

## **SMART Project:**

### **Objective of the Project:**

- Strengthening of institutional arrangements related to agriculture sector with respect to agricultural reforms.
- Enhancing agribusiness by increasing market linkages.
- Risk mitigation of agriculture market.

□ Establishment of 11 Project Implementation units in SMART project through various 7 Departments. Among them, Maharashtra Cooperative Development Corporation is representing the cooperation department for SMART project.

□ Establishment of “Project Implementation unit- (PIU-MCDC SMART) at state level for implementation of SMART project in Maharashtra (Project Period 2020 to 2027)

In SMART project, under the component of strengthening of a warehouse receipt System creation & alternative markets for members of PACs.

□ Provision of subsidy of 24.40 crores is available for financial development of primary agricultural cooperatives through the project.

□ Repair of godown and construction of new godown as well as cleaning, grading and sorting unit, and fee of collateral management organization through project grant.

□ 60% subsidy from the project and 40% own share of the organization, subsidy up to about Rs.1 crore to each of cooperative society.

□ Training will be given by Collateral Management Company for a period one year to start warehouse receipt business through Primary Agricultural Co-operative Societies.

□ The facilities of warehouse receipt loan, security of farm produce, sales management of agri produce will be available at the village level to the members of primary agricultural cooperatives.

□ In the state, 50 primary agricultural cooperative societies will be supported for repair of godowns and 19 primary agricultural cooperative societies for setting up new godowns, for the successful implementation of concept of warehouse receipt system.

Component implemented through Project Implementing unit, MCDC

➤ Establishing a risk mitigation system is an important factor under SMART projects. At present there is no convenient, affordable and near-by warehousing facility for storing agricultural produce. Therefore, under the SMART project, the objective has been set to provide such a system through primary agricultural cooperatives. As these co-operatives do not have the technical knowledge of warehouse construction and administrative knowledge of warehouse management, the sub-component Strengthening of Godown Receipt Scheme is being implemented for the co-operatives through the Maharashtra Co-operative Development Corporation under the SMART project.

Strengthening and Implementation of Warehouse (Godown Receipt Scheme) / Warehouse Receipt Financing Scheme-

1. Renovation of self-owned godowns of co-operative societies
2. Construction of new godowns
3. Management of warehouses through Internet and other tools (IoT)

Implementation of the above sub-components Applications are being accepted only from Primary Agricultural Co-operative Societies (PACs) on the basis of eligibility criteria in the state.

➤ Under the C2 sub-component of SMART projects, through Maharashtra Cooperative Development Corporation assist, in order to financially empower the primary agricultural cooperatives, to renovate their own old warehouses at minimum cost, construct new warehouses or lease warehouses, implement Warehouse Receipt Scheme in these warehouses of farm Product. Provide financial support for storage (warehouse/warehouse receipt scheme), to assist PACs for setting up warehousing business with the help of CMA-Collateral Management Agency and to increase the income of cooperatives, to provide market for the stored agricultural products. Warehouse Receipt Strengthening Under the component of this project, warehouses need to be upgraded by expanding warehouses in five major points as follows.

- a) Repair of old godowns.
- b) Repairing old godowns and installing cleaning and sorting machines.
- c) Construction of new godown.
- d) Construction of new warehouse and installation of cleaning and grading equipment.
- E) Repairing old godowns, constructing new godowns, installing cleaning and sorting machines.

The Warehouse Receipt Scheme for Primary Agricultural Cooperative Societies (PACs) includes the following important aspects

## 1) Renovation of Godowns owned by Co-operative Societies:

- A cluster of godowns will be created under this component with a capacity of around 2000 MT. near about 4 to 5 km from the main godown. Primary Agricultural Cooperative Societies (PACS) are provided subsidy of 60% of the project cost (as per architect's estimate and project terms and conditions) from the project for renovation of old godowns.
- Financial assistance for purchase of machinery and equipment (as per capacity requirement) such as spiral separator, computer and weighing scale for cleaning and grading center is provided through SMART project.
- 400 to 500 MT from Primary Agricultural Cooperative Society (PACS). Collateral Management Organization (CMA) is appointed for PACs having capacity of 400-500 MT total storage capacity of 2000 MT within a radius of 3 to 5 km of agricultural produce. Collateral Management Services will work to implement Warehouse Receipt Scheme for Primary Agricultural Co-operative Societies. Management of godowns, provision of godown receipts, providing financial assistance for loan guarantee through banks, protection of goods in godowns, sales of goods, provision of manpower, etc. are done through these organizations. For this, 60% of the annual fee of Collateral Management Services (CMA Service Provider) is given as subsidy for one year through the project. After one year, if the services of Collateral Management Services are found suitable by the primary agricultural cooperatives, they can continue through separate contracts. After that they will not be available to pay any subsidy service charges from the project.

## 2) Construction of new godowns

- Renovation of godowns in co-operative societies may facilitate implementation of godown receipt scheme. This leads to an increase in the financial turnover of the organization. According to the terms and conditions and experience and qualification, the said organization can try to increase the business by setting up a new godown.
- Accordingly, the project has created the said entity for the construction of new godowns, and the organizations which have improved their business by renovating their existing godowns and increasing their business through the effective implementation of the Warehouse Receipt Scheme, are given financial assistance through the project for the construction of new godowns. Accordingly, about 19 new godowns (capacity 1000 MT. per godown) will be constructed and based on that, it is planned to increase the financial income of the concerned organization. A grant of 60% of the business plan cost (according to the architect's estimate and according to the terms and conditions of the project) will be made available from the project for the construction of a new godown. (For this, the cost per MT has been fixed for the construction of godown through the project and the subsidy will be considered accordingly).

#### 4) Warehouse management through Internet and other tools (IoT- Internet of Things)

This component has been created in line with the digitization of the scheme if the co-operative society is implementing the scheme in the traditional way while implementing the warehouse receipt scheme.

- Using IoT technology on a pilot basis to better manage warehouses.
- It mainly includes CCTV, Alarm, RFID Tags, Wireless Beacons, Door Safety Alarm, Temperature & Motion Sensor, Smoke-Detector, Software etc. Use of modern equipment for security of warehouses.
- Using modern type of software for warehouse management.
- Better management of the entire supply chain and collection of real information due to the said technology in the warehouse management process.
- In the first phase, it is planned to use IoT technology on a pilot basis in some warehouses.

## Selection of Primary Agricultural Cooperative Societies for Warehouse Receipt Scheme Strengthening Subprojects

### **Criteria :-**

#### Mandatory criteria

- a) The organization should be legally registered. Should be audited by an auditor.
- b) A primary agricultural cooperative must have at least 250 shareholders.
- c) For the sub-project, the organization must have its own premises/own warehouse or premises or rented warehouse on registered tenancy basis of 29 years. from register.
- d) The selected site should preferably be along the main road with electricity and water supply facilities.
- e) The audit report of the organization should not contain significant accounting objections.
- f) The institution should not be in default of any debt.
- g) The institution should have at least credit linkage of Rs.100.00 lakhs in one year of the last 5 years in the audit report.
- h) Minutes of at least 2 Annual General Meetings (AGM) of the organization should be attached.
- i) In order to run the warehouse successfully, the organization should provide complete information (accurate data) related to cropping system in that section, production and productivity of the main crop, marketable surplus of such crop, storage capacity available in that section and potential business that can be obtained for construction of new warehouse. must be taken.