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Agri Warehousing Industry Targets Operational Efficiency and Rural Empowerment

SANDEEP SABHARWAL,
Group CEO, Sohan Lal Commodity Management Limited

The agricultural sector in India has long been the backbone of the economy, employing millions and ensuring food security for a growing population. Inevitably, it has various critical components within the sector, like energy, transportation, and water that get the most attention, which is somewhat deserved also. However, there is another crucial part of the whole supply chain that often gets overlooked, which is Post-harvest Agri Logistics Management, playing a crucial role in the mitigation of food grain losses, stabilising market supply, and providing financial linkages to farmers.

India has witnessed a rapid boom in the last few years in the development of commercial and industrial warehouses, which is also a positive thing when we look at the broader scheme of things. As per India Infrastructure Research, the agricultural warehousing capacity needs to grow to 223 million tonnes by 2026-27, which stood at 145 million tonnes in June 2023. Another major concern seeded by the lack of proper infrastructure is post-harvest losses that are experienced by farmers and agri-allied businesses. A 2022 government-supported study revealed that India loses 5-13 per cent of its fruits and vegetables and 3-7 per cent of crops like oilseeds and spices between harvest and consumption. This results in an annual economic loss exceeding Rs 1.52 trillion. Key factors contributing to these losses include inadequate storage facilities, inefficient handling, and adverse weather conditions.

In recent years, there has been a significant shift in focus toward improving agricultural warehousing in India. A major milestone came in March 2024, when PM Narendra Modi unveiled



the world's largest grain storage initiative in collaboration with the cooperative sector. This ambitious programme aims to create storage facilities for 70 million metric tonnes of grain over the next five years, supported by a massive investment of Rs 1.25 trillion from the government. The initiative will address critical infrastructural needs, such as the construction of modern godowns. This brings hope for a better future and many trends could emerge or gain strong momentum in 2025.

Digital Transformation

Technology is at the forefront of the agri-warehousing revolution, enabling greater efficiency, transparency, and scalability.

Smart Warehousing: IoT devices and AI-driven analytics are now standard in contemporary warehouses. Sensors monitor storage conditions in real-time, ensuring commodities remain in optimal conditions. Predictive analytics helps warehouse managers forecast demand, reducing overstocking or underutilisation of space.

ERP's for Supply Chain Transparency: Technology has introduced unparalleled transparency and trust into the supply chain. ERP that has been customised to mimic SoPs of physical requirements of handling grains is being used to track food grain movement, ensuring transparency, traceability, and fraud prevention in the warehousing ecosystem.

Expansion of Storage Infrastructure

Government Initiatives: Programmes like India's grain storage initiative aim to expand storage capacity significantly. By 2025, rural areas are expected to see a surge in the construction of modern godowns and silos.

Cold Storage: Growth in the demand for cold storage facilities for perishable produce like fruits, vegetables, and dairy is transforming agri warehousing. Integrated cold chain networks, connecting cold storage with processing units and retail markets, are gaining prominence.

Climate-resilient Infrastructure

Warehouses are increasingly adopting climate-resilient designs to withstand extreme weather conditions, such as floods or heatwaves, ensuring the safe storage of grains.

Customised Solutions for diverse commodities

Warehousing companies are developing specialised storage systems for perishable items like fruits and vegetables and bulk storage for grains and pulses. This customisation enhances the quality and shelf-life of stored commodities.

Focus on Sustainability and ESG

Solar-powered warehouses and energy-efficient technologies are gaining traction to

reduce operational costs and environmental impact.

Sustainable waste management practices like paperless workflows by digitising warehousing operations reduce deforestation-related impacts. Adoption of ERP ensures efficient monitoring and reporting, reducing energy and resource wastage.

Integration with Agri-finance

Warehouse Receipt Financing: Farmers are using warehouse receipts as collateral to secure loans, enabling them to store produce longer and sell at favourable prices. The digitisation of warehouse receipts is a game-changer in the agri-finance and agri-warehousing sectors, enhancing transparency, efficiency, and accessibility. By converting traditional paper-based receipts into digital formats, farmers and stakeholders in the supply chain can access, transfer, and utilise warehouse receipts instantly, making the process more streamlined and efficient.

Global Adoption of Phygital Innovations

Developing countries like Cambodia, and Vietnam may come forward to implement our Phygital Innovations in agri-logistics with support from our governments and private players, creating smart supply chains that connect farms to end-consumers seamlessly.

Future Outlook

As the agri-warehousing industry in India continues to evolve, it must address immediate challenges while preparing for long-term sustainability. The trends in 2025 indicate that technology, financial integration, sustainability, and collaboration will remain the cornerstones of this transformation.

For stakeholders—be they farmers, traders, or investors—the ability to adapt to these trends will be crucial. By leveraging emerging technologies, forming strategic partnerships, and aligning with regulatory frameworks, the industry can achieve its twin goals of operational efficiency and rural empowerment.

2025 offers a promising horizon where warehousing does not merely serve as a storage solution but merges as a pivotal force in shaping the agricultural economy. 🌱💰