



Rural Godowns In Dharwad District: Current Status & Implications For Agriculture Development

By

Nayana.F.Patil

Research Scholar

Centre for Multi-Disciplinary Development Research (CMDR)
(Department of Economics, Karnataka University, Dharwad-580004)

Dr. Arunkumar R Kulkarni

Assistant Professor

Centre for Multi-Disciplinary Development Research (CMDR),
Dharwad-580004

Recognizing the significance of storage facilities for agricultural development, many efforts have been made to construct rural godowns across the nation. Despite these endeavors, farmers continue to encounter challenges when attempting to utilize these facilities. It seems that these efforts are not adequate to provide rural godowns and to fulfill the needs of the farmers. In this context, the present paper tries to assess the availability and existing status of rural godowns in the Dharwad district of Karnataka. It is found that the number of rural godowns accessible to farmers is notably limited in comparison to the actual requirements. Moreover, many of these godowns are not exclusively used for storage of agricultural produce as many of these experience problems of insufficient space, moisture and pest management problems, inadequate staffing and facilities, and other similar issues. Consequently, the rural godowns in the district prove ineffective in facilitating the proper preservation of agricultural produce and impeding agricultural development. Therefore, policymakers and implementing agencies should make sincere efforts towards establishing storage facilities at the village level, which can significantly help farmers in increasing their income and ensuring food security

Key Words: Agricultural production, Storage facilities, Rural Godowns, Farmers' Income, Rural infrastructure

1. Introduction

Rural infrastructures are crucial for the development of agriculture, agro-industries, and the overall economic development of rural areas. (Chand, 2019), Transformation of the agricultural sector is imperative. In this context, both the Government of India and Karnataka have implemented various policies and schemes to support the farmers (Kumar, 2015). However, the productivity and availability of grain were increasing, but the accessibility and income status of the farmers has not been improving. Farmers do not have the strength to preserve agricultural produce until the market price becomes favorable. It is well known, that small farmers do not have the economic strength to retain the produce with them, till the market prices are favorable. The network of rural godowns will enable small farmers to enhance their, holding capacity to sell their produce at remunerative prices and avoid distress sales after the harvesting of the produce. As per the Central Statistical Organization (CSO) and a report from the World Bank in 1999, the quantity of post-harvest losses in India is estimated to be between 12 to 16 million metric tons. There were quantitative as well as qualitative losses (Mishra, n.a). Therefore, there is a need for safe and scientific Storage facilities for the farmers after the harvest to store the grains (Alok, 2020).

The rural godowns help small farmers to enhance their holding capacity to sell their produce at remunerative prices and avoid distress sales. The rural godown scheme seems to have encouraged the farmers to use godowns to store their products during the harvest season and sell during the lean period to realize higher returns (Nagaraj, 2015). In India, where small and marginal farmers consist of the farming community, they do not have the facility to retain the farm products themselves, till the market prices are favourable. Therefore, the creation of scientific rural storage units will empower marginal and small farmers and avoid product deterioration (Kumar, 2017). An establishment of rural godowns will enable small and marginal farmers to increase their holding capacity, which will make them sell their produce at remunerative prices and avoid distress sales. As a result, the government of India introduced the Gramin Bhandaran Yojana (GBY) scheme in the year 2001, for construction/renovation/expansion of rural godowns (WDRA, 2022). This will strengthen the 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, by encouraging private and cooperative sectors to invest in the creation of storage infrastructure in the country, (NABARD 2021). The study by Patil (2015) analyzed the economics of the storage of paddy in rural godowns and the benefits accrued and problems faced by the farmers in the Tungabhadra project area. The study found that the farmers reaped about a 9 per cent to 13 percent increase in prices and earned Rs. 88,723/ income per year by holding the produce for around 4 months. The godowns helped to avoid distress sales after harvest, the better realization of price, and get pledge loans. The enhanced income helped the farmers in raising their standard of living marginally, enabling them to enlarge their household assets, farm implements, types of machinery, farm building, pay off debts, and other consumer goods, and build their savings base.

Given the role of storage facilities in ensuring food security and minimizing post-harvest losses, the study of rural godowns and their implications for agricultural development is a significant area of study. But it seems that much attention has not been given to the issues of rural godowns. Hence, the availability and present status of rural godowns needs to be studied for agricultural development. In this context, the present

paper tries to analyze the current status and its implications for agricultural development based on the data collected from APMCs, state warehousing corporations, Gram Panchayats, and farmers in Dharwad district.

2. Results and Discussion

Dharwad district is considered one of the major progressive districts in the North Karnataka Region, due to its rich soil and favorable climate. This potential for agriculture indicates the importance of investing in agricultural development and infrastructure in the area. The main crops cultivated in the district include jowar, wheat, maize, and paddy, which are staple food grains. Sugarcane is also grown as a significant crop. Additionally, the district produces groundnut, chillies, and cotton as its main commercial crops. This diverse cropping pattern is indicative of the agricultural resourcefulness in the region. Dharwad district comprised of five taluks, viz. Dharwad, Hubli, Navalgund, Kalaghatagi and Kundagol. Census (2011) data indicates that a substantial portion of the population in Dharwad district is engaged in agriculture. 20.9 percent are cultivators, and 26.5 percent are agricultural labourers. This highlights the importance of agriculture as a primary source of livelihood for a significant portion of the population in the district. Each taluk in the district seems to have its specialization in certain crops. For example, Kalaghatagi plays a significant role in producing maize, paddy, and sugarcane. Hubli excels in jowar production, while Navlagund is known for pulses and wheat. Kundgol specializes in chilly and cotton production. The total cropped area in the district is 4.8 lakh hectares. Thus, the agricultural potential and diverse cropping pattern of the district make it a significant agricultural hub in North Karnataka. The specialization of different taluks in specific crops and the prevalence of agriculture as a primary livelihood highlight the importance of supporting and developing the agricultural sector in the region.

Availability of Rural Godowns

The data provided from Census 2011 indicates that there are a total of 423 villages in Dharwad district. However, out of these 423 villages, only 43 villages have rural godowns. Table 1 shows details of rural godowns in Dharwad district.

Table 1: Villages having Rural Godowns in Dharwad District

Taluk	Total No. of Villages	Total No. of Godowns	Villages having Godowns
Dharwad	119	12	Hebbali, Mugad, Timmapurmadi, Mangudi, Pudakalakatti, ShadebalaKhanapur, UppinBetageri, Belur, Nigadi, Lokur, Yadwad, Narendra,
Hubli	58	20	Gopakoppa, Umachagi, Anchatageri, Parasapur, Sulla, Kiresur, Hebasur, Kusagal, Byahatti, Mantur, Nagaralli, Kampli, Ramapur, Tarihal, Rayanal,
Kalaghatagi	88	2	Bogenagarakoppa, Tabakadhalli
Navalgund	60	4	TirlapurGram, Balarawadgram, Badarpur, Alagawadi
Kundagol	59	5	Kundagol and Sanshi

Source: Data collected by the researcher from APMC, State warehouse Corporation, Secretary Gram panchayat

Table 1 reveals that the availability of rural godowns in the district is limited, with the vast majority of villages lacking proper storage facilities for agricultural produce. The significant disparity between the number of villages and the number of villages with rural godowns underscores the need for further attention and development in terms of agricultural infrastructure in the region. It is found that Hubli Taluk has the highest number of rural godowns, with a total of 20 godowns, making it the well-equipped taluk in terms of storage facilities for agricultural produce. On the other hand, Kalaghatagi Taluk has the fewest rural godowns, with only 2 godowns available for its 88 villages. Thus, there are disparities in the availability of rural godowns among the taluks in Dharwad district. Hence, there is a need to improve storage facilities for the development of agriculture. With only 10 per cent of villages having storage facilities, the majority of farmers in the district may face challenges related to post-harvest losses, limited holding capacity, and the need for distress sales due to inadequate storage options.

Table 2 shows the storage capacity created by rural godowns in Dharwad district. It shows that 43 rural godowns have a storage capacity of 11410 MT. The majority of rural godowns in the district have a storage capacity of either 250 MT or 280 MT. These godowns are more in number compared to others. However, there is only one rural godowns with a higher storage capacity of 1000 MT. This indicates that the storage capacity created by these rural godowns is inadequate to fulfil the storage requirements of the entire district, considering the cultivable land area and agricultural production.

Table 2: No of Godowns by Capacity

Storage Capacity of the Rural Godowns (MT)	Total No of Rural Godowns	Total Capacity (MT)
50	1	50
100	1	100
200	7	1400
250	20	5000
280	12	3360
500	1	500
1000	1	1000
Total	43	11410

Source: Data collected by the researcher from APMC, State warehouse Corporation, Secretary Gram panchayat

Status of Rural Godowns

Gram Panchayats are responsible for the maintenance of rural godowns in each village. Nevertheless, managing them has proven to be quite challenging for the Panchayat members, mainly due to their numerous other commitments. Currently, all these godowns face a significant problem, as they are non-functional for storing agricultural produce. This issue arises from the lack of basic facilities such as proper roads for access, transportation, and communication. As well, the absence of a pest management system exacerbates the situation. Many of these godowns are poorly situated, being either close to lakes, far away from the villages, or suffering from various inadequacies. The rural godown buildings themselves are small in size, with broken windows and insufficient walls. They lack a proper ventilator system and suffer from a scarcity of staff facilities, making it challenging to manage them effectively. As a result, these godowns remain unused for almost 7 to 8 months and are even permanently locked. Consequently, the buildings have not been painted for many years and lack essential internal facilities like electricity, water, or workers. During interviews, broken

chairs and tables were found, and the buildings have become attractive nesting spots for birds. That the cold storage facility is situated far from the town, which poses communication challenges for farmers. Furthermore, the inferior location of these buildings makes them at risk of waterlogging and damage in the rainy season, leading to losses in both the quality and quantity of stored goods. The future of these rural godowns may face the risk of natural demolition. Without proper attention and maintenance, the future of these rural godowns looks hostile. The following picture shows the condition of some of the rural godowns in Dharwad district.

Picture 1: Status of Rural Godowns in Selected Villages of Dharwad District



Source: Pictures taken by the researcher

Utilization of Rural Godowns

Efficient utilization of existing rural godowns holds significant importance for agricultural development in districts like Dharwad. Table 3 shows the pattern of utilization of rural godowns.

Table 3: Utilization of Rural Godowns in Dharwad District

Utilization	No. of Godowns	%
Tractor Materials	1	2.3
Cement Materials	1	2.3
Destroyed	1	2.3
Kept the Temple Material	1	2.3
Rented for store of the Areca nut	1	2.3
Under taken by Samithi	1	2.3
Gram Panchayat activities	2	4.7
Used for Distribution of seeds	2	4.7
Information not available	3	7.0
Co-Operatives Society	4	9.3
Used by Farmers	4	9.3
Empty	22	51.2
Total	43	100.0

Source: Data collected by the researcher from APMC, State warehouse Corporation, Secretary of Gram Panchayat

The above table reveals that rural godowns, which are supposed to be utilized for storing agricultural produce, are not fully utilized for this purpose. Instead, they are mostly being used as store rooms or office rooms, either by the Gram Panchayat (GPs) or by cooperative societies. More than 51 per cent of the godowns are kept empty. The main reason for this underutilization is attributed to problems with the structures of the godowns, which likely make them unsuitable or unsafe for storing agricultural produce effectively. Only 4 out of the total godowns, representing 9.3 per cent of them, are reported to be used by farmers for storing agricultural produce. Thus, there is a problem of proper storage and preservation of agricultural produce in rural areas, which can impact the livelihoods of farmers and overall food security in the region. Addressing the structural issues of these godowns could potentially help in increasing their utilization for their intended purpose and ensure better storage facilities for agricultural products.

According to discussions with Agriculture Officers and the Godown Managers, about 25 percent of these godowns have been handed over to cooperative societies for their specific purposes. 2 percent are being utilized by the farmers for another purpose (not for storing the produce) in the villages, while 30 percent have been handed over to the primary agriculture cooperative society. A major portion, 51 percent, remains empty and 4 percent of the godowns have not been handed over for any specific utilization. The rural godowns which were managed by the Department of Agriculture, were used for storing fertilizers and providing shelter during floods, facilitating PDS distribution, cement storage for road construction, and distributing agricultural seeds during cultivation. In addition, these Godowns were accessed to store tractor materials and school supplies and to conduct training programs. Cooperative Societies also utilized the Godowns for their needs. However, some of the Godowns were used to dispose of waste materials from the Gram Panchayat, while others were utilized for constructing religious temples using wood materials. It appears that after the establishment of these godowns, some farmers initially showed interest in utilizing them to store their grains

after the harvest during the Kharif or Rabi seasons. However, after a period of 5 to 6 years, the farmers began to encounter certain challenges and limitations with the godowns, that made storing their crops there less favorable. As a result of these challenges, most of the farmers decided to discontinue using the godowns for grain storage. Currently, none of these godowns serve their original intended purpose, as they have all been repurposed for various alternative functions, and some have been permanently closed. Thus, most of the rural godowns in Dharwad district are not accessible to the farmers.

3. Concluding Observations

It is found that the Dharwad district has an inadequate number of rural godowns in comparisons to the total cultivated area. Additionally, the condition of these godowns are very poor, rendering them unsuitable for preserving agricultural products. While very few numbers of existing godowns are in use, their primary functions tend to be non-agricultural. Thus, the rural godowns in Dharwad district are not accessible to the farmers, leading to poor performance of agriculture. To address these issues and expedite agricultural growth, the implementation of proper infrastructure in the form of rural godowns is crucial. To optimize the usage of godowns in the future, it is necessary to tackle these challenges by investing in better pest management, staff amenities, and modern storage infrastructure. Therefore, it is recommended that policymakers, government bodies, and relevant stakeholders collaborate to improve the rural godowns. This effort would result in increased storage capacities, facilitating sustainable agricultural practices and overall development in the region.

References

- Dr Devajit Mahanta(2012): Review of Warehouse Receipt as an Instrument for Financing in India. International Journal of Scientific & Technology Research Volume 1, Issue 9, ISSN 2277-8616.
- Alok Kumar, Rahul Jain, and Dhanajay Kumar (2020): Evaluation of storage strategies of grains perceived by farmers of Bihta block in Bihar, Journal of Pharmacognosy and Phytochemistry 2020; Sp 9(4): 76-80
- Prof. Ramesh Chand Member, Niti Aayog Govt. of India (2019): Presidential Address Transforming Agriculture for Challenges of 21st Century. 102 Annual Conference Indian Economic Association (IEA) 27-29 December 2019
- Norris T. Pritchard (1969): A Framework for Analysis of Agricultural Marketing Systems in Developing Countries. Agricultural Economics Research Vol. 21, No. 3, July 1969
- Mallikarjunagouda.S.Patil (2007): Performance of warehousing in Karnataka-A Comparative Analyses. Co-operative and Agribusiness Management College of Agriculture, Dharwad 580005
- K.B. Ramappa Parmod Kumar I. Maruthi (March 2020): Status of Central Sector Scheme of Grameen Bhandaran Yojana/ Rural Godowns Scheme: A Case Study. Agricultural Development and Rural Transformation Centre, institute for social and Economic change Bengaluru - 560 072
- Global AgriSystem Pvt: Evaluation and Impact Assessment for the Central Sector Scheme of Grameen Bhandaran Yojna. Global AgriSystem Pvt. Ltd. K-13A, Hauz Khas Enclave New Delhi – 110016 [Tel: +91-11-46360000](tel:+91-11-46360000)
- Directorate of Economics and Statistics, "Dharwad District at Glance 2020-21), Government of Karnataka, Bangalore
- Research Institute (IGMRI): Indian grain storage management. Hapur (UP), Government of India. Ministry of consumer affairs, Food and Public Distribution, Department of Food and Public Distribution.
- Report of the Committee on Doubling Farmers' Income (2018): Improving the Factors of Productivity & Efficient Use of Resources to Add to Farmers Income. Document prepared by the Committee on Doubling Farmers' Income, Department of Agriculture, Cooperation and Farmers' Welfare, Ministry of Agriculture & Farmers' Welfare.

Nabard Report (2019): State focus paper Tripur. National Bank for Agriculture and Rural Development Tripura Regional Office Agartala. <https://www.nabard.org/pdf/annual-report-2020-21-full-report.pdf>

WDRA (2021-22): Farmers' Prosperity - Our Priority Warehousing Development and Regulatory Authority Government of India, Annual Report - 2021-22.

C. Nagaraj, Amrutha T. Joshi. Suresh S. Patil 3(2015).Economics of Storage of Paddy in Rural Godowns in TBP Area in Karnataka.Indian Journal of Economics and Development Vol 3 (1), 2015

Deepak Kumar and Prasanta Kalita(2017):Reducing Postharvest Losses during Storage of Grain Crops to Strengthen Food Security in Developing CountriesPublished online 2017 Jan 15. [http://creativecommons.org/licenses/by/4.0/..](http://creativecommons.org/licenses/by/4.0/)

