

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

RAJYA SABHA  
UNSTARRED QUESTION NO. 1291  
TO BE ANSWERED ON 30/07/2021

HIGH RENTAL CHARGE FOR COLD STORAGES AND WAREHOUSES

1291. SHRI SAMBHAJI CHHATRAPATI:

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) Whether Government has made any assessment of astronomically high rent charged from farmers at the cold storages and warehouses which majority of farmers are unable to pay in advance at the time of storage;
- (b) if so, the details thereof;
- (c) whether the farmers have no option than to sell their produces in mandis to middlemen at throwaway prices because most of them are unable to afford the storage charges; and
- (d) if so, the mechanism Government proposes to introduce to help farmers to store their produce in cold storages/warehouses to get reasonable rates after the market rates get stabilized?

ANSWER

THE MINISTER OF AGRICULTURE AND FARMERS WELFARE

(SHRI NARENDRA SINGH TOMAR)

(a) to (d): Tariff for storage on Cold Storage/Warehouse is negotiated between cold storage / warehouse owner and horticulture/ agriculture grower/ user of the facility. No such report of high rent charges from farmers at the cold storages and warehouses has been received.

Farmers are not charged any storage charges at the time of procurement of foodgrains. There exists a transparent policy for procurement by Govt. Agencies across the country. Under this policy, whatever food grains offered by farmers within the stipulated procurement period, conforming to the specifications prescribed by Government of India, are purchased at MSP by the Govt. agencies including FCI, for central pool. However, if any producer/farmer gets better price in comparison to MSP, he is free to sell his produce in open market.

Further, Government is implementing various schemes under which financial assistance is provided for setting up of cold storages and warehouses for storage of agriculture produce including perishable horticulture produce throughout the country.

Department of Agriculture & Farmers Welfare is implementing Mission for Integrated Development of Horticulture (MIDH) under which financial assistance is provided for various horticulture activities including setting up of cold storages. The component is demand/entrepreneur driven for which Government assistance in the form of credit linked back ended subsidy is available at the rate of 35% of the project cost in general areas and at the rate of 50% of the project cost in hilly and scheduled areas.

Besides, National Horticulture Board (NHB) is implementing a scheme namely “Capital Investment Subsidy for Construction/Expansion/Modernization of Cold Storages and Storages for Horticulture Products”. Under the scheme, credit linked back-ended subsidy at the rate of 35% of the capital cost of the project in general areas and 50% in case of North East, hilly & scheduled areas for construction/expansion/modernization of cold storage and controlled atmosphere (CA) storage of capacity above 5000 MT and up to 10000 MT is available. In case of North East region, the units with capacity above 1000 MT are also eligible for assistance.

Further, Ministry of Food Processing Industries (MOFPI) is implementing a Scheme for Integrated Cold Chain, Value Addition and Preservation Infrastructure as one of the component of Pradhan Mantri Kisan Sampada Yojana with the objective of reducing post-harvest losses of horticulture and non-horticulture produce and providing remunerative price to farmers for their produce. Under the scheme, Ministry provides financial assistance in the form of grant-in-aid at the rate of 35% for general areas and 50% for North East and Himalayan States, ITDP areas and Islands for storage and transport infrastructure and at the rate of 50% and 75% respectively for value addition and processing infrastructure subject to a maximum grant-in-aid of Rs. 10 crore per project for setting up integrated cold chain projects including irradiation facility. The integrated cold chain and preservation infrastructure can be set up by individuals, groups of entrepreneurs, cooperative societies, Self Help Groups (SHGs), Farmer Producer Organizations (FPOs), NGOs, Central/State PSUs, etc.

Department of Agriculture and Farmers Welfare is implementing Agricultural Marketing Infrastructure (AMI), a sub-scheme of Integrated Scheme for Agricultural Marketing (ISAM) across the country. AMI is demand driven, credit linked, back ended subsidy scheme. Under the scheme, subsidy at the rate of 25% for plain areas and 33.33% for NER, hilly area is available for beneficiaries viz, Farmers, Individuals, Agripreneurs, Farmer Producer Organizations (FPOs), Cooperatives, and state agencies etc. for development of Agricultural Marketing Infrastructure Projects including storage infrastructure.

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