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Agricultural Warehouse- A Boon to Farmer

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ABSTRACT

The population of the country is increasing exponentially from time to time. Whereas, the cultivable land and other natural resources like water, fertility and minerals are on decreasing trend. At the same time, there is an increase in loss of agricultural produce due to various abiotic and biotic factors during and after the production and harvest. Agricultural warehouse is one of the solutions to minimize the post- harvest losses. Agricultural warehouse is a structure which stores and adds value by maintaining the quality of the farmer's produce. It protects the farmers from distress sale and facilitate them with loans through the negotiable warehouse receipts (NWR). Agri warehouses plays a crucial role in safeguarding the national food security. Central Warehousing Corporation (CWC) and Warehousing Development and Regulatory Authority (WDRA) controls the functioning of all the agricultural warehouses across the country.

Key words: Agricultural Warehouse, Negotiable Warehouse Receipt, Central Warehousing Corporation, Warehousing Development and Regulatory Authority.

INTRODUCTION

Agricultural warehouse is a scientific storage area for the agricultural produce. It provides storage space to the farmer's products with some storage charges. In addition to the storage space, it also provides value added facilities like cleaning, grading, sorting, drying and packaging of the agricultural produce contributing to the increase of product's value. After the harvest, these warehouses protect the farmers from the distress sale and helps them to get loans by issuing the negotiable warehouse receipts. Apart from storage and value addition, they also act as agricultural mandis through which buyers from all over the country can purchase the stored farmers produce. Warehouses reduce the time and spatial gap between the producers and the consumers and thus preventing the price fluctuations. During the time of unfavourable conditions like drought, floods and other calamities, these agricultural warehouses safeguards the stored agricultural products like food grains, vegetables, fruits etc., contributing to the national food security and to address problems like food shortage, malnutrition, etc.

Facilities that are provided by the agricultural warehouses to the farmers are as follows:

A. Storage: A scientific warehouse provides storage space to the agricultural produce in square meters which helps in the stacking of the bags. Bags are placed upon the wooden or plastic pallets which prevents the bags from getting moist. Bags are stacked in alternate rows through which bags can be stored for more time. The details of the lot such as name of the farmer, name of the material, number of bags received, date of arrival, area allotted are mentioned on the lot- card which is specific for every lot and is displayed in front of that particular lot. Warehouses are constructed in such a way that there is sufficient ventilation and air flow across the storage space. Sufficient plinth height maintained to prevent the entry of the rainwater into the storage space. All the openings are covered with mesh to prevent the movement of the rodents and birds. Timely fumigation is done to avoid the microbial and fungal infestation. Regular moisture and temperature are monitored for proper and safe storage of the produce.

B. Value addition: In addition to the storage space, agricultural warehouses also provide certain value-added services to the farmers produce. Services like cleaning, drying, grading, sorting and packaging of the produce is provided to farmers with suitable charges, which helps the farmers to store for longer periods

without any damage and fetch higher price to their produce in the market. Warehouses doesn't improve the quality of the produce, but they help to maintain the quality of the produce for a certain period.

C. Protection from distress sale: At the time of harvesting, when all the farmers in an area harvest their agricultural produce at a time, there is a chance for the fall in price of the produce. At that time, agricultural warehouses protect the farmers from distress sale by providing the storage space (especially to the easily perishable crops) and allowing them to sell their produce in future when there is fair and stable price, thus helping the farmers to increase their income.

D. Negotiable warehouse receipt: As 80% of the Indian farmers are under small and marginal scale, they borrow money from the banks or local money lenders at high interests to meet the cost of cultivation which they have to pay immediately after the completion of crop. This forces the farmers to go for distress sale. In order to protect the farmers from such a condition, the Warehousing Development and Regulatory Authority (WDRA) has introduced the Negotiable Warehouse Receipt (NWR) which helps the farmers to get financial loans from the banks by pledging the stored agricultural produce. At present, agricultural warehouses are providing the farmers with the e-NWR, through which farmers can avail pledge loans easily. These NWR's can be transferred from one person to other when the ownership of the produce is transferred.

E. Logistics: Upon the farmer's request, some warehouses provide logistic services from the field to the warehouse and from the warehouse to the distributor (market). This reduces the farmer's burden in making the logistic arrangements during the peak harvest season.

F. Agricultural mandis: Agricultural warehouses acts as agricultural mandis for the produce that is stored in them. This brings the buyers across the country, thus reducing the burden on farmers to transport the produce to distant agricultural markets. Also helps the farmers to fetch higher price for their stored produce. Once, the buyer purchases the stored produce, he can directly repay the loan that is taken against the NWR and balance amount given to the farmer.

G. National Food Security: In order to ensure the national food security, every year Government of India (GOI) procures millions of tons of food grains through Food Corporation of India (FCI), NAFED and MARKFED and stores them in the agricultural warehouses and from there, they are transported and

supplied to the various locations and sections of the country through Civil Supplies Corporation of India. As the government directly procures the produce at minimum support price (MSP) from farmers, this program benefits the farmers. During the time of disasters like tsunami, floods, drought, pandemics, riots etc., these agricultural warehouses safeguards the stored food grains to address issues like hunger, malnutrition and ensuring the national food security.

H. Prevents the price fluctuations: As the production is season bound and area bound whereas the consumption is carried out across the country round the year, agricultural warehouses plays the crucial role in reducing the spatial and temporal distance between the producer and the end consumer. It moderates the demand and supply; thus, preventing the heavy fluctuation in the prices.

CONCLUSION

Agricultural warehouses have become boon to the farmers through their services to uplift the farmers income by protecting the quality of the stored produce, value addition, pledge loans through NWRs, by acting as agricultural mandis and logistic providers. These not only benefits the farmers, but also helps every citizen of the country and across the world by timely providing the necessary food grains to meet their daily consumption irrespective of the geographical location, time and climate.

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