

Agricultural Co-operative Societies: A Boon for Farmers

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Growth of Indian economy is not possible without the progress of its rural areas. Slogan like “Jai Jawan - Jai Kisan” raised from these regions only. For fulfilment of needs and development of these rural areas, government as well as private organizations play their part. Government and private banks, charitable trust companies, non-government organization, joint firms and co-operative societies are to name the few. Co-operatives originated in the West during the middle of the last century and were introduced to India in 1904 with the promulgation of the ‘Indian Co-operative Societies Act’. Rural indebtedness was the key trigger behind the formation of co-operatives in India. Initially these were just to provide credits to the farmers. Non-credit societies came in 1912. With the formation of the Reserve Bank of India (RBI) in 1935, the development of more co-operative societies was prioritized. Main aim of the co-operative was to get the poor and indebted farmers out of poverty and out from the clutches of money lenders. Within short span of time, role of co-operatives extended beyond agricultural credit. It started covering activities such as production, farming, marketing and processing. Co-operatives are now playing a very significant role in the socio-economic development of our country especially the rural India. Co-operatives cover more than 97 per cent of Indian villages. These societies are autonomous societies which work on their own where farmers work together to achieve their economic, social, and cultural needs. These societies are the organizations in which its members have the ownership and control to utilise the facilities/services of the society. The main function of these societies is to help its members in the form of kind or cash. People come forward in group in

these societies and utilise the resources in the best possible way to gain maximum profit.

Types of co-operative societies

Apart from agriculture, co-operative societies work in other areas where instead of working alone, resources and services can be utilised efficiently by working together.

1. **Co-operative Credit Society:** These kinds of societies provide financial help to the members in the time of need. This society keep the deposits of members money and provide credit on reasonable interest rates whenever it is required by the members. For example, village level or primary co-operative society and urban co-operative banks.
2. **Housing Co-operative Society:** These societies provide residential plots, houses or flats to their members. These societies provide loan on lesser interest rate for construction of the house. For example, Employee’s Housing Society, Metropolitan Housing Co-operative Societies, etc.
3. **Consumer Co-operative Societies:** By providing daily needs products on affordable and reasonable prices, these societies protect the rights of common consumers.
4. **Producer Co-operative Society:** This society provides raw material inputs implements. Machinery, etc. To small farmers to safeguard their interest.
5. **Co-operative Marketing Society:** These societies are made by those small producers and manufacturers who face difficulty in serving their produce.

6. **Co-operative Agriculture Society:** The main objective to build these societies is to work in collaboration with farmers so that they can get maximum gain from agriculture.
7. **Co-operative Training Societies:** These societies impart training to different co-operative employees under corporation.
8. **Co-operative Societies for Women:** In these societies, women work together on different fields like stitching, pickle making, etc.

Table 1: Agricultural Co-operative/Credit Societies and Banks in Punjab

S. No.	Particulars	Number
1.	Total co-operative societies of all type	18948
2.	Primary Agricultural Co-operative/ Credit Societies	3961
3.	Primary Agricultural Development Banks (PADB)	89
4.	State Agricultural Development Bank (SADB)	1
5.	Punjab State Co-operative Bank (PSCB)	1
6.	Joint Collective Farming Societies	83
7.	Primary Marketing-cum-Processing Societies	82
8.	Apex Marketing Federation, Punjab (Markfed)	1
9.	Primary Co-operative Milk Producers' Societies (Milkfed)	6521
10.	Poultry Co-operative Societies	91
11.	Sugarcane Supply Co-operative Societies	7

In Punjab state, total number of co-operative societies are 18948, out of which 3961 societies are Primary Agricultural Co-operative/Credit Societies (PACS). The co-operative societies include Joint Collective Farming Societies, Primary Marketing and Processing Societies, Milkfed, Markfed, Poultry Cooperation Society and Sugarcane Supply Co-operative Societies. Besides, State Agricultural

Development Bank (SADB) and Primary Agricultural Development Banks (PADB) are also there to help farmers. It is important to mention that nearly 52 per cent PACS are running in profit and about 37 per cent in loss. The remaining ones are running in almost no profit no loss condition. There is a dire need for improvement in the condition of these societies.

Co-operative societies can help in improvement of farmers' economic and domestic conditions if they work independently. It is difficult for small farmers to survive in present days' expensive agriculture. Co-operative societies can purchase farm inputs in bulk at comparatively low prices which can help reduce cost of cultivation. In Punjab, there are many co-operative societies which not only provide farm inputs but also other services like agriculture credit, agri machinery, implements and create employment to agricultural labour. The interference by politicians and other influential persons may cause loss to the societies as well as its member farmers. In Punjab, 3961 co-operative societies are working, out of which, the societies which are running autonomously showed an exemplary progress and they have their own petrol/diesel pumps and agro-processing complexes. These also take land on lease by which they create employment to other fellow farmers. To improve the financial condition of farmers, only co-operative societies are the hope. These may be proved successful if these are allowed to work autonomously and independently. The marginal (up to 2.5 acre) and small (2.5 to 5 acres) farmers constitute 33 per cent of total operational holdings in the state which have only 9.7 per cent of total agricultural land. They are unable to bear huge farm expenses on purchase of modern machinery and implements. So, in such a situation, with the help of co-operatives using agricultural machinery and implements collectively is the only best option. Co-operative societies may help in eradicating

poverty, enhancing food security and creating new job opportunities. Where public and private sector fails, co-operative societies become a saviour. This is our uttermost responsibility to look after our village

societies and make these successful and profitable organization because profit to co-operative is profit to farmers.

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