले में क्षमता उपयोग 7978 मीट्रिक टन (92.2%) और हिसार जिले में क्षमता उपयोग 4598 मीट्रिक टन (98%) रहा. (पैरा 3.5.1 और 3.5.2)
- IV. सैम्पल गोदामों में संग्रहीत कुल उत्पाद का 0.6% ही स्वयं का था. शेष 99.4% उत्पाद भण्डारण का उपयोग अन्य फर्मों / एजेन्सियों/ किसानों के लिए किया गया. (पैरा 3.6)
- V. अध्ययन जिलों के गोदामों में मुख्यतः गेहूं, धान, तूड़ी (चारा), ज्वार और जौ का भण्डारण किया गया. हिसार जिले में प्रमुखतः गेहूं का भण्डारण किया गया जबकि गुड़गाँव में मुख्यतः चावल का भण्डारण किया गया. (पैरा 3.7.1 और 3.7.2)
- VI. ऐतिहासिक कीमतों पर निवेश की औसत लागत ₹.106.49 लाख है, जोकि छोटी इकाइयों के लिए ₹ 8.54 लाख और बड़ी इकाइयों के लिए ₹ 135.30 लाख है. निवेश की जिलावार औसल लागत हिसार में ₹ .69.98 लाख और गुड़गाँव जिले में ₹ 150.98 लाख है. (पैरा 4.2 और 4.2.1)
- VII. निवेश की कुल लागत में से सबसे ज्यादा (90.5%) सिविल कार्य पर उसके बाद भूमि और भूमि विकास पर 5.5% और विविध व्ययों पर 4% खर्च किया गया. (पैरा 4.3)

- VIII. निवेश की लागत के विश्लेषण से यह खुलासा हुआ कि छोटी इकाइयों में प्रति मीट्रिक टन निवेश लागत (₹ 2173) थी जबकि बड़ी इकाइयों में यह ₹ 1633 थी. कुल सैम्पल में निवेश लागत प्रति मीट्रिक टन ₹ 1640 थी. (पैरा 4.4.1)
- IX. निवेश की वास्तविक औसत लागत ₹ 107.97 लाख थी जो कि निवेश की अनुमोदित लागत ₹ 106.49 लाख से थोड़ी अधिक थी. सैम्पल इकाइयों में संवितरित औसत बैंक ऋण ₹ 77.39 लाख बनता है जो कि सब्सिडी सहित निवेश की वास्तविक लागत का लगभग 71.7% है. (पैरा 4.5.1)
- X. प्रति यूनिट अनुमानित सब्सिडी औसतन ₹ 20.55 लाख बनती है और कुल वित्तीय व्यय (₹ 106.49 लाख) में सब्सिडी का शेयर 19.3% था. (पैरा 4.5.3)
- XI. छोटी सैम्पल इकाइयों की प्रति मीट्रिक टन औसत कुल आय ₹ 495 थी जो कि बड़ी इकाइयों की औसत कुल आय ₹ 413 से अधिक थी. गुड़गाँव जिले में प्रति मीट्रिक टन औसत कुल आय (₹ 436) हिसार जिले (₹ 383) से अधिक थी. समग्र रूप से सैम्पल इकाइयों में प्रति मीट्रिक टन औसत कुल आय ₹ 415 बनती है. (पैरा 5.2 और 5.2.1)
- XII. छोटी इकाइयों की अनुमानित प्रति मीट्रिक टन निवल आय ₹ 464 थी जो कि बड़ी इकाइयों की निवल आय ₹ 388/- से अधिक थी. जिलावार प्रति टन औसत शुद्ध आय गुड़गाँव जिले में ₹408 थी जो कि हिसार जिले की औसत शुद्ध आय ₹ 361 से अधिक थी. समग्र रूप से सैम्पल इकाइयों की प्रति मीट्रिक टन औसत निवल आय ₹ 389 बनती है. (पैरा 5.5 और 5.5.1)
- XIII. सैम्पल इकाइयों की वित्तीय प्रतिफल दर (एफआरआर) 16.8% पाई गई. विभिन्न आकार की इकाइयों में बड़ी इकाइयों की वित्तीय प्रतिफल दर 16.7% थी जो कि छोटी इकाइयों की वित्तीय प्रतिफल दर 15.5% से अधिक थी. छोटी इकाइयों की प्रतिफल दर कम होने का मुख्य कारण बिल्डिंग और अन्य सिविल ढांचों की लागत की वजह से निवेश की लागत का अधिक होना है. (पैरा 5.7.1)
- XIV. सैम्पल इकाइयों की लाभ-लागत दर (बीसीआर) 1.08 थी. छोटी और बड़ी इकाइयों की बीसीआर क्रमशः 1.02 और 1.08 थी. छोटी इकाइयों की एनपीवी ₹ 10.05 लाख पाई गई. गुड़गाँव और हिसार की जिलावार एनपीवी क्रमशः ₹ 8.24 लाख और ₹ 11.56 लाख थी. (पैरा 5.8)
- XV. इस योजना के अंतर्गत अध्ययन क्षेत्र में बड़े स्तर पर 4.67 लाख मीट्रिक टन अतिरिक्त भंडारण क्षमता का निर्माण किया गया. इसके अतिरिक्त अध्ययन क्षेत्र में अतिरिक्त निवेश और अतिरिक्त सृजित आय क्रमशः ₹ 7773.84 लाख और ₹ 1817.17 लाख थी. (पैरा 6.1 से 6.3)
- XVI. यह अनुमान लगाया गया कि अध्ययन क्षेत्र में कुल 72,819 आवर्ती श्रम दिवस और 10,14,213 गैर आवर्ती श्रम दिवस के बराबर रोजगार के अवसर सृजित किए गए. (पैरा 6.6)

## कार्रवाई बिन्दु/ सुझाव

- अंतिम उधारकर्ता को सब्सिडी जारी करने लगने वाले समय के अंतराल को कम किया जाना चाहिए (अग्रिम राशि व अंतिम राशि) एक चैनल से दूसरे चैनल तक निधियों के प्रेषण में नवीनतम तकनीक के प्रयोग से इसमें मदद मिल सकती है. अतः कार्यान्वयन करने वाली एजेन्सियां अर्थात् भारत सरकार, नाबार्ड और वित्तपोषक एजेन्सियों को इस कार्य के लिए नवीनतम तकनीक का प्रयोग करना चाहिए.
- सब्सिडी की मंजूरी में देरी का मुख्य कारण अपेक्षित दस्तावेजों का प्रस्तुत न किया जाना है. ऐसी देरी से बचने के लिए नाबार्ड हरियाणा क्षेत्रीय कार्यालय द्वारा एक जांच सूची तैयार की गई है और सभी बैंकों में वितरित की गई है. इस जांच सूची को वर्तमान दिशानिर्देशों का ही एक भाग बना देना चाहिए ताकि किसान/ उद्यमी को बैंक/ नाबार्ड को प्रस्ताव के साथ प्रस्तुत किए जाने वाले दस्तावेजों की जानकारी हो और प्रस्ताव की प्रोसेसिंग समय पर की जा सके और सब्सिडी समय पर जारी की जा सके. अपेक्षित दस्तावेजों को प्रस्तुत करने के लिए विभिन्न पक्षों जैसे बैंक, लाभार्थी, नाबार्ड, डीएमआई के बीच परस्पर पत्राचार में बहुत सा बहुमूल्य समय नष्ट होता है.
- वित्तपोषक एजेन्सी को सब्सिडी दावे नाबार्ड को भेजने से पूर्व जांचसूची के अनुसार सभी संबंधित दस्तावेजों की उपलब्धता सुनिश्चित कर लेनी चाहिए. इससे प्रस्ताव की संवीक्षा और प्रोसेसिंग में आवश्यक दस्तावेजों के लिए विभिन्न हितधारकों में बार-बार परस्पर पत्राचार को कम करने में मदद मिलेगी.
- बैंक के प्रतिनिधियों, डीएमआई और नाबार्ड के पदाधिकारियों द्वारा प्रोजेक्ट के समापन के बाद शीघ्रातिशीघ्र संयुक्त निरीक्षण किया जाना चाहिए. इससे सब्सिडी को समय पर जारी करने में मदद मिलेगी और किसानों पर ब्याज के भार को कम किया जा सकेगी. सब्सिडी को जारी करने में होने वाली देरी से लाभार्थी पर अनावश्यक भार पड़ता है जिससे योजना पर सब्सिडी देने का उद्देश्य पूरा नहीं हो पाता.
- किसानों को इस बात की जानकारी नहीं थी कि उन्हें गोदाम में जमा स्टॉक को गिरवी रख कर वित्त मिल सकता है. बैंकरों और किसानों दोनों को इसकी जानकारी देकर इसे लोकप्रिय बनाने एवं बढ़ाने का प्रयास किया जाना चाहिए. इससे ग्रामीण किसान अपनी उपज को ग्रामीण गोदामों में स्टोर करने के लिए प्रोत्साहित होंगे. बैंकों को निजी गोदामों द्वारा जारी की जाने वाली रसीद को भी स्वीकार करना चाहिए ताकि गोदाम में स्टॉक को गिरवी रख कर वित्त दिया जा सके.
- संग्रहीत वस्तुओं के बेहतर रख-रखाव और गोदाम के कुशल और सुरक्षित उपयोग के लिए इस योजना के अंतर्गत लाभार्थियों को राष्ट्रीय कृषि विपणन संस्थान (एन आई ए एम) जैसे प्रतिष्ठित संस्थान में प्रशिक्षण दिए जाने की भी जरूरत है.
- योजना के बारे में किसानों और बैंकरों को और अधिक जागरूक बना कर व लघु किसानों को शामिल कर इस योजना के कवरेज को बेहतर किया जा सकता है. सरकार और बैंकर इसके लिए प्रिंट व दृश्य मीडिया का उपयोग कर सकते हैं.

- इक्विटी को ध्यान में रखते हुए संयुक्त देयता समूह अथवा कार्यकलाप आधारित समूहों के माध्यम से इस योजना में छोटे किसानों को शामिल करने का प्रयास किया जाना चाहिए.
- ग्रेडिंग, पैकिंग, न्यूनतम प्रोसेसिंग जैसे मूल्यवर्धन तरीकों से वस्तुओं की गुणवत्ता को बढ़ाने पर जोर दिया जाना चाहिए.
- बैंकों को यह भी सुनिश्चित करना चाहिए कि गोदाम के सामने/ गोदाम की दीवार पर "कृषि मंत्रालय, भारत सरकार की ग्रामीण भण्डारण योजना के अंतर्गत सहायता प्राप्त" का साइन बोर्ड प्रदर्शित किया जाए.
- बैंक/ डी एम आई/ नाबाई के पदाधिकारियों को अपने अनुप्रवर्तन दौरे के समय अग्निशमन उपकरण-सिलेंडर और रेत की बाल्टी दोनों के संस्थापन पर जोर देना चाहिए.
- बैंकों को यह भी सुनिश्चित करना चाहिए कि चोरी, आग और अन्य प्राकृतिक आपदाओं से सुरक्षा के लिए गोदाम का बीमा करवाया जाए.
- जिन बैंकों ने 1000 मीट्रिक टन से कम क्षमता वाले छोटे गोदामों को वित्त प्रदान किया है उन्हें किसानों को यह अवगत कराना चाहिए कि वे गोदाम की न्यूनतम ऊंचाई 15 फीट रखें, गोदाम के अंदर हवा की व्यवस्था के लिए जाली वाली खिड़की रखी जाए, गोदाम की आंतरिक दीवारों पर सफेदी की जाए. गोदाम में सफाई की व्यवस्था हो और गोदाम में बिजली का कनेक्शन भी दिया जाए.
- कुछ गोदामों की चार दीवारी और आंतरिक सड़के क्षतिग्रस्त पाई गईं. वित्तपोषक बैंकों को गोदाम की दीवारों और फर्श की दरारों समेत चार दीवारी और आंतरिक सड़कों की त्वरित मरम्मत की व्यवस्था करनी चाहिए.

## EXECUTIVE SUMMARY

The present study attempted to evaluate the implementation of the Grameen Bhandaran Yojana (GBY) for Rural Godowns in Haryana so as to quantify the benefits of investments and also to assess the impact of the scheme on farmers in storing farm produce. The study was conducted in two selected districts viz. Gurgaon and Hisar covering a sample of 20 farmers and 22 rural godown units financed by various Banks under the scheme. To assess the performance of the rural godown units in different sizes, the sample units were post-stratified according to capacity created viz. small and large size units. The Reference Year for the study was 2008-09. Major findings emanating from the study are as follows:

- (i) Under this scheme, a total of 309 Rural Godown (RG) units with a capacity of 17.47 lakh metric tonne (MT) were established by the end of April 2009. The average capacity created per unit of RG for the state was 5656 MT. (Para 1.5.3)
- (ii) As per the sample study, however, the average capacity created was 6491 metric tonne. The average capacity created among small and large units was 393 metric tonnes and 8285 metric tonnes respectively. The units constructed in Hisar district were relatively smaller in size than that in Gurgaon district. The average capacity created in Gurgaon district (8652 MT) was almost 1.8 times of the average capacity created in Hisar district (4690 MT). (Para 3.5.)
- (iii) The average capacity utilised was 386 metric tonnes (98.2 per cent) and 7843 metric tonnes (94.7 per cent) for small and large sample units respectively. In overall samples, the capacity utilization was 6134 MT i.e. 94.5 per cent of the capacity created. Between the two sample districts, the capacity utilisation was 7978 MT (92.2 per cent) in Gurgaon District and 4598 MT in Hisar District (98.0 per cent). (Para 3.5.1 & 3.5.2)
- (iv) Out of the total produce stored in sample godowns, the share of own produce was only 0.6 per cent and remaining 99.4 per cent was utilized for storing produce of other firms/agencies/farmers. (Para 3.6)

- (v) Wheat, Paddy, Turi (fodder), Guar and Barley were the products being stored in the rural godowns in the study districts. Wheat was the major item stored in Hisar district while in Gurgaon the major item stored was paddy. (Para 3.7.1 & 3.7.2)
- (vi) The average cost of investment at historical prices worked out to Rs. 106.49 lakh ranging from Rs. 8.54 lakh for small units and Rs. 135.30 lakh for large size units. District wise, the average cost of investment worked out to Rs. 69.48 lakh in Hisar district and Rs. 150.98 lakh in Gurgaon district. (Para 4.2 & 4.2.1)
- (vii) Break up of cost of investment revealed that civil work constituted a major share (90.5 per cent) followed by land & land development (5.5 per cent) and miscellaneous expenditures (4.0 per cent). (Para 4.3)
- (viii) An analysis of break up of cost of investment among different size category revealed that investment cost per MT was higher in small units (Rs. 2173) as compared to large units (Rs. 1633). In overall sample, however, investment cost per MT worked out to Rs.1640. (Para 4.4.1)
- (ix) The actual average cost of investment (Rs. 107.97 lakh) was marginally higher than the approved cost of investment per unit (Rs. 106.49 lakh). The average bank loan disbursed worked out to Rs. 77.39 lakh for sample units, which accounted for about 71.7 per cent of the actual cost of investment including the subsidy component. (Para 4.5.1)
- (x) The estimated subsidy worked out to Rs. 20.55 lakh per unit on an average and the share of subsidy to the total financial outlay (Rs. 106.49 lakh) was 19.3 per cent. (Para 4.5.3)
- (xi) The average *gross* income per metric tonne (Rs. 495) was higher for small size sample units than for large size units (Rs. 413). The average gross income per metric tonne was higher in Gurgaon district (Rs. 436) than in Hisar District (Rs. 383). In over all sample, the average gross income per metric tonne works out to Rs.415. (Para 5.2 & 5.2.1)
- (xii) The estimated *net* income per metric tonne was higher (Rs. 464) for small size units than for large size units (Rs. 388). Districts wise, the average net income per tonne was higher in Gurgaon district (Rs. 408) than in Hisar District (Rs.

- 361). In over all sample, the average 'net' income per metric tonne works out to Rs.389. (Para 5.5 & 5.5.1)
- (xiii) For the sample units, the Financial Rate of Return (FRR) was found to be 16.8. Among different size category of units, larger units (16.7 per cent) were found to have higher FRR than that of smaller units (15.5 per cent). The lower returns to small units were largely attributable to higher cost of investment, especially towards the cost of buildings and other civil structures. (Para 5.7.1)
- (xiv) The BCR was found to be 1.08 for the sample units. The BCR for small and larger units was found to be 1.02 and 1.08 respectively. The NPV for the sample units was found to be Rs. 10.05 lakh. District wise, the Net Present Value (NPV) was worked out to Rs. 8.24 lakh and Rs. 11.56 lakh for Gurgaon and Hisar respectively. (Para 5.8)
- (xv) At the macro level, the additional storage capacity created under the scheme in the study area was estimated at 4.67 lakh metric tonnes. Further, the additional investment and additional income generated was estimated at Rs. 7773.84 lakh and Rs. 1817.17 lakh respectively in the study area. (Para 6.1 to 6.3)
- (xvi) It was estimated that a total of 72,819 man-days of recurring and 10,14,213 man-days of non recurring employment were generated in the study area. (Para 6.6)

#### **Action Points/Suggestions**

- The time lag in release of subsidy (advance as well final) to the ultimate borrower needs to be reduced. The use of latest technology in transmission of funds from one channel to other would help in this respect. Therefore, implementing agencies viz. Govt. of India, NABARD and Financing Agencies need to rope in the latest technology for the same.
- The delay in sanction of subsidy was mainly due to non-submission of the required documents. To avoid such delays a detailed checklist has been prepared by NABARD Haryana RO and circulated among Banks. This checklist may be made part of the existing Guidelines, so that farmers/entrepreneurs were aware of documents to be submitted along with the proposal to Bank/NABARD for timely processing and release of subsidy. A lot of valuable time is lost in cross

correspondence with various parties i.e. banks, beneficiaries, NABARD, DMI, etc., to seek the required documents.

- Before forwarding the subsidy claim form to NABARD, the Financing agencies may cross check the availability of all related documents with the checklist. This will help in avoiding repeated cross correspondence between stakeholders seeking the required documents for processing and scrutiny of the proposal.
- The joint inspection by the representatives of banks, DMI and NABARD officials may be completed at the earliest after completion of the project. This would help in timely release of subsidy thereby reducing a lot of interest burden on the farmer. The delay in release of subsidy results in undue burden on the beneficiary thereby defeating the very purpose of subsidizing the scheme.
- The farmers were not aware of the availability of the pledge finance against the stocks stored in the godowns. The system of pledge finance may be popularized and promoted by sensitizing the bankers and farmers both. This will encourage the rural farmers to store their produce in the rural godowns. Warehouse receipts issued by private godowns may also be made acceptable by banks for pledge financing against it.
- For better upkeep of stored goods and more efficient and safe utilization of the godown, the beneficiaries under this scheme need to be empowered through training at reputed institutes like National Institute of Agricultural Marketing, Jaipur.
- More awareness about this scheme may be created among farmers as well as bankers for wider coverage especially of small farmers. The Government and bankers may utilize print and visual media for the same.
- Keeping in view, the equity consideration, steps may be initiated to include small farmers also under this scheme through Group mode like Joint Liability Groups or Activity Based Groups
- Value addition methods like grading, packing and minimum processing which enhances the quality of the commodities in the market may be emphasised.

- Banks may also emphasize and ensure that the signboard indicating “Assisted under Grameen Bhandaran Yojana of Ministry of Agriculture, Govt.of India” is neatly displayed in front of the godowns / walls of the godowns.
- The Bank/DMI/NABARD officials may also emphasize the installation of fire fighting equipments, both cylinders and sand buckets during their monitoring visits.
- Banks may also ensure that all the godowns are insured against theft, fire and other natural calamities.
- Banks which have financed small godowns i.e godowns below 1000 MT may advise the farmers to raise the plinth height to a minimum of 15 feet, provide windows with wire mesh inside the godowns for cross ventilation of air, white wash the internal walls, maintain cleanliness of the godowns, provide electricity connection, etc.
- The internal roads and boundary walls of some of the godowns were observed to be damaged. Financing banks may arrange to ensure quick repair of the same including cracks on the floors and walls of the godown.

# CHAPTER I

## INTRODUCTION

### **Background**

1.1 The agricultural sector has been the most important sector of the Indian economy because of its ability to provide livelihood and food security to the teeming millions. The increased agricultural production, however, has brought, in its wake, new challenges in terms of its scientific storage and reducing post harvest wastage. In the post WTO liberalised trade regime, there is also a need to respond to the challenges and opportunities, that the global markets offer through market access opportunities. To tap the opportunities in the domestic and global market the Government of India is striving to prepare the Indian agricultural markets and marketing environment so as to provide maximum benefit to the producers and in turn, compete with the global players. Agriculture and agricultural marketing need to be re-oriented to respond to the market needs and consumer preferences. Agricultural marketing reforms and creation of marketing infrastructure have been initiated to achieve the above purpose.

1.1.1 As is well known that the small farmers in India do not have the economic strength to retain the produce with them till the market prices are favourable. A need was felt to provide the farming community with facilities for scientific storage so that wastage and produce deterioration are avoided and also to enable it to meet its credit requirement without being compelled to sell the produce at a time when the prices are low. The holding capacity of small farmers can be enhanced through a network of rural godowns so that they can sell their produce at remunerative prices and avoid distress sales.

1.1.2 A High Level Expert Committee under the Chairmanship of Shri J.L.N. Srivastava, former Secretary, Ministry of Agriculture and Cooperation, Govt. of India was appointed (in November 1998) to look into the issues for improving the cold storage/other storage capacities for agriculture produce of the country. The Committee in its report, inter alia, recommended that about 25 lakh MT storage capacities should be created in rural/semi urban areas for enhancing the storage capacity of agricultural produce. National Agriculture Policy, also states that storage facilities for different kinds

of agricultural products will be created in the production areas or nearby places, particularly, in the rural areas, so that farmers can transport their produce to these places immediately after harvest in shortest possible time. In this background, a new Central Sector Scheme, Grameen Bhandaran Yojana, i.e. Capital Investment Subsidy Scheme for construction/ renovation/expansion of rural godowns was approved by GOI for implementation through NABARD/NCDC during 2001-02 and 2002-03 with an outlay of Rs. 334.43 crore and subsidy amount of Rs. 90 crore from GOI. It was extended upto 31.03.2007. The implementation of the Scheme has now been extended further for XI five-year plan period i.e. 2007–12, with suitable modifications in its operational guidelines. The details/guidelines of the latest Rural Godown Scheme have been given in Annexure I.

### **Objectives**

1.2 Major objectives of financing rural godowns include creation of scientific storage capacity with allied facilities for storing farm produce, agricultural inputs, etc., prevent distress sale by creating the facility of pledge loan, strengthen agricultural marketing infrastructure in the country by paving the way for the introduction of a national system of warehouse receipts in respect of agricultural commodities stored in such godowns and to reverse the declining trend of investment in agriculture sector by encouraging private and cooperative sectors to invest in the creation of storage infrastructure in the country.

### **Progress of Rural Godowns – All India**

1.3 Under the scheme, 20,393 rural godowns with a capacity of 238.37 lakh metric tonnes have been sanctioned all over the country by 31<sup>st</sup> March 2009. A subsidy of Rs.543.02 crore has also been released for supporting the godowns. The sanctioned projects include new projects to private, government and cooperative sectors and renovation of existing projects under cooperative sector. Between NABARD and NCDC, the former shares 81.4 per cent of the total number of rural godowns in the country with a capacity of 208.24 lakh metric tonnes. Table 1.1 presents agency wise cumulative position of rural godowns in the country as on 31<sup>st</sup> March 2009.

Table 1.1: Details of the rural godowns sanctioned by NABARD and NCDC at All India level as on 31<sup>st</sup> March 2009

(Capacity in MT)

Sl.No.		No. of Units	Capacity	Avg.capacity
1	NABARD	16,606	20824069	1254.0
2	NCDC			
a)	New	2049	1187666	579.6
b)	Renovation	1738	1825156	1050.1
	Total	3787	3012822	795.6
Grand Total		20393	23836891	1168.9

Source: Website ([www.agmarknet.nic.in](http://www.agmarknet.nic.in))

1.3.1 The details of state wise cumulative position of rural godowns as on 31<sup>st</sup> March 2009 are presented in Table 1.2.

Table 1.2: State wise number and capacity of rural godowns sanctioned by NABARD by the year ending 2008-09

(Capacity in MT)

Sl. No	Name of the State	Number	Capacity	Average capacity
1	Andhra Pradesh	773	3054665	3951.7
2	Arunachal Pradesh	1	945	945.0
3	Assam	164	253171	1543.7
4	Bihar	43	81862	1903.8
5	Chhatisgarh	231	654531	2833.5
6	Goa	3	290	96.7
7	Gujarat	4534	1232107	271.7
8	Haryana	296	1696628	5731.9
9	Himachal Pradesh	5	1772	354.4
10	Jammu & Kashmir	1	100	100.0
11	Jharkhand	4	5848	1462.0
12	Karnataka	1913	1442532	754.1
13	Kerala	36	33584	932.9
14	Madhya Pradesh	1593	3462906	2173.8
15	Maharashtra	1994	2416063	1211.7
16	Meghalaya	4	8985	2246.3
17	Nagaland	1	250	250.0
18	Orissa	259	489679	1890.7
19	Punjab	1214	2718048	2238.9
20	Rajasthan	555	436672	786.8
21	Tamil Nadu	120	409343	3411.2
22	Uttar Pradesh	209	1201367	5748.2
23	Uttarakhand	88	167311	1901.3
24	West Bengal	2565	1055410	411.5
	Total	16606	20824069	1254.0

Source: [www.agmarknet.nic.in](http://www.agmarknet.nic.in)

1.3.2 Out of the total 16,606 godowns under NABARD component, the maximum number of godowns is concentrated in Gujarat at 4,534 units (27.3 per cent of total) followed by West Bengal (2,565 units) and Maharashtra (1,994 units). Further, the average capacity per godown is the maximum in Uttar Pradesh at 5748.2 tonnes followed by Haryana (5731.9 tonnes) and Andhra Pradesh (3951.7 tonnes).

### **Supply and Demand of Storage Capacity in Haryana**

1.4 In Haryana, the storage capacity available by the end of year 2008-09 under public and private sector was 20.81 lakh MT and 23.96 lakh MT respectively. Thus a total of 44.77 lakh MT of storage capacity was available in Haryana. The contribution of public sector agencies i.e. Central Warehousing Corporation (CWC), State Warehousing Corporation (SWC) and Food Corporation of India (FCI) was 3.72 lakh MT, 9.41 lakh MT and 7.68 lakh MT respectively (Source: IndiaStat.com (website), Annual Report – CWC, FCI). In the private sector, the contribution of National Cooperative Development Corporation (NCDC) and NABARD under Grameen Bhandaran Scheme was 6.98 lakh MT and 16.97 lakh MT respectively ([www.agmarknet.nic.in](http://www.agmarknet.nic.in)) as on 31 March 2009. As far as the demand for storage capacity is concerned, as per the Chairman of FCI Shri Hussain, there is an additional requirement of 41.0 lakh MT in Haryana due to record procurement of wheat (Source: Business Standard, Chandigarh 20 April 2010).

1.4.1 Based on the gap in storage capacity, the FCI, at the instance of Govt. of India has formulated a ‘Scheme for Construction of Godowns for FCI – Storage requirement through Private Entrepreneurs (PEG) – 2008’. Under this scheme, they have identified locations in Haryana state for construction of godowns in 14 districts for storage capacity of 39.66 lakh MT. The details of the district wise location and proposed capacity approved by High Level Committee of FCI is enclosed at the end of this chapter (Annexure)

### **Status of Rural Godowns in Haryana**

1.5 Under the scheme, 309 rural godowns with a capacity of 17.47 lakh metric tonnes were sanctioned by NABARD in Haryana as on 30 April 2009 and for the same, a subsidy of Rs. 58.68 crore was released for supporting the godowns. The sanctioned

projects included new projects to private and cooperative sectors like the Haryana State Cooperative Supply and Marketing Federation Limited (HAFED). Cases of renovation of existing godowns were not found in the study area. Out of 16606 godowns sanctioned by NABARD at All India level as on 31 March 2009, 296 have been sanctioned in Haryana with a share of 1.8 per cent only. However, the capacity wise, its share was 8.1 per cent of capacity created in the country. As far as average capacity per godown among various states was considered, it was second only to U.P at 5732 MT as against the All India average of 1254 MT.

1.5.1 The year wise distribution of Rural Godowns in Haryana, as on 30.04.2009 is given in Table 1.3. In terms of number, the highest number of godowns (88) was sanctioned in the year 2006-07 followed by 66 godowns in 2007-08. However, in terms of capacity created, initial years i.e. 2001-02 and 2002-03 with capacity creation of 35.4% and 20.8% respectively were the best years. The no. of godowns (11) sanctioned as well as the capacity (39547 MT) created in the year 2008-09 were the lowest indicating that the progress of the scheme had slowed down in recent years. As far as year wise average capacity creation is concerned, no clear cut pattern emerged. However, the 'average capacity created' declined from 11443 MT (in 2001-02) to 2850 MT (in 2006-07) except for the year 2004-05 when it was 6030 MT. Thereafter, since 2006-07, it again started increasing from 2850 MT (in 2006-07) to 5011 MT in 2009-10 (Table 1.3).

**Table 1.3: Year wise Rural Godown sanctioned in Haryana (as on 30.04.09)**

Sr. No.	Year	No. of Rural Godowns	% to total	Capacity Created (MT)	% to total	Average Capacity Created (MT)
1	2001-02	54	17.5	617937	35.4	11443.3
2	2002-03	38	12.3	362892	20.8	9549.8
3	2003-04	22	7.1	125876	7.2	5721.6
4	2004-05	18	5.8	108547	6.2	6030.4
5	2005-06	9	2.9	31516	1.8	3501.8
6	2006-07	88	28.5	250867	14.4	2850.8
7	2007-08	66	21.4	195393	11.2	2960.5
8	2008-09	11	3.6	39547	2.3	3595.2
9	2009-10 (as on 30.04.2009)	3	1.0	15034	0.9	5011.3
	Total	309	100.0	1747609	100.0	5655.7

1.5.2 The agency wise distribution of Rural Godowns in Haryana is given in Table 1.4. In Haryana all the financing agencies viz. Cooperative Banks, Commercial Banks and Regional Rural Banks were participating in implementation of this scheme. Among the financial institutions, the Commercial Banks (CB) have sanctioned the maximum number of rural godowns in Haryana followed by the District Central Cooperative Banks (DCCB), District Primary Cooperative Agricultural and Rural Development Bank (DPCARDB), and Regional Rural Bank (RRB) in that order.

1.5.3 The details of agency wise godowns sanctioned and amount sanctioned in Haryana is given in Table 1.4. A total of 309 Rural Godown (RG) units with a capacity of 17.47 lakh metric tonne (MT) were created by the end of April 2009. The average capacity created per unit of RG for the state was 5656 MT. The average bank loan sanctioned per rural godown by Commercial Banks, DCCB, DPCARDB, and RRB are Rs.66.5 lakh, Rs.42.7 lakh, Rs.13.9 lakh and Rs.12.7 lakh respectively. The share of loan sanctioned for this scheme was highest for Commercial Banks (61.5%), followed by DCCB (35.4%), DPCARDB (2.8%), and RRB (0.6%). Looking at the financing pattern of banks, it was observed that smaller godowns were financed by Cooperative Banks and bigger godowns were financed by Commercial Banks (Table 1.4)

**Table 1.4 Agency wise Rural Godowns sanctioned in Haryana (as on 30.04.09)**

Sr. No.	Agency	No.	% to total	Capacity (MT)	% to total	TFO (Rs. lakh)	Bank loan (Rs. Lakh)	Avg. capacity
1	Commercial Banks	142	46.0	1105998	63.3	14085.3	9442.917	7789
2	RRB	8	2.6	8877	0.5	140.36	101.71	1110
3	DCCB	128	41.4	597108	34.2	7877.32	5463.208	4665
4	PCARDB	31	10.0	35626	2.0	608.062	432.555	1149
		309	100.0	1747609	100.0	22711.04	15440.39	5656

1.5.4 The capacity wise distribution of RG in Haryana is given in Table 1.5. The highest number (78) of godowns sanctioned in Haryana was in the class interval of 0-500 MT, followed by 62 each in the class interval of 1000-5000 MT and 10000-20000 MT.

**Table1.5: Capacity wise distribution of Rural Godowns in Haryana**

Capacity (MT)	No. of Rural Godowns	% to total	Capacity	% to total	Avg. Capacity (MT)
<500	78	25.2	22169	1.3	284
500-1000	31	10.0	20590	1.2	664
1000-5000	62	20.1	168678	9.7	2721
5000-10000	59	19.1	396167	22.7	6714
10000-20000	62	20.1	717355	41.0	11570
above 20000	17	5.5	422650	24.2	24862
Total	309	100.0	1747609	100.0	5656

1.5.5 Based on the information available, the godowns have been categorized into three categories i.e. Small (0-500 MT), Medium (500-1000 MT) and Big (>1000 MT). The data in respect of the same are presented in Table 1.6. The table shows that about 64.8 per cent (200 no.) of the rural godowns were of 'Large' category, 25.2 per cent (78 no.) were of 'Small' category and 10.0 per cent (31 no.) of 'Medium' category.

**Table 1.6: Capacity wise categorization of Rural Godowns in Haryana  
(As on 30.04.2009)**

Capacity (MT)	No. of Rural Godowns	% to total	Capacity (MT)	% to total	Avg. Capacity (MT)
Small (0-500 )	78	25.2	22169	1.3	284.2
Medium (500-1000)	31	10.0	20590	1.2	664.2
Large (>1000)	200	64.8	1704850	97.5	8524.2
Total	309	100.0	1747609	100.0	5655.7

### **Need For the Study**

1.6 The scheme of CISS on rural godown is under implementation since 01 April 2001 in the State of Haryana. It was more than eight years since its implementation and it was considered an opportune time to evaluate the impact of the said scheme in terms of benefits accruing to the various stakeholders and also to identify the problems in implementation of the scheme with a view to suggest remedial measures for fine tuning the existing guidelines governing the same.

## Annexure

### The details of the district wise location and proposed capacity under PEG – 2008 approved by High Level Committee of FCI

Sr. No.	Name of the FCI Region/District	Name of the Centre	Capacity Approved
1.	Faridabad	Palwal	185000
		Faridabad	20000
2.	Hisar	Bhattu	340000
		Adampur	70000
		Bhiwani	30000
		Hansi	120000
		Tohana	190000
		Barwala	210000
		Sirsa	270000
		Ellenabad	210000
		Kalanwali	140000
		Dabwali	210000
			Hisar
3.	Karnal	Jakhal	25000
		Panipat	135000
		Karnal	190000
		Ambala	55000
		Jagadhari	50000
4.	Rohtak	Taraori	75000
		Rohtak	210000
		Gohana	100000
		Jind	160000
		Safidon	115000
		Uchana	120000
		Narwana	105000
5.	Kurukshetra	Sonepat	140000
		Shahabad	70000
		Dhand	140000
		Kaithal	100000
		Kurukshetra	60000
	<b>Total</b>		<b>3880000</b>

Source: FCI website

## **CHAPTER II**

### **OBJECTIVES AND METHODOLOGY**

#### **Objectives of the Study**

2.1 The broad objective of the study is to evaluate the efficiency of operation of the scheme and also to assess the impact of the scheme on farmers and benefits accruing to them in storing farm produce. The specific objectives of the study were the following:

- i. To assess the actual cost of investments, the unit cost and the adequacy of loan amount provided by the banks.
- ii. To examine the implementation and operational aspects, adherence to techno-economic specifications and to identify the reasons for deviation, if any.
- iii. To study the pattern of use of rural godowns, level of utilization and perception of users about the scheme.
- iv. To work out the viability of the investment and to estimate the impact of the scheme in terms of benefits accruing to the farmers from the investments.
- v. To study the repayment performance of the beneficiaries.
- vi. To identify the problems and prospects in implementation of the scheme/sector and suggest remedial measures for the same.

#### **Sample Design of the Study**

##### **Selection of Districts**

2.2 The district wise distribution of Rural Godowns in Haryana is given in Table 2.1. Haryana state has been divided into two broad agro climatic zones. The eastern zone comprises of 14 districts of Ambala, Panchkula, Karnal, Panipat, Kurukshetra, Sonapat, Jind, Yamunanagar, Faridabad, Gurgaon, Jhajjar, Kaithal, Mewat, Rohtak and western zone comprising of six districts viz. Hisar, Fatehabad, Sirsa, Bhiwani, Rewari and Mahendragarh. Taking into account the concentration of rural godowns, one district each with highest concentration from both the agro climatic zones was purposively selected for the study. The districts selected for the study were Gurgaon from the eastern zone and Hisar from the western zone.

**Table 2.1 District wise distribution of Rural Godowns in Haryana (as on 30.04.2009)**

		No. of Rural Godowns	% to total	Capacity	% to total	Avg. Capacity (MT)
1	Ambala	10	3.2	141575	8.1	14158
2	Bhiwani	9	2.9	17503	1.0	1945
3	Faridabad	64	20.7	71255	4.1	1113
4	Fatehabad	36	11.7	160488	9.2	4458
5	Gurgaon	34	11.0	277122	15.9	8151
6	Hisar	39	12.6	195920	11.2	5024
7	Jhajjar	3	1.0	4941	0.3	1647
8	Jind	10	3.2	68485	3.9	6849
9	Kaithal	9	2.9	104971	6.0	11663
10	Karnal	15	4.9	121315	6.9	8088
11	Kurukshetra	16	5.2	115451	6.6	7216
12	Mahendragarh	7	2.3	28059	1.6	4008
13	Palwal	1	0.3	5400	0.3	5400
14	Panchkula	0	0.0	0	0.0	0
15	Panipat	4	1.3	41523	2.4	10381
16	Rewari	2	0.6	15000	0.9	7500
17	Rohtak	14	4.5	55299	3.2	3950
18	Sirsa	14	4.5	141765	8.1	10126
19	Sonepat	15	4.9	137971	7.9	9198
20	Yamunanagar	7	2.3	43566	2.5	6224
	<b>Haryana</b>	309	100.0	1747609	100.0	5656

### Selection of Sample Units and Farmers/Users

2.3 A total of 22 sample rural godowns, (10 from Gurgaon and 12 from Hisar district) was randomly selected from the list of completed rural godowns for a detailed study. Care was taken to select samples from all three categories of financing banks i.e. Commercial Banks, RRBs and Cooperative Banks in the district so that they got suitable representation. Also, different size categories of godowns financed by different bank branches were taken into consideration while selecting sample units for the study. The units completed at least one year before the launch of the study was selected for our purpose so that at least one year was available to the unit for stabilization of the benefits. With a view to quantify the benefits of rural godowns, a sample of 20 farmers/users (10

from each district) was also contacted and required data was collected through structured questionnaire. The distribution of sample godowns covered across selected districts and financing agencies is given in Table 2.2

**Table 2.2 : Agency wise No. of Sample Rural Godowns in Two Districts**

Sr.No.	Bank/Agency	Gurgaon	Hisar	Total no. of sample units
1.	DCCB	2	3	5
2.	HSCARDB	1	3	4
3.	RRB	1	0*	1
4.	Commercial Banks	6	6	12
5.	Total	10	12	22

\*RRB had not financed any rural godown in the district.

2.3.1 The details of Bank and Bank Branches selected for the study were as follows:

**Gurgaon district**

- (i) DCCB, Gurgaon
- (ii) HSCARDB, Gurgaon
- (iii) Gurgaon Grammen Bank
- (iv) Canara Bank, Hailey Mandi Branch and Gurgaon Branch

**Hisar district**

- (v) DCCB, Hisar
- (vi) HSCARDB, Hisar Branch and Adampur Mandi branch
- (vii) PNB, Mandi Adampur Branch and Hisar Branch

2.3.2 The sample units were post stratified according to size/capacity and for the purpose of detailed analysis, the same was restructured into two sub groups, viz. small and large size godowns , as presented in Table 2.3.

**Table-2.3: Sample Design According to Capacity**

Size	Capacity Range	No of Godowns
Small	Less than 1000 MT	5
Large	More than 1000 MT	17
Total		22

With a view to quantify the benefits of the investment a sample of 22 beneficiaries was contacted and required primary data were collected through pre-tested questionnaire. While selecting the beneficiary farmers, care was exercised to ensure that they represented a cross section of farmers growing different crops.

### **Data Collection**

2.4 The questionnaire for beneficiary farmer included information on various aspects, viz. particulars of farmers, distance from rural godown unit, category of farmer, land holding, crop details including total production, domestic consumption, quantity stored in rural godown unit, farm gate price, rental charges paid, etc. The questionnaire for financing banks included total financial outlay of rural godown unit, bank loan disbursed, loan repayment, loan outstanding etc.

2.5 The secondary data and information was collected from available published sources, viz. “Operation Guidelines of Gramin Bhandaran Yojana, Capital Investment Subsidy Scheme for construction/ renovation / expansion of Rural Godowns” published by Deptt. of Agri. and Cooperation, Directorate of Marketing and Inspection, Govt. Of India, New Delhi and a “Booklet on Technical Specification and Economics of rural godowns” compiled by Directorate of Marketing and Inspection (DMI) Faridabad and National Institute of Agriculture Marketing, Jaipur and relevant websites. Information regarding the procedures adopted in sanction and disbursement of loan, units financed, supervision and follow up, recovery performance, etc., are collected from the concerned financing agencies.

### **Data Analysis**

2.6 As per the sample design data were compiled category wise, viz. Small and Larger units and a weighted average of almost all attributes of cost and benefit were estimated. A similar exercise was also carried out to get the average estimates district-wise. For studying economic viability of the project evaluation technique, internal rate of return were used. Net Present Value (NPV) and Benefit Cost Ratio (BCR) was also worked for the sample units.

### **Reference year of the study**

2.7 The reference year of the study was the agriculture year commencing from July 2008 to June 2009.

2.8 As a part of implementation aspect, the study also focused on the following aspects:-

- Utilization of loan and subsidy by the borrower;
- Rate of interest charged by the bank to the borrower;
- Whether the bank had properly adjusted the subsidy to the loan account;
- Expected godown capacity vis-a-vis actual godown capacity created;
- The extent of utilization of godown capacity
- Length of storage of commodities.
- Viability of rural godowns after meeting operational costs and repayment obligations.

### **Time Frame and the Study Team**

2.9 The study was conducted during October – November 2009 by Agricultural Economist (AE) from the Haryana Regional Office of NABARD.

## CHAPTER - III

### IMPLEMENTATION ASPECTS OF RURAL GODOWNS

**3.1** In this chapter, an attempt has been made to discuss the implementation aspects of rural godown units financed under GBY scheme. Different aspects like characteristics of rural godown units, location, ownership pattern, size, extent and pattern of their utilisation etc. have been discussed based on details collected from the sample rural godown units as well as from their sample clientele covered during the study. Adherence to banking norms, adequacy of bank loan, margin money contribution etc. have also been discussed in detail in this chapter.

#### The Location of Rural Godown Units

**3.2** Most of the sample godown units were ideally located near the markets and were also easily accessible by farmers. The units were also well connected by roads. Approximately 41 per cent of the total sample rural godowns were located at a distance between 0-25 KMs from the district headquarters (Table No. 3.1)

Table 3.1

Distance of Sample Rural Godowns

Distance from district HQ (in Kms)	No. of Rural Godown	Per cent to total
0 - 05	1	4.5
05 - 10	1	4.5
10 - 15	3	13.6
15 - 20	3	13.6
20 - 25	5	22.7
25 and above	9	40.9
Total	22	100.0

In fact, many of them were located on the State Highway or National Highway. The godowns located in Gurgaon district were running in full capacity mainly because of its nearness to Delhi and National Capital Region. This ideal location of the rural godown units was an important factor for better economic returns for both i.e. the farmers and owners of rural godown units. The service areas of the rural godown were between 20 to 25 villages.

### Capacity, Structure and Business

**3.3** The rural godowns in Gurgaon district are distinguishable from that of in Hisar district with respect to capacity, structure, location and the nature of business. The district-wise average capacity and its utilisation for own and hired produce is presented in Table 3.2.

Table 3.2  
District-wise Average Capacity Created and Utilised

District	Capacity Created (MT)	Capacity utilized (MT)	Capacity Utilization (%)		
			Own	Hired	Total
Gurgaon	8652	7978 (92.2)	0 (0.0)	7978 (100.0)	7978 (100.0)
Hisar	4690	4598 (98.0)	56 (1.3)	4542 (98.7)	4598 (100.0)
Overall	6491	6134 (94.5)	30 (0.6)	5925 (99.4)	6134 (100.0)

Figures in parentheses are per cent to total

**3.3.1** The district-wise analysis with respect to various other relevant parameters is presented as under:

#### Gurgaon District

3.3.2 In Gurgaon district, all the sample rural godown units were of 'Large' category (i.e. more than 1000 MT capacity) as per the classification adopted for this study. The sample rural godowns visited in Gurgaon district had technically specified asbestos ceiling. Gurgaon, being a highly urbanised district with very high land prices, the godowns were not being used for storing their own produce. They were being let out on rent used for storing agricultural raw material and final product owned by big firms such as Amira Foods (India) Limited, Malt Company (India) Limited, Haryana Agro Industries Limited, etc. These godowns were mainly used for storing paddy, wheat and barley. Amira Foods (India) Limited is a leading manufacturer and exporter of basmati and non basmati rice, pulses and agro based commodities to foreign countries viz. USA, European countries, Africa and Middle East and Far East. So during harvesting season (October – November), they purchase good quality paddy from the farmers and store in

these godowns for processing in due course. After processing, they export these high quality basmati rice to domestic as well foreign markets. The average storage had been ten to eleven months per crop. Companies like Malt Company (India) Limited, and Haryana Agro Industries Limited, were taking on rent these rural godowns for storage of barley and wheat. Malt Company (India) Limited, Gurgaon is a leading manufacturer and exporter of malt and malt products for India and international markets for last three decades. Its range of products is barley malt, liquid malt, wheat malt extract, malt flour etc. Malt is used in manufacture of beer, biscuits, confectionery, etc. Haryana Agro Industries Corporation Limited was also taking on rent these rural godowns for storing wheat and other agro products. The corporation is an approved agency for procurement of wheat and paddy by the State Government.

### **Hisar District**

**3.3.3** In the district of Hisar the scenario was different from Gurgaon district as far as business activities were concerned. As far as civil structure was concerned, all sample units had used asbestos for their ceiling. The size of the godowns in Hisar District financed by Commercial Banks like Punjab National Bank was also bigger in size (i.e. more than 1000 MT. However, units financed by District Primary Cooperative Agriculture and Rural Development Bank were smaller in size( i.e. less than 1000 MT). The type of business being carried out was also different from that in Gurgaon district. Here, the demand for rural godown was very high mainly on account of the district being a major centre for procurement of wheat and rice in the State. The rural godowns in the District were being taken on rent by Food Corporation of India and Haryana Agro Industries Corporation Limited for storing wheat and rice procured from farmers.

### **Ownership Pattern and Management**

**3.4** Out of the 22 samples units, 16 (72.7 per cent) were owned by individuals, 2 units (9.1 per cent) by Partnership Firms and 4 (18.2 per cent) were owned by Company/Federation (Table 3.2). Most of the individual owners of sample rural godown units had agriculture as their primary activity and the rural godown business always remained a secondary business for them. The owner/hirers had not employed any

permanent managerial staff to man the units. However, one or more watchmen were engaged on a full time basis towards security of the godown and items stored in them. These watchmen were being paid by their respective companies and not by godown owners. Casual labourers were also employed by the respective agencies which had taken the godown on rent to take up day to day work. Most of the rural godown units were located by the side of metalled roads with good accessibility. In both the districts, the general supervision of the godowns was carried out by the owners themselves or by their family members. Thus, the managers in most of the cases had been the owners themselves.

Table 3.3  
Ownership Pattern of Sample Rural Godowns

Particulars of Ownership	Number	Per cent to total
Individual	16	72.7
Partnership	2	9.1
Company/Federation	4	18.2
Total	22	100.0

3.4.1 In terms of business, the participation of the owners had been very low as godowns were taken on rent by some other parties/firms. These parties/firms in turn, were storing agro products after purchasing from the farmers. The Haryana State Co-operative Supply and Marketing Federation Limited, popularly known as HAFED, is an apex State Co-operative service and marketing institution, under the patronage and financial sponsorship of the Government of Haryana. It is engaged in multi-faceted activities including provision of adequate, cost effective, scientific storage and to ensure maximum capacity utilisation.

3.4.2 During the time of loading and un-loading services of casual labourers were utilised as and when required. Thus, all sample rural godown units were owned and operated as ownership firms. The services of casual labourers were also utilised for various operations like loading and unloading in the trucks etc. In most of the cases, the wages of unskilled labourers were paid by the users of the unit so far work was inside the premises was concerned.

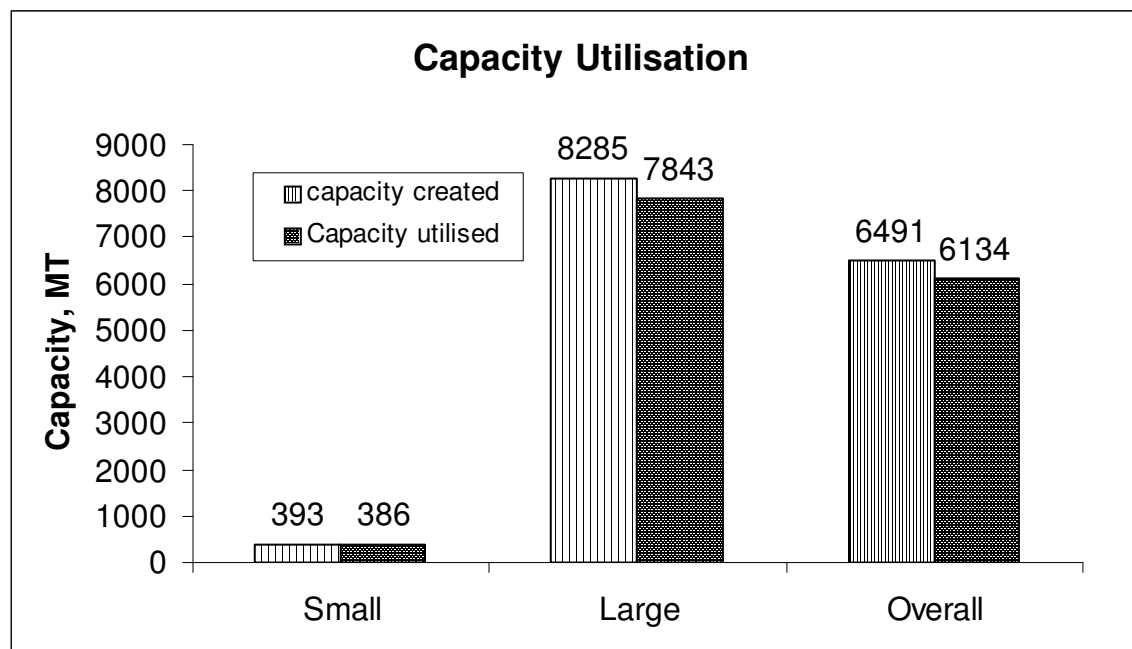
### Capacity Created and Utilisation Pattern

**3.5** The average capacity created per unit of sample rural godown unit was calculated at 6491 MT. The average capacity created and utilised under different size category and different district are given in Table 3.4 and Table 3.5. The capacity utilisation for small and large units was 98.2 per cent and 94.7 per cent respectively. On the whole for all sample units, the capacity utilisation was 94.5 per cent. The average capacity created in Gurgaon district (8652 MT) was almost 1.8 times of the average capacity created in Hisar district (4690 MT).

Table 3.4

Category wise Average Capacity Created and Utilised

District	Capacity Created in MT	Capacity utilized in MT	Percentage Utilization
Small	393	386	98.2
Large	8285	7843	94.7
Overall	6491	6134	94.5

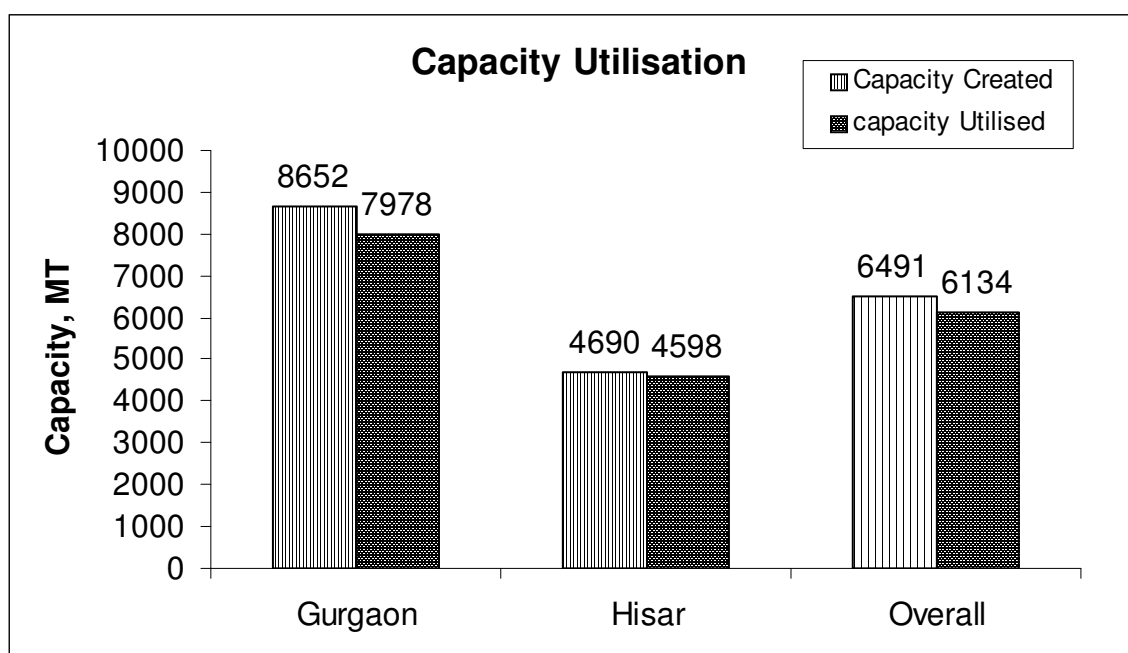


3.5.1 The sample rural godown units in Hisar district were predominantly smaller in size with average capacity created at 4690 MT. The net capacity utilised for the sample as a whole worked out to 94.5 per cent. District wise, it was 92.2 per cent in Gurgaon district and 98.0 per cent in Hisar district for storing various products. Full utilisation

(i.e.100%) of capacity created was also witnessed in as many as 11 (50 %) of sample units thereby indicating the much needed requirement of this kind of infrastructure.

Table 3.5  
District-wise Average Capacity Created and Utilised

District	Capacity Created in MT	Capacity utilized in MT	Percentage Utilization
Gurgaon	8652	7978	92.2
Hisar	4690	4598	98.0
Overall	6491	6134	94.5



The capacity utilisation was one of the major factors, which directly influenced the profitability of the rural godown units. The utilisation of the rural godown units depended upon various factors like distance from the market, distance from the farmers' fields, involvement of the entrepreneur in day to day working of the rural godown unit, reputation of the entrepreneur in the area as perceived by the rural godown users, existence of other rural godown units in the district/adjoining district/provision of credit facilities to the farmers etc.

**3.5.2** Proportionately, the capacity utilisation was better in Hisar district (98.0%) where the average net capacity created was 4690 MT. In absolute terms, the

capacity utilisation in Gurgaon district was at 92.2 per cent of capacity created at 8652 MT. Due to the larger size of the rural godown units in Gurgaon district, the average quantity stored was more than that of Hisar district.

### **Utilisation Pattern: Share of Own & Hired Goods**

3.6 The district wise break up of utilisation of godowns is given in Table 3.6. The share of owned goods and hired goods in per cent terms is indicated therein. As is evident, for the sample godowns, more than 99 per cent of the storage space was utilised for storing produce of other farmers/agencies/firms. In Gurgaon district, the storage space created under this scheme was being used by various companies for storing their raw materials or finished products. Gurgaon is a district in the vicinity of national capital i.e. Delhi. Hence, there is a lot of demand for storage space to store either raw material or the finished goods. In Hisar district also, the situation was more or less similar. Small godowns (less than 1000 MT) financed mainly by Cooperative banks were used for storing farmers' own produce. Some farmers were using the same for storing fodder also in the harvesting season and keeping it for few months with a view to reap benefit out of price gain at a later date.

Table 3.6  
Break up of Stored Produce

Size of Unit	Average Stored Produce in MT		
	Owned	Hired	Total
Gurgaon	0 (0.0)	7978 (100.0)	7978 (100.0)
Hisar	56 (1.3)	4542 (98.7)	4598 (100.0)
Overall	30 (0.6)	5925 (99.4)	5955 (100.0)

Figures in parentheses are per cent to total

### **Pattern of Use of Rural Godown Units**

3.7 The pattern of use of Rural Godown units was also different in the sample districts. Hence, the analysis was made separately for the district and the results are presented below.

## **Gurgaon District**

**3.7.1** In the following Table 3.7 the name of crops stored in Gurgaon district is illustrated along with their relative share to the net capacity created.

Table 3.7

### **Farm Produce Stored and Their Relative Share in Gurgaon**

Name of the crop stored	Average Storage in MT	% share to actual storage	% Share to capacity created
Paddy	7278	91.2	84.2
Barley	700	8.8	8.1
Total	7978	100.0	92.2

## **Paddy**

**3.7.2** Paddy was the major food crop stored in the sample rural godown units in Gurgaon district. 91.2 per cent of the actual storage was used for paddy and remaining 8.8 per cent was used for storing barley. Paddy was used as raw material for export oriented rice mill units located in the district. Similarly barley was used as raw material for Malt Company engaged in producing malt. The gap between the potential storage in rural godown than what was actually witnessed in the sample godown was calculated to be 7.8 %.

## **Hisar District**

**3.7.3** In the following Table 3.8 the name of crops stored in Hisar district is illustrated along with their relative share to net capacity created.

Table 3.8

### **Farm Produce Stored and Their Relative Share in Hisar**

Name of the crop stored	Average storage in MT	% share to actual storage	% Share to capacity created
Wheat	5424	98.3	96.3
Guar	10	0.2	0.2
Turi (Fodder)	83	1.5	1.5
Total	5517	100.0	98.0

**3.7.4** Wheat was the major food crop stored in the sample rural godown units in Hisar district as Haryana is the major contributor of wheat towards the central pool. 81 % of the actual storage was used for wheat, 1.5 % for Turi (Fodder) and 0.2 % for Guar. Wheat was stored mainly towards buffer stock by Govt. agencies like FCI and State Warehousing Corporation. Guar was used as raw material for preparation of guar gums, which is being used in preparation of cosmetic items. Turi is basically used as fodder for milch animals. Smaller units mainly financed by DPCARDB located in villages were mainly used for this purpose by farmers to store their own produce i.e. Turi. This was used either for the use of their own animals or was being sold in off season in the market at higher prices. Thus farmers were able to experience price gains in respect of Turi and make profit out of storage of Turi for few months. The gap between the potential storage in rural godown than what was actually witnessed in the sample godown was very low (2%) indicating towards full utilisation of the capacity.

### **Inflow and Outflow Pattern**

**3.7.5** The district-wise pattern of flow of goods stored in the godowns is discussed below. The crop wise inflow and outflow in Gurgaon district is given in Table 3.9.

### **Gurgaon District**

Table 3.9

Inflow and outflow Pattern of Crops in Sample Godowns in Gurgaon District in 2008-09  
(Per cent)

Month	Paddy		Barley	
	In	Out	In	Out
July			20	30
August				35
September				27
October	45			8
November	55			
December				
January		10		
February		15		
March		52		
April		23		
May			35	
June			45	
Total	100	100	100	100

**3.7.6** It was evident that Paddy was stored mainly in the month of October - November and was taken out slowly from the month of January onwards depending upon the demand of rice in the domestic and international market from (Table 3.9). Barley was stored mainly in the month of May and June and was taken out slowly from the month of July onwards depending upon the requirement of the processing units.

### **Hisar District**

**3.7.7** In Hisar district there had been incidence of storing crops for Wheat, Guar and Turi (Fodder). The crop wise inflow and outflow of various crops is given in Table 3.10. It is evident from this Table that wheat was stored mainly in the month of April and May and was taken out slowly from the month of August onwards depending upon the demand for it in the market. Guar was stored mainly in the month of October and November and was taken out slowly in the month of May and June months depending upon the requirement of the processing units. Turi which is used as fodder was stored mainly in the month of April and May and was taken out in the month of December onwards.

Table 3.10

Inflow and Outflow Pattern of Crops in Sample Godowns in Hisar District 2008 - 2009

(Per cent)

Month	Wheat		Guar		Turi	
	In	Out	In	Out	In	Out
July						
August		16				
September		19				
October		23	45			
November		25	55			
December		14				48
January		3				32
February						12
March						8
April	55				55	
May	45			52	45	
June				48		
Total	100	100	100	100	100	100

### **Norms for Financing of Rural Godowns through Financing Institutions**

3.8 The norms with respect to financing of rural godowns vis-à-vis the eligible financing institutions, interest rate, repayment period, etc. are discussed in following paragraphs:

3.8.1 The eligible financing institutions under the scheme are:-

(i) Commercial Banks, Regional Rural Banks (RRBs), State Cooperative Banks (SCBs), State Co-operative Agricultural and Rural Development Banks (SCARDBs), Agricultural Development Finance Companies (ADFCs), Scheduled Urban Coop. Banks, North Eastern Development Finance Corporation (NEDFI), and such other institutions eligible for refinance by NABARD.

(ii) NCDC and Cooperative Banks recognized by NCDC in accordance with its eligibility guidelines.

### **Norms For Term Loan**

3.8.2 Minimum 50% of the project cost (46.67% in case of NE States, hilly areas, Women Farmers/ their self help groups / co-operatives and SC/ST entrepreneurs & their self-help groups/ Co-operatives ) is to be raised as term loan from the financing banks. As the subsidy is back-ended, eligible amount of subsidy would be initially allowed as term loan to the beneficiary. The repayment schedule will be drawn on the total loan amount (including subsidy). The subsidy amount will be adjusted after liquidation of bank loan (net of subsidy) but not before 5 years from the date of disbursement of first instalment of term loan. Depending upon the cash flow, the term loan would carry an adequate long term repayment period, not less than 5 years including a grace period of one year. Rate of interest to borrowers on term loan shall be as per RBI guidelines. Interest will be chargeable from the date of the first disbursement of loan. The financial institution may also provide working capital separately for undertaking business by entrepreneurs.

## Field Observations

3.9 As against the norms prescribed under the guidelines for financing of rural godowns, the observations as evidenced during the field visit in respect of Interest Rate, Repayment Period, Instalments, etc. are presented in following paragraphs:

### Interest Rate

3.9.1. All the banks charged rate of interest as per the respective guidelines of the bank. Interest rate was varying between 10 per cent to 13.0 per cent among the sample units. Six units were financed at the rate of 10 to 11 per cent per annum, another 10 units were financed at the rate of 11 to 12 per cent per annum, 2 units were financed at the annual interest rate of 12 to 13 per cent. (Table - 3.11). The lowest interest (10%) rate was charged by the DPCARDB, while highest rate (13%) was charged by District Cooperative Bank . Gurgaon Grammen Bank was charging 11 % per annum. Among the commercial Banks, Canara Bank was charging 11.25 per cent interest per annum, which was 1.25% less than the Banks' Prime Lending rate. PNB was charging 10.75 per cent interest per annum, which was 1.75% less than the Banks' Prime Lending rate.

Table- 3.11  
Distribution of Sample Units in Respect of Interest Rate

Interest Rate (%)	No. of Units	Per cent to Total
10 -11	10	45.5
11-12	10	45.5
12-13	2	9.0
Total	22	100.0

### Repayment Period

3.9.2 The study revealed that there was no uniformity in fixing the period of repayment. It was ranging between 7 years to 11 years as detailed in Table 3.12. It was observed that out of 22 beneficiaries covered, majority (11) of the beneficiaries were financed with the repayment period of 7 years. Five of the beneficiaries were financed with repayment period of 10 years. Another Five of the beneficiaries were financed with repayment period of 11 years. One unit financed by DPCARDB, Hisar with the repayment period of 15 years. On an average it was observed that beneficiaries were financed with the repayment period of 8.3 years. (Table - 3.12)

Table - 3.12: Repayment Period of sample Units

Repayment Period (Years)	No of Units	Per cent to Total
7	11	50.0
10	5	22.7
11	5	22.7
15	1	4.6
Total	22	100.0

### Instalments

3.9.3 The periodicity of instalment fixed for sample units also varied from bank to bank. It was found that almost 59.1 per cent of the beneficiaries (13 in number) were required to repay on half yearly basis. Another 18.2 per cent (4 no.) of the beneficiaries were required to pay on monthly basis. However, 22.7 per cent beneficiaries ( 5 in no.) were required to repay yearly instalments (Table - 3.13).

Table - 3.13

Instalment Period of sample Units

Installment Period	No of Units	Per cent to Total
Monthly	4	18.2
Half Yearly	13	59.1
Yearly	5	22.7
Total	22	100.0

### Norm for Subsidy as per Guidelines

3.10 As per the Guidelines governing this Capital Subsidy Scheme on rural godowns, following norms were stipulated for calculation of subsidy;

- (a) 33.33% of the capital cost of the project in case of projects located in North – Eastern States, hilly areas and those belonging to Women Farmers/ their self help groups / co-operatives and SC/ST entrepreneurs & their self-help groups/ Co-operatives subject to a maximum ceiling on subsidy of Rs.62.50 lakh. No maximum ceiling on subsidy in the case of cooperatives assisted by NCDC;
- (b) 25% of the capital cost of the project to all categories of farmers (Other than Women Farmers), agriculture graduates, cooperatives and State/ Central Warehousing

Corporations subject to a maximum ceiling on subsidy of Rs. 46.87 lakh. No maximum ceiling on subsidy in the case of cooperatives assisted by NCDC;

(c) 15% of the capital cost of the project to all other categories of individuals, companies & corporations etc., subject to a maximum ceiling on subsidy of Rs. 28.12 lakh; and

d) 25% of the capital cost of the project for renovation of godowns of cooperatives with assistance from NCDC.

xix) Capital cost of the project for the purpose of subsidy under the scheme shall be calculated as follows:

a) For godowns up to 1000 tonnes capacity – Project cost as appraised by financing Bank or actual cost or Rs 2500/- per tonne of storage capacity, whichever is lower;

b) For godowns exceeding 1000 tonnes capacity – Project cost as appraised by Bank or actual cost or Rs1875/- per tonne of storage capacity, whichever is lower. However, for godowns exceeding 10,000 tonnes capacity, the subsidy would be restricted to that admissible for capacity of 10,000 tonnes only, subject to some relaxations as indicated in the Guidelines for projects of the cooperatives;

c) For renovation of godowns by cooperatives with assistance from NCDC - project cost as appraised by Bank / NCDC or actual cost or Rs.625/- per tonne of storage capacity, whichever is lower.

xx) No beneficiary shall draw subsidy for the godown project or any of its component from more than one source.

xxi) The capacity of godown shall be calculated @ 0.4 M.T. per cu. mtr.

### **Adjustment of subsidy in Borrower's Account**

3.10.1 As per the guidelines, the subsidy released to the bank / NCDC for an individual project may be kept in a separate borrower-wise account. The adjustment of subsidy is back ended. Accordingly, the full project cost including the subsidy amount, but excluding the margin money contribution from the beneficiary, should be disbursed as loan by the banks. The repayment schedule may be drawn on the loan amount in such a way that the total subsidy amount is adjusted after full bank loan component net of subsidy with interest is liquidated but not before 5 years from the date of disbursement of first instalment of loan.

### **No interest chargeable on subsidy portion**

3.10.2 The subsidy admissible to the promoter under the scheme is kept in the Subsidy Reserve Fund Account (Borrower-wise) in the books of the financing banks. No interest should be charged on this by the Bank. In view of this, for purposes of charging interest on the loan component, the subsidy amount should be excluded. The balance lying to the credit of the subsidy reserve fund account is not form part of demand and time liabilities for the purpose of SLR/CRR.

### **Release of Subsidy: Field Observations**

3.10.3 It was observed that among the 22 sample units, 17 (77.3%) units had received the advance subsidy ( i. e. 50 per cent of the eligible subsidy) and remaining 5 (22.7%) units had not received the advance subsidy. As far as, final subsidy is concerned, 12 units (54.5%) had not received the final subsidy (i.e. balance 50 per cent of the eligible subsidy).

3.10.4 Here, it would be pertinent to discuss the procedure for release of subsidy by NABARD.

#### **Norms for Release of subsidy**

a) Advance subsidy: 50% of the subsidy amount is to be released to NABARD by Deptt of Agriculture and Cooperation in advance. Accordingly NABARD is required to release subsidy to participating banks in advance for keeping the same in the Subsidy Reserve Fund Account of the concerned borrower. This amount of 50% advance subsidy would be released by NABARD to the participating banks on submission of a project profile-cum-claim form (Annexure-I).

b) Final Subsidy: The remaining 50% of the subsidy amount is to be disbursed to the participating bank (s) by NABARD after conduct of an inspection by a Joint Inspection Committee comprising of officers from NABARD, participating bank and Directorate of Marketing & Inspection (DMI).

### **Procedure for Release of subsidy**

3.10.5 The subsidy claim proposals were required to be forwarded by the financing Bank branch to their respective Controlling Offices which in turn was forwarding the same to the Regional Offices of NABARD in their jurisdiction. On receipt of the same, it was scrutinised and processed. Based on preliminary scrutiny, any information gap and lack of document was immediately brought to the notice of Controlling Offices of the bank, which in turn wrote to the ultimate beneficiary to submit the required information/document. This entire process involved a lot of time. Due to absence of any institutional mechanism for information dissemination about the scheme to the Bankers as well as the beneficiaries', majority of applications received at NABARD level was devoid of required documents/information leading to repeated cross correspondence between NABARD and financing banks resulting in loss of valuable time.

3.10.6 Once the required documents/information were made available to NABARD RO, the claim proposal was processed and put up to the Sanctioning Committee (comprising of senior officials from NABARD), the competent authority to sanction the subsidy. The meeting of Sanctioning Committee was called from time to time based on the need. Generally, this meeting was called once in a month. On getting the approval of the Sanctioning Committee, the borrower wise details of all claims was forwarded to NABARD Head Office at Mumbai seeking the required fund to be disbursed to the Bank. NABARD Head Office being the Nodal office for channelising the funds consolidates all claims from its respective ROs and sends consolidated requisition for funds to Government of India. On receipt of the same from GOI, it is transmitted to all ROs of NABARD as per their fund requirement, which in turn disburses the money to the respective Controlling Offices of the bank. From there, it is passed on to the respective financing bank branch. This entire process of fund channelisation is a cumbersome and time taking.

3.10.7 In view of the procedure as enumerated above following reasons for delay in release of subsidy were evident during the study:

- (i) The delay could mainly be attributed to adherence to procedural requirements. The subsidy claim proposals are required to be forwarded by the financing Bank branch to their respective Controlling Offices which in turn forwards the same to NABARD Regional Office.
- (ii) Information gap in the subsidy claims proposal submitted by the Banks to NABARD resulting in repeated cross correspondence
- (iii) Lack of required documents while submission of subsidy claims by the bank's controlling offices
- (iv) Delay in channelising the funds at various levels from Govt of India to the financing Bank Branch via NABARD and respective Controlling Offices of Banks.

3.10.8 Subsidy received by the banks was kept in the Subsidy Reserve Fund Account (Borrower-wise) in the books of the financing banks as stipulated under the Guidelines. In such cases where subsidy had not been received by the banks, in loan account the entire project cost had been disbursed and interest was charged in the entire project cost bearing the margin money. Due to delay in release of subsidy (both advance and final), the interest burden on the beneficiary was found to be high resulting in unpleasantness among the affected parties. It was observed during the study that the implications of the back-ended subsidy were a new phenomena and the traditional bank loan ledgers were not designed to accommodate back ended subsidy. Therefore, special loan ledgers need to be designed by the bank. Further, the effective subsidy was calculated to be 19.0 per cent of the TFO which was significantly lower than the stipulated 25 per cent under the scheme Guidelines.

### **Recovery performance**

3.10.9 In the sample units covered under the study, the loan was overdue in respect of 4 cases out of 22 cases. It was observed that, out of the 4 overdue accounts, the repayment of last instalment only was overdue in all the cases. The major reason for this was non receipt of rent from the respective clients. Obviously, it calls for rigorous monitoring and

follow up by the respective banks. In all other cases, the recovery performance was found to be satisfactory.

### **Completion Period**

3.11 As per the guidelines, a time limit of 15 months is prescribed for completion of the project from the date of disbursement of first instalment of loan. However, if reasons for delay are justified, a further grace period of 6 months may be allowed by the participating bank. If the project is not completed within stipulated period, the benefit of subsidy shall not be available and advance subsidy has to be refunded forthwith. The actual completion period from the date of disbursement of first instalment was worked out at 13.5 months for the sample units. All the sample units were observed to be completed within a stipulated time period of 15 months from the date of disbursement of first instalment.

### **Appraisal and Monitoring**

3.12 The financing Banks were appraising the rural godowns projects submitted by the beneficiary. The quality of appraisal report was found to be satisfactory in respect of all all types of financing institutions. As prescribed under the guidelines, the monitoring of each project was being done by the Bank/NABARD and DMI through its Offices. Further, a Joint Inspection Committee consisting of officials from NABARD, participating bank and DMI was inspecting the project. For this purpose, the promoters were required to inform the participating banks as soon as the project was completed. On receipt of such information from the Bank, NABARD/DMI was initiating necessary actions to get the inspection conducted on the project site by the Joint Inspection Committee so as to avoid any delay in release/ adjustment of subsidy. However, at times delay in conducting the JMI was observed. This Based on discussions with various stakeholders, this could be attributed to the following factors:

- (i) Delay in informing about the completion of the project by the beneficiary to the financing bank.
- (ii) Delay in onward transmission of the completion report to NABARD by financing Banks

- (iii) Non convergence of mutually suitable dates for officials of NABARD/DMI and Banks

### **Pledge Loan Facility**

3.13. As per the Scheme Guidelines, the farmers keeping their produce in the godowns would be eligible to avail on hypothecation of produce upto 75% of the value of produce pledged subject to a ceiling of Rs.5 lakh per borrower. Such loan would be for a period of upto 12 months. The rate of interest on such loans would be as per RBI guidelines. The banking institutions are to accept the godown receipts on its being duly endorsed and delivered to bank for pledge loan against hypothecation of produce as per RBI guidelines. The pledge loan advance under Grameen Bhandaran Yojana would qualify under 'Direct Agriculture - priority sector lending'. However, the sample farmers were not aware of this facility provided under the scheme and none of the sample borrower had availed this facility.

### **Other Implementation Aspects**

3.14 As per Guidelines, all the units assisted under this scheme need to display a signboard in front of the godowns/walls of the godowns indicating “Assisted under Gramin Bhandaran Yojana of Ministry of Agriculture, Govt.of India”. However, during the field visit, such signboard was found to be displayed in case of only 13 (59.1 per cent) sample units.

3.15 Besides, installation of fire fighting equipments, both cylinders and sand buckets is also compulsory. However, it was in place only for 12 (54.6 per cent) of sample units. This is mainly because the installation of such equipments is not functionally required to operate the godown. However, the Joint Monitoring & Inspection Report of financing Bank, NABARD and Directorate of Marketing & Inspection invariably brings out clearly the need for putting in place fire fighting equipments during operationalisation of the godown. With the passage of time, not much attention is being paid in its maintenance.

3.16 In case of small godowns i.e godowns below 1000 MT, it was observed that the plinth height was less than the minimum prescribed height of 15 feet. In some units, the windows were found without wire mesh for cross ventilation of air. These aspects need to be closely monitored by the financing agency.

3.17 The internal roads and boundary walls of some of the large godowns were found to be damaged. Financing banks need to ensure quick repair of the same including cracks on the floors and walls of the godowns.

3.18 As observed during the field visit, the upkeep of the goods stored in rural godowns needs to be upgraded for more efficient and safe utilization of the godown.

3.19 The awareness level about this scheme among the farmers especially among the small and marginal farmers was found to be low. For more equitable and wider coverage Government need to utilize the services of print and visual media for the same. As this is a good business proposition, Bankers may also like to create awareness through workshops and kisan melas. Though the investment capacity of small and marginal farmers is low, yet they can organize themselves into groups like Joint Liability Groups (JLG) or Activity Based Groups and seek finance from the banks in group mode.

3.20 The facilities for value addition, grading, packing and minimum processing that enhances the quality of the commodities in the market was found to be almost nil. This needs to be emphasised by all the stakeholders.

3.21 Among the sample units, 2 (18 per cent) units were not found to be insured against theft, fire, natural calamities, etc.

## CHAPTER - IV

### COST OF INVESTMENT

**4.1** This chapter attempts to quantify the item wise cost of investment of the sample rural godown units constructed under the GBY scheme at historical prices. Adequacy of loan amount and other sources of funds were also examined.

#### Cost of Investment

**4.2** The major items included under the cost of investment of the sample rural godown units constructed under the GBY included land and land development activities, civil structures including wooden work and other miscellaneous expenditures like boundary wall, internal roads, fire fighting equipments, etc. The average cost of investment per unit worked out to be at Rs.106.49 lakh and it was Rs 1640 per MT of capacity created. The average cost of investment per unit for small size godowns (i.e. up to the capacity of 1000 MT) was worked out to be at Rs. 2173 as compared to Rs.2500 per MT of normative cost under GBY scheme. Similarly, the average cost of investment per unit for large size godowns (i.e. with capacity of more than 1000 MT) was worked out to be at Rs. 1633 as compared to Rs.1875 per MT of normative cost under GBY scheme. The average investment cost per MT of capacity created was inversely related to the size of the units (Table 4.1) in the study area.

Table - 4.1

Capacity-wise average investment cost of rural godown units at historical prices

(Rs Lakh)

Size of unit	Investment cost per unit	Capacity created (tonne)	Investment cost per tonne (Rs)
Small	8.54	393	2173
Large	135.30	8285	1633
Overall	106.49	6491	1640

**4.2.1** Sample Rural godown units constructed in Gurgaon district were relatively bigger in size than that in Hisar district of Haryana. The average capacity created in the sample units of Hisar district (4690 MT) was little more than half of the average capacity created in the sample units in Gurgaon district (8652 MT). The cost of

investment per unit and investment cost per MT of capacity created was more in Gurgaon district than in Hisar district (Table 4.2).

Table - 4.2

District-wise Average Investment Cost of Rural Godown Units at historical prices

District	Investment cost per unit ( Rs Lakh)	Capacity created (tonne)	Investment cost per tonne (Rs)
Gurgaon	150.98	8652	1745
Hisar	69.48	4690	1480
Overall	106.49	6491	1640

**4.2.2** The break up of cost component, size wise and district wise for setting up of rural godown units are given in Table 4.3 and 4.4. Civil works are the major cost component, which accounted for more than 90 per cent of the total cost of investment followed by land and land development.

**4.3** As per the operational guidelines of the scheme, value of land should not exceed 10 per cent of the total investment cost approved by the bank. The cost of land needed to be considered only when the land was purchased. Further, the value of land was to be reckoned towards the margin money requirements of the entrepreneurs. The value of land would be its purchase value and only that portion of land is to be included as margin money. As it is illustrated in the Table: 4.3, the share of cost of land worked out to 5.5 per cent to the total cost of investment which was less than that envisaged under the scheme guidelines.

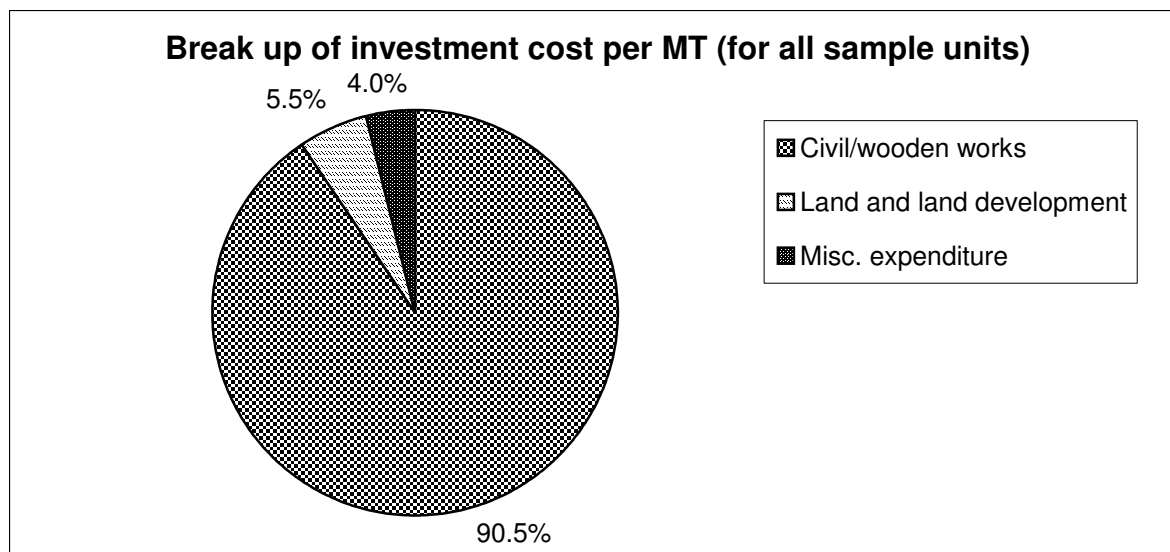
Table - 4.3

Capacity wise Breakup of per MT Investment Cost

(Amt. in Rupees)

Size of unit	Civil/wooden works	Land and land development	Misc. expenditure*	Total
Small	1999 (92.0)	109 (5.0)	65 (3.0)	2173 (100.0)
Large	1445 (88.5)	106 (6.5)	82 (5.0)	1633 (100.0)
Overall	1484 (90.5)	90 (5.5)	66 (4.0)	1640 (100.0)

Figures in paranthese are per cent share of total. \* Miscellaneous costs included the cost of fire equipments, weighing and grading equipments, etc.



**4.4** An analysis of break-up of cost of investment revealed that civil work constituted a major share followed by land & land development and miscellaneous expenditures.

**4.4.1** An analysis of the pattern of break-up of cost of investment among different size groups revealed that investment cost per MT was higher in small units (Rs 2173) as compared to large units (Rs 1633). The major contributing factor for increase in per MT unit cost in smaller units was mainly on account of increased expenditure on civil work cost.

Table - 4.4

District wise Breakup of Per MT Investment Cost

District	(Amt. in Rupees)			
	Civil/wooden works	Land and land development	Miscellaneous expenditure	Total
Gurgaon	1501 (86.0)	192 (11.0)	52 (3.0)	1745 (100.0)
Hisar	1332 (90.0)	118 (8.0)	30 (2.0)	1480 (100.0)
Overall	1484 (90.5)	90 (5.5)	66 (4.0)	1640 (100.0)

Figures in paranthese are per cent share of total

**4.4.2** The comparative break-up of cost of investment per MT between Gurgaon and Hisar districts of Haryana revealed that the cost per MT was higher in Gurgaon (Rs.1745)

than that of Hisar (Rs.1480). Higher investment cost per MT of capacity created in Gurgaon was mainly attributed to higher amount on cost of land and land development . The land prices are very high in Gurgaon, being nearer to National Capital Region , Delhi. (Table - 4.4).

**4.4.3** Investment cost per MT of capacity created was higher in small size godowns followed large size godowns. However, the district having relatively large size godowns (Gurgaon ) was having higher investment cost per MT of capacity created than that of the district having relatively small size godowns (Hisar). Higher amount of investment cost in Gurgaon could be attributed to higher land prices and higher wage rate prevailing in Gurgaon, which was almost equal to the National Capital, Delhi.

#### **Bank loan and subsidy**

**4.5** Adequacy of bank loan sanctioned and disbursed for construction of rural godown units under the scheme was analysed by comparing its value with the actual cost of investment.

**4.5.1** The actual cost of investment (Rs.8.67 lakh) was marginally higher than the approved cost of investment (Rs.8.54 lakh) per unit. Therefore, the study revealed that there was no significant difference between the appraised cost of investment and actual cost of investment.

Table - 4.5

#### Capacity-wise Details of Average Cost of Investment and Bank Loan

(Rs. Lakh)

Size of unit	Actual investment cost	Approved investment cost	Bank loan	Subsidy	Margin money	Bank loan as % of actual cost	Effective Margin in %
Small	8.67	8.54	6.01	1.76	2.53	69.3	29.2
Large	137.17	135.30	98.35	26.09	37.18	71.7	27.1
Overall	107.97	106.49	77.39	20.55	29.30	71.7	27.1

The estimated bank loan disbursed worked out to be at Rs 77.39 lakh for sample units, which accounted for about 71.7 per cent of the actual cost of investment (Table - 4.5). The estimated bank loan disbursed for smaller units was worked out to be at Rs 6.01 lakh which accounted for about 69.3 per cent of the actual cost of investment. As against this, the estimated bank loan disbursed for bigger units was worked out to be at Rs 98.35 lakh which accounted for about 71.7 per cent of the actual cost of investment. Thus, there was a very significant difference between bank loan disbursed for bigger units as compared to smaller units. This was mainly due to the huge difference between the size of two categories of units. Bank loan as percentage of actual investment cost increased with increase in capacity of the godowns.

4.5.2 Between Gurgaon and Hisar districts, the percentage of bank loan to the actual cost of investment was observed to be relatively higher in the latter than the former (Table - 4.6). However, the difference between the two was not significant.

Table - 4.6

District wise Details of Average Cost of Investment and Bank Loan

(Rs Lakh)

Size of unit	Actual investment cost	Approved investment cost	Bank loan	Subsidy	Margin money	Bank loan as % of actual cost	Effective Margin (%)
Gurgaon	152.52	150.98	108.40	26.62	42.58	71.1	27.9
Hisar	70.84	69.41	51.51	15.50	18.23	72.7	25.7
Overall	107.97	106.49	77.39	20.55	29.30	71.7	27.1

4.5.3 The estimated average subsidy for sample units was worked out to be Rs 20.55 lakh and the share of subsidy to the approved average financial outlay (Rs. 106.49 lakh) was calculated to be 19.3 per cent. The average estimated subsidy for smaller units was worked out to be Rs 1.76 lakh and the share of subsidy to approved financial outlay (of Rs. 8.67 lakh) was slightly higher (20.6 per cent) in comparison to bigger units (19.3 per cent). District wise, the effective subsidy was higher (22.3 per cent) in Hisar district in comparison to Gurgaon district (17.62 per cent).

### **Cost and Time Overrun**

4.6 All the sample units were constructed and put into operation within a period of stipulated period of 15 months and hence there was no time overrun. The actual completion period from the date of disbursement of first instalment was 13.5 months for the sample units. However, the cases of cost over run were observed in sample units. This was getting reflected in the difference between the actual cost of investment and was the cost of the project approved by banks. However, the variation was marginal (less than 2 per cent) as could be seen in Table 4.5 and 4.6.

## CHAPTER - V

### ECONOMICS OF INVESTMENT

**5.1** This chapter attempts to examine the financial viability of the sample rural godown units based on the parameters such as gross income, operational expenditure and net income realised by the rural godown units. The revenue generated out of rural godowns could be rental income and income earned out of differential prices of stock during harvesting period and selling period. Further, income could also be earned through pledge loans taken against the stock by the farmers. However, during this study it was observed that revenue was mainly being generated for godown owners from rental income in the study area.

#### Gross Income

**5.2** The estimated gross income per rural godown unit for the sample as a whole was worked out to Rs. 25.41 lakh and it was Rs.415 per MT of capacity utilised (Table 5.1). Disaggregating of sample units according to different category of Rural Godowns revealed that there was a positive relationship between gross income per unit and the capacity utilised. However, gross income per MT was observed to be inversely related to the size of the unit. It was higher in case of small units (Rs. 495 per MT) than in larger units (Rs. 413 per MT). The level of gross income was influenced by the level of capacity utilized as also the nature of commodity stored in the Rural Godown units.

Table - 5.1

Capacity wise details of gross income

(Amount in Rs )

Size of unit	Gross income Per Unit per annum	Gross income Per MT of Capacity Utilised
Small	191200	495
Large	3271576	413
Overall	2541945	415

**5.2.1** Between Gurgaon and Hisar districts, the gross income per unit was relatively higher in Gurgaon than that in Hisar (Table 5.2). The gross income per MT of capacity utilised was also observed to be more in Gurgaon (Rs.436) than that in Hisar (Rs.383) mainly due to higher rental income prevailing in the national capital region. The gross income from the rural godown units was derived from storage of hired produce as

very small share of the stored produce was owned by the owners as already discussed in previous chapter.

Table - 5.2: District wise Details of Gross Income

(Amount Rs )

District	Gross income Per Unit	Gross income Per MT of Capacity Utilised (Rs)
Gurgaon	3477680	436
Hisar	1762167	383
Overall	2541945	415

5.3 The use of rural godowns for own produce was observed to be more predominant in Hisar district than that in Gurgaon district of Haryana. This was mainly due to the reason that rural godowns in Gurgaon being closer to the National Capital Delhi were mainly used for storage of produce hired by big companies engaged in agro processing activities.

#### **Operational and Maintenance Cost**

5.4 The operational and maintenance cost of the rural godown units included administrative expenses (salaries and wages), repair, expenditure on electricity, insurance, consumables, etc. The estimated total operational and maintenance cost per annum per unit was worked out at Rs.155591 and it was estimated at Rs.26 per MT of capacity utilised (Table- 5.3). Between the two categories of rural godowns, the operational cost per annum per unit was worked out at Rs.227235 for large units and Rs. 12000 for small units. The annual operational and maintenance cost per tonne was worked out at Rs. 25 for large units and Rs. 31 for small units. The reason for lower operational cost per MT for bigger units could be explained in terms of operation of economies of scale. There was an inverse relationship between the size of the Unit and the operational cost per MT of capacity utilised.

Table - 5.3

Capacity wise Details of Operational and Maintenance Cost

(Amount in Rupees)

Size of unit	Annual Operational and maintenance cost Per unit	Annual Operational and maintenance cost Per MT
Small	12000	31
Large	227235	25
Overall	155591	26

**5.4.1** Between Gurgaon and Hisar, the total operational cost per godown unit and the estimated operational and maintenance cost per MT was relatively higher in Gurgaon. The district of Gurgaon was having relatively larger size units than that in Hisar (Table 5.4).

Table - 5.4  
District wise Details of Operation & Maintenance Cost

(Amount in Rupees)

District	Annual Operational and maintenance cost Per unit	Annual Operational and maintenance cost Per MT
Gurgaon	221800	28
Hisar	100417	22
Overall	155591	26

### Net Income

**5.5** The net income, which was estimated as the difference between gross income and operational cost per annum worked out to Rs 23.86 lakh per unit and it was Rs. 389 per MT of the capacity utilised (Table 5.5). Between the two categories of godowns, the net income per MT was higher (Rs. 464) in small size units than in large units (Rs. 388). This was mainly attributable to the income realized due to increase in prices of stored products owned by the owner himself. The goods stored in these small godowns owned by relatively small farmers were wheat and tundi (wheat husk used as fodder). Because of storage facility available with these farmers, they were able to have 'price' gain by avoiding distress sale during harvesting season. Out of 22 sample farmers, 4 small farmers (18.1 per cent) were getting benefit of 'price' gain by avoiding distress sale. In case of wheat, the farmers were selling it to Government Agencies during harvesting season (April- May) at the rate of Rs. 1080 per quintal and the same was being sold in the range of Rs. 1100 to 1150 per quintal during peak season. Thus, the price gain was not substantial. However, in case of Turi the rate was in the range of Rs. 150 to 200 per quintal during harvesting season (April- May) and Rs. 350 to 450 per quintal during peak season. Based on the primary data collected from the sample farmers, it was estimated that the average 'price gain' to the sample farmers was 25 per cent on per quintal basis for their stored produce. Thus one of the objectives of the scheme i.e. avoidance of

distress sale was getting fulfilled albeit in a limited way as only 18.5 sample farmers were benefitted through this mechanism.

Table - 5.5  
Capacity wise Details of Net Income

(Amount in Rupees)

Size of unit	Net income Per unit	Net income Per tonne
Small	179200	464
Large	3044341	388
Overall	2386354	389

**5.5.1** Between two sample districts, the net income per unit as well as per MT of capacity utilised was higher in Gurgaon (Rs. 408) than that in Hisar (Rs. 361) (Table 5.6). The higher net income in Gurgaon was due to very large size of rural godowns and more intensive use of the storage space in the godowns by various private firms engaged in agro processing activities. However, in Hisar district, a large share of storage space was used for rent purpose by Government agencies like HAFED, CONFED and FCI. The rent given by these government agencies was comparatively lower than that given by private firms in Gurgaon district. These government agencies were giving rent at the rate of Rs. 0.50 per quintal per month plus the operation expenses relating to up keep of stock on a lump sum basis. This was equivalent to Rs. 60 per annum per MT plus the operational expenses for maintenance of the stock.

Table - 5.6  
District-wise Details of Net Income

(Amount in Rupees)

District	Net income Per unit	Net income Per MT
Gurgaon	3255880	408
Hisar	1661750	361
Overall	2386354	389

### Cash Flow Statement

**5.6** For the purpose of assessing the financial viability of the rural godown units, Financial Rate of Return (FRR), Net Present Value (NPV) and Benefit Cost Ratio (BCR)

was worked out for which cash flow statements were prepared on the basis of the following assumptions:

- i. The life of civil structures was more than 30 years. For the purpose of analysis, the cash flow was prepared for the period of 15 years
- ii. The net income generated was valued at the Reference Year prices.
- iii. The salvage value worked out was 25 per cent of the investment cost in the 15<sup>th</sup> year.
- iv. Investment cost was estimated at the current year prices based on market rate of inflation and the investment cost at historical prices.

5.6.1 The details of cash flow statement for the samples categorized according to size category as well as among districts are presented in Table 5.7.

Table - 5.7:Cash Flow Statement

(Rs lakh)

Size of unit / District	Cost of investment at current prices (0 th year)	Net Annual Income (1-15 years)	Salvage value (15th year)
Small	9.85	1.79	2.46
Large	155.81	30.44	38.95
Gurgaon	173.25	32.55	43.31
Hisar	80.47	16.61	20.12
Overall	122.65	23.86	30.66

### Financial Rate of Return (FRR)

5.7 Based on the details of cash flow statements indicated above, Financial Rate of Return was worked out for the sample units and the results are presented in Table 5.8 and 5.9. The analysis shows that the FRR for all the sample units was calculated to be at 16.8 per cent.

Table - 5.8

Capacity wise FRR, NPV and BCR

	IRR (per cent)	NPV (Rs.)	BCR (Ratio)
Small	15.5	168292	1.02
Large	16.7	3390614	1.08
Overall	16.8	1005150	1.08

**5.7.1** Among different sizes of units, larger units were found to be more viable than that of smaller units. The FRR of larger units was worked out to 16.7 per cent. The FRR of smaller units was worked out to 15.5 per cent. The lower returns to small units were largely on account of higher cost of investment especially towards the cost of buildings and other civil structures/works.

**5.7.2** As could be seen, the FRR was found to be very close (16.8 %) to the minimum 15 per cent stipulated for viability of any unit. For the sake of comparison, the FRR for ‘Small’ and ‘Large’ units ‘with subsidy’ were also calculated. It was found that the FRR, ‘with subsidy’ estimated at 20.9 % for all the samples taken together was higher than 16.8 % estimated in ‘without subsidy’ situation. However, the FRR for ‘Small’ and ‘Large’ units ‘with subsidy’ were worked out to 19.6 % and 20.7% respectively as against 15.5 % and 16.7% respectively estimated without subsidy. Thus, there were very clear implications for the policy makers and planners to decide in favour of continuing such subsidy schemes in the future.

**5.7.3** Between the sample districts, the rural godown units were found to be financially more viable in Hisar than that in Gurgaon. The FRR was calculated to be at 16.1 per cent and 18.2 per cent for Gurgaon and Hisar respectively (Table 5.9).

Table - 5.9

Capacity wise Financial Rate of Return (FRR), NPV and BCR

	IRR (per cent)	NPV (Rs.)	BCR (Ratio)
Gurgaon	16.1	824935	1.05
Hisar	18.2	1156456	1.15
Overall	16.8	1005150	1.08

### **Net Present Value and Benefit Cost Ratio**

5.8 The details of size wise and the district wise net present value and benefit cost ratio of the sample units are presented in Table 5.8 and Table 5.9 respectively. Between small size and big size units, the NPW and BCR of the larger units were found to be higher than those of the smaller godowns. Further, all these parameters were found to be more favourable to Hisar District than Gurgaon district. On the whole, the NPW of rural godown sample units was calculated at Rs. 1005150. Similarly, the BCR for all the sample units was found to be 1.08.

## **CHAPTER - VI**

### **ACHIEVEMENT OF SCHEME OBJECTIVES AND ITS IMPACT**

6.1 The major impact of the scheme was observed in increase in storage capacity, reduction in post-harvest loss, increase in private investment and increase in income. The same was assessed at sample unit level and at macro level, which are presented in following paragraphs. The macro level impact for the two study districts of Hisra and Gurgaon has been estimated by using the per unit increase in investment, income and capacity created for the sample godowns as the base and blowing up the results for the two study districts. It may be pertinent to mention here that owing to this scheme, 32 godowns in Gurgaon District and 40 godowns in Hisar district were completed by the end of April 2009.

#### **Increase in storage capacity**

6.2 Due to the creation of 22 sample godowns, additional storage space of 1.42 lakh metric tonnes had been created in the study area in Gurgaon and Hisar districts. At the macro level, the additional storage facility created in the study area was estimated at 4.67 lakh metric tonnes.

#### **Increase in private investment**

6.3 A manifold increase in investment for creation of storage infrastructure was witnessed in the study area due to the implementation of the godown scheme. The actual investment for all the sample godowns was calculated at Rs.107.97 lakh per unit. At the macro level, keeping the actual investment in godowns in the sample units as the base, the total additional investment by the promoters in the two study districts was estimated at Rs. 7773.84 lakh.

#### **Increase in income**

6.4 As the macro economic theory advocates, with increase in investment, there is a resultant increase in income of the sample beneficiaries. The same was witnessed at the micro level in the study area. The additional net income generated for all the sample units

was estimated at Rs. 524.99 lakh. At the macro level, the increase in additional net income was estimated at Rs. 1718.17 lakh in the study area.

### **Increase in Employment Generation**

6.5 The rural godown scheme has been instrumental in increasing both recurring and non-recurring employment in the study area. The employment generation due to these sample rural godowns in the districts was estimated. The assumptions made for this estimation were the following:

- (i) The civil works which constituted 90.5 per cent of total cost (at reference year prices) for the sample units was used for providing non recurring employment in the study area.
- (ii) Out of this cost, 40 per cent was assumed to be the labour cost for the civil works involved in construction of sample units.
- (iii) The prevailing wage rate of Rs. 135/- per day for unskilled labour in the reference year (as notified by Govt. of Haryana) was used for calculating the non recurring employment.

Based on the above assumptions, it was estimated that due to the additional 22 sample godowns (10 in Gurgaon and 12 in Hisar) in the two districts, a total of 22,265 man-days of recurring (per year) and 26285 man-days of non recurring employment had been generated. The details of the employment generated for the sample units have been presented in Table 6.1.

Table 6.1  
Details of the employment generation for the sample Rural Godown units  
(Man-days in No.)

Districts	Man-days	
	Recurring	Non-Recurring
Sample units		
Gurgaon	10480	4645
Hisar	11785	21639
Total	22265	26285

6.6 For the two sample districts having 72 rural godowns , it was estimated that a total of 72,819 man-days of recurring and 10,14,213 man-days of non recurring employment

were generated. The details of the employment generation for the study districts have been presented in Table 6.2

Table 6.2  
Details of the employment generation for the Study Districts  
(Man-days in No.)

Districts	Man-days	
	Recurring	Non-Recurring
Gurgaon	33536	148661
Hisar	39283	865582
Total	72819	1014243

### **Clientele' Benefit**

6.7 The primary data collected from the sample farmers revealed that about 80 per cent of the sample beneficiaries were selling their produce through Mandis after harvest and Government Agencies were purchasing through these Mandis and storing them in rented godowns as buffer stock towards ensuring food security of the nation. In other words, rural godowns financed under this scheme were mainly used for letting out on rent either to private parties or to the Govt. agencies. Farmers' own share in total goods stored was very low. Further, small and marginal farmers were not much benefited by this scheme as the owners of these units were mostly big farmers for reasons explained below. However, the utilisation of capacity created was very high. In fact, during the field visit, it was evidenced that tonnes of wheat and paddy were stored in open without appropriate maintenance.

6.8 Based on the land holding pattern in Haryana, more than 80 per cent of holding was of less than one hectare, which were marginal/small farmers. However, they are deprived of the Government support (subsidy) under the existing scheme due to the following reasons:

- (i) Small and marginal farmers are not having enough extra land to establish rural godowns.
- (ii) They do not have enough financial resources to invest towards the margin money.
- (iii) The risk taking ability of these small and marginal farmers is very low. Hence they shy away from venturing into this scheme.

- (iv) Holding capacity is very low as farmers were indebted to Arhatiyas/commission Agents. They take production loan before the harvesting season and were under obligation to sell immediately after harvest to maintain their goodwill.
- (v) The marketable surplus is very low. Hence they do not need to store their produce for a long period.

### **Achievement of the Objectives as stipulated under the Scheme Guidelines**

6.9 As per the Guidelines issued by the Govt. of India, the rural godown scheme has in-built objectives to be fulfilled with the creation of the godowns. These objectives of the scheme are the following:

- a. Creation of scientific storage capacity for storing
- b. Prevention of distress sale
- c. Reduction of loss of quantity/quality arising at present from storage in other godowns
- d. Reduction in pressure on the storage facilities with public agencies, cooperatives, etc.
- e. Strengthening agricultural marketing infrastructure by the use of warehouse receipt
- f. Encouraging private investment in agriculture sector (storage infrastructure)
- g. Creation of additional employment opportunities in rural areas
- h. Promote grading, standardization and quality control of agricultural produce to improve their marketability
- i. Timely availability of crop inputs, consumer articles, etc to farmers
- j. Reducing pressure on transport system in post-harvest period
- k. Assistance in easy procurement of food grains by FCI and other agencies
- l. Renovation and up-gradation of existing storage capacity created by cooperatives with the assistance of NCDC

The study has focused on these objectives to arrive at conclusive evidences to suggest as to what extent these objectives have been achieved while implementation of the scheme at the ground level. Based on the study findings a mixed response was evident in terms of achievement of the scheme objectives. These observations have been placed under three sub-heads, i.e., i) Objectives achieved: Fully, ii) Objectives achieved: Partially and iii) Objectives: Not achieved.

**i) Objectives Achieved: Fully**

6.9.1 Due to the rural godown scheme, no. of godowns has increased leading to enhanced storage facility for the farm produce. This was possibly through huge investment through bank loan, own contribution and subsidy available through Govt. of India. Before the creation of godowns, most of the farmers were storing their surplus produce either in their own houses or in some rented houses. But due to various constraints such as less space, unhygienic conditions, theft and natural hazards, they were facing difficulties in storing their produce for long. There was also loss in income due to loss in the produce in transportation. They were also spending on transportation from field to the place of storage. To avoid these difficulties, many farmers were selling their entire surplus immediately after the harvest even at an un-remunerative price. However, with the creation of godowns, farmers have started storing their surplus produce in godowns, buying the produce from others for storage and releasing the produce when the market was favourable. With increased investment in these godowns, increase in income and employment was also observed. Thus, the following five objectives of the scheme have been fully met:

- ✓ Creation of scientific storage capacity
- ✓ Reduction of loss of quantity/quality of the produce
- ✓ Encouraging private investment in creating storage infrastructure
- ✓ Creation of additional employment opportunities
- ✓ Reducing pressure on transport system in post-harvest period

**ii) Objectives Achieved: Partially**

6.9.2 The number as well as the capacity of the godowns in these two districts was less than the required for storing the two major agri produce in the state i.e. paddy and wheat. In fact, Haryana is a state which contributes significantly to the central pool of buffer stock to ensure food security of our nation. A no. of big godowns were being utilized for storing wheat procured by FCI and other Govt. agencies. However, huge pile of wheat was found to be stocked in open and covered only with plastic sheets due to shortage of storage space. Some private godowns were also being used for storage of agri inputs like fertilizers and pesticides. On the one hand, creation of godowns had prevented 'distress

sale' to some extent and on the other hand, it had increased the farmers' bargaining power for realizing better price of his produce. Among the sample units, 18.5 per cent units (mainly small farmers) were able to hold their stock in their own godowns and sold the same when the prices became more remunerative. Thus, the scheme has helped in reducing the 'distress sale' by farmers albeit in a limited manner. Therefore, a limited success in terms of the following three objectives has been observed in the study area:

- ✓ Prevention of distress sale by the farmers
- ✓ Reduction in pressure on existing storage facilities with public agencies
- ✓ Timely availability of fertilizers, pesticides and consumer articles to farmers
- ✓ Assistance in the easy procurement of food grains by FCI and other agencies

### **iii Objectives: Not achieved**

6.9.3 Due to lack of entrepreneurship to improve the marketability of the storage produce by value addition, farmers were not taking any initiative to promote grading, quality control and standardization. The system of pledge financing and acceptance of ware housing receipt etc. was not developed in the study area. Therefore, the following three objectives were found to be largely unfulfilled

- ✓ Promotion of grading, standardization and quality control of agricultural produce to improve their marketability
- ✓ Introduction of a national system of warehouse receipts in respect of agricultural commodities stored in such godowns for sanctioning bank loans.

## CHAPTER - VII

### SUMMARY AND CONCLUSIONS

The present study attempted to evaluate the implementation of the Grameen Bhandaran Yojana (GBY) for Rural Godowns in Haryana so as to quantify the benefits of investments and also to assess the impact of the scheme on farmers in storing farm produce. The study was conducted in two selected districts viz. Gurgaon and Hisar covering a sample of 20 farmers and 22 rural godown units financed by various Banks under the scheme. To assess the performance of the rural godown units in different sizes, the sample units were post-stratified according to capacity created, viz. small and large size units. The Reference Year for the study was 2008-09. Major findings emanating from the study are the following:

- (i) The implementation of GBY scheme has significantly contributed in increasing the number of rural godowns in the State of Haryana. Under this scheme, a total of 309 Rural Godown (RG) units with a capacity of 17.47 lakh metric tonnes (MT) were established by the end of April 2009. The average capacity created per unit of RG in the entire state was 5656 MT.
- (ii) Majority of rural godowns under GBY scheme in the State were owned and managed by private sectors only. However, Haryana State Cooperative Supply and Marketing Federation (HAFED), a federation of cooperatives had ownership of 11.6 percent (36 No.) of RG in the state.
- (iii) The average capacity created among the sample units of rural godowns was 6491 metric tonne. The average capacity created among small and large units was 393 metric tonnes and 8285 metric tonnes respectively.
- (iv) Rural godown units constructed in Hisar district were relatively smaller than that in Gurgaon district. The average net capacity created in the sample units of Gurgaon district (8652 MT) was almost 1.8 times of the average capacity created in the sample units of Hisar district (4690 MT).
- (v) The average capacity utilised was 386 metric tonnes (98.2 per cent) and 7843 metric tonnes (94.7 per cent) for small and large sample units respectively. On the

- whole, the capacity utilization was 94.5 per cent of the capacity created. Between the two sample districts, the capacity utilisation was 7978 MT (92.2 per cent) in Gurgaon District and 4598 MT in Hisar District (98.0 per cent).
- (vi) Out of the total produce stored in sample godowns, the share of own produce was only 0.6 per cent and remaining 99.4 per cent was utilized for storing produce of other firms/agencies/farmers.
  - (vii) Wheat, Paddy, Turi (fodder), Guar and Barley were the products being stored in the rural godowns in the study district. Wheat was the major item stored in Hisar district while in Gurgaon the major item stored was paddy.
  - (viii) The average cost of investment at historical prices worked out to Rs. 106.49 lakh ranging from Rs. 8.54 lakh for small units and Rs. 135.30 lakh for large size units. The average cost of investment worked out to Rs. 69.48 lakh in Hisar district and Rs. 150.98 lakh in Gurgaon district.
  - (ix) Break up of cost of investment revealed that civil work constituted a major share (90.5 per cent) followed by land & land development (5.5 per cent) and miscellaneous expenditures (4.0 per cent).
  - (x) An analysis of break up of cost of investment among different size category revealed that investment cost per MT was higher in small units (Rs. 2173) as compared to large units (Rs. 1633). In overall sample, however, investment cost per MT worked out to Rs.1640.
  - (xi) The actual average cost of investment (Rs. 107.97 lakh) was marginally higher than the approved cost of investment per unit (Rs. 106.49 lakh). Thus, there was no significant difference between the appraised cost of investment and actual cost of investment
  - (xii) The average bank loan disbursed worked out to Rs. 77.39 lakh for the sample units, which accounted for about 71.7 per cent of the actual cost of investment including the subsidy component. As per the expectation, the bank loan disbursed indicated a positive relationship with respect to the capacity created and the actual cost of investment.

- (xiii) Between Hisar and Gurgaon districts, the percentage of bank loan to the actual cost of investment was observed to be relatively higher (72.7 per cent) in the former than the latter (71.1 per cent).
- (xiv) The estimated subsidy worked out to Rs. 20.55 lakh per unit on an average and the share of subsidy to the total financial outlay (Rs. 106.49 lakh) was 19.3 per cent.
- (xv) The average *gross* income per metric tonne (Rs. 495) was higher for small size sample units than for large size units (Rs. 413). The average gross income per metric tonne was higher in Gurgaon district (Rs. 436) than in Hisar District (Rs. 383). In over all sample, the average gross income per metric tonne works out to Rs.415.
- (xvi) The estimated *net* income per metric tonne was higher (Rs. 464) for small size units than for large size units (Rs. 388). Districts wise, the average net income per tonne was higher in Gurgaon district (Rs. 408) than in Hisar District (Rs. 361). In over all sample, the average gross income per metric tonne works out to Rs.389.
- (xvii) For the sample units, the Financial Rate of Return (FRR) was found to be 16.8. Among different size category of units, larger units (16.7 per cent) were found to have higher FRR than that of smaller units (15.5 per cent). The lower returns to small units were largely attributable to higher cost of investment, especially towards the cost of buildings and other civil structures.
- (xviii) The BCR was found to be 1.08 for the sample units. The BCR for small and larger units was found to be 1.02 and 1.08 respectively. The NPV for the sample units was found to be Rs. 10.05 lakh. District wise, the Net Present Value (NPV) was worked out to Rs. 8.24 lakh and Rs. 11.56 lakh for Gurgaon and Hisar respectively.
- (xix) The scheme had exhibited its macro impact in the study area in terms of increase in storage capacity, increase in investment and increase in net income, etc. At the macro level, the additional storage capacity created under the scheme in the study area was estimated at 4.67 lakh metric tonnes. Further, the additional investment

and additional income generated was estimated at Rs. 7773.84 lakh and Rs. 1817.17 lakh respectively in the study area.

- (xx) It was estimated that a total of 72,819 man-days of recurring and 10,14,213 man-days of non recurring employment were generated in the study area.

### **Emerging Issues**

Some of the issues emerging out of study findings that need to be addressed were as follows:

- (i) Ware housing receipt financing was yet to take ground in the study area. The receipts given by *Private Godown* were not readily acceptable by Banks for pledge financing.
- (ii) A lot of valuable time is lost in cross correspondence between various stakeholders i.e. banks, beneficiaries, NABARD, DMI, etc., to seeking the required documents for scrutiny and processing of subsidy claims thereby resulting in delay in release of subsidy.
- (iii.) For better upkeep of stored goods and more efficient and safe utilization of the godown, the beneficiaries under this scheme may be empowered through training at recognized institutes like National Institute of Agricultural Marketing at Jaipur.
- (iv.) The awareness about this scheme was found to lacking among farmers especially small farmers. It may be created among farmers as well as bankers for wider coverage especially small farmers.
- (v) For sensitization of Bankers about the scheme, workshops/programmes need to organized at regular intervals at district and state levels.
- (vi.) Facilities for value addition methods like grading, packing, etc. were found to be almost non existent in the study area.
- (vii) Small farmers with land holding of less than 5 acres, were not getting benefited with this scheme for following reasons:
  - a. They were not in a position to hold the produce, as they had to sell their produce in distress in order to repay their previous loans. Only big

farmers were in a position to hold their produce and sell the same when prices were rising.

b. Small farmers tend to purchase inputs from Arhatiyas/Commission Agents/input dealers, and immediately after harvest, they were forced to sell their produce to them to wipe off their old debt.

c. Operational land holding size in the State was small. Small farmers did not have extra land to construct godown on the same. Further, their capacity to meet the margin money was also very limited. They lacked financial resources for the same.

d. They were not having enough marketable surpluses to store and sell their produce at a later date. So they did not feel the need to have such godowns for them. For temporary storage of their produce they used open spaces.

(viii) The time lag between operationalisation of the godowns and release of final subsidy need to be shortened.

(ix) The godowns were mostly owned by big farmers or farmers cum traders. It was being rented to various private and public companies viz. Haryana Agro Industries Ltd., Central Warehousing Corporation (CWC), Food Corporation of India (FCI), the Haryana State Federation of Consumer Wholesale Store Ltd. (CONFED), etc. So rental income to the farmers was the major source of incremental income under this scheme in the study area. Keeping in view, the equity consideration, steps may be initiated to include small farmers also under this scheme through Group mode like Joint Liability Groups or Activity Based Groups

#### **Action Points/Suggestions**

- The time lag in release of subsidy (advance as well final) to the ultimate borrower needs to be reduced. The use of latest technology in transmission of funds from one channel to other would help in this respect. Therefore, implementing agencies viz. Govt. of India, NABARD and Financing Agencies need to rope in the latest technology for the same.

- The delay in sanction of subsidy was mainly due to non-submission of the required documents. To avoid such delays, a detailed checklist has been prepared by NABARD Haryana RO and circulated among Banks. This checklist may be made part of the existing Guidelines, so that farmers/entrepreneurs were aware of documents to be submitted along with the proposal to Bank/NABARD for timely processing and release of subsidy. A lot of valuable time is lost in cross correspondence with various parties i.e. banks, beneficiaries, NABARD, DMI, etc., to seek the required documents.
- Before forwarding the subsidy claim form to NABARD, the Financing agencies may cross check the availability of all related documents with the checklist. This will help in avoiding repeated cross correspondence between stakeholders seeking the required documents for processing and scrutiny of the proposal.
- The joint inspection by the representatives of banks, DMI and NABARD officials may be completed at the earliest after completion of the project. This would help in timely release of subsidy thereby reducing a lot of interest burden on the farmer. The delay in release of subsidy results in undue burden on the beneficiary thereby defeating the very purpose of subsidizing the scheme.
- The farmers were not aware of the availability of the pledge finance against the stocks stored in the godowns. The system of pledge finance may be popularized and promoted by sensitizing the bankers and farmers both. This will encourage the rural farmers to store their produce in the rural godowns. Warehouse receipts issued by private godowns may also be made acceptable by banks for pledge financing against it.
- The beneficiaries under this scheme had not undergone any training organised by National Institute of Agricultural Marketing at Jaipur. Therefore, they should be empowered through training for better upkeep of store goods and more efficient and safe utilization of the godown.
- More awareness about this scheme may be created among farmers as well as bankers for wider coverage especially small farmers. The Government and bankers may utilize print and visual media for the same.

- Keeping in view, the equity consideration, steps may be initiated to include small farmers also under this scheme through Group mode like Joint Liability Groups or Activity Based Groups.
- Value addition methods like grading, packing and minimum processing which enhances the quality of the commodities in the market may be emphasised.
- Banks may also emphasize and ensure that the signboard indicating “Assisted under Grameen Bhandaran Yojana of Ministry of Agriculture, Govt.of India” is neatly displayed in front of the godowns / walls of the godowns.
- The Bank/DMI/NABARD officials may also emphasize the installation of fire fighting equipments, both cylinders and sand buckets during their monitoring visits.
- Banks may also ensure that all the godowns are insured against theft, fire and other natural calamities.
- Banks which have financed small godowns i.e godowns below 1000 MT may advise the farmers to raise the plinth height to a minimum of 15 feet, provide windows with wire mesh inside the godowns for cross ventilation of air, white wash the internal walls, maintain cleanliness of the godowns, provide electricity connection, etc.
- The internal roads and boundary walls of some of the godowns were found to be damaged. Financing banks may arrange to ensure quick repair of the same including cracks on the floors and walls of the godowns.

## ANNEXURE I

### **Capital Investment Subsidy Scheme (CISS)/Gramin Bhandaran Yojana (GBY) for Rural Godowns**

#### **1. BACKGROUND**

It is well known that the small farmers do not have the economic strength to retain the produce with them till the market prices are favourable. There has been a felt need in the country to provide the farming community with facilities for scientific storage so that wastage and produce deterioration are avoided and also to enable it to meet its credit requirement without being compelled to sell the produce at a time when the prices are low. A network of rural godowns will enable small farmers to enhance their holding capacity in order to sell their produce at remunerative prices and avoid distress sales. Accordingly, Grameen Bhandaran Yojana, a Capital Investment Subsidy Scheme for Construction / Renovation of Rural Godowns was introduced in 2001-2002 and extended upto 31.03.2007. The Scheme has now been approved for implementation during the years 2007-12, with modifications in its operational guidelines for new projects to be sanctioned after 26 /06 /2008. Accordingly, revised operational guidelines of the scheme are applicable for new projects sanctioned on or after 26 /06 /2008 to 31.03.2012.

#### **2. OBJECTIVES**

The main objectives of the scheme include creation of scientific storage capacity with allied facilities in rural areas to meet the requirements of farmers for storing farm produce, processed farm produce and agricultural inputs; promotion of grading, standardization and quality control of agricultural produce to improve their marketability; prevention of distress sale immediately after harvest by providing the facility of pledge financing and marketing credit; strengthen agricultural marketing infrastructure in the country by paving the way for the introduction of a national system of warehouse receipts in respect of agricultural commodities stored in such godowns and to reverse the declining trend of investment in agriculture sector by encouraging private and cooperative sectors to invest in the creation of storage infrastructure in the country.

#### **3. SALIENT FEATURES**

##### **Eligible Organizations**

The project for construction of rural godowns can be taken up by individuals, farmers, Group of farmers/growers, Partnership/ Proprietary firms, Non-Government Organizations (NGO's), Self Help Groups (SHGs), Companies, Corporations, Co-operatives, Local Bodies other than Municipal Corporations, Federations, Agricultural Produce Marketing Committees, Marketing Boards and Agro Processing Corporations in the entire country. Assistance for renovation of rural godowns will, however, be restricted to godowns constructed by cooperatives only.

## **Location**

Under the scheme, the entrepreneur will be free to construct godown at any place, as per his/her commercial judgment except for the restriction that it would be outside the limits of Municipal Corporation area. Rural godowns constructed in the Food Parks promoted by the Ministry of Food Processing Industries shall also be eligible under the scheme for assistance.

## **Size**

Capacity of a godown shall be decided by an entrepreneur. However, subsidy under the scheme shall be restricted to a minimum capacity of 100 tonnes and maximum capacity of 10,000 tonnes. No maximum ceiling on subsidy in the case of projects of rural godowns of Cooperatives assisted by NCDC.

Rural godowns of smaller size upto 50 tonnes capacity will also be eligible for subsidy under the scheme as a special case based on viability analysis depending on the topography/special requirement of the State/Region. In hilly areas\*, rural godowns of smaller size up to 25 tonnes capacity will also be eligible for subsidy. For this, NABARD will issue appropriate guidelines.

## **Conditions for Scientific Storage**

Godowns built under the scheme shall be structurally sound on account of engineering considerations and functionally suitable to store the agricultural produce. The general conditions for scientific construction will be as follows:

- ❑ The construction of godown shall be as per Central Public Works Department/State Public Works Department specifications or any other standard specifications laid down in this behalf. The godown shall be properly ventilated, shall have well fitted doors, windows and ventilators and shall be waterproof (control of moisture from floor, walls and roof etc.)
- ❑ The godown structure shall have protection from rodents.
- ❑ The godown shall have protection from birds (windows / ventilators with jali).
- ❑ The openings of godown such as doors, windows etc. shall be designed in such a manner that the godown can be sealed for effective fumigation etc.
- ❑ The godown complex shall have an easy approach road, pucca internal roads, proper drainage, arrangements for effective control against fire and theft and also have arrangements for easy loading and unloading of stocks.

The entrepreneur may obtain a license to operate the godown, if so required by the concerned State Government, under the State Warehousing Act or any other relevant laws. All Rural Godowns to be constructed under the Scheme in future should be confirming to the technical specifications relating to the implementation of the Negotiable Warehouse Receipt System (NWRs). The rural godowns of 1000 tones capacity and more shall be considered as eligible for assistance under the Scheme, only

on giving an undertaking along with the application that they would be implementing the Negotiable Warehouse Receipt System. DMI in consultation with the Department of Food and Public Distribution and NABARD shall modify godown specifications to meet the requirements of implementation of Negotiable Warehouse Receipt System and NABARD shall ensure that these specifications are in-built in the eligibility criteria for giving subsidy to the rural godowns of any size under the Scheme.

### **Credit Linked Assistance**

Subsidy under the scheme is linked to institutional credit and will be available to only such projects as are financed by Commercial Banks, Regional Rural Banks, State Cooperative Banks (SCBs), State Co-operative Agricultural and Rural Development Bank (SCARDBs), Agricultural Development Finance Companies (ADFCs), North Eastern Development Finance Corporation (NEDFI), Urban Cooperative Banks etc. Loan to the entrepreneurs from banks for the construction of godowns would carry an adequate long-term repayment period.

Assistance under the scheme shall be available on capital cost of construction of godown including the cost of allied facilities like boundary wall, internal road, platform, internal drainage system, weighing, grading, packaging, quality certification, warehousing facilities which are functionally required to operate the godown.

### **Pledge Loan Facility**

The farmers keeping their produce in the godowns shall be eligible to avail pledge loan on hypothecation of their produce. The terms and conditions governing pledge loans viz. margin, rate of interest, period of pledge, amount etc. will be as per the guidelines issued by RBI/NABARD and as per normal banking practices followed by the financial institutions.

### **Training**

A general awareness programme on the scheme for the farmers and a training programme for the entrepreneurs for construction, maintenance and operation of rural godowns will be organized by the National Institute for Agricultural Marketing, Jaipur (NIAM) and other National/State level Institutions.

### **Implementation Period**

Implementation of the scheme shall be continued beyond 31.03.2007 upto 31.03.2012.

The modified scheme will be applicable to all new projects for construction / renovation of rural godowns in respect of which loans are sanctioned on or after 26/06/2008 upto 31/3/2012.

## **Nodal Agency**

The scheme shall be implemented by the Directorate of Marketing and Inspection (DMI), an Attached Office of Department of Agriculture & Cooperation. A list of Regional/ Sub Offices of DMI is enclosed at Annexure-VI.

## **Target**

Under the Modified Scheme, creation of new 85 lakh tonnes and renovation of 5 lakh tonnes of rural storage capacity is targeted. (Total 90 Lakh M.T.)

The sanction of projects in a State would be restricted to a maximum of 18 lakh tonnes (20% of the total capacity of 90 lakh tonnes envisaged during the XI Plan), but in specific circumstances the unused quota of a State can be diverted to another State by a conscious decision taken by a Committee to be constituted in the Ministry of Agriculture for this purpose.

5 lakh tonnes would be reserved for small farmers and 5 lakh tonnes for cooperatives during the XI Plan but a conscious decision for diverting this reserved quota to other categories can be taken by the Committee to be constituted in the Ministry as stated above

## **Insurance**

It will be the responsibility of the owner of the godown to have the insurance for the godown.

## **Subsidy**

**Rate of subsidy** shall be:-

33.33% of the capital cost of the project in case of projects located in North – Eastern States, hilly areas and those belonging to Women Farmers/ their self help groups / co-operatives and SC/ST entrepreneurs & their self-help groups/ Co-operatives subject to a maximum ceiling on subsidy of Rs.62.50 lakh. No maximum ceiling on subsidy in the case of cooperatives assisted by NCDC;

25% of the capital cost of the project to all categories of farmers (Other than Women Farmers), agriculture graduates, cooperatives and State/ Central Warehousing Corporations subject to a maximum ceiling on subsidy of Rs. 46.87 lakh. No maximum ceiling on subsidy in the case of cooperatives assisted by NCDC;

15% of the capital cost of the project to all other categories of individuals, companies & corporations etc., subject to a maximum ceiling on subsidy of Rs. 28.12 lakh; and

25% of the capital cost of the project for renovation of godowns of cooperatives with assistance from NCDC.

Capital cost of the project for the purpose of subsidy under the scheme shall be calculated as follows:

**For godowns up to 1000 tonnes capacity** – Project cost as appraised by financing Bank or actual cost or Rs 2500/- per tonne of storage capacity, whichever is lower;

**For godowns exceeding 1000 tonnes capacity** – Project cost as appraised by Bank or actual cost or Rs 1875/- per tonne of storage capacity, whichever is lower. However, for godowns exceeding 10,000 tonnes capacity, the subsidy would be restricted to that admissible for capacity of 10,000 tonnes only, subject to the relaxations made under para 3 (xviii) above for projects of the cooperatives;

**For renovation of godowns by cooperatives with assistance from NCDC** - project cost as appraised by Bank / NCDC or actual cost or Rs.625/- per tonne of storage capacity, whichever is lower.

No beneficiary shall draw subsidy for the godown project or any of its component from more than one source.

The capacity of godown shall be calculated @ 0.4 M.T. per cu. mtr.

### **Release of Subsidy**

Subsidy for the projects under the scheme shall be released through NABARD for projects financed by Commercial, Cooperative and Regional Rural Banks, ADFCs, SCBs, SCARDBs, NEDFI and scheduled PUCBs and other institutions eligible for refinance from NABARD and through NCDC for projects financed by NCDC or by Cooperative Banks in accordance with its eligibility guidelines.

### **Adjustment of subsidy in Borrower's Account**

The subsidy released to the bank / NCDC for an individual project will be kept in a separate borrower-wise account. The adjustment of subsidy will be back ended. Accordingly, the full project cost including the subsidy amount, but excluding the margin money contribution from the beneficiary, would be disbursed as loan by the banks. The repayment schedule will be drawn on the loan amount in such a way that the total subsidy amount is adjusted after full bank loan component net of subsidy with interest is liquidated but not before 5 years from the date of disbursement of first instalment of loan.

## **No interest chargeable on subsidy portion**

The subsidy admissible to the promoter under the scheme will be kept in the Subsidy Reserve Fund Account (Borrower-wise) in the books of the financing banks. No interest would be charged on this by the Bank. In view of this, for purposes of charging interest on the loan component, the subsidy amount should be excluded. The balance lying to the credit of the subsidy reserve fund account will not form part of demand and time liabilities for the purpose of SLR/CRR.

### **4. INSTITUTIONAL LENDING**

#### **A. Eligible Financing Institutions**

The eligible financing institutions under the scheme are:-

Commercial Banks, Regional Rural Banks (RRBs), State Cooperative Banks (SCBs), State Co-operative Agricultural and Rural Development Banks (SCARDBs), Agricultural Development Finance Companies (ADFCs), Scheduled Urban Coop. Banks, North Eastern Development Finance Corporation (NEDFI), and such other institutions eligible for refinance by NABARD.

NCDC and Cooperative Banks recognized by NCDC in accordance with its eligibility guidelines.

#### **B. Term Loan**

Minimum 50% of the project cost (46.67% in case of NE States, hilly areas, Women Farmers/ their self help groups / co-operatives and SC/ST entrepreneurs & their self-help groups/ Co-operatives ) is to be raised as term loan from the financing banks. As the subsidy is back-ended, eligible amount of subsidy would be initially allowed as term loan to the beneficiary. The repayment schedule will be drawn on the total loan amount (including subsidy). The subsidy amount will be adjusted after liquidation of bank loan (net of subsidy) but not before 5 years from the date of disbursement of first instalment of term loan.

Depending upon the cash flow, the term loan would carry an adequate long term repayment period, not less than 5 years including a grace period of one year.

Rate of interest to borrowers on term loan shall be as per RBI guidelines. Interest will be chargeable from the date of the first disbursement of loan.

The financial institution may also provide working capital separately for undertaking business by entrepreneurs.

NCDC may follow its own norms for period of term loan, its repayment, moratorium, interest rate etc.

## 5. PATTERN OF ASSISTANCE

### FOR PROJECTS FOR WHICH SUBSIDY ROUTED THROUGH NABARD

#### Pattern of funding

	Projects located in States/ areas other than NE States/ hilly areas, and projects not belonging to women farmers/ SC/ ST entrepreneurs & their self-help groups/ cooperatives	Projects located in NE States/ hilly areas**/ & projects belonging to Women Farmers***/ SC/ST entrepreneurs & their self help groups/ Co-operatives****	
Source of finance	Farmers@, Agriculture Graduates, Cooperatives and State / Central Warehousing Corporations.	Individuals, Companies and Corporations etc.	
Owner's minimum contribution*	25%	25%	20%
Subsidy from the Govt.	25%	15%	33.33%
Term loan from eligible Financing institutions (Minimum)	50%	50%	46.67%

@ Farmer is a person whose main source of income is from Agriculture.

\* Cost of land not exceeding 10% of the project cost can form part of the owner's contribution.

\*\* Where the project site is located at a height of more than 1000 meters above mean sea level.

\*\*\* In case of partnership/ co-ownership, the ownership of women partners/ members shall be to the extent of 50% or more in the project to consider an application under the category of women farmer.

\*\*\*\* SC/ST Cooperative to be certified by the concerned officer of the State Government.

#### Mode of release

**Advance subsidy:** 50% of the subsidy amount will be released to NABARD by Deptt of Agriculture and Cooperation in advance. Accordingly NABARD would release subsidy to participating banks in advance for keeping the same in the Subsidy Reserve Fund Account of the concerned borrower. This amount of 50% advance subsidy would be

released by NABARD to the participating banks on submission of a project profile-cum-claim form (Annexure-I).

**Final subsidy :** The remaining 50% of the subsidy amount would be disbursed to the participating bank(s) by NABARD after conduct of an inspection by a Joint Inspection Committee comprising of officers from NABARD, participating bank and Directorate of Marketing & Inspection (DMI) in the concerned State.

**FOR PROJECTS FOR WHICH SUBSIDY ROUTED THROUGH NCDC**

**Pattern of funding**

For Cooperatives located in the States/ areas other than NE States/ hilly areas, and projects not belonging to women farmers/ SC/ ST entrepreneurs & their self-help groups/ cooperatives

<u>From NCDC to State Govt. society</u>	<u>From State Govt. to society</u>
<b>Term loan - 65%</b>	Term loan - 50%
Subsidy - 25%	Share Capital - 15%
	Subsidy - 25%
	Society share - 10%

For Cooperatives located in NE States/ hilly areas/ & projects belonging to Women Farmers/ SC/ST entrepreneurs & their self-help groups/ Co-operatives

<u>From NCDC to State Govt. society</u>	<u>From State Govt. to society</u>
<b>Term loan - 56.67%</b>	
Subsidy - 33.33%	Term loan - 50.00%
	Share Capital - 06.67%
	Subsidy - 33.33%
	Society share - 10.00%

### Through Cooperative Banks / directly to Cooperative Societies

S.No.	Source of Finance	Cooperatives located in the States/ areas other than NE States/ Hilly areas and cooperatives not belonging to women farmers/ SCs/ STs/ their self-help groups	Cooperatives located in NE States/ Hilly areas* and for Women Farmers/ their self help groups / co-operatives and SC/ST entrepreneurs & their Co-operatives
i)	Promoter's contribution (Minimum)**	25%	20%
ii)	Subsidy from the Govt	25%	33.33%
iii)	Term loan (Minimum)	50%	46.67%

\* Where the project site is located at a height of more than 1000 meters above mean sea level .

\*\* Cost of land not exceeding 10% of the project cost can form part of the owner's contribution.

#### Mode of release

- ❑ 50% of subsidy amount shall be released on approval and acquisition of land and balance 50% of subsidy amount shall be provided after godown has reached roof level.
- ❑ 100% of subsidy amount shall be released in case of renovation of godowns after work of repair and renovation is taken up.

The subsidy provided as interest free loan shall be adjusted only after construction of godown has been completed to the satisfaction of NCDC.

#### **6. PLEDGE LOAN**

The farmers keeping their produce in the godowns shall be eligible to avail on hypothecation of produce upto 75% of the value of produce pledged subject to a ceiling of Rs.5 lakh per borrower. Such loan shall be for a period of upto 12 months. The rate of interest on such loans shall be as per RBI guidelines. The banking institutions shall accept the godown receipts on its being duly endorsed and delivered to bank for pledge loan against hypothecation of produce as per RBI guidelines. The pledge loan advance under Grameen Bhandaran Yojana will qualify under 'Direct Agriculture - priority sector lending'.

## **7. TIME LIMIT FOR COMPLETION**

A time limit of 15 months is prescribed for completion of the project from the date of disbursement of first instalment of loan. However, if reasons for delay are justified, a further grace period upto 6 months may be allowed by the participating bank. If the project is not completed within stipulated period, the benefit of subsidy shall not be available and advance subsidy has to be refunded forthwith

## **8. REFINANCE ASSISTANCE FROM NABARD**

### **For Construction of Rural Godowns**

For construction of rural godowns, NABARD would provide refinance, if required by commercial bank / RRBs/ ADFCs / SCBs/ SCARDBs and such other eligible institutions @ 90% of the amount financed by them as term loan. However, quantum of refinance is 95% in case of SCARDBs in North Eastern Region. The quantum of refinance from NABARD could vary from time to time. Rate of interest on refinance will be as decided by NABARD from time to time.

### **For Pledge Loan**

For Pledge Loan, NABARD will also provide refinance to Cooperative Banks as per NABARD's norms, which are as under:

Facility of pledge finance is extended to all cultivators whether they be the borrowing members of PACS or not and the DCCBs are permitted to directly finance individual cultivators on the strength of the pledge;

Quantum of pledge loan will be upto 75% of value of actual produce pledged subject to a ceiling of Rs.5 lakh per borrower;

The period of pledge loan is upto 12 months;

Farmers are given freedom to take back their produce once the pledge loan is repaid; and

Rate of interest on re-finance against pledge loan will be as decided by NABARD from time to time.

## **9. PUBLICITY AND TRAINING**

The general awareness programme on the scheme for the farmers and the training programme for the entrepreneur for construction, maintenance and operation of rural godown will be organised by the National Institute for Agriculture Marketing, Jaipur in collaboration with other institutions like BIRD, TOPIC etc.

## **10. OTHER CONDITIONS**

Rural godowns may be treated as infrastructure for financing.

The participating banks / NCDC / NABARD, etc., will adhere to their own norms for appraisal of projects.

A signboard at the site "Assisted under Gramin Bhandaran Yojana of Ministry of Agriculture, Government of India" will be exhibited.

Govt.'s interpretation of various terms will be final.

Besides Joint Inspection Committee (JIC) inspection, pre & post completion inspections of the project may be undertaken to verify physical, financial and operational progress, as and when required.

Govt. reserves the right to modify, add and delete any term and condition without assigning any reason.

## **11. PROCEDURE TO BE FOLLOWED FOR SANCTIONING OF PROJECT AND RELEASE OF SUBSIDY**

### **Projects financed through Banks**

Promoter will submit the project proposal for term loan and subsidy to Bank on application form as prescribed by the concerned Bank along with project report and other documents for appraisal and sanction of loan. A copy of the proposal shall also be endorsed by the promoter to Sub Office/ Regional Office of DMI as per list at Annexure VI.

Bank after appraisal and sanctioning of project and disbursement of first instalment of loan will furnish a brief project profile-cum-claim form for advance subsidy in the prescribed form given at Annexure-I along with a copy of bank's sanction letter to RO, NABARD with a copy to the Sub Office/ Regional Office of DMI as per list at Annexure VI.

NABARD on receipt of project profile-cum-claim form from the participating bank, will sanction and release 50% advance subsidy to the participating bank for keeping the same in the Subsidy Reserve Fund Account (Borrower-wise). NABARD will forward a copy of claim form as indicated in Annexure I to the Head Office of DMI project-wise for replenishment or adjustment against advance subsidy provided by DMI to NABARD. The release of subsidy by NABARD will be subject to availability of funds from DMI.

When the project is complete, the promoter will inform the bank which will initiate action for an inspection by a Joint Inspection Committee consisting of officials from bank, NABARD and DMI to ensure that the rural godown conforms to approved technical & financial parameters. However, for rural godowns of upto 1000 MTs capacity, the Ministry of Agriculture will consult NABARD and subject to their willingness, the present system of having three members Committee would be continued, otherwise the

Joint Inspection Committee for Rural Godowns of upto 1000 MT capacity, will be downsized to only two officials, one from the bank concerned and the other one from the DMI.

The Joint Inspection Committee shall consult the Head of the Gram Panchayat / Member of concerned Local Body before making recommendations for release of final subsidy for each project.

After inspection is conducted, the bank will submit the claim form for final subsidy in the prescribed format given at Annexure II to NABARD, in triplicate, with a copy to Regional Office/Sub-Office, DMI. The inspection report of Joint Inspection Committee and completion certificate should invariably be enclosed with claim form for final subsidy. NABARD shall release the final subsidy to banks, which will be replenished by DMI or adjusted against the subsidy amount provided to NABARD in advance.

### **Projects financed through NCDC**

- ❑ NCDC shall provide assistance to the cooperatives for construction/renovation of godowns.
- ❑ The cooperative societies shall formulate proposals in the format prescribed by NCDC and shall submit to RCS/State Govt. or directly to NCDC.
- ❑ The RCS/State Govt. shall examine the proposal and shall recommend to NCDC for consideration.
- ❑ NCDC shall communicate its sanction to the State Govt. and the State Govt. shall issue a counter sanction to the societies.
- ❑ The pattern of funding, interest rates, mode of release of sanctioned assistance shall be as per NCDC's norms and policies as circulated from time to time.
- ❑ The State Govt. shall periodically furnish progress report to the NCDC and NCDC shall furnish the same to DMI.
- ❑ DMI shall release advance subsidy for parking in NCDC's account. The project-wise subsidy shall be adjusted / replenished by DMI.
- ❑ NCDC shall furnish utilisation certificate to DMI.
- ❑ NCDC and DMI may undertake inspection of godowns to verify the utilization on a random basis.

## **12. MONITORING**

The monitoring of each project shall be done by DMI through its Regional/ Sub-Offices (Annexure VI) and review will be done on monthly basis with NABARD/NCDC.

As mentioned in para 11(iv), a Joint Inspection Committee consisting of officials from NABARD, NCDC, participating bank(s), as the case may be, and DMI would inspect the project within the overall scope of the operational guidelines of the scheme and would submit its report in the format at Annexure-V which should be enclosed with Annexure II. For this purpose, the promoters/participating banks/NABARD/DMI will initiate

necessary action to get the inspection conducted on the project site by the Joint Inspection Committee as soon as the project is completed, so as to avoid any delay in release / adjustment of subsidy.

After crediting the final instalment of subsidy in the reserve fund of the borrower, a utilization certificate as per Annexure III is required to be submitted by the participating bank to NABARD/ NCDC as the case may be to the effect that amount of subsidy received by them has been fully utilized/adjusted in the books of account under the sanctioned terms and conditions of the project, within the overall guidelines of the scheme.

The progress report of the scheme as per format at Annexure – IV shall be sent by NABARD / NCDC directly to the Head Office of DMI on monthly basis.

**REPORTS PUBLISHED UNDER THE EVALUATION STUDY SERIES OF THE NATIONAL  
BANK FOR AGRICULTURE AND RURAL DEVELOPMENT**

**A. Reports published by the Head Office of NABARD**

Sr. No	Title of Evaluation Study Reports	Year of Publication
1	*Minor Irrigation scheme - Construction of New Wells and Installation of Pumpsets thereon in Solapur District, Maharashtra	1977
2	*Minor Irrigation Scheme - Installation of shallow Tubewells in Karnal District, Haryana	1977
3	*Bhadra Land Development Project - Scheme for Reclamation and Development of Land, Karnataka	1977
4	*Land Development under Nagarjuna Sagar Project, Miryalguda Talluka, Andhra Pradesh	1977
5	*Dairy Development Scheme in Jagadhri Block of Ambala District, Haryana	1978
6	*Dairy Development Scheme in Moga Area of Faridkot District, Punjab	1978
7	*Poultry Development Scheme in Mulkanoor, Karimnagar District, Andhra Pradesh	1979
8	*Mechanised Fishing Boats in South Kanara District, Karnataka	1979
9	*Development of Acid Gardens in Nellore District, Andhra Pradesh	1981
10	*Groundwater Irrigation in Kota District, Rajasthan	1982
11	Minor Irrigation in Bhojpur District, Bihar	1982
12	Development of Grape Cultivation in Bijapur District, Karnataka	1982
13	River Lift Irrigation Scheme in Pune District, Maharashtra	1982
14	*Dairy Development Scheme in Western Uttar Pradesh	1982
15	*River Lift Irrigation Scheme in Kolhapur District, Maharashtra	1982
16	Sheep Rearing in Nalgonda District, Andhra Pradesh	1982
17	*Development of Coffee Plantation in Lower Plains Area, Madurai District, Tamil Nadu	1982
18	*Public Tube wells and River Lifts in Orissa	1984
19	Power Tillers in Hooghly District, West Bengal	1985
20	Commercial Poultry in Krishna District, Andhra Pradesh	1986
21	Dugwell Irrigation in Palghat District, Kerala	1986
22	Tractors in North Bihar	1986
23	Dairy Development in Darjeeling District, West Bengal	1987
24	Tractors in Varanasi, Ghazipur and Jaunpur Districts, of Eastern Uttar Pradesh	1987
25	Tractors and Power Tillers in Tamil Nadu	1987
26	Minor Irrigation in Muzaffarnagar District, Uttar Pradesh	1987
27	Dairy Development in Quilon District, Kerala	1987
28	Dugwell Irrigation in Dhenkanal District, Orissa	1988
29	Bamboo and Shallow Tubewells in Purnea District, Bihar	1988
30	Dugwell Irrigation in Nasik District, Maharashtra	1988
31	Calf Rearing in North Arcot, Salem and Coimbatore Districts, Tamil Nadu	1988
32	Minor Irrigation in Allahabad District, Uttar Pradesh	1988
33	Coconut Development in Quilon District, Kerala	1988
34	Minor Irrigation in Purulia District, West Bengal	1988

35	Sprinkler Irrigation in Semi-arid Areas, Rajasthan	1989
36	Dugwell Irrigation in Amravati District, Maharashtra	1989
37	Marine Fisheries in Coastal Gujarat and Maharashtra	1989
38	Financing of Shallow Tube wells under Massive National Programme in Haryana	1989
39	Financing of Apple Orchards in Hill Districts, Uttar Pradesh	1991
40	Work Animals and Animal Driven Carts in Meerut District, Uttar Pradesh	1991
41	Inland Fishery in Krishna District, Andhra Pradesh	1991
42	Bio-Gas Plants in Nainital and Rampur Districts, Uttar Pradesh	1991
43	Impact of NFS Investments	1994
44	Lift Irrigation Schemes in Maharashtra	1995
45	Mandawan Watershed Project Under Indo German Watershed Development Programme-Maharashtra	1999
46	Self Help Groups in Tamil Nadu	2000
47	Micro Finance for Rural People- An Impact Study	2000
48	Non Farm Sector Investments - An Impact assessment	2002
49	SHG - Bank Linkage Programme for Rural Poor in India - An Impact Assessment	2002
50	Cold storage Units Financed Under Capital Investment Subsidy Scheme : An Impact Assessment	2003
51	Infrastructure for Agriculture and Rural Development: An Impact assessment of Investments in Rural Roads & Bridges under RIDF	2004
52	Commodity Specific Study – Grapes	2006
53	Commodity Specific Study – Cotton	2006
54	Commodity Specific Study : Potato	2006

*\* Reports are out of stock*

## B. Reports Published by Regional Offices of NABARD

Sr. No	Regional Office	Title of Evaluation Report	Year of Publication
1	<b>AndhraPradesh</b>	Public Tubewells in Khamman District, A P	1988
2		Development of Grape Gardens in Ranga Reddy District, AP	1989
3		Dugwell Irrigation in Chittoor District, AP	1989
4		Mango Orchards in Krishna and Khammam, AP	1991
5		On Farm Development in Khammam&Krishna, AP	1995
6		Inland Fishery in West Godavari, Andhra Pradesh	1996
7		Dairy development in Krishna District, Andhra Pradesh	1999
8		Poultry layer Investment in Andhra Pradesh	2000
9		Food (Mango) Processing in Visakhapatnam and Chittoor districts	2001
10		Sheep Rearing in Mahabubnagar and West Godavari districts	2002
11		Sericulture Investment in Andhra Pradesh	2003
12		Rural Non Farm Sector Investment in AP	2005
13		Micro finance for Micro enterprises	2006
14		Commodity Specific Study : Mango	2007
15		REDP – An Impact Evaluation	2008
1	<b>Assam</b>	Private Shallow Tube wells & Lift Points in Assam	1989
2		Inland Fishery in West Tripura District, Tripura	1992
3		IRDP in Nagaon district	2000
4		FM (Power tiller) in Sibsagar District	2000
5		Impact of RIDF Investments on Rural economy	2007
1	<b>Bihar</b>	Shallow Tube wells in Bihar	1988
2		Deep Tube wells in Bihar	1989
3		Dairy Development in Begusarai & Singhbhum in Bihar	1989
4		MI Schemes in Samastipur District, Bihar	1996
5		IRDP in Ranchi District on Bihar	1997
6		Cold Storage in Bihar	2004
7		Million Shallow Tube well Programme in Bihar	2005
1	<b>Chhatisgarh</b>	MI Investments in Chhasttisgarh	2005
2		Impact assessment of RIDF investments in Chhattisgarh	2006
3		Commodity Specific Study : Groundnut	2007
		Evaluation of REDP - Chattisgarh	2008
1	<b>Jharkhand</b>	Rural Non Farm Sector Investment	2006
1.	<b>Haryana</b>	Commodity Study on Pulses in Bhiwani and Hisar districts, Haryana	2010
1	<b>Gujarat</b>	Poultry Development Scheme in Gujarat	1988
2		Dairy Development Scheme in Mehasana, Gujarat	1989
3		Lift Irrigation Scheme of Ukai Left Bank Main Canal - Gujarat	1991
4		Financing of Tractors in Mehasana & Rajkot Districts, Gujarat	1992
5		Investments Financed under IRDP in Valsad District, Gujarat	1994
6		Marketyard in Jetpur	2003
7		Marine Fisheries in Junagarh	2003
8		Buffalo Financing in Sabarkantha	2004
9		Impact Assessment of Micro Enterprises among SHG Members	2008
10		Commodity Specific Study on Groundnut	2008
1	<b>Himachal Pradesh</b>	Dairy Development in Mandi district	1997
2		Apple cultivation in Himachal Pradesh	2004

3		Rural Roads and Bridges financed under RIDF in Himachal Pradesh	2006
4.		Agriclinics and Agri Business centres: An Evaluation Study	2010
1	<b>Jammu &amp; Kashmir</b>	IRDP in Baramullah District, Jammu & Kashmir	1992
2		Tractors in Jammu District, Jammu & Kashmir	1995
1	<b>Karnataka</b>	Grape Gardens in Bangalore and Kolar Districts, Karnataka	1989
2		Borwell Financing in Chitradurga and Kolar District, Karnataka	1990
3		Development of Coffee Garden in Karnataka	1992
4		Sericulture Development in Mysore& Hassan Districts, Karnataka	1993
5		Lift Irrigation Schemes in Belgaum, Karnataka	2000
6		Poultry Development in Bangalore and Bangalore District	2001
7		Drip Irrigation Programme in Chitra Durga	2002
8		Dairy Development in Kolar and Shimoga district	2003
9		Sericulture in Kolar and Tumkur districts	2003
10		Fuelwood Development Projects in Karnataka	2003
11		Participatory Irrigation Management Institutions in Karnataka	2004
12		Gherkin AEZ - Karnataka - Commodity Specific Study with special Reference to Contract Farming	2005
13		Cost Models for SHG vs. MFI Model	2006
14		Commodity Specific Study: Sugarcane	2007
1	<b>Kerala</b>	Betelvine gardens in Trivandrum District, Kerala	1988
2		Broiler Poultry Development in Ernakulam District, Kerala	1990
3		Development of Rubber Plantation in Kottayam District, Kerala	1991
4		Fisheries Development in Kollam District, Kerala	1992
5		Farm mechanisation in Palakkad and Ernakulam Districts	1995
6		RNFS in Malappuran and Kozikode Districts, Kerala	1998
7		Sprinkler Irrigation in Arecanut garden in Kasaragod district	2002
8		Dairy development in Kollam district	2002
9		MI in Kasargod and Kannur District in Kerala	2003
10		Rural Non Farm Sector Activities	2004
11		Self Help Group in Waynad district	2004
12		Impact of RIDF investments in Kerala	2008
13		Commodity Specific Study: Cashewnut in Kerala	
1	<b>Madhya Pradesh</b>	Dugwell and Shallow Tubewell Irrigation in Narsinghpur, MP	1988
2		Tractor Financing in Raisen and Vidisha, MP	1989
3		Commercial Layer Poultry Development in Indore District, MP	1992
4		IRDP in Sagar District, Madhya Pradesh	1994
5		Rural Non Farm Sector in Ujjain district	2005
1	<b>Maharashtra</b>	Lift Irrigation Schemes in Ahmednagar District	1988
2		Well Irrigation in Aurangabad District	1991
3		Poultry Development in Pune District	1991
4		Grape Gardens in Nasik District	1993
5		Land Development in Kukkadi Project	1995
6		IRDP in Yavatmal District	1998
7		Farm Mechanisation in Ahmednagar district.	1999
8		Post Harvest Centres ( pre cooling etc) for export of Grapes	2001
9		Rice Mills in Maharashtra	2003
10		Cold Storages in Maharastra	2004
11		Impact of RIDF Investments on Rural Economy	2006

12		Impact of Infrastructure on Agricultural Growth	2007
1	<b>Orissa</b>	Betelvine Gardens in Puri District, Orissa	1989
2		Tractors in Sambalpur District, Orissa	1989
3		Dairy Development in Cuttack&Ganjam, Orissa	1992
4		Brackish Water Prawn Culture in Puri, Orissa	1994
5		Minor Irrigation in Sambalpur District, Orissa	1997
6		Shallow Tubewells inCuttak and Puri districts	2000
7		DRIP & PLI Training in Ganjam district.	2002
8		Group financing Under Farm mechanisation in Orissa	2003
9		Investment under RIDF in Rural Bridges	2004
10		SHG-Bank Linkage Programme in KBK Region in Orissa	2005
11		Impact of RIDF Investments in Orissa	2006
12		Commodity Specific Study: Cashewnut	2007
13		District Rural Industries Project in Bargarh District	2008
14		Evaluation of Rural Entrepreneurship Development Programme	2009
15		Commodity Specific Study on Pulses in Orissa	2010
1	<b>Punjab &amp; Haryana</b>	Poultry Farming in Punjab	1987
2		Dairy Development in Karnal and Rohtak Districts	1987
3		Tractors in Haryana	1994
4		Grape Gardens in Hissar District , Haryana	1998
5		Inland Fisheries in Patiala and Bathinda, Punjab	2000
6		Financial Viability of Tractors in Punjab.	2001
7		RNFS in Ludhiana and Sangur of Punjab.	2001
8		Water Conveyance System in Rewari & Mahendergargh Districts	2001
9		Cold storage in Jalandhar, Ludhiana & Patiala Districts in Punjab	2001
10		Dairy financing in Kurukshetra & Kaithal Districts of Haryana	2002
11		Self Help Group in Karnal Gurgaon and Bhiwani district	2002
12		Poultry (Layer) in Sangur and Gurdaspur Districts in Punjab	2003
13		Tubewells in Bathinda, Hoshiapur and Ropar Districts of Punjab	2003
14		Agro Processing Units in Haryana	2003
15		Rural roads in Mukatsar district in Punjab	2003
16		Financing of Dairy Development (buffaloes) in Patiala and Sangur districts of Punjab	2004
17		Tractor Financing in Kaithal and Faridabad Districts of Haryana	2005
18		Impact assessment of RIDF Investments in Haryana	2006
19		Commodity Specific Study : Sugarcane	2007
20		District Rural Industries project: An evaluation Study in Ambala District of Haryana	2008
1	<b>Rajasthan</b>	Minor Irrigation Structures in Kherwara P.S., Udaipur District	1988
2		Tractors in Alwar District, Rajasthan	1991
3		Market Yard in Kekri - Ajmer District, Rajasthan	1991
4		Borewell in Jodhpur District, Rajasthan	1993
5		IRDP in Alwar District, Rajasthan	1995
6		Poultry in Ajmer District, Rajasthan	1995
7		Sprinkler Irrigation in Barmer District, Rajasthan	1997
8		Dairy Schemes in Bharatpur Districts	1999
9		Water Management Schemes in Jaipur Districts	2000
10		Minor Irrigation in Bikaner district	2001

11		Orange Cultivation in Jhalwar district	2002
12		Rural Non Farm Sector in Bhilwara District	2006
13		Poultry (Layers) in Ajmer District	2006
14		Cost Models for SHG vs. MFI Model	2006
15		Commodity Specific Study : Groundnut	2007
16		District Rural Industries Project in Udaipur District	2008
1	<b>Tamil Nadu</b>	Poultry Development in Salem, TamilNadu	1988
2		Dugwell Irrigation in Tamil Nadu	1989
3		Tea Gardens in Nilgiris District, Tamil Nadu	1990
4		M I Investments under MAP in Tamil Nadu	1991
5		Jasmine Investments in Salem and Madurai Districts, Tamil Nadu	1992
6		Mini Dairy in Coimbatore & Periyar Districts, Tamil Nadu	1994
7		Marine Fisheries in Tamil Nadu	1998
8		Sericulture in Tamil Nadu	1999
9		IRDP in Tamil Nadu	2000
10		Modern Rice Mills in Tamil Nadu	2001
11		Coconut Development in Tamil Nadu	2002
12		MICP under KfW - NB VII in Ramnad & Trichy District	2002
13		District Rural Industries Project in Tirunelveli district	2003
14		Cold Storages in Tamil Nadu	2003
15		Rural Roads in Tamil Nadu	2003
16		Combine Harvesters in Tiruvallur and Salem Districts of Tamil Nadu	2005
17		Tea in Tamil Nadu: A Commodity Study in Nilgiris and Coimbatore Districts	2006
18		Comparative Cost Models for SHGs in Tamil Nadu – A Study in Villupuram District	2006
19		Commodity Specific Study: Cashewnut	2007
1	<b>Uttar Pradesh</b>	Minor Irrigation Scheme in Jhansi District, UP	1988
2		Tractors in Western Uttar Pradesh	1992
3		Inland Fishery in Azamgarh & Deoria Districts, UP	1994
4		NFS in Moradabad District, Uttar Pradesh	1994
5		Saghan Mini Dairy, Allahabad District, UP	1996
6		Mushroom Cultivation in Dehradun District, U P	1997
7		Grape Gardens in Muzaffarnagar District, UP	1998
8		MI in Rae Bareilly District, Uttar Pradesh	1998
9		Poultry (Broilers) Farming in UP	2005
10		Impact Assessment of Investments under RIDF	2006
11		Commodity Specific Study : Sugarcane	2007
12		REDP – an evaluation Study in Moradabad and Mirzapur Districts	2009
1	<b>Uttaranchal</b>	RNFS Study in Udham Singh Nagar District of Uttaranchal	2006
1	<b>West Bengal</b>	Inland Fisheries Scheme in Nadia, West Bengal	1987
2		Betelvine Gardens in Midnapore, West Bengal	1989
3		Bullock and Bullock carts in Malda, West Bengal	1991
4		Poultry Farming in (Broiler) in Midnapur District, West Bengal	1999
5		MI Schemes in Birbhum District, West Bengal	2000
6		Floriculture in Midnapore District of West Bengal	2003
7		Modern Rice Mills and Mustard Oil mills in Bankura Nadia districts	2003

8	Impact Assessment of SCP and TSP in West Bengal	2005
9	Rural Godowns in West Bengal	2006
10	Cost Models for SHG vs. MFI Model	2007
11	Commodity Specific Study on Mango	2008



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- ♦ Capacity building and human resource development.
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- ♦ Legislative drafting, model laws, documentation of agreements / contracts in development banking and service matters etc.

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- ♦ Land Development.
- ♦ Organic farming.
- ♦ Biofuel Manufacturing.
- ♦ Agribusiness/agriclinics.
- ♦ Forestry and wasteland.
- ♦ Plantation & Horticulture.
- ♦ Farm Mechanisation.
- ♦ Bio-technology.
- ♦ Poultry, Dairy & Animal Husbandry.
- ♦ Fisheries (Inland & Marine) & Aquaculture.
- ♦ Post-harvest technology.
- ♦ Rural Industrialisation.
- ♦ Microfinance.
- ♦ Capacity Building.

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