Pitfalls of the Food Storage Plan

Why in news?

The Union Cabinet decided to create additional decentralised grain storage at the block level for strengthening the agriculture sector.

What is the new initiative?

- Checking post-harvest losses is critical for achieving food security.
- In this context, the Union government has announced 'World's Largest Grain Storage Plan in Cooperative Sector'.
- **IMC -** An Inter-Ministerial Committee (IMC) will be constituted under the Chairmanship of Minister of Cooperation and the 3 concerned ministers as its members.
- The IMC converges eight ongoing schemes of three ministries - Minister of Agriculture and Farmers Welfare, Minister of Consumer Affairs, Food and Public Distribution, Minister of Food Processing Industries.
- The plan entails setting up various types of agri-infrastructure, including warehouse, custom hiring center, processing units, etc. at the level of PACS, thus transforming them into multipurpose societies.
- The initiative also aims to create additional decentralised grain storage at the *block level*.
- **Investments -** The *cooperative sector* will manage the public investments.
- The new initiative tries to address two of the most important objectives of farm laws -
    - Strengthening/expanding the market infrastructure.
    - Ensuring remunerative prices to farmers.

The value of food losses (agriculture, horticulture, milk, meat and fish) are above Rs. 1,40,000 crore per year.

What are the important aspects that need to be considered?

- Reducing *post-harvest losses* should be a key objective of the new storage infrastructure.
- Strengthening the *infrastructure* in the existing market yards.
- Creating *storage facilities* within the market yards, wherever possible.
- Providing *safe and secure market yards*, especially protecting stocks from natural calamities.

What are the issues?

- **Governance -** Coordination and cooperation between the States and the Centre is required to strengthen storage facilities.
- **Coops' shortfalls -** Elite capture, bureaucratic/political interference, poor marketing are few problems associated with agriculture co-operatives.
- **Overlap -** Farmer Producer Organisations (FPOs) are also involved in post-harvest handling of the produce and are promoted to address the limitations of co-operative societies.
- Multiplicity of institutions with cross-cutting objectives are likely to dilute their effectiveness.
- **Maintenance -** Capital maintenance expenditure (Capex) is rarely incorporated into annual budgets making managing and maintaining is a bigger challenge.
- **Elite Farmers -** Elite capture is rampant in co-operatives.
- Thus small and marginal farmers lose on gaining access to competitive markets and getting remunerative prices.

India has the storage capacity for only one-eighth of its annual perishable produce.

What should be done?

- *Modernising* the existing storage infrastructure should be a priority.
- Judicious *planning* and estimation of storage requirements for different products across the regions of the country.
- There is need for creating adequate storage facilities for *horticultural crops*, given their increasing production.
- Going beyond grains and create storage infrastructure for *perishable commodities* like fruits, vegetables, milk, meat, fish, etc.
- *Processing* the perishables can increase the longevity of the food and but modern technologies are required for ensuring high quality processing.
- Maintaining the *quality of food* is important to maintain nutrition security.

References

1. Business line - Pitfalls of the food storage plan
2. PIB - World's Largest Grain Storage Plan in Cooperative Sector

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