

Rural Godown Scheme (RGS) or Gramin Bhandaran Yojana

It is well known that small farmers do not have economic strength to retain produce with them till the market prices are favourable. A network of rural godowns will enable small farmers to enhance their holding capacity in order to sell their produce at remunerative prices and avoid distress sales.

Accordingly, Government of India has launched 'Grameen Bhandaran Yojana' w.e.f. 01.04.2001.

Objective of the scheme

Main objectives of scheme include creation of scientific storage capacity with allied facilities in rural areas to meet out various requirements of farmers for storing farm produce, processed farm produce, agricultural inputs, etc., and prevention of distress sale by creating the facility of pledge loan and marketing credit.

Implementation of the scheme shall be continued **upto 31.03.2014**.

Salient features

Eligible Organizations

The project for construction of rural godowns can be taken up by individuals, farmers, Group of farmers/growers, Partnership/ Proprietary firms, Non-Government Organizations (NGO's), Self Help Groups (SHGs), Companies, Corporations, Co-operatives, Local Bodies other than Municipal Corporations, Federations, Agricultural Produce Marketing Committees, Marketing Boards and Agro Processing Corporations in the entire country. Assistance for renovation of rural godowns will, however, be restricted to godowns constructed by cooperatives only.

Location

Under the scheme, the entrepreneur will be free to construct godown at any place, as per his/her commercial judgment except for the restriction that it would be outside the limits of Municipal Corporation area. Rural godowns constructed in the Food Parks promoted by the Ministry of Food Processing Industries shall also be eligible under the scheme for assistance.

Size

Capacity of a godown shall be decided by an entrepreneur. However, subsidy under the scheme shall be restricted to a minimum capacity of 100 tonnes and maximum capacity of 30,000 tonnes. **No maximum ceiling on subsidy in the case of projects of rural godowns of Cooperatives assisted by NCDC.**

Rural godowns of smaller size upto 50 tonnes capacity will also be eligible for subsidy under the scheme as a special case based on viability analysis depending on the topography/special requirement of the State/Region. In hilly areas (where the project site is located at a height of more than 1000 meters above mean sea level), rural godowns of smaller size upto 25 tonnes capacity will also be eligible for subsidy.

Subsidy

- 33.33% of the capital cost of the project in case of projects located in North – Eastern States, Sikkim and hilly areas subject to a maximum ceiling on subsidy of **Rs.3.333 crore** and **Rs 3 crore** for those belonging to **Women Farmers/ their self help groups / co-operatives and SC/ST entrepreneurs & their self-help groups/ Co-operatives. No maximum ceiling on subsidy in the case of cooperatives assisted by NCDC.**
- 25% of the capital cost of the project to all categories of farmers (**Other than Women Farmers**), agriculture graduates, cooperatives and State/ Central Warehousing Corporations subject to a maximum ceiling on subsidy of **Rs. 2.25 crore. No maximum ceiling on subsidy in the case of cooperatives assisted by NCDC**
- 15% of the capital cost of the project to all other categories of individuals, companies & corporations etc., subject to a maximum ceiling on subsidy of **Rs. 1.35 crore**
- 25% of the capital cost of the project for renovation of godowns of cooperatives with assistance from NCDC.

Capital cost of the project for the purpose of subsidy under the scheme shall be calculated as follows:

- **For godowns up to 1000 tonnes capacity** – Project cost as appraised by financing Bank or actual cost or **Rs 3500/-** per tonne of storage capacity, whichever is lower;
- **For godowns exceeding 1000 tonnes capacity** – Project cost as appraised by Bank or actual cost or **Rs 3000/-** per tonne of storage capacity, whichever is lower. For NE region/hilly areas the normative cost will be **Rs 4000** per MT or as appraised by bank / financial institution whichever is lower irrespective of godown capacity. For godowns exceeding 30,000 MT capacity (25,000 MT for NE States, Sikkim and hilly areas) the subsidy would be restricted to that admissible for capacity of 30,000 MT (25,000 MT for NE States, Sikkim and hilly areas) only, excluding the cases of cooperatives. ;
- **For renovation of godowns by cooperatives with assistance from NCDC** - project cost as appraised by Bank / NCDC or actual cost or **Rs.750/-** per tonne of storage capacity, whichever is lower.
- No beneficiary shall draw subsidy for the godown project or any of its component from more than one source.
- The capacity of godown shall be calculated @ 0.4 M.T. per cu. mtr.

Revision of central Sector Sechme "Capital Investment Subsidy of Construction / Renovation of Rural Godowns" for remaining period 11th Plan-Reg.

<http://www.indg.in/india/india/agriculture/rural-employment-schemes/rural-godown-scheme-rgs-or-gramin-bhandaran-yojana-1>