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Significance of M.P. Warehousing & Logistic Corporation in Food Grains Storage in M.P.

India is primarily an agriculture based economy and majority of population lives in rural areas. The livelihood of the country's population mainly depends on agriculture. Agriculture has been the predominant sector for production, employment and economic prosperity but it is monsoon dependent in India. Weather fluctuations affect the production and prices of food grains. As a result economy faces unbalancing situation. To protect the lower and vulnerable section of the society government provides storage facilities to farmers and helps in food security system. The M.P. Warehousing & Logistic Corporation (MPWLC) was started with 6 branches with 11000 Tons capacity and now it has grown manifold with 281 branches and the storage capacity (own) of 22.32 lakhs Mt. up to March-16. The significance of warehouses in Madhya Pradesh is studied in the research paper. This paper is based on secondary data collected from regional office of MPWLC and primary information through survey of concerning people. The paper aims to focus on providing storage facilities for food grains in last 15 years by MPWLC to control the price level and remove the artificial crises of food grains and distribute essential commodities to BPL families through public distribution system. The study finds and concludes that MPWLC has played a vital role in managing above with increasing capacity and profit. Suitable statistical tool has been used to analyze the data.

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Introduction :

It is an established fact that growth of agriculture reduces poverty. The agriculture sector affects directly or indirectly aggregate demand and supply. It is the lifeblood of the rural economy and the agricultural development encourages rural development. In the context of agricultural development, the role of warehousing cannot be underestimated. It is one of the most significant aspects of agricultural marketing. No scheme of marketing can be complete without a reliable and efficient system of warehousing. A warehouse may be defined as a place used for the storage or accumulation of agricultural goods throughout the year and releasing them when they are needed. Warehousing creates time utility. Storage of food grains is an economic function. The function of storage can be carried out successfully with the help of warehouses which are used for storing the goods. The establishment of a well-planned network of warehouses is important for domestic trade and distribution of essential commodities at affordable prices. The underdeveloped countries are facing a serious problem of wastage of food grains due to inadequate transport and storage facilities. The warehousing provides an essential

infrastructure for trade, commerce and physical distribution of agricultural goods.

M.P. Warehousing & Logistic Corporation (MPWLC) :

Area wise M.P. is the second largest state of India. The population of M.P. is 7.2 crores out of which 70% lives in rural areas. The primary sector is contributing effectively in state economy. M.P. is now affluent in food grains production mainly in wheat and rice. This is increasing the requirement of warehouses in the state. MPWLC was established with 50% shareholding of Central Warehousing Corporation (CWC) and 50% of state government in the year 1958 under Agriculture Produce (development and warehousing) Act 1956. Later the act was replaced by Warehousing Corporation Act 1962. It is a statutory body which is engaged in strengthening the rural economy and enabling the cultivators. In the case of wide fluctuations in open market it releases the hired storage capacity to balance them. At present 281 branches with 2810 godowns are working in 8 regions of Madhya Pradesh.

The main functions of the organization are :

- (1) Purchase, store, sell and distribute the agriculture products, seeds fertilizer, manures etc.
- (2) To arrange facilities for the transport of the storage

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items from one place to another.

(3) To maintain the quality of product in godowns and warehouses.

(4) To enhance satisfaction of customers and depositors.

(5) To provide pesticide services in rural areas under door to door (DESS) service scheme.

(6) Pursuit for conducting regular market surveys and information of business trends.

(7) After carefully analysis the data and information, effective decisions are taken to ensure sustained growth and development of the organization.

Objectives of the Study :

(1) To assess the performance of warehousing facility for food grains in Madhya Pradesh.

(2) To know different types of depositors of MPWLC.

(3) To find the storage capacity and occupancy of the organization in last 15 years.

(4) To find the reasons of unoccupied capacity of warehouses.

(5) To find the all over growth of MPWLC.

Table 1 : Average Capacity and Occupancy of MPWLC in last fifteen years in Mt.

Years	Owned Capacity	Hired Capacity	JVS	Total Capacity	Occupancy	%
2000-01	1333273	492756	-	1826029	1705848	93.00
2001-02	1359000	487000	-	1846000	1588000	86.00
2002-03	0950577	228417	-	1178994	950449	81.00
2003-04	0963344	203946	-	1167290	904506	77.00
2004-05	0964788	213012	-	1177800	922336	78.00
2005-06	0977835	210081	-	1187916	945694	80.00
2006-07	1053028	117498	-	1170526	825948	71.00
2007-08	1102960	088377	-	1191337	890772	75.00
2008-09	1141145	256620	-	1397765	1181510	85.00
2009-10	1167110	245118	639047	2051275	1688013	82.00
2010-11	1186619	503584	1259304	2949507	2535101	86.00
2011-12	1311038	612496	1729557	3653091	2966361	81.00
2012-13	1481129	624628	3368088	5473845	4631555	85.00
2013-14	1496636	291400	4070082	5858118	4761493	81.00
2014-15	1818298	274622	5083642	7176562	5473418	76.00
2015-16	2211127	210144	4900674	7321945	5095923	70.00

Source : Regional Office of MPWLC Gwalior.

Fig. 1 : Average Capacity and Occupancy of MPWLC in last fifteen years in Mt.

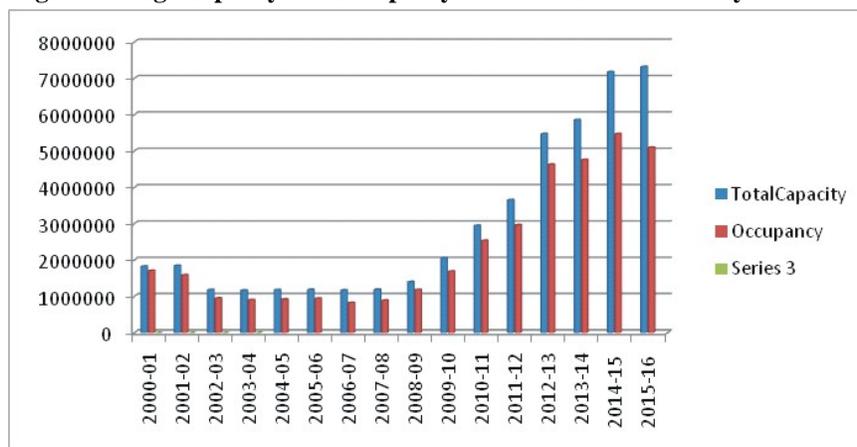


Table 2 : Depositor wise warehouse position of commodity

Depositor	2012-13	2013-14	2014-15	2015-16 (Upto March-2016)
Cultivator	00.63	00.82	00.65	00.45
Co-operative Societies	03.21	07.84	08.99	06.68
FCI	00.01	00.01	00.04	00.10
MP Civil Supplies Corp.	93.24	88.67	87.34	89.60
Govt. Institutions	00.96	00.59	01.50	02.08
Laghu Vanopaj Sangh	00.01	00.01	00.04	00.05
Traders	01.78	01.98	01.41	01.02
Others	00.16	00.08	00.03	00.02
Total	100.00	100.0	100.0	100.00

Source : Regional Office of MPWLC Gwalior.

Research Methodology :

The study is basically exploratory in nature. Secondary data from 2001-02 to 2015-16 are used in research paper collected from regional office of MPWLC at Gwalior and oral

information has been collected from 14 branches (5% of total) by survey. The study is based on the hypothesis that the working of MPWLC is satisfactory and capacity of warehouses is optimally utilized. With the help of this data, the role of MPWLC in M.P. has been analyzed with using correlation as a tool.

Table 1 and fig. 1 show that after joint venture scheme (JVS) the storage capacity is continuously increasing. Due to bumper production of food grains during eleventh- twelfth five year plans in Madhya Pradesh the JVS scheme was started to increase storage capacity. The figures show that in between

2002 to 2008 the capacity and occupancy of warehouses decreased but after that it tends to increase. Where the total capacity decreased by 35% in first phase but increased by 72.7% and 257% in second and third phases respectively. But still average 20% capacity is unused every year.

Table 2 shows that the share of MP civil supplies corporation which is the main agency of food grains procurement and the public distribution system is much higher in total deposits

which proved that the warehouses of MPWLC are playing significant role in PDS. The share of cultivators is negligible due to lengthy process of deposit of grains and too much competition in the market.

Table 3 : Income and Profit of MPWLC in last fifteen years

Years	Income	Expenditure	Profit
2000-01	4864.51	3351.32	1513.19
2001-02	5393.03	3249.31	2137.76
2002-03	3545.56	2185.33	1360.23
2003-04	3332.05	2248.75	1083.30
2004-05	3585.93	2767.79	818.14
2005-06	3945.61	2576.30	1369.31
2006-07	3471.17	2797.14	674.03
2007-08	3833.21	3213.65	619.56
2008-09	4866.06	4059.22	806.84
2009-10	6588.71	4841.81	1746.90
2010-11	9995.85	5904.33	4091.52
2011-12	13665.75	9493.53	4172.22
2012-13	22082.06	14268.17	7813.89
2013-14	18253.12	13637.51	4615.61
2014-15	24630.75	14715.67	9915.08

Source : Regional Office of MPWLC Gwalior.

It is clear from table 3 that the functioning of MPWLC in last phase is highly satisfactory which has resulted in continuous increase in income from 2007-08. This is due to increasing demand of warehouses which is an outcome of bumper production. The GDP growth rate of M.P. is continuously increasing from 2008-09 except 2010-11. M.P. has been awarded "The Krishi Karman Samman" fourth time in a row, which is the highest award in agriculture sector.

Causes of Under Utilization of Storage Capacity :

From the above data it is obvious that the 15 to 20% storage capacity remain unoccupied. From the survey the researcher has found the following reasons for this unoccupancy and negligence of cultivator:

(1) Unavailability of stock in the market because the Industrial Houses purchase the grains directly from the fields before it reaches to the market.

(2) Due to labyrinthine process of govt. sector the farmer prefers private sector because they offer higher price and cash payment.

(3) Many private godowns are opened in rural areas providing services 24 hours with bargaining charges.

(4) Earlier the bonus was provided by govt. to cultivators who used to keep their product in govt. godowns. This bonus has now been stopped.

(5) The co-operative societies pay initially around 70% of the prevalent market price to the farmers at the time of storage. When the farmers get higher price in open market they carry out their product from the godowns, sell it and repay the amount to the societies which they have got earlier.

Suggestions for Full Utilization of Storage Capacity :

The present research work makes the following

suggestions to overcome the causes :

(1) The process of deposit should be easy and cultivator friendly.

(2) The govt. should increase the efficiency and awareness of procurement of grains.

(3) The storage charges should be minimum.

(4) The godowns should be near to the villages.

(5) The govt. should provide appropriate transport and communication network to customers.

(6) The govt. should start such programs to attract farmers towards MPWLC warehouses.

Conclusion :

Storage houses are beneficial for both farmers and traders. They can not only store their products in these houses but also can use the warehouse receipts as an instrument to obtain credit from banks and other financial institutions. The Indian govt. is promoting warehousing facilities in rural areas through public private partnership. In year 2001-02 NABARD and NCDC have introduced 'Rural Godown Scheme' to private investors in warehousing industry. The warehousing activity in the context of agricultural sector is too large in M.P. The present study is limited only to MPWLC.

In the study we have found that implementation of warehousing services is positive in the state not only for govt. but for the customers also. The correlation coefficient value (r) is 0.988 which shows that there is highly positive relation between storage capacity of MPWLC and govt. revenue. The hypothesis is accepted. The "Silo Bags" are being used by the corporation to protect the grains in open sheds also to maintain the quality of products. After launching TPDS program in 1997 the warehouses are being mostly used by MP Civil Supply Corporation and Co-operative societies. The researchers have found that the govt. agencies are preferred by MPWLC to deposit their food grains. The cultivators participation is declining because they are getting some other farmer friendly storage facilities.

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State Tourism Policy of Madhya Pradesh

The state government will confine its efforts to infrastructure development ensuring uninterrupted electricity, water supply and provision of basic medical facilities it will be also be responsible for dissemination of information, organization of festivals and interdepartmental co-ordination to create conditions for attracting private sector investment for the tourism sector for this it will provide fiscal incentives assists in proving suitable sites and remove bottlenecks] especially those connected with infrastructure development.

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Introuction :

Within India, the tourism sector has witnessed impressive growth. According to the WITC travel and tourism contributes about 5.6 per cent to India's GDP. In addition the contribution of the travel and tourism economy to employment is expected to rise from 31 million jobs in 2009 that comes to 6.4 per cent of total employment, or 1 in every 15.6 jobs. This would further growth to 40 million jobs with 7.2 per cent of total employment of 1 in every 13.8 jobs by 2019.

Real GDP growth for the travel and tourism economy is expected to be 0.2 per cent in 2009 and to average 7.7 per cent per annum over the coming 10 years. The growth of tourism in India has made it one of the largest foreign exchange earners. Arrivals are rising at a steady pace, and tourist has a longer length of stay than other international destinations. In 2005 there were over 3.9 million foreign tourist arrivals, which increased to more than 4.4 million foreign tourists during 2006. In 2009, India ranked 14th in the world in terms of absolute size and 144th relatively in terms of contribution to national economy.

Tourism has become the world's largest industry generating wealth and employment opening the minds of both visitors and the visitor to different one of the emerging giants in world tourism. The most imperative factors for successful tourism development include product enhancement, Marketing, regulations and human resources development. Madhya Pradesh tourism is one of the flourishing sectors in terms of its scope. Tourism in Madhya Pradesh is growing continuously to generate employment and earn large amount of foreign income we should develop

tourism industry with government supports and new actions plans to sustain our position strongly.

Problem :

The tourism industry is one of the largest segments under the service sector of the Madhya Pradesh economy. Source of foreign exchange earring the tourism sector in Madhya Pradesh is flourishing due to an increase in foreign tourism arrivals (FTA) and a larger number of Indians travelling to domestic dentations though the industry has great opportunities but the there is a need to make is positive in terms of its future.

Objectives :

- (1) To understand the opportunities is tourism industry.
- (2) To realize the prospects of tourism industry.
- (3) To indentify the challenges involved in this sector.
- (4) To aware different form of tourism industry.

Materials :

This paper is prepared with the supports of secondary sources like Magazines, Newspapers, and Reports etc.

Policy :

In order in ensure growth and development of tourism in Madhya Pradesh the state government announced a tourism policy in January 1995. This policy envisaged the creation of an environment. The focus of this policy was mainly on the improvement and creation of adequate basic infrastructure and augmentation of accommodation catering and recreational augmentation of transport facilities and on marketing the state.

In the table 1 growth rate of tourism arrivals between 2006 and 2012 is given the foreign tourists have been around 2 percent of the tourist traffic and tourists to centers of

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Table 1 : Growth rate of tourism in Madhya Pradesh

Year	Domestic	Foreign	Total
2006-07	1.3	-25.4	0.8
2007-08	-9.2	-9.3	-9.2
2008-09	34.85	47.19	35.05
2009-10	40.41	46.98	40.91
2010-11	52.80	16.00	51.50
2011-12	25.90	23.50	25.80

pilgrimage constitute about 70 to 80 percent of the tourist's traffic.

The years 2008-09, 2009-10 and 2010-11 showed a high growth rate in the tourist's arrivals in Madhya Pradesh. The domestic tourists increased by 35.05 percent 40.91 and 52.3 percent respectively. Further the foreign tourist inflow increased at the rate of 47.19 percent 46.98 percent and 16 percent respectively. The need of the time is to take proactive steps to maintain this growth rate and try to further increase it.

Strategy for Development :

This focus shall be on the following areas :

- (1) Improvement and creation of adequate basic infrastructure, land road, water, electricity etc.
- (2) Up gradation and augmentation of accommodation, catering and recreational facilities.
- (3) Augmentation of transport facilities.
- (4) Marketing of destinations to ensure optimal use of infrastructure.
- (5) Evolving suitable policies for increasing foreign exchange earnings.
- (6) Promotions of the arts and crafts of Madhya Pradesh.

Role of Government :

The state government will confine its efforts to infrastructure development ensuring uninterrupted electricity, water supply and provision of basic medical facilities it will be also be responsible for dissemination of information, organization of festivals and interdepartmental co-ordination to create conditions for attracting private sector investment for the tourism sector for this it will provide fiscal incentives assists in proving suitable sites and remove bottlenecks] especially those connected with infrastructure development.

Incentives :

A special package of incentive for the tourism industry has been prepared these incentives will also be available for private entrepreneurs for any of the following activities.

- (1) Hotels and Restaurants
- (2) Heritage, hotel, health, recreation centers, golf course, a musement park, craft villages and other bona fide tourism related activities recognized by the government.
- (3) A/c luxury coaches, A/c mini buses, imported limousines purchased by registered tour operators for tourist transport.

The specific incentives are :

(A) Land :

- (1) Government land will be offered with the approval

of the empowered committer as equity participation on behalf of the government at current value for setting up joint ventures.

(2) The companies thus formed who are given any kind of government land will be expected to complete the project within a period of three years from the date of transfer of land. Failing which the land will revert to the government the company will not be allowed to transfer the land to anybody else.

- (3) For construction of approved category hotels etc.

(B) Luxury Tax :

(1) New projects shall be exempt from luxury tax for five year from the date of commencement of commercial operations.

(C) Sales Tax :

(1) New projects shall be exempt from sales tax for five year from the date of commencement of commercial operations.

(D) Entertainment Tax :

Entertainment centers will be exempt from entertainment tax from entertainment tax for five years from the date of commencement of commercial operations.

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