

## 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](#)