

## Strengthening Cooperative Movement in the Country and Deepening its Reach Up to the Grassroots

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### SUMMARY

Establishing viable Primary Agricultural Credit Societies (PACS) in each uncovered Panchayat, viable dairy cooperatives in each uncovered Panchayat/village and viable fishery cooperatives in each coastal Panchayat/village as well as Panchayat/village having large water bodies, and strengthening the existing PACS/dairy/fishery cooperative societies is the mandate of the Ministry of Cooperation (MoC) to strengthen the Cooperative ecosystem. The MoC has kept an initial target to establish 2 lakh multipurpose PACS/ Dairy/ Fishery Cooperatives in next five years. The plan to be implemented with the support of NABARD, National Dairy Development Board (NDDB) and National Fisheries Development Board (NFDB) through convergence of various schemes of Ministry of Fisheries, Animal Husbandry & Dairying by leveraging the 'Whole-of-Government' approach. This will enable PACS/dairy/fishery cooperative societies to setup and modernize necessary infrastructure to diversify their business activities. It will provide farmer members with requisite forward and backward linkages to market their produce enhance their income, obtain credit facilities and other services at village level.

### INTRODUCTION

Cooperative movement is the backbone of rural economy. Presently, around 29 crore people in the country are directly linked with cooperative sector. Cooperative societies, particularly, in agriculture, dairy and fisheries sectors provide rural population not just with livelihood opportunities but also with financial safety net with a community-based approach. Primary Agricultural Credit Societies (PACS), with a member base of 13 crore, constitute the lowest tier of the Short-Term Cooperative Credit (STCC) structure in the country, providing short-term and medium-term credit and other input services, like seed, fertilizer, pesticide distribution, etc. to member farmers. These are refinanced by NABARD through 352 District Central Cooperative Banks (DCCBs) and 34 State Cooperative Banks (StCBs). Primary dairy cooperative societies, having around 1.5 crore members, are engaged in procurement of milk from the farmers, providing milk testing facilities, cattle feed sale, extension services, etc. to the members. Primary fishery cooperative societies, having around 38 lakh members, cater to one of the most marginalized sections of the society, providing them marketing facilities, assisting in procuring fishing equipment, fish seed and feed, and also providing credit facilities to the members on a limited scale. However, there are still 1.6 lakh Panchayats without PACS and nearly 2 lakh Panchayats without any dairy cooperative society. In view of the important role played by these primary level cooperative societies in sustaining the rural economy of the country, there is a need to make concerted efforts to strengthen the cooperative movement in the country, further deepen its reach up to the grassroots and address their skewed distribution by establishing such societies to cover all panchayats/villages, as the case may be.

In view of the same, the Cabinet under the visionary leadership of Hon'ble Prime Minister of India Shri Narendra Modi and the able guidance of Hon'ble Home & Cooperation Minister Shri Amit Shah, has approved a plan to establish viable PACS in each uncovered Panchayat, viable dairy cooperatives in each uncovered Panchayat/village and viable fishery cooperatives in each coastal Panchayat/village as well as Panchayat/village having large water bodies, and strengthen the existing PACS/dairy/fishery cooperatives through convergence of various schemes of Ministry of Fisheries, Animal Husbandry & Dairying by leveraging the 'whole-of-Government' approach. Initially, 2 lakh PACS/ Dairy/ Fishery cooperatives would be established in next five years. The action plan for implementation of the project shall be prepared by NABARD, National Dairy Development Board (NDDB) and National Fishery Development Board (NFDB).

**The following schemes have been identified for convergence under the current plan:**

**a) Department of Animal Husbandry and Dairying:**

- National Programme for Dairy Development (NPDD), and

- Dairy Processing & Infrastructure Development Fund (DIDF)

**b) Department of Fisheries:**

- Pradhan Mantri Matsya Sampada Yojana (PMMSY), and
- Fisheries and Aquaculture Infrastructure Development (FIDF)

A high level Inter-Ministerial Committee (IMC) under the chairmanship of Home & Cooperation Minister with Minister of Agriculture and Farmers Welfare; Minister for Fishery, Animal Husbandry and Dairying; Secretaries concerned; Chairman NABARD, NDDDB and Chief Executive NFDB, as members has been constituted and empowered to take necessary steps, including suitable modifications in the guidelines of the schemes identified for convergence, for smooth implementation of the plan. Committees at National, State and District levels have also been constituted to ensure focused and effective execution of the action plan.

In order to increase the viability of PACS and diversify their business activities to make them vibrant economic entities at Panchayat level, model byelaws of PACS have been prepared by the Ministry after consultation with all the stakeholders. These Model byelaws of PACS will enable them to undertake more than 25 business activities which, inter alia, include dairy, fishery, setting up of godowns, procurement of foodgrains, fertilizers, seeds, LPG/CNG/Petrol/Diesel distributorship, short-term & long-term credit, custom hiring centers, common service centers, Fair Price Shops, community irrigation, Business Correspondent activities, Common Service Centre, etc. The model byelaws have been circulated to all the States/ UTs on 5<sup>th</sup> January, 2023 for their adoption by PACS after making suitable changes as per respective State Cooperative Acts.

A national cooperative database is also being prepared by Ministry of Cooperation where country-wide mapping of cooperatives at Panchayat and village level is being carried out with the support of Registrar of Cooperative Societies of States/ Union Territories. A comprehensive database of PACS has been developed in January, 2023 capturing details of more than 1 lakh Primary Agricultural Credit Societies (PACS)/ Large Area Multi-Purpose Societies (LAMPS)/ Farmers Service Societies (FSS). A database of primary dairy/ fishery cooperative societies is also under preparation and so far, details of more than 1,34,000 dairy cooperative societies and nearly 25,000 fishery cooperative societies have been captured with the support of State Registrar of Cooperative Societies. This exercise would provide a list of Panchayats and villages not served by PACS, dairy and fishery cooperative societies. The national cooperative database and the online central portal would be utilized for real time monitoring of the formation of new cooperative societies.

PACS / dairy / fishery cooperative societies would be linked with their respective District and State level Federations. By leveraging the 'whole-of-Government' approach, these societies will be able to set up and modernize necessary infrastructure for diversifying their activities, like milk testing laboratories, bulk milk coolers, milk processing units, construction of biofloc ponds, fish kiosks, development of hatcheries, acquiring deep sea fishing vessels, etc. This would provide the farmer members all over the country with requisite forward and backward linkages to market their produce, enhance their income, obtain credit facilities and other services at village level itself. Those primary cooperative societies which cannot be revived will be identified for winding up, and new primary cooperative societies would be established in their area of operation. Further, establishing new PACS/dairy/fishery cooperative societies would generate employment opportunities in rural areas, which would have multiplier effect for the rural economy.

**CONCLUSIONS**

Further, the steps of Ministry of Cooperation for establishing new PACS/dairy/fishery cooperative societies would generate employment opportunities in rural areas, which would have multiplier effect for the rural economy. The plan would also enable farmers to realize better prices for their products, expand the size of their markets and weave them seamlessly into the supply chain.

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