



Warehousing Development

For Prelims: Warehouse Development and Regulatory Authority, Electronic Negotiable Warehouse Receipt

For Mains: Importance and Objectives of WDRA & E-NWR

Why in News?

Recently, a seminar on “**e-NWR - An Effective Tool for Promoting Pledge Financing**” was organised by the **Warehousing Development and Regulatory Authority (WDRA)** under the **Department of Food and Public Distribution (DFPD)** on the foundation day of WDRA.

What is Warehousing Development and Regulatory Authority?

▪ About:

- It was **constituted in 2010** under the **Warehousing (Development and Regulation) Act, 2007**.
- It was an **initiative of public policy** where the benefits of technology had been transferred into benefits for farmer with the objective to make **e-NWR** a prime tool of trade, increase rural liquidity, increase farmers' income, reduce post-harvest losses, etc.

▪ Objective:

- The main objective of WDRA is to implement **Negotiable Warehouse Receipt (NWR) System** in the country.
- The main functions of the Authority are to **make provisions** for the development and regulation of warehouses which interalia includes negotiability of warehouse receipts, **registration of warehouses, promotion of scientific warehousing** of goods, improving fiduciary trust of depositors and banks, **enhancing liquidity in rural areas** and promoting efficient supply chain.

▪ Achievements:

- There had been an **increase in the number of warehouses registered** with WDRA and its outreach with banks and farmers had improved exponentially.
- As of 2021-22, **123 warehouses** are registered under WDRA issuing total of **17,975 e-NWR**.

What is Negotiable Warehouse Receipt?

▪ About:

- It was launched in **2011 by the Ministry of Consumer Affairs, Food & Public Distribution**.

▪ Benefits:

- Farmers can **seek loans** from banks against the warehouse receipts issued to them against their storage.
- These receipts issued by the warehouses registered with the WDRA would become a **fully negotiable instrument backed by a Central legislation**.

- **The NWR in electronic form could be issued either as:**
 - **Electronic Negotiable Warehouse Receipt (e-NWR):**
 - It has negotiability and can be used for deposit and withdrawal of commodities as well as trade transactions such as **transfer and Pledge**.
 - It was launched in 2017.
 - It has been integrated with the [electronic National Agriculture Market \(e-NAM\)](#) platform by providing an interface between e-NAM and repositories.
 - **Electronic Non-Negotiable Warehouse Receipt (e-NNWR)**, which can be used **only for deposit and withdrawal of commodities** (generally issued for goods received in the warehouse with pending final assaying reports or if assaying is not desired by the applicant) **without the facility of trade / transfer**.

What is e-NWR Pledge Finance?

- Pledging is a process in which the holder of the eNWR will **get a loan from the financial institution** using the underlying commodity of eNWR as collateral.
- When a pledge is marked, the **eNWR balances will remain in the client's account** (borrower) only but the control on the balance will be with the financial institution.
- The client will **not be able to use** the eNWR balances until the pledge in favour of the **financial institution is active**.

UPSC Civil Services Examination Previous Year Question:

Q. What are the impediments in marketing and supply chain management in developing the food processing industry in India? Can e-commerce help in overcoming this bottleneck? **(2016)**

Source: PIB

PDF Reference URL: <https://www.drishtiias.com/printpdf/warehousing-development>