



A study of GraminBhandaranYojna its uses and utility: A Review

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ABSTRACT

The Narasimha Rao government, along with Finance Minister Dr. Manmohan Singh, initiated economic reforms in 1991, and he is considered as the architect of Indian economic reforms. Reforms are being implemented in order to enhance the Indian economy. The Indian economy is divided into three sectors: agriculture, services, and manufacturing. Agriculture accounts for 15 percent to 19 percent of India's GDP, and agriculture employs more than half of the country's workforce. The Government of India has taken various steps to enhance the agriculture sector, one of which is the GraminBhandaranYojna or rural Godown Scheme, which was introduced in 2001-2002. The scheme's main goal is to provide a subsidy in the form of a loan to an individual or an institution in order to build and repair the godown. It is a capital-intensive project that allows farmers to keep their produce for a set amount of time in godowns. [1] For the years 2014 through 2018, this study report examines the progress of GraminBhandaranYojna, or rural godowns. The success of this strategy is measured by the number of godowns build and repairs in the Nagpur region and the amount of money set aside for subsidising the construction and repair of godowns. To determine the influence of the scheme, statistical techniques such as mean and others were applied. An analysis depicts that there is marginal growth in number of godowns in Nagpur region over a period of times but there is decrease the number of godowns in entire Maharashtra.

KEYWORDS: GraminBhandaranYojna, GDP, Godown.

1. INTRODUCTION

India is an agricultural nation, with agriculture serving as the backbone of the Indian economy. Agriculture is a primary sector in the Indian economy; manufacturing is a secondary sector; and service is a tertiary sector; their contributions to GDP are approximately 18 percent, 22 percent, and 60 percent, respectively. Agriculture employs 60% of the workforce, while industrial and service industries employ 27% and 23% of the workforce, respectively.[2] This demonstrates that our economy is entirely reliant

on the service industry. Agriculture and related activities' contribution to Gross Domestic Product (GDP) is declining year on year in comparison to other industries, which employ around 50-60% of the population living in villages. As a result, there is a pressing need to expand the agricultural industry. Every year in the financial budget, the agriculture sector is given special attention, and numerous schemes and programmes are introduced to help the agriculture sector develop and strengthen. The GraminBhandaranYojna, or rural godown (storage)

scheme, was initiated in 2001-2002 by the Ministry of Agriculture and Rural Development to address the shortage of food grain storage. Under this scheme, the government pays a subsidy on loans taken out by farmers and institutions for godown repairs and construction. The capacity of the warehouse under this scheme will be determined by the entrepreneur, but it must have a minimum capacity of 100 tonnes and a maximum capacity of 30,000 tonnes in order to qualify for a subsidy. In select exceptional circumstances, a subsidy of 50 tonnes will be provided. Subsidies on the capacity of the 25 tones will be granted in mountainous areas. This scheme's loan repayment period will be 11 years. The major goal of this plan is to build scientific storage capacity in rural areas, together with ancillary facilities, to assist farmers in storing agricultural produce and processed farm produce. To promote the marketability of agricultural produce, encourage grading, standardisation, and quality control. Provide the option of pledge finance and marketing credit to avoid distress sales right after harvesting. Create a strong agriculture marketing infrastructure in the country by making it easier to set up a national system of warehouse receipts for agricultural goods held in such warehouses. Encourage private and cooperative sectors to invest in the building of storage facilities in the country to boost agricultural investment prospects.

OBJECTIVES

The primary purpose of this research paper is to assess the growth of Rural Godowns for Nagpur region in terms of new Godowns construction.

2. AGRICULTURE'S CONTRIBUTION

Agriculture is both an art and a science that involves cultivating the soil, growing crops, and raising livestock. It entails the preparation of plant and animal products for human consumption as well as their distribution to markets. Agriculture produces the majority of the world's food and fabrics, including cotton, wool, and leather. Agriculture also provides lumber for building and paper products. These products, as well as the agricultural methods employed, may differ from one region of the world to the next.[8] Agriculture is the backbone of the Indian economy, and progress in this sector is essential for the country's rapid economic growth. Agriculture employs

50-60% of the Indian population and accounts for 15-19% of the country's GDP. The government is concentrating on the expansion and transformation of agriculture and related activities through private sector intervention and investment. Agricultural, farming, and agri-food value chains were significantly modernized as economic expansion surged, notably after 2000. High levels of economic growth have driven and continue to fuel food consumption, as well as producing off-farm jobs in rural and urban areas.

2. RELATED WORK

The study looked at the status of the Central Sector Scheme of Grameen Bhandaran Yojana/Rural Godowns Scheme, which was launched in 2001 and found that as of March 2019, the scheme had been implemented in 27 states across the country, with 38,964 projects sanctioned for a total cost of Rs. 2957.57 crores and a storage capacity of 655.48 lakh tonnes. Almost half of the capital subsidy was spent on the construction of storehouses, with the majority of it concentrated in the top states of Madhya Pradesh, Maharashtra, Haryana, and Andhra Pradesh, in order of their percentage of the overall subsidy paid across India. Although Gujarat and Karnataka had the highest number of godowns, Telangana, Jharkhand, Jammu and Kashmir, and Tripura had the largest godowns.[3]

[4] conducted a study on rural infrastructure, namely the GraminBhandaranYojna (rural godown), and analysed the extent of spread of constructed rural godowns, investment made, subsidy distributed, regional imbalances in rural godown construction, availability of rural godowns, utilisation pattern and benefits extended to rural economy, wastage reduction, and price gain to farmers, and suggested that the benefits of rural godowns be extended to small farmers and farmers of small farms.

[5] in Maharashtra, evaluate the operation of a warehouse facility for agricultural products. A study was carried out in Maharashtra, and it was discovered that the location was not suitable. They are located in consumption areas, such as secondary and tertiary markets, rather than production areas. This results in high transportation costs from farm to warehouse, which are out of reach for small and marginal farmers. The cost of storage in cooperative warehousing was

also very high, resulting in a rise in the commodity's price.

[6] compare the national bulk handling corporation for warehousing space availability and operation process, the study was conducted on Bikaner district only, and 50 traders from three mandis were selected randomly for the study of marketable and marketed surplus of guar, from two major talukas of Bikaner district. According to the study, the space available in Bikaner district is 504080MT, with self-owned space accounting for 22%, private company NCMSL (National Collateral Management Services) accounting for 15%, LTC Commercial Company Pvt. Ltd. accounting for 14%, and NHBC accounting for 10%. According to the study, the available space for farmers was enough; 78% of farmers store their products in warehouses and sell them when crop prices rise in the future.

The research was based on the creation of a mathematical model to maximise the storage capacity of a central warehousing system for FCI (Food Corporation of India). They created a mathematical model for storage as well as a transportation model for the public distribution system. The study's primary goal was to reduce storage space [7].

3. AGRICULTURE'S CONTRIBUTION

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after 2000. High levels of economic growth have driven and continue to fuel food consumption, as well as producing off-farm jobs in rural and urban areas.

4. THE FUNCTION OF WAREHOUSING

Despite the fact that warehousing is a distinct economic activity, it is inextricably linked to production, consumption, and trade. Warehousing is widely recognised as a critical component of the supply chain, where commodities are not only held for preservation, but also undergo various value-added procedures that reduce waste and costs. The importance of warehousing development in agricultural development cannot be overstated. Let us examine the interaction between warehousing and agriculture, which includes rural development, in this regard. Storage and transportation, is an economic function. Because there is always a time lag between production and consumption, it adds time utility to goods. During this time, commodities remain in the possession of someone—the producer, the middleman, or the consumer. Warehousing is critical for farm marketing, rural banking and financing, and guaranteeing the country's food security. It allows markets to relax during harvest season while ensuring a steady supply of agricultural commodities during the off-season. As a result, it solves the common problems of glut and scarcity in agricultural marketing.

To store and conserve such large quantities, India currently has a total agri warehousing capacity of around 91 MMT, with state agencies owning 41 percent of the capacity and the balance distributed among private entrepreneurs, cooperative societies, farmers, and so on. Agricultural warehousing accounts for 15% of the Indian warehousing market, which is estimated to be worth INR 8,500 crore

5. PRIVATE AGENCIES IN WAREHOUSING

The Indian warehousing industry has evolved dramatically in recent years, resulting in a gradual shift away from traditional godowns and toward modern warehouse formats. For a variety of reasons, the warehousing industry has expanded rapidly in recent years. The 'Make in India' campaign, which encouraged businesses to manufacture their products in India, was widely publicised throughout the country. India's exports have increased significantly, implying that the

volume of goods produced domestically has also increased. As a result, there is a greater demand for warehouses.

RIL(Ruchi Infrastructure Limited) entered the agri-warehousing business in 2008, becoming the largest private entity with more than 2.5 lakh tonnes of storage capacity in 22 strategic locations across Madhya Pradesh, India's most agriculturally important state. RIL's Agricultural Warehousing and Agri Marketing Infrastructure Projects have enabled farmers, processors, consumers, supply chain solution providers, and other stakeholders to connect and ensure a smooth flow of trade while incurring minimal operational and logistics costs. RIL has connected farmers with reliable crop markets and facilitated the flow of produce from farms to commercial buyers and processors by eliminating the middlemen.[9]

Sohan Lal Commodity Management Pvt Ltd (SLCM) is a post-harvest Agri-Logistics Group with a global presence. It is an integrated player that offers the end user a one-stop solution with a diverse portfolio of services ranging from Warehouse Management, Agriculture Financing, and Collateral Management to Procurement. SLCM warehouse management is technologically equipped to provide storage and protection services for a wide range of agri-commodities. Farmers, Processors, Millers, Traders, Importers, Exporters, Commodity Exchanges, and the Government are all served by the company. SLCM has handled over 959 agricultural commodities across India, including Cotton, Barley, Bajra, Castor Seeds, Wheat, Pulses, Maize, Spices, Aloe Vera, and others. As of June 30th, 2021, SLCM managed a technology-enabled network of more than 7088 warehouses and 19 cold storages across India, with a total capacity of more than 20.872 million metric tonnes spread across 101.80 million square feet and a throughput of more than 1668.04 million metric tonnes.[10].

6. ROLE OF NABARD

NABARD is a Development Bank with a mandate to provide and regulate credit and other facilities for the promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts, and other allied economic activities in rural areas, with the goal of promoting

integrated rural development and securing rural prosperity, and for matters connected with or incidental to those activities.

NABARD's contribution to India's rural development is enormous. The Government of India established the National Bank for Agricultural & Rural Development (NABARD) as an apex Development Bank with the mission of easing loan flow for the promotion and development of agriculture, cottage and village industries. In 2005–2006, NABARD sanctioned Rs 1,57,480 crore in loans for agricultural activities. The entire GDP is expected to expand at an annual rate of 8.4%. In the future years, the Indian economy as a whole is expected to grow faster. NABARD plays a critical role in India's overall development, particularly in rural and agricultural development[11].

7. ANALYSIS

The following is a table of godowns available in Maharashtra, obtained from the Maharashtra Statistics Bureau website.

Year/ Division	2014	2015	2016	2017	2018
Kokan	119	119	122	123	121
Nashik	159	159	162	164	151
Pune	195	201	199	175	182
Aurangabad	233	209	210	194	196
Amravati	152	142	151	160	160
Nagpur	147	154	151	149	154
Total	1005	984	995	965	964

Table 1: Division wise Number of Godowns in Maharashtra.[12]

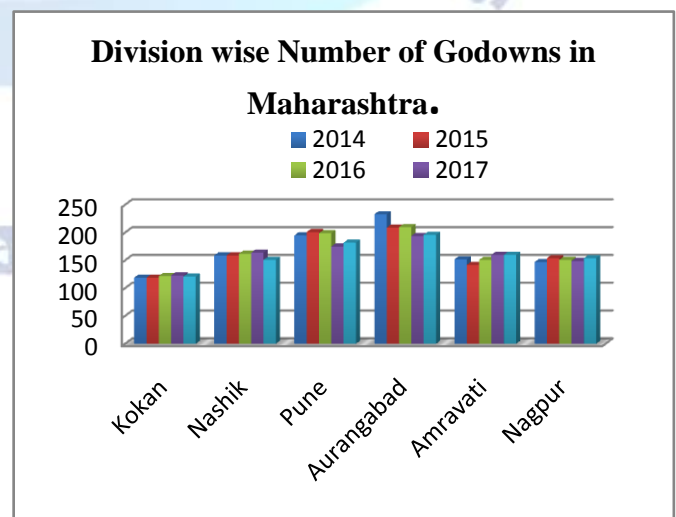


Figure 1: Bar Chart for Table 1.[12].

Figure 1 and table 1 demonstrate that in Maharashtra, Kokan division has the fewest godowns (Mean-120), whereas Aurangabad division has the most godowns (Mean-208). From 2014 to 2018, the number of godowns in the Aurangabad division has decreased, while the number of godowns in the Nagpur and Amravati divisions has increased marginally.

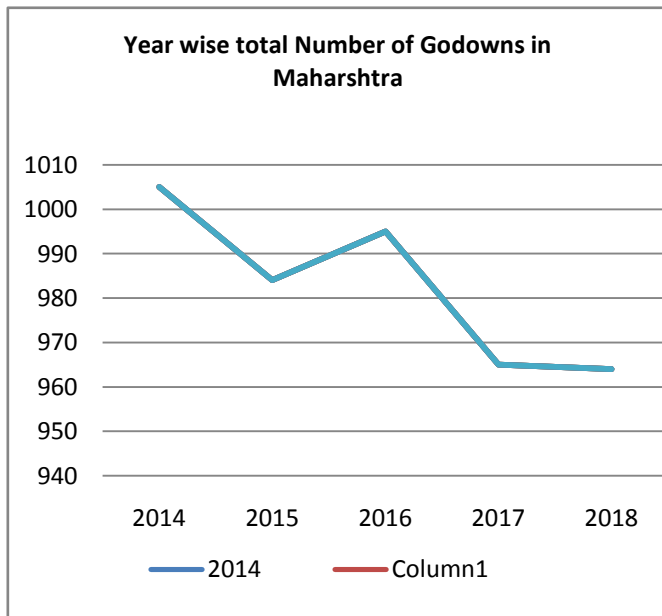


Figure2: Line bar for Table 1.[12].

Figure 2 shows a decrease in total godowns from 2014 to 2018. In 2014, there were a total of 1005 godowns available, compared to 964 in 2018.

Year/ Division	2014	2015	2016	2017	2018
Wardha	17	17	15	15	14
Nagpur	54	53	54	47	46
Bhandara	14	14	16	16	17
Gondia	11	11	12	11	13
Chandrapur	30	32	31	30	29
Gadchiroli	21	27	23	30	35
Total	147	154	151	149	154

Table 2: Nagpur Region's District wise Godowns.[13]

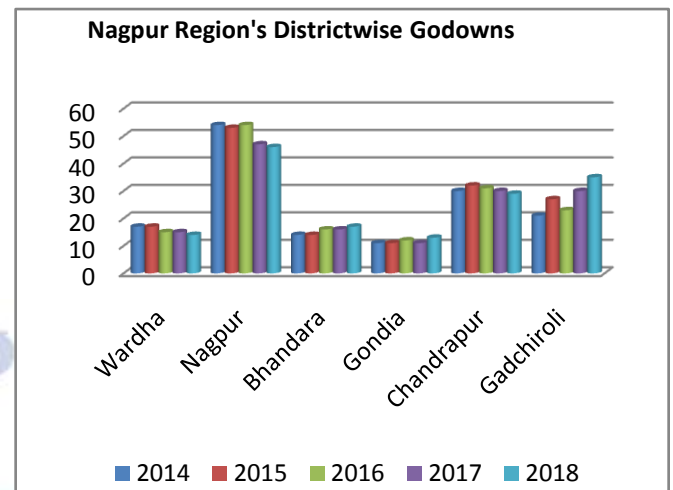


Figure3: Bar Chart for Table 2

Figure 2 shows a decrease in total godowns from 2014 to 2018. In 2014, there were a total of 1005 godowns available, compared to 964 in 2018.

Figures 3 shows the availability of godowns in the Nagpur region. Nagpur, Bhandara, Gondia, Chandrapur Wardha, and Gadchiroli are the five districts that make up the Nagpur region. According to Maharashtra Statistical Department data, Nagpur district has the most godowns (Mean-50) while Gondia has the fewest godowns (Mean-11).

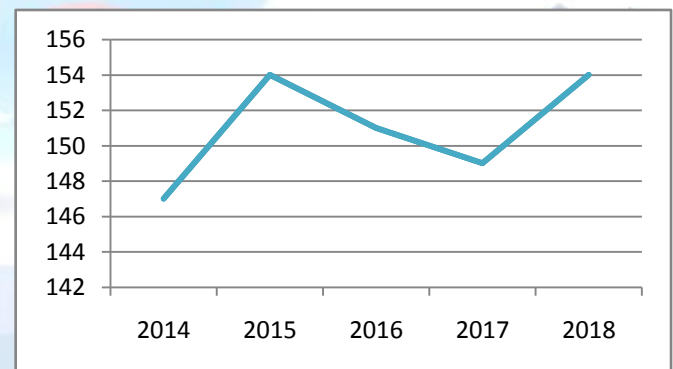


Figure4: Line Chart for Table 2

Figure 4 illustrates the total number of godowns in the Nagpur region, which climbed in 2018 over 2017, but fell from 2015 to 2017. From 2014 to 2018, the number of godowns in Bhandara, Gondia, and Gadchiroli increased, while Wardha, Nagpur, and Chandrapur saw a decrease

8. FUTURE SCOPE AND CONCLUSION

This study shows that there is marginal growth in number of godowns in Gadchiroli district in Nagpur region. There is no growth found in total number of

godowns from 2014 to 2018 in Nagpur region. Study shows that in Nagpur district rural godowns decreasing significantly. This paper will aid in the development of godown and warehouse renovation and construction strategies.

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