

NOTE ON WAREHOUSING: BEYOND GODOWNS.

Confederation of All India Traders, New Delhi

MISSION:

A Mission to preserve agri produce and other products for progress & prosperity of Indian trade and economy. Development of sufficient Warehousing facilities in the Country which may prove to be a conduit between producers, importers and retailers for storing sufficient quantity of goods for maintaining uniform availability of goods to consumers at reasonable uniform prices through effective distribution network.

PREAMBLE:

Whatever is produced in the Country or imported in to the Country, should reach the retailers in such quantity that prices do not fall because of over supply. Simultaneously it has to be ensured that shortage do not lead to inflation. This equilibrium has to be maintained pan India.

It is most important that whatever is produced or imported has to be transported at various locations, received, unloaded, properly stored and timely despatched further in a systematic manner. While undertaking such a process, it has to be ensured that the goods are not damaged or destroyed. It should also to be noted that required facilities for intermediary service providers during the entire process is equally taken care of, by providing need based facilities. The credibility of warehouse keeper has to be in a manner so as to ensure that warehousing receipts may be allowed to avail credit to avoid distress sale.

PRESENT STATUS:

At present warehousing is restricted mainly to construction of godowns and giving them on rent. Major storage facilities are being provided by the govt agencies like Central Warehousing Corporation, State Warehousing Corporation, Food Corporation of India etc. There is large gap between demand for storage facilities and its availability. In many cases, such a situation has resulted into use of godowns for storage of other products instead of agri produce therefore storage of agro products are being forced to be stored in open. Lack of proper supervision and proper inventory management has also resulted into rotting of food grains. Insufficient cold storage facilities in the Country has resulted into perishing of most of our fruits and vegetables.

VISION:

Our vision is to link production of agri produce and other products with consumption through proper and effective logistics and here the warehousing plays a catalyst role at every point in the chain of distribution of goods. Any policy of development and regulation of Warehousing should meet the storage needs of agriculture, trade, industry, exporters and importers. On the one hand, it should reduce post harvest cost and losses due to bad or non availability of proper storage of agro goods and on the other hand, there should be facilities for stuffing and destuffing of international cargo, packing and repacking of domestic industrial products. It should result in facilitating fast movement of goods with cut in post manufacturing cost.

BENEFICIARIES:

The beneficiaries of warehousing has to be wide spectrum of society which is involved in production, import and distribution of goods. The biggest beneficiary will be farmers who will get remunerative prices by avoiding distress sell and consumers as well since proper and regulated warehousing will help in availability of goods at reasonable prices due to proper distribution and cost cutting.

AGRICULTURIST:

Raw material to farmers like seed, manure, fertilizers, pesticides and insecticide etc will be properly stored ensuring their availability. Similarly post harvest produce can also be stored. The agriculturist would be able to pledge their produce with warehouses, to raise funds. In this way they will be able to sell the produce at any time they feels. Generally, the farmer carries his goods in animal driven cart. Proper facilities for resting place and drinking facilities for animals is also required to be provided. In order to facilitate proper preservation of fruits and vegetables, cold storage moving vehicles shall be attached to each warehouse. The farmers can give their crops cutting schedule to warehouse keepers. Crops duly plucked can be immediately transported in cold storage moving vehicles to respective cold storage, which will be a part of warehouse. Proper cutting and cleaning facilities for vegetables and fruits at warehouses will help in getting value added rates and will also reduce generation of vegetable waste in urban markets.

SMALL AND MEDIUM ENTERPRISES:

The transporters prefer to carry full truck loads from point to point whereas in general, the traders and SME's supply goods in smaller quantities. Thus dispatching part loads becomes difficult and expensive. Warehouses can be used as trans-shipment hub for effective movement at reasonable cost for movement of goods belonging to such section.

INDUSTRY:

It is said that post manufacturing expenses should be minimized. At present major manufacturing is being carried at or near metro cities. Storing, packing and dispatch of finished produce from metro cities becomes costly. These industries can send their products in bulk to different warehouses where storing and packing can be done. Distribution of goods can take place from these warehouses.

IMPORTERS/EXPORTES:

International consignment always moves in containers. These containers are subject to high rentals. It is necessary to ensure that waiting period of containers is minimum. Hence, it is necessary that proper handling facilities for containers are provided at

warehouses. Further it is also necessary that stuffing and de-stuffing of containers can also be done at such warehouses. Proper arrangement of custom's officers should also be made.

CONCLUSION:

Warehousing should be treated as service industry which would generate employment in rural and urban areas. Its size, capacity and facilities has to be created looking in to the needs of local farmers. It should have modern communication facilities with very well connectivity to highways. Major warehouse hubs with minor warehouse hubs will prove boom in distribution of goods and stabilization of prices by controlling inflation of our country.

SUPPORT TO SECTOR:

1. The warehouses should be developed across the Country on PPP or BOT model basis.
2. The Government should make available land for warehouses at a cheap price.
3. Conversion of agriculture land for purposes of warehousing and commercial activities should be through an automatic mode by a single window clearance basis.
4. All the warehouses should be designed maintaining the line of national policy on handling, storage and transport of food grains.
5. The Government should provide a non-refundable grant up to 50% of cost of the project.
6. The Banks should provide finance at subsidized rate of interest as applicable to farm loans under priority sector lending.
7. The loans granted for warehousing should be covered under credit guarantee scheme of government of India.
8. The term loan repayment schedule should be spread over 15 years with moratorium of first 3 years.
9. The government should ensure all the agricultural goods stored in warehouses is insured against all types of damages.
10. Good quality and quantity, cheap power supply round the clock should be guaranteed.