

THIRD ICA/JAPAN TRAINING COURSE FOR STRENGTHENING
MANAGEMENT OF AGRICULTURAL COOPERATIVES IN ASIA
1988 - 89

Material distributed during Field Study Visits
in India.

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A NOTE ON THE WORKING
OF
COOPERATIVE CREDIT STRUCTURE
IN
HARYANA (INDIA)

THE HARYANA STATE CO-OPERATIVE APEX BANK LT
(A Scheduled Bank)
Bank Square, Sector 17-B.
CHANDIGARH - 160017

THE HARYANA STATE COOPERATIVE APEX BANK LTD
CHANDIGARH

A note on the progress of Cooperative Credit Structure in Haryana.

The Cooperative Credit Structure (Short Term) comprises Apex Bank at State level with its H.Q at Chandigarh, 13 Central Cooperative Banks with their net-work of 241 branches in all the cities, towns and big villages and 2238 mini banks located at each Patwar Circle. The financial position and progress made by this three tier structure over the last twenty two years is as under:-

THE HARYANA STATE COOP.
APEX BANK LIMITED.

Apex Bank came into existence as a result of bifurcation of assets and liabilities from the erstwhile Punjab State Cooperative Bank Ltd., on November 1, 1966 for the avowed objective to function as integrated Cooperative Organisation at State level for the provision of credit to the Cooperative for Agriculture, marketing and processing purposes etc. and to ensure efficient performance thereof, besides serving as a balancing centre for the Central Coop. Banks. During the last 22 years, the bank has successfully managed to provide adequate and timely financial accommodation to the needy farmers and other downtrodden sections of the society in the villages through the central cooperative Bank and Primary Societies.

This Bank is a State level Federation of Central Coop Banks and as such regular membership of the bank is restricted to Central Cooperative Banks and State Govt. All other affiliates have been enrolled as nominal members and enjoy the benefit of borrowing. There are 14 regular member (13 Central Cooperative Banks & one State Government) and 1013 nominal members including 990 primary societies at present.

As leader of the Cooperative Credit Movement, Apex Bank has been providing credit to all the Central Cooperative Banks, to all the Apex Level Cooperative Institutions besides financing a few Agro based specific projects of public undertakings. The various purposes for which finance is mad

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available include Crop loan to the agriculturists, working capital to the rural artisans and petty traders, short term loans to the agricultural labourers, consumption loan to the landless labourers, financing of purchases and stocking of chemical fertilizers, certified seeds, pesticides, processing of agricultural and milk produces etc. The special projects adopted by State Cooperative Bank for financing have been development of Mandis, construction of godowns, construction of cold storages and financing of Sugar Mills, etc.

From a very humble beginning, this bank has gained financial soundness and outstanding credit-worthiness over a period of last 22 years. A few following statistics narrate the saga of success of this esteemed institution:-

Particulars	(Rs. in lacs)			
	1966-67	1975-76	1986-87	1987-88
i) Own Funds*	81.51	497.46	2226.14	2228.65
ii) Deposits	115.83	2278.23	5945.71	10577.73
iii) Borrowings	647.24	1318.03	12813.76	13808.00
iv) Working Capital	859.72	4238.17	21930.88	27616.00
v) Profits	3.72	95.85	142.42	169.30
vi) <u>ADVANCES MADE</u>				
a) S.T. Agri.	453.27	4004.30	14431.93	24150.59
b) M.T. Agri.	59.83	154.60	1066.42	1033.28
c) Others	61.62	4947.99	4821.85	7551.60
d) Total	574.72	9106.89	20320.20	32735.47
vii) Loans outstanding	747.43	2618.93	18369.17	22777.00
viii) Overdues	12.44	0.73	231.58	227.92
ix) Percentage of Recoveries to demand	97.49	99.99	98.69	99.12

* Including accumulated profit.

OWNED FUNDS

Starting with meagre owned funds of Rs.81.51 lacs, this Bank has successfully built up its own funds of Rs.2228.65 lacs during last 22 years as at the end of 1987-88.

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DEPOSITS

During the first year of its operations, the Bank had deposits of Rs.115.83 lacs. During the last 22 years the deposits of the bank have registered a steep increase and now deposits reached to Rs.10577.73 lacs as on 30.6.1988. This quantum of deposits is evidently an indication of public faith reposed in the soundness of the working of the bank. The Bank holds an enviable position in deposit mobilisation in the Union Territory of Chandigarh where approximately 150 branches of various commercial banks are also engaged in tough competition for tapping deposits. This has been possible because of strenuous efforts by staff, introduction of latest deposit schemes and personalised services.

LOANS AND ADVANCES

During the take off stage in 1966-67, the advancement of the Bank for various purposes were Rs.5.75 crores which now stand at 327.35 crores in 1987-88.

PROFITABILITY

Profits are the yardsticks to judge the soundness of an institution. Apex Bank's profits have risen from Rs.3.72 lacs in 1966-67 to Rs.169.30 lacs in 1987-88. The profits for 1986-87 amounted to Rs.142.42 lacs.

CENTRAL COOPERATIVE BANKS. (CCBs)

Central Cooperative Banks are district level Central financing institutions for financing of all types of P.C.C.S in their respective area of operations and for the development of primary coop.credit structure. More than 10000 societies including 2238 P.C.C.S (Popularly called Mini Banks) are affiliated to the Central Cooperative Banks in the State. Central Cooperative Banks meet the credit requirement of the affiliates by collecting deposits from public, by accumulating owned funds and by resorting to borrowings from Apex Bank for various purposes like S.T.Agric., Consumption loan & Rural Artisans loan etc. Performance of the CCBs has been satisfactory and the following financial particulars speak very high of these central financing institutions in Haryana.

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(Rs. in lacs)

<u>Particulars</u>	<u>1966-67</u>	<u>1975-76</u>	<u>1986-87</u>	<u>1987-88</u>
i) Owned Funds**	240.95	1328.46	4010.63	4320.95
ii) Deposits	476.84	2760.35	12568.77	17005.35
iii) Borrowings	673.46	1558.06	16426.73	21203.52
iv) Profits	15.23	151.51	93.51	48.57
v) Working Capital	1475.17.	6503.91	34999.92	45095.73
vi) <u>ADVANCES MADE:</u>				
a) S.T. Agri.	694.11	4395.22	16079.14	25743.89
b) M.T. Agri.	80.78	278.32	1402.46	985.10
c) Others	105.67	2270.60	7788.90	7953.57
d) Total	880.56	6944.14	25270.50	34682.56
vii) Loans out-standing	1073.82	4608.00	29139.04	34357.13
viii) Overdues	166.18	1318.67	17453.49	10088.79
ix) Percentage of recoveries to demand	78.66	83.10	51.24	74.49

** Including accumulated profits.

PRIMARY COOPERATIVE
CREDIT & SERVICE
SOCIETIES

There are 2244 Primary Cooperative Credit & Service Societies in Haryana of which six societies continue to be financed by Commercial Banks in Sonapat District. On an average there is one society for three villages. It is through this structure/deals with the actual beneficiaries/members. The whole pyramid of the Cooperative Credit Structure works for the economic upliftment of members of these societies living in rural Haryana.

The four main functions assigned to a Primary Society in Haryana include disbursement of short term & medium term loans to their members as per their profession, distribution of chemical fertilizer, pesticides, certified seeds, sale of consumer goods & mobilisation of deposits. The various loans purposes include S.T., M.T. loans (Crop loan) for Agri. production & allied activities, loans to rural artisans, consumption loan to landless labourers, short term loans to petty shop-keepers and other professionals. M.T. Agri. loans are given for purchase of bullocks, purchase of milch cattle, bullock carts, cattle sheds, agri. machinery etc.

/at the village level that the three
tier Cooperative Structure

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Of the total 2238 societies, 1812 societies are working as sub depots for purchase, stocking & sale of quality chemical fertilizer, certified seeds & pesticides. During 1987-88 these societies sold agri. inputs worth Rs.4041.78 lacs as against sale of agri. inputs of 4600.67 lacs during 1986-87. 1380 mini banks are maintaining depots for consumer goods. During 1987-88 these societies have sold consumer goods worth Rs.615.81 lacs to the rural people. All the Mini Banks accept deposits from the members & their deposits were Rs.485.49 lacs as on 30.6.1988. The comparative progress by the PCCS in Haryana is given in the following table:-

<u>Particulars</u>	<u>1975-76</u>	<u>1986-87</u>	<u>1987-88</u>
Membership (in 000's)	651	1325	1446
Average membership per society	321	600	650
Total rural families in Haryana	1231	1743	1876
S.C.families in Haryana	303	431	463
Percentage of families covered to total rural families in State	41%	73%	74%
%age of SC families covered to total SC rural families in the State.	34%	71%	70%
<u>ADVANCES MADE</u>			
i) S.T.Agri.	4043.00	15113.92	24516.95
ii)M.T.Agri.	200.00	1419.27	1106.29
iii)S.T.Non Agri.loans to shop-keepers & other professionals	66.00	865.87	1099.42
<u>RURAL ARTISANS</u>			
S.T.	1.00	441.39	683.92
M.T	-	-	0.24
Consumption loan to weaker sections	-	446.05	661.64
Total	4310.00	18286.50	28068.46
Consumer goods sold	41.00	581.75	615.81
Agri. inputs sold	246.00	4600.67	4041.78
Deposits	73.00	455.70	485.49
Average loan per society	2.11	8.43	12.55
Average loan per member	662.00	1404.00	1942.00
Percentage of recovery to demand	73.00	45.56	66.46

SPECIAL FEATURES

a) Special treatment to the weaker sections of the society.

Of the total advancement of Rs.280.68 crores by PCCS during the year 1987-88 the advances to weaker sections were Rs.141.83 crores. This formed 51% of the total credit flow. During 1986-87 also 52% of the total loan of Rs.182.86

crores was advanced to this section of the society. Purpose-wise loans to weaker section during 1986-87 and 1987-88 have been given as under:-

	(Rs. in lacs)	
	<u>1986-87</u>	<u>1987-88</u>
S.T.Agri. loans to small farmers	6881.62	11163.93
M.T.Agri. loans to small farmers	887.29	573.94
S.T.Agri. loans to petty shop-keepers & others	865.87	1099.42
Loan to Rural Artisans (S.T)	441.39	683.92
-do- (M.T) -	-	0.24
Consumption loans to weaker section	446.05	661.64
Total loans to weaker sections:	<u>9522.22</u>	<u>14183.09</u>

b) LOAN REMISSION

The Cooperative Banks remitted loans of the farmers, rural artisans, and other weaker section of the society in-full-filment of poll promises of the present State Government. Under the loan remission scheme as approved by the State Government total amount of Rs. 26.78 crores till date (20.10 crores by way of principal and 6.68 crores by way of interest) has been written off in respect of 3.97 lakh farmers, rural artisans, petty shop-keepers, landless labourers etc.who are members of mini banks. In addition to this, Coop. Banks have also extended relief of nearly Rs. 5.00 crores to the loanee members of Mini Banks by way of writing off penal interest on the defaulted amount of loans and this burden has been met out of their own resources.

c) CONVERSION OF S.T. LOANS INTO M.T. LOANS

The State has faced a severe drought during the year 1987 and as a result, the farmers were not in a position to repay their loans to the cooperative banks, on due date. To enable the farmers to borrow fresh without incurring the disqualification of a defaulter the Coop. Banks in the State have converted the S.T. loans of Rs. 705.51 lakhs during kharif 1987-88 and Rs. 87.72 laes during Rabi 1987-88 of farmer members of PACS into MT loans. Thus such farmer had not to repay the old dues on due date and could simultaneously raise fresh finance to raise crops. Like-wise keeping in view drought the due date of crop loan falling on 31.1.1988 was extended to 30.6.1988 to save the farmers

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from payment of penal interest on their loans.

d) ENHANCEMENT OF M.C.L.

The maximum credit limit of individual farm members of Mini Banks was Rs. 15,000.00 (Cash Rs. 9000/ and kind Rs. 6,000/-) till June 1987. It was enhanced to Rs. 20,000/- (Cash Rs. 10,000/- and kind Rs.10,000/-). This was done with a view to meet his major expenditure need where prices have gone up considerably. The non-f are eligible to borrow clean loan upto Rs. 2000/-. For rural artisans can also raise a loan upto Rs. 30,000/- a scheme recently introduced in the State for establish rural or cottage industry or for running a service cent. Yet another scheme has been introduced to help ex-servi who are now eligible to raise loan upto Rs. 5.00 lacs bankable and viable scheme.

THE HARYANA STATE COOPERATIVE APEX BANK LTD.
(A Scheduled Bank)
Bank Square, Sector 17-B,
CHANDIGARH

DEAR CUSTOMER

We offer you a bunch of deposit schemes to your all present as well as future cash requirements welcome you to select our one or more of deposit sch and join us as our family members. Brief details of schemes are as under:-

1. SAVINGS BANK DEPOSIT SCHEME

This scheme helps you in accumulating your on day to day basis and offers you ^{the} facility of fr operations upon your account. The Bank pays interes p.a. on your minimum balance from 10th to the last w day under this scheme. You are also entitled to Cheq facility on this account. Step in and open a Saving Account, if you already do not have with us.

2. DEPOSIT AT CALL OR NOTICE SCHEME

Sometimes you wish to keep hard cash antic contingent expenditure. We extent you a scheme of de call or short notice and also pay you interest even short periods as under:-

Deposits with

(i)	15 days to 45 days notice	3 $\frac{1}{4}$ % p.a.
(ii)	46 days to 90 days notice	4 $\frac{1}{4}$ % p.a.
(iii)	91 days & above but less than 12 months	8 $\frac{1}{4}$ % p.a.

Why to bear the unnecessary risk of keepir even for a few days, at home; entrust your money to u you need it and also earn interest.

3. FIXED DEPOSIT SCHEME

Reserve Bank of India has permitted this Bank to give you higher rate of interest on these deposits as under:

<u>Period</u>	<u>Interest per annum</u>
For deposits for 15 days to 45 days	3¼%
For deposits for 46 days to 90 days	4¼%
For deposits for 91 days & above but less than one year	5¼%
For deposits for one year & above but less than 2 years	6¼%
For deposits for 2 years & above	7¼%

Interest is payable quarterly. You can have even monthly interest if you want. There is no upper limit of amount of deposit under this scheme.

4. RECURRING DEPOSIT SCHEME

This scheme is especially for salaried persons. A small amount of Rs.10/- P.M. under the scheme grows into 122 after seven years. We advise you to open R.D. account in your name, in the name of your wife, kids & save this some amount regularly. Over a period of time, this seed money will grow a big "BATT" tree. Amount payable under the scheme, on maturity is as under:-

<u>Amount of deposit each month (Rs.)</u>	<u>GROWS INTO</u>			
	<u>36 months</u> 10¼%	<u>60 months</u> 10¼%	<u>84 months</u> 10¼%	<u>120 months</u> 10¼%
10	422.40	784.35	1225.00	2084.65
50	2112.10	3921.75	6125.00	10423.20
100	4224.20	7843.50	12250.00	20846.40
1000	42242.00	78435.00	122500.00	208465.00

5. REINVESTMENT TERM DEPOSIT SCHEME

Under the scheme, we capitalize your earnings from deposits with us. Your money grows faster. Your investment

of Rs.1000.00 grows into 1658.85 after 5 years and Rs.2031.05 after 7 years as under:

Will become after	A DEPOSIT OF		
	Rs.100/-	Rs.500/-	Rs.1000/-
15 months	112.10	560.50	1121.10
24 months	122.45	612.20	1224.40
36 months	135.50	677.50	1354.85
48 months	149.90	749.50	1499.15
60 months	165.90	829.50	1658.85
84 months	203.10	1015.50	2031.05

6. MONEY MULTIPLE CERTIFICATES SCHEME

Indeed a unique scheme. You get highest interest with automatic reinvestment. You have one option to withdraw your money with full benefits after five years with no notice or deduction. It continues to grow till you decide to have the money as under:-

Rs.1000.00 will become after	Amount	With interest growth of
5 years	1658.85	13.16%
7 years	2031.05	14.73%
10 years	2751.65	17.51%
11 years	3044.75	18.58%
15 years	4564.40	23.76%
19 years	6842.35	30.75%
20 years	7571.15	32.85%

7. SPECIAL PROVIDENT FUND SAVINGS DEPOSIT SCHEME

For employees of institutions, enjoying the exemption under P.F.Act, we have a Special P.F.Savings Deposit Scheme. Under this scheme, this Bank pays you interest @ 10% p.a. at quarterly rests. We maintain individual accounts of employees, for employers, issue and up-date their Pass Books. Open your P.F.Account with us and win the heart of your employees. at no extra cost.

8. PENSION-CUM-GRATUITY SCHEME

Old age is no more a curse, you must enjoy it. If you

want, we promise to make your old age charming, luxurious and free from worries. You open an account with us under this scheme and reap the benefits of pension as well as handsome return on your investments.

UNDER THIS SCHEME

A DEPOSIT OF Rs.100.00 per month for 7 years will fetch you a monthly pension of Rs.100.00 for 63 months & also a fabulous gratuity amount of Rs.2560.00 afterwards.

Deposit of Rs.100.00 per month with us for 10 years & get back a pension of Rs.150.00 per month for 63 months & also a fabulous amount of Rs.23000.00 as gratuity afterwards.

OUR SPECIAL FEATURES ARE:

1. Cooperative Banks pay higher interest rates on all types of deposits in comparison to Commercial Banks;
2. Monthly/quarterly payment of interest on deposits;
3. Safe deposit vaults at nominal charges;
4. Free locker facility to customers with term deposits exceeding Rs.1,00,000.00;
5. Remittance & collection facilities to the customers on easy terms;
6. Collection of salary & pension bills;
7. Nomination facility to depositors;
8. Liberal loan facility against term deposits/MMCs/RFD
9. Your deposits upto Rs.30,000.00 per account are guaranteed by Deposit Insurance & Credit Guarantee Corporation of India.

OUR FINANCIAL POSITION

(Rs. in crores)

	<u>30.6.67</u>	<u>30.6.81</u>	<u>30.6.87</u>	<u>30.6.88</u>
1. Total owned funds	0.82	8.37	22.26	23.65
ii. Total Deposits	1.16	44.92	59.46	105.78
iii. Total loans & advances	7.47	82.04	133.69	227.94
iv. Percentage of Recovery	97%	99%	99%	99%

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	<u>30.6.87</u>	<u>30.6.81</u>	<u>30.6.87</u>	<u>30.6.88</u>
v. Investment in Govt. & Trustee Securities	0.04	7.72	17.95	24.50
vi. Working Capital	8.60	112.95	219.31	276.16
vii. Net profits for the year	0.04	1.37	1.42	1.69

Above all, you will appreciate our service. Please
Call on us or visit nearest branch of a Cooperative
Bank in Haryana.

The Haryana State Coop. Bank L
(A Scheduled Bank)
Bank Square, Sector 17-B,
CHANDIGARH

P.B.X. Junction lines: 28253
22283
22284
22178

BRANCHES

Sector 15 & 28 at Chandigarh

916, Sector 8, Panchkula

Extension Counter,
Haryana State Agri. Marketing Board,
Sector 6, PANCHKULA

Haryana Civil Secretariat (Opening Shortly)

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APPLE MARKETING IN INDIA - AN APPRAISAL

- S.S. Chandan *

Apple is widely grown in the temperate regions of the world. The world production of apple ranged between 20 to 30 million tonnes in the recent years and is increasing steadily. The production of apples is largely concentrated in Europe and Australia which accounts for about 40% of total world production, the major producing countries being France, Italy, China, USSR and USA. During 1978, the global production of apple was estimated around 30 million tonnes out of which USSR accounted for 2%, USA 11%, France 8%, Italy 5% and West Germany 5%.

2. In India, production of apples is concentrated in the States of Himachal Pradesh, Jammu & Kashmir and, to a lesser extent, in Uttar Pradesh. Jammu & Kashmir and Himachal Pradesh together account for 85 per cent of India's production. Arunachal Pradesh, Manipur and Sikkim also produce some apples. The production of apples in India was to the tune of 5.45 lakh tonnes during the year 1978-79. The production increased to 6 lakh tonnes in 1979-80 and around 7 lakh tonnes in 1980-81. In view of greater use of improved technology in respect of disease control etc., India's production may increase to the tune of 10 lakh tonnes in the near future.

3. Though the production of apples in India has increased continuously in the recent years, the infrastructure for marketing, transportation, storage and processing has not matched the increased production.

* Manager (Horticulture) Nafed 54, East of Kailash New Delhi-65.

This resulted into wastage of a significant quantity of apples in the post harvest handlings. It is estimated that around 30% of the production of apples goes waste due to inadequate post harvest handling operations. The post harvest operations commence from plucking of fruits, assembling, grading, packing, storage, transportation, processing and marketing.

4. Absence of these facilities have also resulted into lower return to the apple growers. It is therefore necessary to develop marketing infrastructure in order to sustain increased production of apple in the country with the object of ensuring fair return to the producer and maintaining quality of produce avoiding wastage and making available the produce to the consumers at reasonable prices.

5. It is necessary that these problems are identified and remedial measures are taken. In this respect, the following points need consideration:

i) Harvesting:

Due to lack of education, the crop of apples is not harvested at proper stage of maturity resulting decreasing shelf life. It is very essential to educate the growers for harvesting the crop at proper maturity.

ii) Grading:

Grading is an important post harvest operation because proper grading provides better returns to the growers. The Market Planning & Design Centre of the Directorate of Marketing & Inspection, Government of India and Indian Agricultural Research Institute have made serious efforts in evolving suitable grade specifications for apples. Unless these grades are popu-

larised among the growers, they will not be able to get good returns. It is therefore imperative for the Government to popularise and impose these grades strictly. Adoption of the proper grades would not only help the producers but will also save the valuable forest wealth because the unsuitable quality of apples would not be despatched to the terminal markets but will be utilised locally for processing. This would also save the transport cost of the culled stock of apples from the producing areas.

iii) Packing:

Apples are traditionally packed in wooden cases. With the increase in production, the requirement of packing material has also been increasing. Out of the total production of around 10 lakh tonnes of apples, packing material would be required for moving about 8 lakh tonnes of stock out of the producing States. This would require 2 crore cu.ft. of wood for packing cases. The requirement of wood would increase along with the increase in the production. This is going to create ecological imbalance resulting into land erosion and flood. In order to maintain the ecological balance, it has become very necessary to find out alternate packaging of apples. Though efforts have already been started in this direction, but immediate steps are required to be taken to evolve suitable packaging which may reduce burden on forests. The Market Planning & Design Centre has also made some experiments in finding out the alternate packaging. They have suggested packing of apple in card board boxes and Corrugated Fibre Board Cartons. The Indian Institute of Packaging have also designed the same type of packaging for apples. But this

type of packages are yet to be popularised and made available to the apple growers. The main hurdle in this case is the cost factor because the Kraft Paper used in these packages is costly. Besides, in the hilly terrains, this type of packaging may not be very suitable. But it is hoped that these difficulties would be overcome to design suitable type of packaging for apples which would not only be cheaper but also suitable to carry the load from producing hilly areas.

iv) Transportation:

Availability of timely and adequate transport has been a major problem in bringing apple in the terminal markets at the right time causing periodical gluts in the market. The quality of produce is also adversely affected due to lack of adequate and timely transport. Two-fold approach to tackle the problem is necessary, one is to provide adequate and timely transport and secondly improve the system of transportation. It is also worthwhile to consider of refrigerated vans/wagons for safe movement of fruits from producing areas to far-flung consuming areas in the country. As the apples are grown in areas where rail movement is not available, road transport plays an important role. During the peak period, sufficient number of trucks are not generally available. It would therefore be necessary for the State Governments to make arrangements of adequate number of trucks particularly upto the rail-heads, i.e., upto Jammu Tawi for Kashmir apples, upto Kalka and Kiratpur for Himachal apples and upto Haldwani for U.P. apples. Rail transport for the apples in India is to be improved as at present fruit and vegetables are being carried in general purpose un-ventilated steel wagons which literally carry everything.

In these wagons, damages due to the heating of the produce by accumulation of the self-heat of respiration and Solar radiation is unavoidable. There is an urgent need to introduce double roof well-ventilated wagons painted with white paint at the top to reduce Solar radiation.

v) Marketing:

The apple trade in the country is traditionally in the hands of few private traders who have monopolised this trade from decades. The Government of India and the State Governments have taken measures to improve the post harvest operations of apples including marketing with the World Bank assistance and have established Corporations i.e. H.P. H.P.M.C. in Himachal Pradesh and J&K H.P.M.C. in Kashmir which have taken up the task of rebuilding this industry on modern lines. In Uttar Pradesh, the State Government is also making serious efforts to improve pre-harvest and post-harvest operations and even subsidising the transport charges to give financial support to the apple growers in interior hilly areas. The involvement of Cooperatives in the marketing of apples has been only after NAFED's entry in this trade in the year 1972-73 when open auction was introduced by this Federation in Delhi market. Thereafter, the Cooperative handling has increased gradually. The Directorate of Horticulture, Planning and Marketing, Government of J&K have organised over 100 cooperative societies of apple growers in the valley. These societies directly consign their stock to NAFED in Delhi who have established Sale Point in Azadpur Fruit & Vegetable Market and also other terminal markets in the country. In Himachal Pradesh also, some cooperative societies have started procuring and forwarding

apples to the consuming markets. The Himachal Pradesh State Cooperative Marketing and Supply Federation have also taken up procurement and marketing of apples in a big way. In U.P. also, the Government is organising cooperative societies to handle apple marketing.

vi) Storage:

According to the latest recommendation of the Scientific Research, the apples should be stored at the upcountry centres immediately after harvesting, but adequate storage capacity is not available at uncountrry centres. Under the World Bank Scheme, cold storages are being set up in Himachal Pradesh and Jammu and Kashmir. The refrigerated cold storages only may not serve the purpose due to heavy cost and shortage of power. These efforts may have, therefore, to be supplemented by developing evaporative cool home technology at farm or collection centre level to extent marketing period. Adequate cold storage capacity shall have to be created at the important terminal markets for regulating the flow of the supplies throughout the year.

vii) Processing:

Processing of apples helps not only the grower but enables consumers to get the produce throughout the year. The processing facility for apple in the country has not been adequate. Only few units have been set up in the Public and Cooperative Sector in Himachal Pradesh. In Jammu & Kashmir also, there are only few units undertaking processing of apples in the Private Sector. On account of inadequate processing facilities, a huge quantity of fruit either goes waste or transported to the terminal markets increasing the transportation cost and consuming a large part of wood in packing. It is,

therefore, necessary to start more processing units in the producing areas in order to process and utilise culled fruits. This would not only increase the income of the apple growers, but also help to maintain ecological balance in the hilly regions.

viii) Exports:

Owing to higher cost in domestic market and inadequate scientific post harvest techniques, it has not been possible to undertake large scale export of apples from the country. However, efforts are being made to explore possibility of exporting apples to the neighbouring countries like Bangladesh, Srilanka, Nepal, Gulf Countries and Far East. But this would require removal of constraints in the exports as also to provide incentive for undertaking export of apples.

NAFED'S ROLE:

The National Agricultural Co-operative Marketing Federation of India Ltd. (NAFED) started playing significant role in the marketing of apple since 1972-73 when it started its marketing operations in Delhi Fruit Market which is the biggest distributing and terminal market in the country. Before NAFED's entry, the private trade used to arrange sale of apple through secret bid system which was disadvantageous both to the apple growers and consumers. Initially there was a strong resistance from the trade, but, due to determined efforts of NAFED, the private trade also started open auction much before this market was regulated. NAFED has been able to provide the growers an alternate agency for sale of their produce and reduce the overheads significantly.

NAFED also started giving relief to the apple growers by way of charging lower service charges compared to the private trade. The other market expenses were kept on bare minimum. Even some portion of the service charges is earmarked for development funds to educate the apple growers in new techniques of post harvest operations and also giving them incentives for supplying well-graded stocks for sale in Delhi.

It has been the endeavour of NAFED to inform the apple growers and their societies the prevailing market rates so that they may regulate their despatches to consuming markets. NAFED has also been remitting sale proceeds to the apple growers immediately after the sales are effected in the market.

NAFED has also been assisting the apple growers in making them available packing material like nails, waste paper etc. through its branches in the States of J&K and H.P. Branches have been set up in these States to keep close liaison with the apple growers and their societies.

The State Federation of Himachal Pradesh, some societies and over 1,200 individual growers of Himachal Pradesh are also consigning their stocks directly to NAFED for sale in Delhi Market.

NAFED has also started providing market intelligence to the apple growers societies and individual apple growers in the producing areas through its Research & Development Division whose specific job is to collect data from different terminal markets as well as producing areas. NAFED is contemplating to undertake market intelligence service in a bigger way for which a comprehensive Scheme has been prepared and

submitted to National Cooperative Development Corporation for getting assistance from the World Bank. The Scheme is under active consideration of the concerned Organisations. This will provide a very quick and efficient system for collection and dissemination of market intelligence for the benefit of growers and marketing organisations.

NAFED is also considering adoption of few apple growers' societies in Kashmir and Himachal Pradesh. These societies would be developed to take up marketing of apples through NAFED in an effective manner.

4. MARKETING / DISTRIBUTION IN INDIA

The pattern of marketing and distribution of fruits/apples in India has been reviewed and the major trend is as follows.

- i) Grower - Consumer (Domestic)
- ii) Grower - Middlemen - Commission Agents - Consumer (Domestic)
- iii) Grower - Contractors - Commission Agents - Consumer (Domestic)
- iv) Grower - Grower's Corporation - Forwarding Centre - Consumer (Domestic)
- v) Grower - Middlemen/- Agents - Exports
Contractors/
Corporation.

Depending upon the mode the price in case of apples vary from Rs. 32 to Rs 72 per box of 15 kg. The packaging would depend upon the main mode of distribution. The staggered selling by storage would avoid unhealthy practices in marketing give encouragement for more productivity and thereby would bring/fetch better returns to the growers.

FACTORS OF APPLE QUALITY VIS-A-VIS PACKAGING

The apples should be of acceptable quality in terms of its freshness, free from decay, physiological diseases etc. It should have good taste, aroma, texture, colour and shape.

The deterioration of apple would depend upon its rate of respiration.

With the variety of apples available, their maturity also varies. The ripening is accelerated/decelerated depending upon the temperature/humidity in which it is stored, and maturity, ventilation, micro-organism attack. Before the packing operation, the process of eliminating injured fruit and grading of the fruit depending upon the size and shape has to be done. In addition to the above, the life of apple would also depend upon the harvesting, handling, packing, storing and transportation. The necessary treatment like pre-cooling, waxing etc, coupled with controlled atmospheric storage could give prolonged life ranging from 2 to 9 months depending upon the variety of apples. In short, decelerate the spoilage by micro-organism, shrinkage and heat generated due to metabolism or respiration.

*the refrigerated storage is intended only to

PROBLEM WITH RESPECT TO MARKETING & PACKAGING IN THE
INDIAN CONTEXT

The main problem with respect to marketing of Indian apples could be summarised as :

1. Glut in the market during peak season
2. Disparity in prices in different regions.
3. Inadequacy of processing plants
4. Transportation bottle necks (No refrigerated rail van is available and the use of trucks is unavoidable as the growing area is mostly hilly terrain).
5. Immediate pre-cooling and storage facilities at the production centres (in the respective state of J & K and Himachal Pradesh only 6000 M. tons and 5000 M. tons of refrigerated storage facility alone is available). Taking into consideration the fact that the cold storage capacity in our country is 38.74 lakh M. tons and only 6 % is available for storage of fruits, it would work out to be 2.32 lakh M. Tons. The cold storage facility requirement of apples alone is estimated at 3.00 lakh M. Tons. From this it could be inferred that there is a tremendous scope for increasing the capacity of cold storage for all types of fruits and vegetables and especially for apples.

Atleast the cold storage facility at the terminal could be further augmented. The controlled atmospheric storage should be opted, as it helps in prolonging the life. The middlemen and contractors should be eliminated as they do not care for quality, maturity and other important requirements.

The replacement cost of wooden cases (currently used) by other packaging materials is found to be higher as the wood for packaging of apples is provided at a subsidised price by the respective states. However, the cost function of the package should be examined from value analysis approach in order to replace wooden cases, the source of which is fast depleting.

PACKAGING

The packing operation is unavoidable in the process of marketing of apples. Packaging can't completely relieve/delay the spoilage ^{action} ~~extent~~; however incorrect packaging can do more harm.

PACKAGING OF FRUITS & VEGETABLES - A TOTAL COST APPROACH

The packaging of (fruits & vegetables) fresh produce should be viewed from the total cost approach. This would in turn take into consideration the development of newer materials, elimination of historical packaging materials, longer storage life through better means of packaging and

determined by the growth rates of area and yield. Knowledge about sources of growth in agriculture and its relative importance in different parts with different agro-climatic conditions is desirable for effective planning at regional or State level.

In this paper, an attempt has been made to study the growth rates of area and production, marketable surpluses, despatch of Himachal apples to various States and exports to other countries during the recent past.

Growth in area and Production

The level of growth in output is jointly determined by the growth rate in area and that in yield. The purpose of this analysis is to examine the performance of apple cultivation in Himachal Pradesh and see if there have been any noticeable changes during the last one and a half decade. This would help in finding out the underlying factors responsible for such performances and thereby permit a broad judgement about the overall production possibilities in times to come. With this view, an attempt has been made to examine the trends in area and production of Himachal apples during 1966-67 to 1981-82. The results regarding these have been presented Tables 1 and 2 wherein the compound growth rates as well as the status of apples in the aggregate fruit production is also depicted.

From Table 1 it may be observed that the area under apples increased three-folds during the period of study showing a compound growth rate of 6.9 per cent per annum. During 1966-67, area under apples constituted nearly 58 per cent of the area under all fruits. In the later years, there has been relatively more emphasis on planting of other fruit trees than apples alone. This fact helped in extending the area under apples but at a

3. The growth rate has been calculated by following formula
 C.G.R. = $(\frac{B}{A})^{\frac{1}{n}} - 1$. 100

where $\log B = \frac{N \sum X \log Y - \sum X \sum \log Y}{N \sum X^2 - (\sum X)^2}$

Contd ..

- iii) Given suitable combinations, fruit farming can even be taken up as a complementary² occupation to set up other business propositions in temperate regions.
- iv) The topography of the Pradesh is such that most of the lands have slopes and their cultivation causes serious soil erosion for which soil conservation measures are necessary. Since trees play an important role in controlling soil erosion, fruit trees too contribute in conserving soil.

Horticulture in the State has now developed as a business proposition. But most of the development has taken place after the establishment of a separate Directorate of Horticulture in 1970. Horticulture plays an important role in the economy of the State. During the last one decade or so, the area under fruits, particularly apples, has increased many folds and this has resulted in higher production. In the State, apple alone accounts for 45 per cent of area and 90 per cent of production of all fruits during 1981-82. The revenue earned from apple accounts for more than 70 per cent of the revenue from all fruits and provides gainful employment to a sizeable section of the population in the State. Further, with the development of apple industry in the State, some small scale industries such as saw-mills, fruit processing units etc. are coming up and would further help in generating employment for the local people.

In a thickly populated country like ours, where majority of the people are rural and dependent on agriculture, land based enterprises represent both a source of income to the people as well as an important determinant of the pace of economic development. With the increasing population, the land-man ratio is decreasing fast and economic use of land, therefore, becomes the major task in planning economic activities. The growth in output is jointly

2. Symposium on Social and Economic Problems of Hilly Areas, Directorate of Economic & Statistics, H.P. 1975.

determined by the growth rates of area and yield. Knowledge about sources of growth in agriculture and its relative importance in different parts with different agro-climatic conditions is desirable for effective planning at regional or State level.

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Contd ..

relatively slower rate than that under other fruits. As a result the proportionate share of apple area has come down to 45.5 per cent in 1981-82.

Table 2 shows that the production of apples is increasing at a compound rate of 11.07 per cent per annum while in case of other fruits, it has shown a decreasing trend. Comparison of the figures of area and production shows that the production of apples has increased more than the other fruits in spite of lower increase in area under apples. This is due to higher productivity in case of apples and also may be because of the reason that most of the apple plants have reached full bearing stage where the productivity per bearing plant is increasing with an increase in age (but have yet to touch the stage where marginal productivity decreases).

Proportion of Culls in total production

All apples produced are classified into two broad categories. The first part consists of those fruits that are consumable for table purpose, have longer shelf-life and are generally carried to places located at varying distances from producing areas. The second category of apples includes fruits of marketable quality which do not qualify for inclusion in the first category. Apples of this class are called culls. Since culled fruits do not generally have presentable look, it is not economic to incur all the marketing costs on a poor product.

Table 3 shows the proportion of culls in various size classes of orchardists⁴. It may be observed from the table that the proportion of culls in case of higher size class (500 and more bearing plants) is less whereas in the

⁴4. Estimation of Culled Apples and their utilisation in Himachal Pradesh, Agro-Economic Research Centre, H.P. University, Simla Mimeo, 1980.

lowest size group, it is the maximum. This implies that the large growers pay more attention to their orchards which ultimately results in larger marketable surplus and lesser proportion of culls. But the overall proportion of culls is of the order of 15.56 per cent.

Culled apples are good for processing and to be used as feed for cattle. Table 4 shows the utilisation of culled apples. Poor farmers and other people of lower income group also consume these. In practice, culled fruits are not brought to markets generally for reasons of high costs of marketing per unit of produce, at times giving negative returns. This trend, however, is showing signs of change with increasing processing facilities being created in corporate sector. The table further indicate that the highest proportion of culls is utilised for eating purpose followed by feed to animals, and a very nominal proportion is supplied to the processors.

Despatches of apples to other States

As stated earlier, a very large proportion of Himachal apples find their way to different markets spread all over the country⁵. This means that a large volume of production is marketable⁶. Table 5 shows year-wise production, exports and quantity retained of apples in Himachal Pradesh during 1974-75 to 1981-82. It may be observed from the table that about 80 per cent of the produce is marketed in different parts while about 20 per cent is retained in Himachal. Out of the 20 per cent, about 16 per cent are culled apples most of which do not reach the market.

5. For details refer to Market Survey Reports brought out by Agro-Economic Research Centre, H.P. University for H.P. Deptt. of Horticulture.

6. For details see Agro-Economic Research Centre, "A Comprehensive Study on the Marketing of Apples of H.P. in India", Vol.I - Orchardist Survey", AERC, H.P. University, Simla pp. 25-27.

Apples are transported from the producing areas to the consuming areas by two modes. Firstly, the apples are brought to Simla Railway Station by trucks and are further carried by railways and secondly by trucks to various parts of the country. About 99 per cent⁷ of the total marketed surplus is transported through trucks.

Exports of Himachal Apples to other countries

Himachal apples are also exported to Gulf region, USSR, Sri Lanka and Singapore. The quantity despatched to various countries is presented in Table 6 during 1976-77 to 1981-82. In the year 1976-77, 7218 boxes were exported to Iran, Dubai, Doha and USSR by Himachal Pradesh Horticultural Marketing and Processing Corporation (HPMC). Information on exports by other agencies could not be available.

7. For details see, AER Centre, Pattern of Apple Exports from Himachal Pradesh, AER Centre, H.P. University, Simla, 1980, Mimeo, page 16.

- 8 B -
A GROWER'S VIEW OF APPLE MARKETING

BY
NEHAR SINGH *

"Horticulture need to be encouraged, not
only to increase production of nutritive
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Development of Apple orchards in the hilly States of Northern India has become, firstly, a National necessity and secondly, a source of economic sustenance of the hilly population. Exploitation of our hilly forests for timber and firewood has been going on at a much rapid ^{pace} than the regeneration of our forests. Besides pressure of increasing population is reducing the area under forests. This has resulted in denudation of our hills resulting in ecological disturbance with occurrence of frequent land slides in the hilly areas, destroying hamlets and roads, increasing the frequency of floods and silting of river beds as well as dams.

2. Growing of orchards in hilly areas under these circumstances, on an extensive scale, can have a multifacitated beneficial impact. Firstly, it provides the vegetation which arrests soil erosion and consumes part of the moisture from rain as well as snow. Secondly, it provides employment to hilly people living far-flung areas and also provides a

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*Senior Vice-Chairman, National Agricultural Cooperative Marketing Federation of India Ltd., 54-East of Kailash, New Delhi - 110 065.

source of regular income by way of the annual fruit crop. In contrast to timber and firewood trees which have to be felled for providing an income, in respect of an apple tree, its continued growth ensures a regular source of income to the grower and provides him an incentive to maintain the tree in good shape. Thus, there is more than one good reason why a farmer in Jammu & Kashmir, Himachal Pradesh and Uttar Pradesh, etc. should develop more orchards and grow more apple and similar fruit bearing trees. Notwithstanding these good reasons, development of orchards is not taking place to the desired extent nor is the economy of the orchardist showing any improvement in recent years.

3. As a result of improvement in technology in production of horticultural crops and extension work that has been carried on by various agencies, nodoubt, a large number of farmers have taken up production of apple. Between 1976-77 and 1981-82 the production of apple increased from 5 lakhs tonnes to 9 lakh⁰ tonnes registering an increase of 80 per cent over a period of five years. This is nodoubt encouraging from the point of view of the country. Continued development of orchards in the hilly areas and increased production of apple and other fruits can take place only when they result in economic benefit to the orchardists. Apple is one of the few horticultural crops whose market price has remained fairly stable over the past five to ten years inspite of the inflation in prices of all other articles of consumption and as well as services. An apple grower today is economically in a most unenviable state as his real income is undergoing a steady decrease year after year. Before getting the proceeds on sale of the apple from Delhi or other terminal markets, the farmer has to incur expenditure

on labour for picking apples from the trees, transportation from the orchard upto the road head, incur cost of waste paper, packing material like packing cases, nails, stencilling, cost of transportation from road head to the terminal market, service charges to the commission agent in the terminal market and meet the cost of his own visit to the terminal market once or twice in the season. On an average the investment of the farmer on one case of apple weighing 18 kgs. for the above expenses today works out to Rs. 25/- as against Rs. 10/- five years ago. Thus, if a box of apple of average quality fetches Rs. 30/-, on an average, the net return to the farmer today per case would be of the order of Rs. 5/- as against Rs. 20/- five years ago which does not meet the cost of production. Another relevant factor is, five years ago, the rupee had greater purchasing power. Thus, the net realisation of value by the apple grower, in terms of real value has more or less decreased by 75 to 80 per cent. Besides, the factor of increase in cost, there are certain other factors. There are pockets like Dodra and Kewar in Himachal Pradesh where at the instance of extension agencies farmers have developed orchards producing thousands of cases of apples. At the time of development of orchards 10 or 15 years ago, there was an expectation that by the time the trees bear fruit the necessary net work of roads would be developed. Unfortunately, for these farmers, though the trees have been bearing fruits for nearly 8 to 10 years no way has been found to carry these fruits to the road heads which are separated by 60 to 70 kms. of tractless terrain. The result is that the growers are forced to allow these fruits to drop from the trees and wither and rot without being of any economic use. The farmers have now

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been forced to fell these trees for use as firewood which is a colossal national loss.

4. The return the grower gets is not so much dependent upon the quality or intrinsic worth of the fruit but is based on the supply and demand position on the particular day on which his goods arrive in the terminal market. It generally so happens that on 50 per cent of the days in the season there are unduly heavy arrivals with the result the fruits fetch hardly 60 per cent of the value and a farmer is not even able to meet his packing and forwarding cost as a result of which he does not stand to gain anything for his year-long labour.

5. Improvement in marketing and post harvest handling of apple has, therefore, become an urgent necessity to save the apple grower from economic depletion. The following aspects need greater attention:

1. Improvement of roads and transport facilities in hilly areas.
2. Cheap and regular availability of transport from road heads to the terminal markets.
3. Availability of reasonably priced packing material.
4. Development of techniques for staggering apple supply to markets to avoid fall in prices.

1. Roads and transport facilities in hilly areas

The network of roads in hilly areas is very inadequate. Large areas which have been denuded after felling timber remain bare posing the threat for floods and silting of rivers. Besides from the fruits grown in inaccessible areas, which cannot be transported neither the farmer is able to derive any income nor the country is getting benefit of their nutritive value.

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2. Cheap and regular availability of transport from the Road heads to the terminal markets

The availability of trucks for transportation of fruits season is expensive and irregular. While the cost of transportation by road has increased by more than 100 per cent over the past five years the growers are required to wait at road heads, at times for 10 to 15 days before they are able to get the transport facility. This results in deterioration of the quality of fruits and reduces the sale value as well as the income of the farmer for no fault of his own. There is not only a need for regular transport facility but there is also a need for regulating the movement by providing adequate number of trucks during the season. It will also be worthwhile to consider fixing the carriage cost by providing in it an element of subsidy. Railways should also give preferential treatment for the transportation of apple and other fruits, but to the disappointment of every body apple is considered by the railway as luxury fruit and higher freight is charged for its transportation.

3. The availability of reasonable price packing material

The cost of packing material which comprises wooden boxes, nails, waste paper for wrapping fruits, stencil marking the cases etc. have registered an increase of nearly 200 per cent during the past 3- 4 years. Because of continued deforestation, wood is becoming scarce resulting in shortage as well as increase in the cost of wooden boxes. One of the solutions under active consideration in our country is to replace wooden boxes with those made of card board. This is nodoubt a welcome development. However, even for production of cardboard we need wood and fiber based raw material, the supply of which in our

country is limited. While this could be an additional source of supply of packing boxes it is not certain whether the farmer will derive any benefit by way of reduced cost of packaging. Therefore, we have to consider ways by which the use of packaging material is limited to the barest minimum. This will be possible if farmers are able to grade the fruits and use packing material only for the best apples fit for direct consumption while they save packing material on the lower quality apples by diverting them for processing.

4. Development of techniques by staggering apple supply to markets to avoid fall in prices

Processing of apple, thus, assumes considerable importance not only for reducing undue pressure in the market during the peak season but also to spread over consumption of apple and its products in an even manner. The uncertainties experienced by farmers by market glut and consequent fall in prices could also be avoided. For this purpose we need an appropriate technology which involves minimum processing cost and which does not depend too much on expensive packing material. At present our fruit processing industry is suffering from the burden of antiquated technology coupled disproportionate cost of packaging material, mainly tins. Over and above this processed foods attract multiple excise duties as a result of which the fruit content of the canned product is worth hardly 25 per cent of the money value and consumers are discouraged from buying it due to its prohibitive cost. Therefore, there is need to adopt latest processing technology like aseptic tank technology for processing units in the growing areas which can be bulk preserved transported and marketed in the consuming areas. Alternative packaging including improved technological innovation such as aseptic packaging, use of tetra pack, laminated

ponkes still remains to be tried. There is also a need to exempt processed fruits particularly those grown in hilly areas from multiple excise at different levels. This if done shall reduce the cost of apple product drastically for instance cost of 200 m.l. bottle of apple juice can be available to consumer at Rs. 1.25 which is cheaper than the popular synthetic beverages. In addition, it is beneficial to health of the people as compared to synthetic beverages. This is suggested because the damage caused to the fruit growers as well as the country as a whole is much more than the meagre income generated by such taxes on processed fruit products.

6. The above suggestions are made not only for benefiting the farmer but also to provide solutions to the ecological problems the country has started facing due to denudation of forests in the hilly areas.

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BY

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country is limited. While this could be an additional source of supply of packing boxes it is not certain whether the farmer will derive any benefit by way of reduced cost of packaging. Therefore, we have to consider ways by which the use of packaging material is limited to the barest minimum. This will be possible if farmers are able to grade the fruits and use packing material only for the best apples fit for direct consumption while they save packing material on the lower quality apples by diverting them for processing.

4. Development of techniques by staggering apple supply to markets to avoid fall in prices

Processing of apple, thus, assumes considerable importance not only for reducing undue pressure in the market during the peak season but also to spread over consumption of apple and its products in an even manner. The uncertainties experienced by farmers by market glut and consequent fall in prices could also be avoided. For this purpose we need an appropriate technology which involves minimum processing cost and which does not depend too much on expensive packing material. At present our fruit processing industry is suffering from the burden of antiquated technology coupled disproportionate cost of packaging material, mainly tins. Over and above this processed foods attract multiple excise duties as a result of which the fruit content of the canned product is worth hardly 25 per cent of the money value and consumers are discouraged from buying it due to its prohibitive cost. Therefore, there is need to adopt latest processing technology like aseptic tank technology for processing units in the growing areas which can be bulk preserved transported and marketed in the consuming areas. Alternative packaging including improved technological innovation such as aseptic packaging, use of tetra pack, laminated

ponkes still remains to be tried. There is also a need to exempt processed fruits particularly those grown in hilly areas from multiple excise at different levels. This if done shall reduce the cost of apple product drastically for instance cost of 200 m.l. bottle of apple juice can be available to consumer at Rs. 1.25 which is cheaper than the popular synthetic beverages. In addition, it is beneficial to health of the people as compared to synthetic beverages. This is suggested because the damage caused to the fruit growers as well as the country as a whole is much more than the meagre income generated by such taxes on processed fruit products.

6. The above suggestions are made not only for benefiting the farmer but also to provide solutions to the ecological problems the country has started facing due to denudation of forests in the hilly areas.

Co-operative Movement in Gujarat

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After India's Independence, the cooperative movement in the country has made very rapid progress and many new avenues have been opened for its development. The movement has made remarkable progress in various States of the country. However, its progress and development in Gujarat happened to be eye-catching and has made rapid strides covering various sectors of economic activities. It has developed enormously in terms of number of cooperatives, membership, share capital, deposits, volume of business and also covering in its fold almost all the activities such as Agricultural Finance, Urban Credit and Banking, Marketing, Processing, Storage, Housing and development of Small and Cottage Industries, and Dairy Cooperatives.

The cooperative movement in Gujarat has covered in its fold all strata of society such as small and marginal farmers, weaker sections, landless labourers, artisans, middle and lower class urban dwellers. The movement has given a new hope to the people with meagre means and has

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given assurance for their amelioration and socio-economic development.

The cooperative movement in our country has been accepted as a powerful instrument for bringing about economic prosperity with social justice and special importance has been assigned to the cooperative movement in our national planning for its healthy growth and development.

Agricultural Cooperative Credit :

In Gujarat there are about 41,000 co-operatives of different types of which as many as 6,816 are the Primary Agricultural Cooperatives catering to the credit needs for production purposes to the agriculturists through the 3 tierstructure having primary cooperatives at the village level. District Central Cooperative Banks at the District level and State Cooperative Bank at the State level. Whereas the long term agricultural finance is provided for improvement and development of land, agricultural equipments and for creating irrigation facilities by the State Cooperative Land Development Bank.

The Cooperative Movement in Gujarat began in the first decade of the century with supply of credit to save the poor farmers from clutches of money lenders and landlords and with a view to help them raising agricultural production. For availing to them fair return of their agricultural produce, marketing cooperatives also came

into existence together with large primaries undertaking marketing of agricultural produce. The marketing cooperatives also covered in their activities processing of agricultural produce such as cotton, paddy, groundnut and subsequently covering almost all commodities during the last three decades.

Of the total of 28.47 lakhs, as many as 17.16 lakhs, farmers in Gujarat including Harijans, Adiwasis and small farmers are covered by the cooperatives for providing agricultural credit. Of the total of 1.58 lakhs Harijan farmers, 91,783 are covered by the cooperative credit structure. Like-wise 2.39 lakhs out of 3.97 lakhs of Adiwasi farmers have been covered by the cooperative credit sector providing credit for raising production, improvement of land, creating irrigation facilities, etc. Cooperative credit has given to these small land holders not only strength to survive but has helped them in raising their standard of living and effecting their multifarious development.

Cooperative Dairy Industry :

The special feature of the cooperative movement of Gujarat is the development of its dairy industry. On the pattern of AMUL, Kaira District Cooperative Milk Producers Union, AMUL pattern co-operatives and Milk Unions are functioning in 19 districts of the State. About 8,600 Primary Milk Cooperatives are affiliated to these Milk Unions.

This White Revolution has indeed been a matter of great boon to the milk producers who are generally the small farmers in the State. Milk cooperatives and their Unions have provided the farmers with supplementary income and have played a major role in bringing to them economic upliftment. Under the Operation Flood Scheme of National Dairy Development Board, extension and expansion of existing milk processing units have been undertaken together with establishment of cattle feed factories, cattle breeding centres and training centres for training of farmers and employees of Dairy Cooperatives. Together with Green Revolution, the White Revolution has greatly contributed in income generation and means of livelihood to small, poor and landless families in rural areas. At the same time consumers in urban areas have also been served with milk and its byproducts at fair and reasonable prices.

Cooperative Marketing :

The structure of marketing and processing of agricultural produce is well organised in the Gujarat State. The Gujarat State Cooperative Marketing Federation (GUJCOMASOL) together with its affiliated organisations, the District and Taluka Cooperative Purchase and Sale Unions and about 150 Agricultural Produce Regulated Market Committees undertake purchase and sale of agricultural produce of the farmers. The marketing Federation

and its Purchase and Sales Unions through Primary Co-operatives also provide agricultural inputs such as improved-hybrid seeds, fertilisers, insecticides/pesticides and things of daily necessities to the farmer members through its well organised distribution net work in the State.

Processing Cooperatives :

Besides, Cooperative Ginning & Pressing Societies, Spinning Mills, Sugar Cooperatives, fertiliser cooperatives, such as IFFCO, KRIBHCO, paddy processing and Pulvarising Cooperatives, etc. are doing excellent work in the respective sectors of the co-operative movement in the State.

Single Commodity Marketing Federations such as Gujarat Cooperative Cotton Marketing Federation, Gujarat State Oil Seeds Growers Federation, Gujarat State Cooperative Grain Growers Federation, Gujarat State Cooperative Tobacco Marketing Federation, Gujarat State Cooperative Oil Industry Ltd. etc. are also efficiently and effectively functioning in the State for assuring fair returns to agricultural producers. The most of these federations also own their processing units.

Cooperative Housing :

Food, Clothing and Shelter are the prime necessities to

the human beings. Food and Clothing are not so difficult to be obtained as compared to Shelter. To acquire house for the family is a matter most difficult and of serious concern. The cooperative movement of the State has also looked to this aspect with due deligence. There are as many as 12,349 Housing Cooperatives in the State with total membership of over 3.38 lakhs. The Gujarat State Cooperative Housing Finance Society, apex body of housing cooperatives provides finances to the members through cooperatives on long term basis.

Urban Cooperative Banking :

The contribution of Urban Cooperative Banks in the growth and development of trade, commerce and small industries in the State is quite remarkable and noteworthy. These banks have provided finance to artisans and professionals in establishing their arts, crafts and industries on a large scale. There are at present 287 urban cooperative banks with their 242 branches in the State with membership of over 15 lakhs, and working capital of Rs. 1,100 crores. These banks have advanced loans to the tune of about Rs. 800 crores.

Consumers Cooperatives :

The prime objective of Consumers Co-operatives is to safeguard the interests of consumers and to provide them essential commodities and daily necessities.

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at fair price coupled with fair trade practices. Consumer cooperative movement in the State has three-tier structure with State Federation of Consumers Cooperatives at apex level, 25 wholesale Consumer Stores in important cities/towns of the State and 1,269 Primary Consumers Cooperative Societies. The State Government assistance for the development of these cooperatives amounts to Rs. 5.08 lakhs. Whereas, 215 cooperatives are provided assistance of Rs. 35.51 lakhs by the National Cooperative Development Corporation.

Besides, there are 3,183 Non-Agricultural Credit Cooperatives, 700 Lift Irrigation Societies, 237 Fishery Cooperatives, 1968 Labour Contract and Construction cooperatives, 151 Forest Labourers cooperatives and 2,130 Industrial Cooperatives in the State.

Cooperative Education and Training :

In view of the rapid and diversified development of the cooperative movement in the State, programmes of education of members, committee members and office bearers of cooperatives and training of personnel of cooperatives and cooperative Department are implemented by the Gujarat State Cooperative Union at State level and by District Cooperative Unions at District level. The Gujarat State Cooperative Union administers the Udaybhansinhji Cooperative Training College at Gandhinagar which is one of the 17 colleges in the country. It also governs four Cooperative Training Centres at Surat, Nadiad, Mehsana and

Bhavnagar. Thus importance is also given to the manpower development programmes for the cooperative in the State.

State aid and Cooperative Legislation :

The State Government is also keen and interested to see that cooperative movement in the State develops very well and therefore it provides assistance and impetus. The State Government has prepared several schemes for providing financial assistance to cooperatives. The State Cooperative Societies Act and Rules in force provide for efficient working of the cooperatives through its democratic management. The Act and Rules provide for registration, supervision, control, audit etc. of cooperatives. The machinery of the Registrar of Cooperatives at the State and the District Registrars at the District levels under regulatory provisions guide, supervise and keep control over the administration and management of the cooperatives.

The cooperative movement in the State is playing its pivotal role in the socio-economic development of the people. It has the prime status as an important sector of the economy in the State. The cooperative movement of Gujarat is also providing guidance to other States of the country and has become trend setter in many respects. It has provided to be a ray of new hope and matter of higher aspirations for the poor, backward and weaker sections of the society towards their better living and overall development.

It is true that the cooperative movement in Gujarat has made remarkable achievements. However, there is scope for improving its effectiveness and also for more efficient management for which efforts should be made by both - the management of cooperatives and the Registrar of Cooperatives. We are hopefully marching towards 21st Century. But before we enter into the 21st Century, we should plan to remove certain deficiencies, inconsistencies, and uncertainties of the movement and also of Cooperative Societies Act, Rules and Bye-laws of Cooperatives. We should make the movement so strong as to meet the challenges of the 21st Century and also to meet the new hopes and expectations of the people. What is needed is far sighted, dedicated and kinetic leadership, democratization and professionalisation of cooperative movement and loyal members who should be always ready to preserve and protect moral and democratic values of cooperative movement. Active participation of youths and women is also most welcome and inevitable for the noble cause of convulsing India with Cooperation.

CASE STUDY OF
A FRUIT AND VEGETABLE MARKETING CO-OPERATIVE

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BACKGROUND

Banana Plantations developed in South Gujarat since 1928 onwards. Today Gujarat is producing 3-4 lakh tonnes of Bananas every year but major production is in South Gujarat districts of Surat, Bulsar, Broach and Baroda. The consumption of Banana was confined to big cities like Bombay, Ahmedabad, Delhi, Sur, Baroda, Rajkot, etc. The city merchants used to buy bananas from farmers through their local agents, who used to charge 8 to 10% commission. The merchants organised their unions and always used to dictate their prices through their agents, by telegrams. The growers were helpless and had to sell their produce at these prices. The banana growers used to bring their bananas by bullock carts to the nearest railway station where the agents got the bananas weighed and loaded into Railway wagons. The payment was also delayed by 20-30 days. The prices paid to the farmers were very low and much below the production cost. Bananas being perishable commodity, the farmers had no alternative but to sell to these traders, at throwaway prices. Thus, there was little or no incentive on the part of growers to expand Plantations because of the low prices and exploitation by traders. On the other hand, the profits of the buyer trader went up by 200 to 300 per cent on purchase price.

Some progressive farmers of Surat District who had vision and feelings for Banana growers did not like that they were exploited by traders. The Co-operative Cotton Sale Societies had also shown path to the farmers of this area. They were aware that along with agricultural produce of any commodity, there should be appropriate marketing arrangement which plays an important role in getting remunerative prices to the farmers. They assessed the Bombay Market condition, the demand and supply position and prevailing prices of Bananas. They contacted the farmers and pooled their Bananas and vegetable produce for sending direct to the Bombay market. They used to get better prices and had not to pay any commission to traders. After deducting the total expenses of transport and other incidentals, the price received was distributed pro-rata and it was much higher than they used to get earlier through agents. The bigger farmers sacrificed to a certain extent to be helpful to small farmers. The farmers were happy about this experiment and they wanted to organise themselves to bring about permanent solution, get better prices and get rid of malpractices of traders-agents and exploitation through them. Not only that but they wanted to develop and expand banana plantations and vegetable growing in South Gujarat. The grower-farmers themselves held meetings and thought about solving this big problem, for their own development. They realised that this is possible only through organising cooperatives of farmers.

LEADERSHIP

Late Sardar Vallabhbhai Patel, a great Freedom Fighter

who later on became Home Minister and Deputy Prime Minister of India, who was the true friend, well-wisher and great inspiration for farmers, called a meeting of farmers and discussed the problem of marketing of bananas and vegetables. He advised them to organise on cooperative basis so as to avail the benefits of marketing through cooperatives. This would relieve them from unnecessary exploitation of traders, give them better prices because of direct selling, and also give them cash payment everyday. Railway authorities were also requested to allot wagons to cooperative on priority basis so that loaded wagons were carried to the destinations without delay and there was no damage to the perishable commodities. With the efforts of growers of bananas and vegetables and under the guidance, inspiration and advice of Late Sardar Patel, this society was registered in April, 1945. The head-quarters of the society has been located at the main city of South Gujarat and its area of operation extends to about 14 villages within the radius of about 40 Kms.

After forming a cooperative society for marketing of fruit and vegetables, their immediate problem was to break the unions of wholesale merchants in cities like Bombay and Ahmedabad, etc. This was really a difficult job. They used to give number of temptations to the illiterate ignorant farmers, and take away their produce. There was a big click of wholesale merchants and petty merchants. The society selected some strong petty merchants and invited them to negotiate for buying from the society direct rather than buying from whole-sale merchants' union. The society impressed

pon them that the wholesalers were making profits of 200-300% and thus exploiting the petty merchants and growers both. The society offered to sell bananas to them at the wholesale price. Eight days' credit limit was also granted to them. The petty merchants found the prices reasonable and the terms and conditions were also convenient to them. Thus the link between the wholesale merchants' union and petty merchants was broken. The traders from different parts of country used to come to the society's office direct and held negotiations to buy bananas from the society. The monopoly of the traders' union of the big cities was broken and marketing of bananas was now completely in the hands of cooperatives. In view of the fact that the marketing was now under the control of cooperatives, the wholesale traders also now turned to cooperatives to buy from them. The prices and terms were being dictated by the cooperatives. The price of bananas (for 20 kilograms), and for a full wagon load or a truck load are decided everyday by this cooperative and that price prevails in the market, even today.

This is the first society of its kind registered in the State with continuous efforts of dedicated leadership and inspiration of Late Sardar Patel. The main objectives of the society and important provisions of its bye-laws are given at Annexure-I. All farmers producing fruits and vegetables in the area of operation are its members. They bring their total produce to the society. As per the provision of the bye-laws it is obligatory on the part of each member to bring his produce to the society. He cannot sell the same at any

other place. In case of default, or if any member makes a breach of this bye-law, there is a provision of penalty and also forfeiture of his shares. However, the society is never required to implement this penal Provision and there is full support and loyalty from all the members. Thus, alongwith the important role of leadership in forming this society, the loyalty of members and their wholehearted cooperation are mainly responsible for its successful functioning. The society has 1863 producer members and 63 nominal members who sell their produce through the society.

MANAGEMENT

The management of the society is very vigilant and has full control over production and marketing of fruits and vegetables. The society is charging 1.15% from members and 2.5% from nominal members as commission. The society makes 75% payment immediately in cash to the members and balance of 25% is paid within a week's time. In case of bad seasons and less cropping of produce, the society charges commission at higher rate, so as to recover administrative costs and other overheads. It also undertakes some extra activities and earns profit therefrom.

For determining the average price per week, the total sale of Bananas, Chickoos, and Vegetables is being arranged per week and the average price thus arrived at is being paid to the growers. There has never been any complaint from any member for the sale of fruits and vegetables. Here, one thing is very important. The fruits are graded and price is determine

according to quality. Thus, lower quality goods get lower price. The Managing Committee, particularly the Chairman with the help of Manager, takes care of all these affairs and ensure that there are no grievances from the members. All the same, the interest of the consumers is also uppermost in their mind when they determine the price to be given to the producer-members.

There are 15 members on the Managing Committee of the society who represent different areas - villages. The Committee meets once every month and on an average all members are present. The Board decides and reviews average price and also attends other business and administrative matters. The Chairman is elected by the Board, every year. During 43 years of its existence, the society has so far had only 3 persons as Chairman. The first Chairman remained in position for 12 years (1945-1957), the second Chairman for 18 years (1957-1975) and the third Chairman is in position till today for the last 13 years (since 1975). All the Chairmen have been elected uncontested and unanimously. This shows the popularity and sense of dedication on the part of leadership. The members also believe that if members democratically elect a person as Chairman for many years, he should be allowed to continue and no restrictive provisions in the bye-laws of the society or in the Cooperative Societies Act should be laid down. The members should remain vigilant and watch that the Chairman does not develop his own vested interest by remaining Chairman for a long time. In case of this society, the average attendance at the Annual General Meeting is fairly good. About 1/3 of the total members

remain present and attend the meeting.

The Managing Committee has appointed following Sub-Committees for different purposes:

1. Executive Committee
2. Vegetables Committee
3. Stock Committee
4. Staff Committee

The Sub-Committees have full autonomy in their functioning. Their proceedings are reviewed and recorded in the Board meetings.

Professional Management of the society consists of 25 paid employees including full time Manager and Secretary. The staff selection is made by Board/Staff Committee. Generally they select the sons of farmer members provided they are properly qualified. Their pay scales are identical with that of other such societies. The staff is also given all other benefits. There are no employee disputes.

MEMBERS' PARTICIPATION

Active participation of members is responsible to a great extent for the success of the society, 100 per cent grower farmers are members and they bring their total produce to the society for sale. Besides, they also take necessary finance from the society. The members buy agricultural inputs, cement, tyres, etc. from the society only. The society on an average advances loans of Rs.6-7 lakhs every year to the small farmers at concessional rate of interest 11-12%, which is recovered from the sale proceeds of their crop. The members do not take

away all their payment but keep some amount to their credit in the society, which is utilized for advancing to the farmers as short-term loan. This is a great boon to the small needy farmers. The society does not borrow from the District Co-operative Bank. It is self-reliant on its own resources.

Members' active participation is particularly observed in respect of the following:

- (a) Members attend Annual General Meeting regularly and participate in its deliberations.
- (b) Not only that they sell all their produce to the society, they visit the society regularly, keep themselves informed of the price and buy their agriculture requirements from the society.
- (c) They keep their spare money deposited with society so that the same could be advanced to other needy farmers.
- (d) Members actively participate in the Election of Board of Members and see that deserving and service-oriented persons get elected on the Board.
- (e) Members are satisfied with the pricing policy of the society and services rendered to them by the society.
- (f) There has never been any dispute between the members and society so far during 43 years.

As a result of the cordial relationship, the management of the society has remained very smooth and member development

oriented. The Chairman of the society is present at the society almost every day for which he does not charge travelling, or daily allowance to society. Even the Board members are also not paid any travelling or daily allowance for attending meetings. The Chairman and the Manager have continuous and close rapport with the members because of their presence in the society at the time of members' visit to society.

FINANCIAL RESOURCES

The Share Capital of the society at the end of 1988 was Rs.72,700.00. However, the society has various kinds of own funds which are used as Working Capital. They are as under:

a) Reserve Fund	1,13,508.00
b) Building Fund	3,46,206.00
c) Land Fund	1,14,343.00
d) Depreciation Fund	47,22,480.00
e) Deposits	
i) Members Savings Deposit	27,04,973.00
ii) Members Fixed Deposit	6,01,500.00

The society has not borrowed any amount either from the District Cooperative Bank or from the Government. However, the society has been able to create owned funds and reserves by its long standing establishment. The society has been giving dividend of 12% to its members regularly for the last many years. The society advanced loans of Rs.3,10,200.00 at the rate of 12% to the small needy farmers for plantations, as against 14% interest charged by District Cooperative Bank.

The recovery of loan is 100 per cent from their crops. The society has made investments in properties like land and building etc. to the extent of Rs.12,49,586.00. Thus the society has created its own financial stability and soundness and as a result has been able to win confidence of its members and others in the market.

The Society has its own office building on the main road, with facilities of its own shop of Agricultural inputs. There are retiring rooms for farmers. Besides the society has adequate godown storage facilities attached with a weigh-bridge.

BUSINESS ACTIVITIES

The society has been undertaking integrated business activities, with main stay of marketing of Banans and vegetables. Besides marketing of fruits and vegetables, it has following activities.

- a) Supply of fertilizers and manures
- b) Insecticides
- c) Pure and certified seeds
- d) Tyres for trucks and tractors
- e) Levy cement
- f) Weigh-bridge at the godown for correct weighment
- g) Provision of credit to small farmers at concessional rate of interest.

T A B L E - I

During the year ending June, 88 the society marketed members' fruits and vegetables of the value of:-

a) Bananas	Rs. 3,86,49,018.00
b) Chikus	Rs. 1,99,997.00
c) Pappaya	Rs. 11,063.00
d) Vegetables	Rs. 29,95,619.00
Total	<u>Rs. 4,18,85,697.00</u>

The society charged its commission at the rate of 1.15 pc. and realised Rs.4,81,340 therefrom.

Similarly, the society also received fruits and vegetables from non-members and their value was as under:

a) Bananas	Rs. 1,09,777.00
b) Chikus	Rs. 2,85,683.00
c) Vegetables	Rs. 6,00,498.00
Total	<u>Rs. 9,95,958.00</u>

The society charged commission at the rate of 2.50 pc. on the produce received from non-members, and realised Rs.24,899.00 by way of commission. Thus the services of society are also available to non-members but they have to pay higher rate of commission for that.

As will be seen from above given tables, the quantum of business in respect of Bananas, Chikus, Vegetables etc. is fairly sizeable and has been progressively increasing year by year. Not only that, the society has been able to fetch higher prices of produce during last three years.

The society makes special arrangement for supplying compost manures to members. The society buys manure from Bombay and sends to Surat by special railway wagons, and

charges commission only for its services.

Every member of the society has his own irrigation facilities, transport facilities and also has the required agricultural implements. The society consults Agricultural University for conducting research on Bananas and Vegetables. The results of research are communicated to the farmer-members for implementation. Thus the management of the society is always keen to render and channelise all possible services to the members as per their requirements. The society is making continuous efforts for increasing the farmers' produces by various extension services and at the same time, it also ensures that they get better prices and there is no wastage of fruits and vegetables because of its perishable nature.

T A B L E - 2

Business Performance of the Society
1985 - 1988 (in respect of Inputs)

<u>Year</u>	<u>Fertilizer supplied</u>	<u>Seeds</u>	<u>Insecti- cides</u>
1985-86	4,16,769.00	3,09,981.00	1,84,534.00
1986-87	5,47,684.00	5,38,550.00	2,20,417.00
1987-88	9,40,358.00	5,26,970.00	2,18,209.00
	<u>Tyres</u>	<u>Cement sold</u>	
	9,37,340.00	5,60,359.00	
	9,04,135.00	5,00,873.00	
	4,27,645.00	9,41,402.00	

T A B L E - 3Profitability of the Society - 1985-88(Net Profit after Appropriation and making provision for different funds)

<u>Year</u>	<u>Net Profits</u>	<u>Decrease over previous year</u>	<u>Rate of Divident declared</u>	<u>Audit Class</u>
1985-86	7,717.00	-	12%	A
1986-87	7,386.00	331.00	12%	A
1987-88	6,924.00	462.00	12%	A

As will be seen from the tables, the society has been able to show good business results. It has been able to declare dividend at the rate of 12% (maximum permissible limit under the Act) and also pay bonus to the staff members at 10% of their salary. The society has been awarded Audit Class 'A' by its auditors.

The society has been affiliated as member to the District Cooperative Bank, District Purchase and Sale Union as well as State Marketing Federation. Besides, it is also the member of IFFCO (Indian Farmers Fertilizer Cooperative Ltd.) and KRIBHCO (Krishak Bharti Cooperative Ltd.).

The overall performance of the society is quite satisfactory right from its inception. Economically it is viable and member-participation is also very sound. Managerial know-how is also available. It is in a true sense, the self-reliant farmers' organisation with increased income of the members and also providing social benefits. The society regularly

supplies all needed agricultural inputs and other facilities are provided on no profit basis. It has been able to minimise the farmers' risk in respect of the most perishable commodities like Bananas and Vegetables. However, the society can still think of providing some more services like supply of consumer goods by putting up a consumer store in its premises. It can also consider to put up a fuel pump Petrol and Diesel supply Pump for fuelling vehicles of its members coming with their produce. The society should also consider to undertake research on manufacturing powder from Banana and conduct feasibility study for putting up a Banana Powder plant in the area. Continuous research work on improved varieties of Bananas and Vegetables should also be undertaken.

ANNEXURE - I

IMPORTANT PROVISIONS IN THE BYE-LAWS OF THE SOCIETY

I. Objectives

- (1) To pool the members produce of fruits and vegetables and to sell the same so as to fetch maximum possible price and to give average price after deducting commission and other incidental expenses thereon.
- (2) To encourage the farmers to grow fruits and vegetables of high quality.
- (3) To supply pure seeds of fruits, vegetables and other agricultural crops.
- (4) To advance loans to members for their agricultural operations.
- (5) To supply consumer and agricultural requirements to the members.
- (6) To supply agricultural inputs like, fertilizers, insecticides.
- (7) To promote the spirit of thrift, self-reliance and co-operation among the members.

II. Membership

- (1) Membership will be open to a farmer:
 - (a) who is a native of one of the 14 villages in the area of operation of the society.
 - (b) who has purchased at least one share of Rs.25/- and paid admission fee of Rs.2/-.
 - (c) who has been admitted as member by the Managing Committee of the society;

- (d) Who is not a member of any other such society having same objectives of marketing of fruits and vegetables.

II. Nominal Membership

A person residing outside the area of operation of the society will be eligible to become Nominal Member of the society with admission fee of Rs.5/- for a financial year. A nominal member has no voting right nor he is eligible to get dividend.

- IV. A member of the society is bound to bring his produce of fruits and vegetables to the society as may be decided by the Managing Committee every year. He will not take his produce anywhere else to sell without the permission of the Managing Committee. He will also not bring the produce of any other person for sale to society. In case a member has borrowed loan for other crops, the marketing arrangement made by the society for the said crop will be binding on him. Even in case of joint family, all the produce of other family members will have to be sold to society only and not elsewhere.

In case of breach of this bye-law the Managing Committee will levy a penalty of Rs.500/- or charge damages or both and the society may sue him for its recovery. (This is a very important provision).

- V. The General Meeting will appoint the Manager and fix up his pay and allowances.

- VI. An employee of the society is not eligible to get himself elected as committee member of the society.
- VII. The number of Managing Committee members has been fixed at minimum 7 and maximum 15. Election will be done according to Election Rules. Five members will retire every year by rotation.
- VIII. The elected Managing Committee will elect Chairman and Vice-Chairman of the society.
- IX. The Chairman will attend to all the affairs of the society and will ensure that the working of the society takes place according to decisions made by General Body and Managing Committee. He will also call meetings of Managing Committee and General Body.
- X. The society will fix grading of fruits and vegetables and will sell the produce pooled according to gradation. At the end of the season, the society will make payment to its members after deducting its dues, commission and other expenses pro-rata.
- XI. Appropriation of Profit will be made as under:
- | | |
|--------------------------|------|
| (a) Reserve Fund | 25% |
| (b) Charity Fund | 10% |
| (c) Co-op.Education Fund | 2.5% |
| (d) Dividend to Members | 12% |

Annexure II

FRUIT AND VEGETABLE SOCIETY

Business Performance of Fruit & Vegetables during 1985-88

Year	Audit Class	No. of Members	Share Capital	Reserve Fund	Dividend	Fruit & Vegetables sold	Weight Quintals & Kg.	Amount realised	Total amount received	Average rate per 10 Kg. (received by farmers)
1981-82	A	1712	68,650.00	91,022.00	12%	Banana) Vegetable) Chikku)	174,200.00	13819174.00) 765097.00) 1096100.00)	15680372.00	7.93
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CASE STUDY OF
A FRUIT AND VEGETABLE MARKETING CO-OPERATIVE

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BACKGROUND

Banana Plantations developed in South Gujarat since 1920 onwards. Today Gujarat is producing 3-4 lakh tonnes of Bananas every year but major production is in South Gujarat districts of Surat, Bulsar, Broach and Baroda. The consumption of Bananas was confined to big cities like Bombay, Ahmedabad, Delhi, Sur, Baroda, Rajkot, etc. The city merchants used to buy bananas from farmers through their local agents, who used to charge 8 to 10% commission. The merchants organised their unions and always used to dictate their prices through their agents, by telegrams. The growers were helpless and had to sell their produce at these prices. The banana growers used to bring the bananas by bullock carts to the nearest railway station where the agents got the bananas weighed and loaded into Railway wagons. The payment was also delayed by 20-30 days. The prices paid to the farmers were very low and much below the production cost. Bananas being perishable commodity, the farmers had no alternative but to sell to these traders, at throwaway prices. Thus, there was little or no incentive on the part of growers to expand Plantations because of the low prices and exploitation by traders. On the other hand, the profits of the buyer traders went up by 200 to 300 per cent on purchase price.

Some progressive farmers of Surat District who had vision and feelings for Banana growers did not like that they were exploited by traders. The Co-operative Cotton Sale Societies had also shown path to the farmers of this area. They were aware that along with agricultural produce of any commodity, there should be appropriate marketing arrangement which plays an important role in getting remunerative prices to the farmers. They assessed the Bombay Market condition, the demand and supply position and prevailing prices of Bananas. They contacted the farmers and pooled their Bananas and vegetable produce for sending direct to the Bombay market. They used to get better prices and had not to pay any commission to traders. After deducting the total expenses of transport and other incidentals, the price received was distributed pro-rata and it was much higher than they used to get earlier through agents. The bigger farmers sacrificed to a certain extent to be helpful to small farmers. The farmers were happy about this experiment and they wanted to organise themselves to bring about permanent solution, get better prices and get rid of malpractices of traders-agents and exploitation through them. Not only that but they wanted to develop and expand banana plantations and vegetable growing in South Gujarat. The grower-farmers themselves held meetings and thought about solving this big problem, for their own development. They realised that this is possible only through organising cooperatives of farmers.

LEADERSHIP

Late Sardar Vallabhbhai Patel, a great Freedom Fighter

who later on became Home Minister and Deputy Prime Minister of India, who was the true friend, well-wisher and great inspiration for farmers, called a meeting of farmers and discussed the problem of marketing of bananas and vegetables. He advised them to organise on cooperative basis so as to avail the benefits of marketing through cooperatives. This would relieve them from unnecessary exploitation of traders, give them better prices because of direct selling, and also give them cash payment everyday. Railway authorities were also requested to allot wagons to cooperative on priority basis so that loaded wagons were carried to the destinations without delay and there was no damage to the perishable commodities. With the efforts of growers of bananas and vegetables and under the guidance, inspiration and advice of Late Sardar Patel, this society was registered in April, 1945. The head-quarters of the society has been located at the main city of South Gujarat and its area of operation extends to about 14 villages within the radius of about 40 Kms.

After forming a cooperative society for marketing of fruit and vegetables, their immediate problem was to break the unions of wholesale merchants in cities like Bombay and Ahmedabad, etc. This was really a difficult job. They used to give number of temptations to the illiterate ignorant farmers; and take away their produce. There was a big click of whole-sale merchants and petty merchants. The society selected some strong petty merchants and invited them to negotiate for buying from the society direct rather than buying from whole-sale merchants' union. The society impressed

pon them that the wholesalers were making profits of 200-300% and thus exploiting the petty merchants and growers both. The society offered to sell bananas to them at the wholesale price. Eight days' credit limit was also granted to them. The petty merchants found the prices reasonable and the terms and conditions were also convenient to them. Thus the link between the wholesale merchants' union and petty merchants was broken. The traders from different parts of country used to come to the society's office direct and held negotiations to buy bananas from the society. The monopoly of the traders' union of the big cities was broken and marketing of bananas was now completely in the hands of cooperatives. In view of the fact that the marketing was now under the control of cooperatives, the wholesale traders also now turned to cooperatives to buy from them. The prices and terms were being dictated by the cooperatives. The price of bananas (for 20 kilograms), and for a full wagon load or a truck load are decided everyday by this cooperative and that price prevails in the market, even today.

This is the first society of its kind registered in the State with continuous efforts of dedicated leadership and inspiration of Late Sardar Patel. The main objectives of the society and important provisions of its bye-laws are given at Annexure-I. All farmers producing fruits and vegetables in the area of operation are its members. They bring their total produce to the society. As per the provision of the bye-laws it is obligatory on the part of each member to bring his produce to the society. He cannot sell the same at any

other place. In case of default, or if any member makes a breach of this bye-law, there is a provision of penalty and also forfeiture of his shares. However, the society is never required to implement this penal Provision and there is full support and loyalty from all the members. Thus, alongwith the important role of leadership in forming this society, the loyalty of members and their wholehearted cooperation are mainly responsible for its successful functioning. The society has 1863 producer members and 63 nominal members who sell their produce through the society.

MANAGEMENT

The management of the society is very vigilant and has full control over production and marketing of fruits and vegetables. The society is charging 1.15% from members and 2.5% from nominal members as commission. The society makes 75% payment immediately in cash to the members and balance of 25% is paid within a week's time. In case of bad seasons and less cropping of produce, the society charges commission at higher rate, so as to recover administrative costs and other overheads. It also undertakes some extra activities and earns profit therefrom.

For determining the average price per week, the total sale of Bananas, Chickoos, and Vegetables is being arranged per week and the average price thus arrived at is being paid to the growers. There has never been any complaint from any member for the sale of fruits and vegetables. Here, one thing is very important. The fruits are graded and price is determi

according to quality. Thus, lower quality goods get lower price. The Managing Committee, particularly the Chairman with the help of Manager, takes care of all these affairs and ensure that there are no grievances from the members. All the same, the interest of the consumers is also uppermost in their mind when they determine the price to be given to the producer-members.

There are 15 members on the Managing Committee of the society who represent different areas - villages. The Committee meets once every month and on an average all members are present. The Board decides and reviews average price and also attends other business and administrative matters. The Chairman is elected by the Board, every year. During 43 years of its existence, the society has so far had only 3 persons as Chairman. The first Chairman remained in position for 12 years (1945-1957), the second Chairman for 18 years (1957-1975) and the third Chairman is in position till today for the last 13 years (since 1975). All the Chairmen have been elected uncontested and unanimously. This shows the popularity and sense of dedication on the part of leadership. The members also believe that if members democratically elect a person as Chairman for many years, he should be allowed to continue and no restrictive provisions in the bye-laws of the society or in the Cooperative Societies Act should be laid down. The members should remain vigilant and watch that the Chairman does not develop his own vested interest by remaining Chairman for a long time. In case of this society, the average attendance at the Annual General Meeting is fairly good. About 1/3 of the total members

remain present and attend the meeting.

The Managing Committee has appointed following Sub-Committees for different purposes:

1. Executive Committee
2. Vegetables Committee
3. Stock Committee
4. Staff Committee

The Sub-Committees have full autonomy in their functioning. Their proceedings are reviewed and recorded in the Board meetings.

Professional Management of the society consists of 25 paid employees including full time Manager and Secretary. The staff selection is made by Board/Staff Committee. Generally they select the sons of farmer members provided they are properly qualified. Their pay scales are identical with that of other such societies. The staff is also given all other benefits. There are no employee disputes.

MEMBERS' PARTICIPATION

Active participation of members is responsible to a great extent for the success of the society, 100 per cent grower farmers are members and they bring their total produce to the society for sale. Besides, they also take necessary finance from the society. The members buy agricultural inputs, cement, tyres, etc. from the society only. The society on an average advances loans of Rs.6-7 lakhs every year to the small farmers at concessional rate of interest 11-12%, which is recovered from the sale proceeds of their crop. The members do not take

away all their payment but keep some amount to their credit in the society, which is utilized for advancing to the farmers as short-term loan. This is a great boon to the small needy farmers. The society does not borrow from the District Co-operative Bank. It is self-reliant on its own resources.

Members' active participation is particularly observed in respect of the following:

- (a) Members attend Annual General Meeting regularly and participate in its deliberations.
- (b) Not only that they sell all their produce to the society, they visit the society regularly, keep themselves informed of the price and buy their agriculture requirements from the society.
- (c) They keep their spare money deposited with society so that the same could be advanced to other needy farmers.
- (d) Members actively participate in the Election of Board of Members and see that deserving and service-oriented persons get elected on the Board.
- (e) Members are satisfied with the pricing policy of the society and services rendered to them by the society.
- (f) There has never been any dispute between the members and society so far during 43 years.

As a result of the cordial relationship, the management of the society has remained very smooth and member development

oriented. The Chairman of the society is present at the society almost every day for which he does not charge travelling, or daily allowance to society. Even the Board members are also not paid any travelling or daily allowance for attending meetings. The Chairman and the Manager have continuous and close rapport with the members because of their presence in the society at the time of members' visit to society.

FINANCIAL RESOURCES

The Share Capital of the society at the end of 1988 was Rs.72,700.00. However, the society has various kinds of own funds which are used as Working Capital. They are as under:

a) Reserve Fund	1,13,508.00
b) Building Fund	3,46,206.00
c) Land Fund	1,14,343.00
d) Depreciation Fund	47,22,480.00
e) Deposits	
i) Members Savings Deposit	27,04,973.00
ii) Members Fixed Deposit	6,01,500.00

The society has not borrowed any amount either from the District Cooperative Bank or from the Government. However, the society has been able to create owned funds and reserves by its long standing establishment. The society has been giving dividend of 12% to its members regularly for the last many years. The society advanced loans of Rs.3,10,200.00 at the rate of 12% to the small needy farmers for plantations, as against 14% interest charged by District Cooperative Bank.

The recovery of loan is 100 per cent from their crops. The society has made investments in properties like land and building etc. to the extent of Rs.12,49,586.00. Thus the society has created its own financial stability and soundness and as a result has been able to win confidence of its members and others in the market.

The Society has its own office building on the main road, with facilities of its own shop of Agricultural inputs. There are retiring rooms for farmers. Besides the society has adequate godown storage facilities attached with a weigh-bridge.

BUSINESS ACTIVITIES

The society has been undertaking integrated business activities, with main stay of marketing of Banans and vegetables. Besides marketing of fruits and vegetables, it has following activities.

- a) Supply of fertilizers and manures
- b) Insecticides
- c) Pure and certified seeds
- d) Tyres for trucks and tractors
- e) Levy cement
- f) Weigh-bridge at the Godown for correct weighment
- g) Provision of credit to small farmers at concessional rate of interest.

T A B L E - I

During the year ending June, 88 the society marketed members' fruits and vegetables of the value of:-

a) Bananas	Rs. 3,86,49,018.00
b) Chikus	Rs. 1,99,997.00
c) Pappaya	Rs. 11,063.00
d) Vegetables	Rs. 29,95,619.00
Total	<u>Rs. 4,18,85,697.00</u>

The society charged its commission at the rate of 1.15 pc. and realised Rs.4,81,340 therefrom.

Similarly, the society also received fruits and vegetables from non-members and their value was as under:

a) Bananas	Rs. 1,09,777.00
b) Chikus	Rs. 2,85,683.00
c) Vegetables	Rs. 6,00,498.00
Total	<u>Rs. 9,95,958.00</u>

The society charged commission at the rate of 2.50 pc. on the produce received from non-members, and realised Rs.24,899. by way of commission. Thus the services of society are also available to non-members but they have to pay higher rate of commission for that.

As will be seen from above given tables, the quantum of business in respect of Bananas, Chikus, Vegetables etc. is fairly sizeable and has been progressively increasing year by year. Not only that, the society has been able to fetch high prices of produce during last three years.

The society makes special arrangement for supplying compost manures to members. The society buys manure from Bombay and sends to Surat by special railway wagons, and

charges commission only for its services.

Every member of the society has his own irrigation facilities, transport facilities and also has the required agricultural implements. The society consults Agricultural University for conducting research on Bananas and Vegetables. The results of research are communicated to the farmer-members for implementation. Thus the management of the society is always keen to render and channelise all possible services to the members as per their requirements. The society is making continuous efforts for increasing the farmers' produces by various extension services and at the same time, it also ensures that they get better prices and there is no wastage of fruits and vegetables because of its perishable nature.

T A B L E - 2

Business Performance of the Society
1985 - 1988 (in respect of Inputs)

<u>Year</u>	<u>Fertilizer supplied</u>	<u>Seeds</u>	<u>Insecti- cides</u>
1985-86	4,16,769.00	3,09,981.00	1,84,534.00
1986-87	5,47,684.00	5,38,550.00	2,20,417.00
1987-88	9,40,358.00	5,26,970.00	2,18,209.00
	<u>Tyres</u>	<u>Cement sold</u>	
	9,37,340.00	5,60,359.00	
	9,04,135.00	5,00,873.00	
	4,27,645.00	9,41,402.00	

T A B L E - 3Profitability of the Society - 1985-88(Net Profit after Appropriation and making provision for different funds)

<u>Year</u>	<u>Net Profits</u>	<u>Decrease over previous year</u>	<u>Rate of Divident declared</u>	<u>Audit Class</u>
1985-86	7,717.00	-	12%	A
1986-87	7,386.00	331.00	12%	A
1987-88	6,924.00	462.00	12%	A

As will be seen from the tables, the society has been able to show good business results. It has been able to declare dividend at the rate of 12% (maximum permissible limit under the Act) and also pay bonus to the staff members at 10% of their salary. The society has been awarded Audit Class 'A' by its auditors.

The society has been affiliated as member to the District Cooperative Bank, District Purchase and Sale Union as well as State Marketing Federation. Besides, it is also the member of IFFCO (Indian Farmers Fertilizer Cooperative Ltd.) and KRIBHCO (Krishak Bharti Cooperative Ltd.).

The overall performance of the society is quite satisfactory right from its inception. Economically it is viable and member-participation is also very sound. Managerial know-how is also available. It is in a true sense, the self-reliant farmers' organisation with increased income of the members and also providing social benefits. The society regularly

supplies all needed agricultural inputs and other facilities are provided on no profit basis. It has been able to minimise the farmers' risk in respect of the most perishable commodities like Bananas and Vegetables. However, the society can still think of providing some more services like supply of consumer goods by putting up a consumer store in its premises. It can also consider to put up a fuel pump Petrol and Diesel supply Pump for fuelling vehicles of its members coming with their produce. The society should also consider to undertake research on manufacturing powder from Banana and conduct feasibility study for putting up a Banana Powder plant in the area. Continuous research work on improved varieties of Bananas and Vegetables should also be undertaken.

ANNEXURE - I

IMPORTANT PROVISIONS IN THE BYE-LAWS OF THE SOCIETY

I. Objectives

- (1) To pool the members produce of fruits and vegetables and to sell the same so as to fetch maximum possible price and to give average price after deducting commission and other incidental expenses thereon.
- (2) To encourage the farmers to grow fruits and vegetables of high quality.
- (3) To supply pure seeds of fruits, vegetables and other agricultural crops.
- (4) To advance loans to members for their agricultural operations.
- (5) To supply consumer and agricultural requirements to the members.
- (6) To supply agricultural inputs like, fertilizers, insecticides.
- (7) To promote the spirit of thrift, self-reliance and co-operation among the members.

II. Membership

- (1) Membership will be open to a farmer:
 - (a) who is a native of one of the 14 villages in the area of operation of the society.
 - (b) who has purchased at least one share of Rs.25/- and paid admission fee of Rs.2/-.
 - (c) who has been admitted as member by the Managing Committee of the society;

- (d) Who is not a member of any other such society having same objectives of marketing of fruits and vegetables.

III. Nominal Membership

A person residing outside the area of operation of the society will be eligible to become Nominal Member of the society with admission fee of Rs.5/- for a financial year. A nominal member has no voting right nor he is eligible to get dividend.

- IV. A member of the society is bound to bring his produce of fruits and vegetables to the society as may be decided by the Managing Committee every year. He will not take his produce anywhere else to sell without the permission of the Managing Committee. He will also not bring the produce of any other person for sale to society. In case a member has borrowed loan for other crops, the marketing arrangement made by the society for the said crop will be binding on him. Even in case of joint family, all the produce of other family members will have to be sold to society only and not elsewhere.

In case of breach of this bye-law the Managing Committee will levy a penalty of Rs.500/- or charge damages or both and the society may sue him for its recovery. (This is a very important provision).

- V. The General Meeting will appoint the Manager and fix up his pay and allowances.

- VI. An employee of the society is not eligible to get himself elected as committee member of the society.
- VII. The number of Managing Committee members has been fixed at minimum 7 and maximum 15. Election will be done according to Election Rules. Five members will retire every year by rotation.
- VIII. The elected Managing Committee will elect Chairman and Vice-Chairman of the society.
- IX. The Chairman will attend to all the affairs of the society and will ensure that the working of the society takes place according to decisions made by General Body and Managing Committee. He will also call meetings of Managing Committee and General Body.
- X. The society will fix grading of fruits and vegetables and will sell the produce pooled according to gradation. At the end of the season, the society will make payment to its members after deducting its dues, commission and other expanses pro-rata.
- XI. Appropriation of Profit will be made as under:
- | | |
|---------------------------|------|
| (a) Reserve Fund | 25% |
| (b) Charity Fund | 10% |
| (c) Co-op. Education Fund | 2.5% |
| (d) Dividend to Members | 12% |

Annexure - II

FRUIT AND VEGETABLE SOCIETY

Business Performance of Fruit & Vegetables during 1985-88

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MILK COOPERATIVES IN RURAL AREA.

(Case Study of a Milk Co-operative
of Kaira District - Gujarat - India)

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Dairy Farming in Kaira District

Kaira District, one of the 19 Districts of Gujarat State of India, has been traditionally associated with milk production. About 80% of the population in the Kaira District obtain their livelihood from farming. Land holdings are small - about 3 acres per family. All the cultivable land is used for agriculture. Only one or two buffaloes can be maintained per family; with the bye-products of the farm seasonal grass, and the available surplus labour of farmers family. Dairying has been considered as a cottage industry to provide extra income to the family. Majority of the milch animals are given whole cotton seed and bajri grain, as feed concentrates. This is recognised as an unscientific and wastful way of feeding. The buffalo was kept in front of the farmer's house under open shelters. The low milk yields have been associated with high production costs and low returns from the product sold. The area was handicapped by the poor roads especially during the rainy seasons and by inadequate marketing facilities.

Since the last fifty years or so, before the Dairy Cooperatives were organised, small traders used to buy milk from villagers either for making khoa, (milk solids used for making

sweets), for obtaining cream to send to Bombay city or to make 'Ghee' (butter oil). These small traders usually had a monopoly position for purchasing milk, and the marketing of milk was dominated by sheer exploitation by the buyers. Sometimes the producers had to throw away the milk or sell at throw away price. The milk traders exploited milk producers by low price payment, incorrect weighing, default in milk price payment and provided no incentive to improve milk production. And since the return from the milk was so small, hardly any attention was paid to increasing milk production. In fact, there was total apathy towards better feeding, better breeding and management. The producers adopted traditional methods of keeping cattle. It may be mentioned here that, this constituted a vicious cycle in the villages and the pattern of milk production continued to be influenced by it so long as efforts were not made in the right direction to break this cycle.

(2) Leadership

There were three citizens who were active in the struggle for political freedom, who also took lead in organising the milk producers' cooperatives. They believed that, political freedom would be meaningless to the illiterate - ignorant villagers unless the latter were emancipated from the exploitation of the middlemen marketing system of milk. Sardar Vallabhbhai Patel, who later became Home Minister and also Deputy Prime Minister of India (who hailed from a village close to Anand) conceived the idea of organising the milk marketing. Tribhuvandas K. Patel did much of the pioneering and early organising work and had been the President of AMUL since beginning and remained in

position singularly for 25 years. The first meeting of the farmers of Kaira District organised on 4th January 1946, was presided over by Shri Morarji Desai who later became Finance Minister and then Prime Minister of India. The meeting resolved to organise the Dairy Industry of Kaira District on cooperative lines and the Kaira District Cooperative Milk Producers Union (AMUL) was organised in that meeting. The objective was to associate the dairy farmers into an organisation which would eliminate the monopoly position of private profit business and also reduce marketing inefficiencies, and thus obtain for the villagers the maximum proportion of the price paid by the urban consumers for milk and milk products. However, the leaders had to face the problems like:

- (1) Convincing the farmers of the need to organise themselves into cooperatives;
- (2) To create and establish a system of milk purchase based on cash payment, and with proper consideration of quality and quantity both;
- (3) Shortage of funds for facilities and for the cash purchase of milk from farmers;
- (4) Vested interests of the private milk merchants and their associates who were operating in the villages.

With the continued efforts and constant persuasion to milk producers, the first milk society was organised on October 26, 1946 and the first milk was collected by milk union on the same day. The first pasteurizing plant was opened by the union on June 1, 1948 to handle about 1000 pounds of milk daily from 13 member societies.

The idea of organising village milk cooperatives has been well received by the villagers now. From 8 societies on June 30, 1948, there are 890 village milk cooperatives on June 30, 1988, having farmer members from 432 to 4,23,000 during the same period, in Kaira District.

(3) Primary Milk Cooperative

In Kaira District, dairy farming forms an integral part of the agricultural enterprise. It is practiced mainly as a supplementary occupation by the landless families and all categories of farmers in the rural areas. Milch animals are kept for milk production, a part of it is consumed and surplus milk is sold in the market with a view to supplementing their income. It has been also observed that, a large number of milk producers in the dairy villages are from weaker section of the society.

The milk cooperatives provide many facilities to the milk producers. They provide cash income to the milk producers in the rural areas. Besides cash payments for the milk supplied every day, the milk societies also distribute part of their profit to their members in form of price difference or bonus every year. Such earnings of milk societies are also utilized for dairy development and other rural and community development activities.

Providing remunerative market and cash income is not sufficient to make any headway unless a package of inputs is provided to the milk producers for increasing milk production and at the same time bringing down the cost of production.

These services should be easily accessible to the milk producers, adaptable and also result oriented.

Therefore the role of the cooperative organisation will be to provide following facilities and services to the farmers at their door steps.

- (1) Guarantee to accept all the surplus milk in all seasons;
- (2) Prices of milk based on quality of milk must be applicable to all on uniform basis, without discrimination;
- (3) Making veterinary health care facilities available to milk producers;
- (4) Making better feed available;
- (5) Ensure services like artificial insemination, and guidance for proper care of milch cattle;
- (6) Encourage and guide the farmers to participate in these activities and avail services.

As a result of continuous efforts on the part of AMUL in respect of extension services and also due to the innovative nature of the farmers of Kaira District which is agriculturally well advanced, there is tremendous impact on the economy of milk producers. The milk cooperatives are not viewed by milk produce merely as milk collection centres for disposing of surplus milk but they are regarded as institutions which play a vital role in uplifting the rural economy in general and that of the milk producers in particular.

The results obtained by milk cooperatives of Kaira District and ~~other~~ similar *organisations* in the country prove that this

system of pattern that has now come to be known as 'Anand Pattern' or 'Amul Pattern' of milk cooperative societies is the most effective system. The name bears its origin to the place where the most successful dairy cooperative - Kaira District Cooperative Milk Producers' Union Limited (AMUL) operates. Not only this, but for the past three decades, the Government of India has accepted the national policy of dairy development on this successful pattern only.

(4) Anand (AMUL) Pattern : Salient Features

1. It has a single commodity approach
2. It has a three tier organisation structure
 - Primary at village level
 - Milk Union at District level (Kaira District has 1000 villages)
 - Federation at State level
3. Producer elected Leadership and decentralised decision making;
4. Employment of professional managers, technicians and other employees
5. Accountability of professional managers, technicians and other employees to the member producers;
6. Provision of all necessary inputs and services to member producers at reasonable, often subsidised rates;
7. Integration of production, procurement, processing and marketing functions;
8. Continuous and concurrent audit of milk cooperatives;
9. Cash payment to producers for their milk, daily or weekly on the basis of fat content;

10. Contribution to village amenities, community and social development activities.
11. Education and Training Programmes for involvement and participation.

The success achieved in organising societies on Anand Pattern in Gujarat and also in other parts of India speaks of vision and pragmatism of Shri T.K. Patel (Chairman of Amul for 25 years) and Dr. V. Kurien (General Manager of Amul for 25 years) played an outstanding role in the development of Amul. The relationship between Shri T.K. Patel and Dr. V. Kurien was not that of a superior and subordinate. Mutual respect and understanding between them contributed significantly to the success of Amul.

The ability, motivation and integrity of Dr. Kurien have been undoubtedly primary contributing factors to the successful management system and development pattern evolved by the cooperative union. Both, Mr. T.K. Patel, and Dr. V. Kurien were given Ramon Magsaysay Award (Philippines) in 1963, for community leadership.

With formation of the District Cooperative Milk Union, the exploitation of the milk producers ceased and they started receiving remunerative price for their milk. Scientific tests determined the fat contents of milk on which the price was based. Payment for milk was made twice a day. More and more milk producers used to join the village milk cooperatives and it gained strength as they saw advantages for themselves, and the services they would receive as members. Thus more and more societies were organised in villages of Kaira District.

(5) A Village Milk Cooperative

The case writer visited one such village for the purpose of writing a case of the milk cooperative. This village is at a distance of about 30 Kms. from Anand, the head quarters of Amul. The human population of the village is 10,000 with 2452 families and 2052 houses. The animal population is 2956 animals - having 1927 buffaloes, 500 crossbreed cows, 250 Jersey cows, and other animals. The village people have 2301 acres of land with good irrigation facilities and having main crops of paddy, wheat, tobacco and millet, etc. Against the resentment, hostility and harassment of the private traders, the local leaders of the village made continuously strenuous efforts under the guidance of officers of Amul to get the milk society registered in the village and this society was established on 7th March 1952. It was later on registered on 26th May 1952. In order to form a society, the intending milk producers in a village form a proposed society. In this case the proposed society was established on 7th March 1952. A milk producer can become a member of the society by paying an entrance fee of Rs.1 and purchasing at least one share of Rs.10/- in the cooperative. After the society becomes a viable unit, it is recommended by the milk union for registration, by the State Cooperative Department. Accordingly this society was registered on 26th May 1952 (within three months time). Every society is constantly guided, supervised and controlled by the Union so that each of the society remains efficient, and becomes financially sound and viable. Main provisions of the bye-laws of the milk cooperative are given at Annexure II.

In the beginning, the promoter organisers had to persuade the village producers to become members. The private traders were creating misunderstanding and doing anti-propaganda about the milk cooperatives. They used to give higher prices to some village headmen and used to keep with them so that they used to create agitation against the cooperatives. However, the village leaders with the guidance and assistance of Amul officers, were successful in enrolling more and more milk producers as members, and also persuading them about the advantages of milk cooperatives - prices based on fat contents and extension services of milk union.

After the milk society was registered, the general meeting of the members was held to select their representatives democratically to form a managing committee. The Managing Committee selects the employees to perform the day to day work of the society. The general meeting selected local leader Mr. Chhotabha as its Chairman, and Mr. Rambhai (A retired Patwari who worked in revenue department for about 25 years and had retired - also a freedom fighter) as its Secretary (Today aged 94). He was having his own milk business but discontinued and became Secretary of the village cooperative. Mr. Rambhai also asked his two sons to work as Milk Tester and cashier of the society and who later on joined in the services of Amul as Society Supervisor and worked there for many years. The society used to test the milk in the presence of the milk producers and make payment on the basis of fat content.

At the end of the first year, the society besides giving higher price gave some amount of bonus to its members. This

created confidence among producers and more and more producers became members of the society. They realised the advantages of a cooperative. More and more milk was collected by the society. This situation gave great shock to the private traders and they felt frustrated. They wound up their business permanently from this village.

(6) Management

The society is managed by a Managing Committee. They are 13 members on the committee during 1987-88. Generally there are 9 members in other societies. But this society had 13 members who represent different localities of the village. One third of the Committee members retire every year and are replaced in an election by ballot. The Chair person of the Committee retires every year.

The present Chairman is being elected singularly as Chairman every year unanimously since 1961. This is again unique about this society. The committee members and Secretary who met the casewriter informed that members are satisfied with his management and he always works for the interest of the members. Members can freely meet him and discuss their problems with the Chairman, and gets them resolved. Similarly if the society has any problem with the milk union, the Chairman goes to Amul at Anand and gets the problem solved. The member and development oriented approach has made him more and more popular among the members. The managing Committee meets once every month and average attendance is 11 out of 13. The Committee meeting agenda generally includes (a) admission of new members (b) receipt of milk - reasons for

surplus or deficit milk, (c) sale of cattle feed - surplus or deficit in stock, (d) monthly expenditure - approval of and other policy matters. There are no Sub-Committees appointed. Thus the Managing Committee sets the policies, and appoints its staff including a Secretary, a Milk Collector, a Fat Tester, Clerks, Inseminator, Cashier and such other staff.

(7) Professional Management

The society has 15 persons on its staff establishment performing different duties assigned to them. The Committee has adopted the policy to appoint the village natives on staff, subject to merits and qualifications. The pay scales and allowances of the staff are as per the award of Industrial Tribunal. The pay scale is linked with the collection of milk by the society. Besides, the benefits of provident fund, gratuity, bonus, leave encashment, additional pay for 52 Sundays not enjoyed as holidays etc. The Chairman keeps a watch over the day to day operations of the society and also over the working of staff. In absence of Chairman (who keeps busy as he has his own preoccupations of business, he is also Vice-Chairman of Anul), one of the Committee members is authorised to look after and supervise the working provides guidance and also meets the members for their grievances. There is a resolution of the Managing Committee, regarding balance of cash on hand. The society can keep cash on hand equivalent to payment for six times milk payment. In this case, the Secretary is responsible to the extent of two times cash and cashier for four times cash. The cheques for payment are signed jointly by the Chairman and

Secretary. When the Secretary goes to the Chairman for getting his signature on cheques for withdrawal of cash, the Chairman asks for the cash book to see and verifies the balance of cash on hand and then only he signs the cheques. This practice is adopted with a view to ensuring that cash book is written every day and kept upto date and at the same time ensuring that only required amount is drawn for cash on hand.

(8) Supervision and Audit

Besides supervision by Chairman and Committee Members, the society is constantly guided, supervised and controlled by the milk union. The supervisor of the union visits the societies in rotation, examines books of accounts, receipt of milk, and also ensures that members avail the extension services provided by milk union. Thus there is close watch over the progress and development of the society's members. Also, there is continuous and concurrent audit of the society, on quarterly basis. There is also statutory audit system. All these checks and balances, ensure clean milk business and keeps the society strong and viable.

In spite of good management and working of the society it has been getting audit classification 'B', since last 13 years. This means that society is not the best working, but it has some deficiencies. The case writer inquired about the reasons of audit class 'B'. The Secretary and committee members gave to understand the whole issue as under.

During 1979, the society Chairman was out of India for three months for his personal work. The then Secretary who was

involved in some private business, was in need of money. He used to sell cattle feed (Amul Dan) to the local service cooperative and got the cash with him for his business. On the other hand he did not show the stock of cattle feed correctly and used to keep the cash realised by sale of feed. He had an amount of Rs.1,79,000/- with him, which he did not pay to the society and used for his business. This fraud was detected during audit and it was observed that two Secretaries of Milk and Service Societies of the same village had jointly misappropriated cash. Ultimately the matter was in the court, both Secretaries were suspended and removed from the services of societies, the milk cooperative was given compensation.

It was because of this instance that the society was categorised in 'B' class, continuously as it is black spot on the management. In view of such examples of fraud and misappropriation, the milk union has made it obligatory on all the societies - their Chairmen, to sign the cheques carefully after verifying cash and bank balance in the cash book, and also position of cash on hand physically.

(9) Annual General Meeting

The Annual General Meeting of the society is held regularly every year. The election of committee members also takes place at the time of Annual General Meeting. The AGM agenda includes following items:

- a) Annual Accounts
- b) Review of Animal husbandry work done - A.I. work and veterinery aid

- c) Annual Budget
- d) Appropriation of profit
- e) Audit Report and its rectification
- f) Election of Committee Members - replacement of retiring members in rotation
- g) Appointment of Internal Auditors

The price of milk is decided and declared by milk union from time to time and the difference of price is adjusted by annual General Meeting by way of giving bonus to members on the basis of milk given by them to society.

The appropriation of profit is made on the following basis, according to provisions of Cooperative Act and Bye-laws of the society.

- 1. Reserve Fund 25%
- 2. Dividend to Share Holders 12%
- 3. Education Fund

After making above said provisions, the balance of profits is appropriated as under:

- 1. Members Bonus 65% (Towards price difference) (during last three years)
- 2. Cattle Development Fund 10%
- 3. Chairity Fund 10%
- 4. Staff Bonus 10%
- 5. Coop.Propaganda Fund 5%

Today there are 3070 members in the society. Average attendance in the Annual General Meeting is about 500 members. The members participate in the discussions freely and talk out their grievances also. The meeting lasts for about two hours. The members participation is very dynamic.

Another noteworthy feature of the society is that during 36 years of its existence, it has had only two persons as Chairman. The first Chairman was in position from 1952 to 1961, and the present Chairman is in position since 1961 till today. Both were elected every year unanimously and unopposed. This has been possible because of sense of dedication. On the part of leadership-Chairman, their rapport with members and cordial relationship with clear understanding. The members are of the opinion that if a person is democratically elected as Chairman for many years, he should be allowed to continue to be elected. The members have to remain active and alert to ensure that the Chairman does not develop his own vested interest by remaining Chairman for longer period. He should be selfless and work for the development and interest of the members. Thus it is neither desirable nor essential to make any restrictive provisions in the cooperative Act or by-laws of the society to restrict the period or tenure of office bearers. There should be free and fair democratic elections.

(10) Members' Participation

The society has 3070 milk producers as its members. All of them are owning milch cattles. All milk producers - 100% are the members of the society. Husband and wife, both are eligible to become members of the society. The membership as on 30th June 1988 with groupwise and classwise composition was as detailed below in Table - I.

T A B L E - IComposition of Membership of Milk Society - 1988

	Scheduled Caste	Scheduled Tribe	Back- ward class	Other Castes	Total
Landless Labourers	52	-	82	1108	1242
Small Farmers	3	-	-	1491	1494
Marginal Farmers	-	-	-	294	294
Others	-	-	-	92	92
Total	55	-	82	2985	3122*

* As on date of visit

Out of total membership of 3122, there are 2770 males and 352 females as members. Thus the percentage of women as members comes to about 12% of total members. About 95% of the members are also having land. 5% of the members have no land but they keep cattle. All the members bring their surplus milk to the society and no one goes to private traders. As a result, the competitor traders have been totally eliminated from the village. This speaks about the loyalty of members to the society. The members avail the benefits of extension services of milk union as they have realised the advantages of artificial insemination, balanced cattle feed (Amul Dan), green fodder, veterinary aid services, cross-breed cow, and have been received by the farmers with enthusiasm. The regular news letter (Amul Patrika) has also brought good response in creating consciousness among members and making them active and participative. There is also

a programme of bringing the members-men and women, to visit Dairy Plant, the artificial insemination centre and cattle feed factory.

The milk union has been organising membership relations programmes with the objectives of convincing the villagers that the facilities and organisation belong to them. These programmes and factors, have stimulated the farmer members to adopt scientific practices for increasing milk production and have encouraged a sense of ownership and pride in their cooperatives. It was also informed that active participation of members is also reflected at the Annual General Meeting. The average attendance is 500 members and the meeting lasts for about two hours. The discussion takes place freely and all information regarding society's activities during the year is given. The annual accounts and Balance Sheet are also read and discussed in detail.

Thus the village milk cooperatives have made the members conscious about their democratic rights, understanding the fat - SNF tests and made them responsible and responsive to the society. Their visits to society - twice a day, for bringing milk, receiving payment, purchase of cattle feed etc. has made them more and more participative and loyal.

(11) Women's Perception

The impact of milk cooperatives has been far reaching in bringing about social change. The women folk have acquired formal recognition and they are occupying key position (pivotal role) in the entire milk economy. In fact, it is women who

look after the entire milk economy of the village. Not only women are becoming share holders but in some cases they are on managing committees and also acting as chair persons. In this society, as we saw earlier, there are 12% women share holders. This has resulted in changing their attitude and outlook, and given them special dignity. Men and women stand in the same queue for giving milk. Women have developed a sense of responsibility towards handling the milk business and now they possess a feeling of ownership. They are aware that they are self employed and enjoy special status. They understand the democratic working of cooperatives and also participate in their elections. They have been conscious in understanding the important role of milk society in rural economy and milk producers' well being. The milk union has also accepted the importance of educating women producers by different extension methods and women's education programmes. As a result the women evince more interest in dealings with society. There is also a programme of arranging women's trips to visit dairy plant and other service centres. They have given up traditional methods of health care, feeding, and breeding of cattle and adopted scientific methods. They are now conscious of costs and benefits. Education programmes are organised to encourage women to join cooperatives. They are also trained in animal husbandry, dairy management, proper care of animals, nutritional feed. Having an income of their own, has given them a sense of independence, by participating in the affairs of the cooperatives, their status in the village has been raised and the socio-economic conditions of women have been also improved. Another

impact of milk cooperatives is on their habits and attitudes to life as well as their perception of nutrition and health including family planning. The villagers have come to realise the need for better nutrition, health services and planning for their own families. Now the latest trend has been to organise a milk cooperative, exclusively of women members and managed by women only.

(12) Loan for Purchase of Buffaloes

Credit is not among the services offered by Amul to the members through their village cooperatives. This is based on the belief that cheap credit is appropriated by the alert rural members and weakens self reliance among the poorer dairy farmers.

However, in respect of this society, two nationalised banks have come forward to advance loans to milk producers. Bank of Baroda has advanced Rs.25 lakhs and Central Bank of India Rs.4 lakhs to the members for purchase of buffalo and cow. They advance Rs.3000/- for a buffalo and Rs.5000/- for a cross-breed cow, and the rate of interest is 10%. The period is 3 years. Besides this, the Bank of Baroda has advanced Rs.3/- lakhs to 100 members for constructing sheds for cattle, of the size of 12' x 10' costing Rs.3000/- each.

There is no guarantee to be given by the society to the Bank in respect of recovery. However, it is the responsibility of the society to deduct from the members payment everyday. An amount equivalent to one times cash payment is deducted by society towards recovery of loan. The Secretary informed that those who cannot pay from daily payment, they pay from

bonus amount. The experience is happy and recovery is almost 98%. The Committee members who met the case writer said that this is a unique scheme, started on experimental basis by the bank in this village. It should be multiplied by the cooperative banks and nationalised banks in other villages. It can be made successful with the help and support of the society.

(13) Cattle Insurance

The society has made arrangement with United India Insurance Co. Ltd. for cattle insurance for farmers. The idea of cattle insurance is to give protection to the members in case his cattle die of some decease. The scheme is voluntary but all the members have joined it. A buffalo is insured by the Insurance Co. The value (insurable amount) of buffalo is determined by the recognised vaternary doctor who also certifies the health of buffalo. The rate of premium is Rs.2.55 per Rs.100/-. On an average a member has to pay premium of Rs.102/-. Out of this, the milk union and the society pay Rs.6/- each as subsidy in premium and Rs.90/- are to be paid by the member himself. This amount of member's premium is deducted by the society from his bonus amount and paid to the Insurance Co. This cattle insurance scheme is well received by members and almost all cattle are insured. The impact of this scheme is that once a buffalo dies, the member gets insured amount and is in a position to buy another buffalo. He therefore does not feel frustrated, and is not weakened financially. His regular income by way of selling milk is also maintained and he does not sustain any financial loss. During the year 1987-88, 42 members received Rs.89500/- from insurance company towards their insurance claims. The society ensures that each

member joins insurance scheme and avails benefits therefrom.

(14) Contribution Towards Community Development Works by Society.

Cooperative movement is economic activity with social content. The village milk cooperatives also contribute substantially towards social and economic welfare of village people by donating funds for constructing village approach roads, school buildings, libraries, primary health centres, water works, street light, cattle water trough, and such other community works, from charity fund earmarked for the purpose out of their net profits.

The society has made good amount of contribution for the above said community programmes, a sum totalling Rs.6,93,110. during the period of 36 years of its existence. (For details, please see Annexure I). They also provide facilities for healthy recreations and entertainment to the village folks, arrange tours of farmers' housewives to see the various development activities undertaken by milk union. Thus out of the total net profit made by the societies from milk business, a major share goes back to farmers partly in form of cash payment direct, and partly in the form of other development activities benefitting them indirectly.

(15) Business Activities

Every morning and evening the society buys the surplus milk from its producer-members. The producer is paid for his/h milk usually within 12 hours. The payment is made on the basis of fat content of milk supplied by individual producers. The

milk union organises the transport of milk daily twice, from all its member societies. Besides purchasing and selling milk to the milk union (Amul) the society also sells other commodities like cattle feed, Ghee (butter oil), etc. The society purchased milk during the last three years as under:

	Milk Purchased	Litres of milk
1985-86	Rs. 39,96,798.00	11,82,985
1986-87	Rs. 48,35,047.00	13,58,442
1987-88	Rs. 59,88,792.00	15,52,000

For details of net profit, members bonus, etc. please see Annexure II.

From the above, it will be seen that year by year there has been increase in litres of milk purchased from members. Besides, the society has sold other items during the year 1987-88.

Item	Value of item sold
Milk sold	Rs. 3,10,466.00
Milk samples sold	Rs. 99,834.00
Cattle feed sold	Rs. 18,55,259.00
Amul Ghee sold	Rs. 1,67,780.00

(16) Extension Activities

With the development of the dairy industry and the co-operatives, the extension and animal husbandry activities are undertaken jointly by the milk union and the society. These extension activities have shown very encouraging results. In

the following paragraphs we will see the progress of these activities.

16.1 Mobile Veterinary Dispensaries

There are 18 such mobile veterinary dispensaries which visit all the villages in a week. One unit, accompanied by Doctor and his assistant is assigned a group of 45 to 50 villages. The veterinary aid is provided to all the animals belonging to members and non-members free of charge. This service is very popular among members as they receive it at their village and have not to pay anything even for the medicines, or injections. During the year 1987-88, 59625 cases have been treated by these mobile units. These units have also made 1,54,923 special veterinary visits at the instance of members. The village veterinarian trained by Amul has given first aid treatment to 2,48,926 cases. Now the wireless system has been introduced so that special visits are attended immediately and animals are saved.

16.2. Artificial Insemination (AI)

The main objective of A.I. is genetic improvement of cattle to increase milk production, through an intensive use of a small number of excellent breeding bulls. Amul has made arrangements for semen collection and for transporting the same to village cooperatives, through the milk trucks, for artificially inseminating the buffaloes. The actual insemination work is done by the society staff, who is trained by Amul veterinarians. This system is effective in reducing dry periods of buffaloes. The supervisors and officers of Amul

have made house to house campaign to contact members and explain the advantages of A.I. During the year 1987-88, the figure of A.I. has reached to 5,63,270. There were 2,74,426 pregnancy diagnosis cases during the year.

16.3. Education and Training Activities

Dairy animal husbandry cooperative secretaries training classes of 10 weeks duration are organised at District level in collaboration with Gujarat State Cooperative Union and Kaira District Cooperative Union. All the employees of village cooperatives are eligible for admission to this course. It is a sort of condensed course on cooperation and dairy science subjects with emphasis on management of milk cooperatives. Besides, there are also facilities for imparting education to members, committee members and women. In Kaira district a special project for educating women in dairy, animal husbandry, and working of cooperatives, has been launched by Amul, jointly with District Cooperative Union under this project, women education classes have been conducted in all villages of milk cooperatives. These programmes are very much successful in creating consciousness among women about dairying and scientific practices for animal husbandry work. The society has deputed its staff for cooperative diploma training, secretary training course and other types of training in A.I. and veterinary aid.

16.4. Women's visit to Amul

The work of keeping cattle is looked after by women folk. The success of animal husbandry and extension programmes largely depends upon the extent to which these programmes are properly understood and accepted by women in the villages. The village

cooperatives accepted the suggestion of Amul to organise 'Picnics' to Anand for women. These picnics were financed by society from cooperative propaganda fund. The picnics to Anand included a visit to the Dairy Plant, cattle feed factory, A.I. Centre for semen collection. During 1986-87, 16071 women from 83 villages and during 1987-88, 6454 women from 32 villages have participated in this programme. These visits have been effective in showing marked improvement in their response to animal husbandry programmes.

16.5. Amul Newsletter

The 'Amul Patrika' is published once a month and is sent out to all 4,23,000 milk producer members through their 890 societies in the district. The literacy percentage of Kaira district is about 40. At least one person in the family is in a position to read and understand Gujarati newsletter. Amul Patrika contains prevailing milk price with a ready reckner, cartoons and writings giving information on animal husbandry, cooperative extension and dos and don'ts for milk producers.

16.6. Balanced Cattle Feed

Traditionally farmers used to feed whole cotton seeds which was a wasteful way of feeding. It should be replaced by less expensive but nutritionally balanced mixture of by-products of various oil seeds, cereals and pulses alongwith vitamins and minerals. Amul has established a cattle feed factory near Anand to manufacture pelleted feed at cheaper rate. The milk union has assisted the farmers in using balanced cattle feed, expansion of Lucerne during winter and has been also providing information on balanced feed for buffalo.

During the year 1987-88, Anul sold 1,57,708 Metric Tonnes of Anul Dan (cattle feed).

16.7. Fodder Development Programme

The fodder development is the most important animal husbandry programme capable of influencing the future of Dairy Industry. The development of fodder resources plays a very important part in improving the productive efficiency of dairy animals. The milk union introduced a modest fodder development programme. Lucerne which is protein rich green fodder was introduced against the resistance of farmers. Lucerne seeds were sold at subsidised rates. A house to house campaign was organised for persuading farmers with irrigation facilities to sow some area of his farm with lucerne. Thus farmers were encouraged to use more and more lucerne as fodder for animals, as it was cheaper and rich with vitamins.

16.8. Providing Credit for Purchase of Animals.

Loans to farmer members have been made available from Kaira Dist. Cooperative Bank and other Nationalised Banks also. The village society assures deduction of instalments from the amount of milk sold to society by the member. Similarly cattle insurance scheme has been promoted by the milk union through insurance co.

17. Tribhuvandas Foundation (TF)

The milk producers of Kaira District had a feeling that buffaloes and their calves were better looked after than most milk producers and their infants. The Tribhuvandas Foundation

has been established to provide social services to villages. The objectives of the Foundation are to build a range of services into the existing dairy cooperatives to improve living conditions, specially of mothers and children. These services are not restricted to the members of village cooperatives but are also accessible to others particularly to those families who are below poverty line income group.

The Foundation's health care service with its emphasis on maternal and infant health responds to a need that is widely recognised in the village. The village has to apply for participating in this programme. The village health worker (VHW) is appointed, and trained in this work. The field staff of TF visits the village regularly and supports the working of VHW.

The society has joined TF scheme since 5th May 1988. A VHW has been appointed and trained. One member from each family is enrolled. He has to pay a fee of Rs.10/-. The main activities undertaken are dispensing medicines for simple ailments, managing supplementary feeding - ready to eat food, for children, keeping accounts and helping women to organise income generating activities. The TF has covered 173 villages under the scheme, with 19097 families as its members. (One person from a family is enrolled as a member).

This project has made a positive contribution in improving the well being of people of Kaira District, it has reacted positively to changing circumstances and possibilities that have arisen.

Some Observations

1. The village milk cooperatives on Anand Pattern, and Milk Union (Amul) have been a successful cooperative business, an agency to develop dairy industry on scientific lines, and an institution for the development especially of weaker sections, right from beginning. The rural poor who often benefit very little or not at all from other development programmes have fully benefitted from the Anand Pattern.

1.1 The Anand experience clearly reveals the multiple benefits that are derived by the people through their own cooperatives. These benefits are as under:

- a) It provides additional income to the family throughout the year as a result of daily payment for the milk sold by them which in turn increases their purchasing power.
- b) Their families are assured of better nutrition through the consumption of surplus milk and milk produce.
- c) The family labour which generally remains unemployed or underemployed is made use of in the maintenance of milch animals and production of milk.
- d) The milk production sustains poor families from starvation in areas which are severely affected by drought.

1.2 The cooperative milk union and the village societies have provided financial assistance, personnel and influence

to develop schools, libraries, clinics, youth centres and women's groups. Such institutions are very important in rural progress. The cooperatives have also taken lead in the plant of trees around the villages.

1.3 Besides improving the economic conditions of farmers, there are other developments as well. Women who cannot read and write, know the test of the milk they give, can calculate correct payment and take home ideas on improved methods of animal husbandry. The villagers have given up traditional habits and beliefs and accepted modern techniques and ideas.

1.4 The milk union and cooperatives have developed leaders in villages. The villagers understand democratic practices which have an impact on management of Panchayati Raj institutions - local Government institutions.

1.5 Anand Pattern is being adopted for other commodities like cotton, oilseeds, tobacco, foodgrains, etc. They also contribute for intensive development of rural areas.

1.6 The progress made by Amul and its affiliate milk cooperatives in Kaira District of Gujarat State have met the approval and appreciation by the villagers, cooperators, public administrators, state officials, and newsmen. This sort of rural development has created tremendous confidence among villagers and they have a feeling that their future is bright.

1.7 The Amul experience, demonstrates the fact that rural producers get access to appropriate modern technology only when they have their own institution to process and market

their produce.

1.8 The village societies have played important role in social welfare and community development activities using a part of net returns to assist schools, colleges, libraries, health centres, water works, youth clubs. These activities have great impact on winning the loyalty and support of villagers.

1.9 By sixties, milk producers in Gujarat were convinced that the Anand Pattern of milk cooperatives is the most effective structure for dairy development and marketing of milk. The milk producers in different districts of Gujarat State have adopted Anand Pattern for milk marketing and dairy development. There are milk unions organised in almost all the districts and milk cooperatives are also being organised. At present the 17 District milk Unions of Gujarat hold a membership of about 12 lakhs farmers through 8500 milk cooperatives, with a milk handling capacity of about 30 lakh litres per day. The average milk procurement per day comes to 22 lakh litres.

1.10 Our late Prime Minister Shri Lal Bahadur Shastri, during his visit to Anand (1964), was very much impressed with the work of Amul, especially its achievements in rural development, and socio-economic field, and therefore recommended that such Anands should be built everywhere throughout the country. As a result of this, the National Dairy Development Board (NDDB) was set up in 1965 with its head quarters at Anand to provide technical services to the Dairy Industry and to help the milk producers in different states to organise

their milk production and marketing on Anand Pattern. The major objectives of the NDDB include the following.

- a) carrying out feasibility studies
- b) provision of technical services for development of dairy and other projects.
- c) creation and commissioning of dairy plant
- d) provision of specialised dairy engineering services
- e) provision of manpower development, research and consultancy services on dairy and allied services.
- f) to provide international liaison to facilitate the exchange of useful information and personnel.
- g) computer services.

The NDDB is well equipped with professional and technical staff, and have established 4 regional offices at Delhi, Bangalore, Bombay and Calcutta. The NDDB formulated a project for Operation Flood in July 1980. The main objective of operation flood project was to create a flood of rurally produced milk through establishment of Anands, to feed four main cities of Bombay, Calcutta, Delhi and Madras. The NDDB has not only succeeded in India but, its know-how is also being used for establishment of dairy cooperatives and allied projects in Sri Lanka, Burma, Nepal, Sudan, Phillipines and Vietnam, etc.

1.11 Milk cooperatives have also proved to be beneficial to the urban population. They provide benefits like the supply of unadulterated quality milk at reasonable price. Throughout the year, the development of ancillary industries in the urban areas and also employment opportunities.

1.12 The day-to-day functioning of the milk cooperatives has also served to eliminate the barriers of caste, untouchability, communalism, feuds, and factions in the villages as the members are ensured of a fair deal treatment without any sort of discrimination. All members are treated as equals regardless of their social background.

Impact of Anand Pattern

A number of studies have been made on the impact of 'Anand Pattern' and they reveal several economic and social benefits of immense value accruing to the people especially the weaker sections owning milch animals and those employed in the manufacture of dairy equipment, cattle feed factory equipment and milk transportation and distribution equipment etc. the production of which has tremendously increased over recent years.

The studies have also revealed that, Anand Pattern milk cooperatives which are owned, operated, controlled and managed by villagers themselves, both at the village and the district level demonstrate as to how even the sophisticated technology can be successfully used to ameliorate the economic and social conditions of poor people, by building up locally suited institutional mechanism. The studies indicate that, landless labourers often receive 65-70 per cent of their total income from the sale of milk, while small and marginal farmers earn more than 25-30 per cent of their income from this activity. This proves the importance of Anand Pattern. It is also found that the creation of Anands has resulted in increased

employment and more regular employment throughout the years, increased production and marketed supply of milk, maximisation and stabilisation and regular flow of income over time.

Economically, increased cash income and employment will help to increase levels of income of people. Socially the activities will help, break down barriers of class and caste and will stimulate interest in improved social services including family planning.

Institutionally, the success of milk cooperatives has strengthened the villagers' confidence in their own ability and has increased the participation of both men and women in the affairs of the village.

With regard to women, new remunerative source of employment has been encouraged helping them to improve their family life and educating them through participation in community organisations.

The case writer believes that the pattern of rural development evolving through cooperatives in Kaira District is sound, democratic, dynamic and worth studying by those who are concerned with modernization of village life. The milk union has played very important role in the pattern of rural development. The existence of the three-tier structure is for the benefit of its smallest unit - the producer-member. It can fairly be said that the cooperative system has proved itself a vital force for socio-economic progress at the grass-roots level.

The functioning of Anand Pattern has amply proved that

cooperative organisations reinforced by competent professional management and enlightened - dynamic elected management can become successful and achieve the goal of rural development.

Annexure - I

Primary Milk Co-operative Society

Contribution towards community development work by the MPCS (in

Primary Health Centre	31,600.00
Hospital	2,001.00
TB Hospital	2,750.00
T.K. Foundation	5,000.00
Sardar Memorial	2,652.00
Road construction & Repair	40,739.00
Water works	75,842.00
Water tank and water tap arrangement	38,349.00
Street light	1,840.00
Playing instruments for children	11,509.00
Women Education	6,633.00
Women tours (Amul)	6,301.00
Drainage/sewage project	7,024.00
Primary School	11,850.00
High School	2,000.00
Bal Mandir	20,266.00
Library	13,384.00
Scholarships etc.	15,846.00
Co.op.Education and Extension	26,141.00
First Aids & AI activities	13,035.00
Special visit fees	2,07,932.00
Animal Vaccination	6,898.00
Cattle water trough	5,850.00
Construction of wall on water tank	3,292.00
Drinking water arrangements for Animals	14,729.00
Fodder Development	33,699.00
Insurance Subsidy	40,377.00
Other promotional prizes	24,071.00
Relief fund	21,500.00
	<hr/>
Total..	6,93,110.00
	<hr/>

Contd...2.

Expenses of the Society's business over the years :

Year	No. of members	Paid up share capital Rs.	Reserve fund Rs.	Milk purchase in litres	Milk purchase in Rs.	Net profit Rs.
51-52	90	870	838	47112	22055	3355
51-62	884	6935	51398	522250	32124	28572
71-72	1328	10010	126689	878360	1012108	65452
81-82	2234	104795	306717	1060373	2792154	205872
85-86	2826	15390	379514	1183985	3995792	383126
86-87	2949	14215	415105	1358440	4835108	195227
87-88	3070	11505	430237	1552000	5988793	274889

Year	Bonus + Price difference to members (Rs.)	Average bonus price difference paid to member per liter (Rs.)	Average return per litre to milk prod. including price, Bonus & price difference (Rs.)	Cattle fedd sale in bags (Rs.)
51-52	1837	0.04	0.28	-
61-62	33415	0.06	0.67	357
71-72	63474	0.07	1.22	1785
81-82	244122	0.23	2.86	10080
85-86	418941	0.35	3.38	13150
86-87	725298	0.57	4.06	14580
87-88	1077983	0.69	4.55	15786

// 3 //

Animal Husbandry activities of the society

Year	No. of AI performed	No. of buffaloes examined for pregnancy diagnosis	Buffaloes found pregnant	First cases treated
1951-52	-	-	-	-
1961-62	676	183	119	140
1971-72	4167	417	319	1156
1981-82	4167	1044	758	810
1985-86	6656	1187	640	1003
1986-87	4738	1220	620	2018
1987-88	3890	1342	719	1077

Annexure II

IMPORTANT PROVISIONS IN THE BYE-LAWS OF MILK PRODUCERS CO-OPERATIVE SOCIETY.

1. The area of operation of the society shall be
village/s
2. The objective of the society shall be -
 - 2.1 To undertake activities necessary for clean and quality milk production and to increase milk production per buffalo or cow and to give necessary guidance and assistance to the members/producers to carry out these activities.
 - 2.2 To provide facilities for profitable marketing of milk only through the District Cooperative Milk Producers' Union to which it is affiliated.
 - 2.3 To undertake programmes in dairy extension and dairy husbandry aimed at improving rearing the breed and health of the animals.
 - 2.4 To undertake the sale of balanced cattle feed and also to promote fodder cultivation leading to increased fodder availability and its efficient feeding to the milch animals.
 - 2.5 To take up all other allied activities for carrying out the above objectives for the over all development of dairying.
3. Membership
 - 3.1 A milk producer is entitled to be a member if:
 - 3.1.1 He is residing within the area of operation and has completed 18 years of age and is competent to contract.

- 3.1.2 His written application in the prescribed form for membership has been approved by the majority of the Managing Committee.
- 3.1.3 He rears buffalo/cow for milk production and has supplied milk to the society for three consecutive months preceding the date of his application.
- 3.1.4 He or his family is not in the business of milk and milk products.
- 3.1.5 He has taken at least one share and paid an entrance fee of rupee one
- 3.1.6 He has agreed (in writing) to supply milk only to the society.
- 3.1.7 He is not bankrupt or is not legally disabled.
- 3.1.8 He is not criminally convicted for moral turpitude.
- 3.2 Any member
- i) If he has dues with the society
 - ii) If he ceases to have any of the qualifications for membership prescribed in bye-law No.3.1
 - iii) If he has supplied milk to the society for less than 180 days or 500 litres in the previous cooperative year.
 - iv) If he has sold milk to any other agency other than society
- Shall not enjoy any other right in the society other than receiving bonus, dividend and other monetary benefits such as getting fodder seeds at subsidised rates etc.
- 3.3 Any member may withdraw from the society at any time by submitting his resignation to the Managing Committee and

getting it approved. But, such approval shall not be given while he is in debt to the society or he is a surety to another member. In case a member has not outstanding dues with the society or he is not a surety to another member, his resignation will be considered as accepted after one month from the date of his resignation even if the Managing Committee has not approved it.

.4 A member of the society may be expelled by a resolution passed by three fourth majority of the members entitled to vote from among those who are present at a General Meeting for the following reasons:

.4.1 If he is a persistent defaulter

.4.2 If he willfully deceives the society by making false statements.

.4.3 If he intentionally does any act likely to injure the reputation of the society

.4.4 If he persistently dishonours the suggestions and resolutions of the Managing Committee.

.4.5 If he has a bufflo or cow in milk and sells milk to some other party or if he deals in sale and purchase of milk and milk products.

.4.6 If he does not reside in the area of operation of the society regularly or ceases to possess any of the qualifications for becoming a member.

But before expelling a member he shall be given an opportunity to present his case before the General Meeting and the resolution of the General Meeting should meet with approval as per the provision of the State Cooperative Societies Act.

4. Managing Committee

- 4.1 The elected Managing Committee of the society shall be of nine members according to schedule (b) of the by-law of the society of which one third of the members shall retire every year by rotation. Retirement of members at the end of first and second year shall be decided by lots. The retiring members shall have the right to contest the election.
- 4.2 The presence of more than one half of the members of the Managing Committee shall form a quorum.
- 4.3 The members having the following qualifications shall only be eligible for election or can continue as a member of the Managing Committee.
- 4.3.1 If he is not in default to the society in respect of any overdues from him.
- 4.3.2 If he has no direct or indirect interest in the current agreement with the society or the property purchased or sold by the society or in any other dealings with the society (except the investment made by him in the society)
- 4.3.3 If he is not disqualified by any legal procedure and is not convicted for any misappropriation of money or mismanagement in this society or any other institution.
- 4.3.4 If he is not found liable for any offences of this society or any other society under the provisions of State Cooperative Societies Act.
- 4.3.5 If he is not a paid employee of this or any other society and is not near relative of any of the paid employees of the society according to the provisions of the State Cooperative Societies Act.

- 4.3.6 If he, or any member of his family does not carry on any business of the kind carried on by this society (including contract or sub contract) nor has partnership interest in such concerns.
- 4.3.7 If he has a buffalo or cow and has sold the milk only through the society.
- 4.3.8 If no legal steps have been taken against him by the society to collect dues of the society from him during the last three cooperative years.
- 4.3.9 If he has not performed duty as a paid employee of the society for the last three cooperative years.
- 4.3.10 If he has supplied milk to the society for 180 days/500 litres in a previous coop. year.
- 1.4 Any member of the Managing Committee automatically ceases to be a member of the Managing Committee for the following reasons:
- 4.4.1 By submitting his resignation and getting it approved by the Managing Committee.
- 4.4.2 When he ceases to be a member of the society due to death or any other reason.
- 4.4.3 When he ceases to possess any required qualifications as a member of the Managing Committee.
- 4.4.4 If he remains absent in the Managing Committee meeting for three consecutive times. The Managing Committee shall have to take note of it in its meetings and this resolution shall be effective from the date on which such note is taken. It will be the duty of the Committee to inform the member about the details of this ~~Comm~~ resolution. Such information will be considered as valid even when it is

displayed on the notice board of the society.

- 4.5 Every year, the Managing Committee shall elect a Chairman from its members within 10 days after the Annual General Meeting.
- 4.6 If the District Registrar finds serious mismanagement in the society, he shall suspend the Managing Committee and appoint an administrator and meanwhile all the office bearers of the society shall cease to hold any post.
- 4.7 The Managing Committee can appoint or can allow any person having the following qualifications to continue as an employee of the society over and above the conditions mentioned elsewhere in the bye-laws of the society.
- a) If he is not dealing in any business or contract independently or in partnership which is related to the objectives of the society, such as milk and milk products, cattle feed, transport of milk, etc.
 - b) If he is not holding any position as a paid employee or any other honorary position in any local institution or any other society.
 - c) If he is not found convicted for moral turpitude
 - d) If he is not found guilty for misappropriation, malpractices and mismanagement in this or any other society or institution.
 - e) If he is not found violating any provision stated in the provision of the State Cooperative Societies Act.
- If any employee of the society is found not observing the above conditions at any time during his service, the Managing Committee shall terminate his services immediately.

. Distribution of Profit

- .1 The gross profit of the previous year shall be declared in the Annual General Meeting and the following deductions shall be made from it.
- a) Interest payable on loans and deposits
 - b) Working expenses of the society
 - c) Losses
 - d) Depreciation on building and other assets
 - e) Bad debts sanctioned by the Managing Committee and approved by the District Registrar.
- .2 To pay to the share holders as dividend a sum not exceeding 12% of the paid up share capital.
- . Each member will be given a pass book and all his transactions with the society will be recorded in it. It shall be the responsibility of the member to get it recorded regularly.

MILK COOPERATIVE SOCIETY

Statement showing progress made by society during 1983-1988

Year	No. of Members	Share Capital	Litres of Milk Purchased	Net Profit	Amt. of bonus received from milk Union	Amt. of bonus distributed to members	Audit Class
1983-84	2628	22,505.00	11,92,600	2,71,651.00	2,97,500.00	4,30,857.00	B
1984-85	3001	20,365.00	13,11,762	2,65,005.00	5,56,526.00	3,88,266.00	B
1985-86	2826	15,390.00	11,92,985	3,33,726.00	4,96,489.00	4,98,991.00	B
1986-87	2949	14,210.00	13,58,442	1,95,227.00	4,19,150.00	7,25,297.00	B
1987-88	3070	11,505.00	15,52,000	2,74,988.00	3,75,771.00	10,77,982.00	B

A word about the Author
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Mr. J.M.Mulani, M.Com,LL.B, has worked as Chief Executive of Gujarat State Co-operative Union, a non-governmental organisation responsible for promotion and development of co-operatives. He has the experience of working for more than three decades in co-operative management, Training and development. He was in charge of planning, organising and directing co-operative education and Training Programmes for co-operative personnel. He is a widely travelled person, having visited European, Scandinavian and Asian countries and studied co-operative movements of those countries in detail.

He has worked as a Resource person in International Co-operative seminars, conferences and Training Programmes, at the invitations of ICA and ILO. He has presented papers and given lectures in these seminars. He has worked as a member of several committees and working groups on cooperation and given benefit of his experience and expertise for the development of co-operative movement. He is the author of three books and several Articles, Papers and reports on co-operation and allied subjects.

COOPERATIVE MOVEMENT IN MAHARASHTRA AT A GLANCE 1987

M. V. Natu*, P. T. Pandit**

Cooperative movement as means of bringing about economic upliftment of the rural population has been implemented in the State of Maharashtra for eight decades. It has attained great strength and versatility vertically and horizontally. It has initially started as an official mechanism for finding the solution to the problem of rural indebtedness and of bringing credit within the reach of common Agriculturist. It has now enveloped many other fields of economic activities covered by ancillary activities like provision of agricultural inputs, agricultural processing, marketing, cottage industries, rural distribution of consumer goods as their social needs. Special attention is paid to the development of small farmers, Adivasi and other weaker sections of community.

The main function of the 75th anniversary of the Maharashtra State Cooperative Bank Ltd. Bombay was held at Chincholi Rao Wadi (Latur District) on dated 8th November 1987. Our Hon'ble Prime minister Shri. Rajiv Gandhi was the Chief Guest on the occasion. He praised the achievements of the cooperative movement in the State, when appraised of the present position attained by the movement. A book-let published by the Maharashtra Rajya Sahakari Sangh, Pune was submitted to the Prime Minister. The same is reproduced here. This has been compiled by Shri. M. V. Natu and Shri P. T. Pandit.

EDITOR

Cooperation is an inspiration of people. The movement has been de-officialised and as a result, it has acquired a very strong democratic base. It is a matter of pride that the renowned social and political leaders participated in the development of cooperative movement in Maharashtra. Mahatma Gandhi has also given his blessings and moral support in the initial days of the movement. Today, Cooperative Movement covers almost all the the villages the major portion of the agricultural population. With the recognition of the principle of State participation in Govt. share

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capital contribution, the movement has not only become a vital instrument of economic development but recognised as effective media for the successful implementation of the various plan-schemes, which have a bearing on the raising of standards of living of Rural population. The role of the cooperative movement in the task of changing the lives and the living conditions of the rural population, is therefore of crucial and strategic importance. Maharashtra occupies a predominant place in the country among all the States in terms of its contribution towards development of cooperative infrastructure particularly in rural areas.

Trends in the Cooperatives in Maharashtra Growth in 25 years

The total number of Co-operative Societies in the State, increased to 83,460 as on 30-6-1987 from 31,565 in 1961 i. e. by more than two and half times. The total gross membership of all these societies, has increased to 210 lakhs from just 42 lakhs in 1961 which is five fold. The paid up share capital of these Societies is Rs. 1150 crores which has increased from just Rs. 53 crores, this growth is twenty times. The Government has contributed Rs. 225 crores, which is over 20%. This contribution has risen from 8 crores in 1961 which is over twenty five times. The owned funds of these Co-operatives have increased to Rs. 2550 crores from Rs. 73 crores in 1961 i. e. over 30 times. Various types of Co-operative Societies have mobilised deposits of huge amounts of Rs. 6100 crores which were just Rs. 76 crores in 1961. The rise is over 85 times. The working capital has also risen from Rs. 326 crores in 1961 to Rs. 12,500 crores in 1987. The rise is 33 times. The net loans advanced by all types of Cooperative Societies are to the tune of Rs. 2,650 crores in 1986 which were limited to Rs. 95 crores only in 1961. This is also almost nearing 30 times.

The above position is shown in the following table

Table No. 1
Trends in the Cooperatives in Maharashtra State

ITEM	1961	1971	1981	1985	1986	1987
Total Societies	31,565	42,603	60,747	75,360	79,291	83,460
Total Members (Gross)	42	86	148	186	195	210
Paid up Share Capital	53	238	600	957	1,065	1,150
of which Government	8	39	105	214	225	230
Owned Funds	73	345	1,207	1,962	2,150	2,550
Deposits	76	315	5,939	4,184	4,900	6,100
Working Capital	326	1,490	5,210	9,346	10,600	12,500
Loans Advanced (Net)	95	348	1,116	2,215	2,650	3,300

* Note - 1. Rs. in crores

2. Membership in lakhs

It is interesting to see the sectorwise growth of development activities of various types of Cooperative Societies. The non from Agricultural Credit Societies have grown from 1610 in 1961 to 7112 in 1986. Growth rate is four and half times. The marketing societies rose from 344 in 1961 to 655 in 1986. The productive enterprise (e. g. Sugar factories, Rice Mills etc.) increased from 4306 in 1961 to 21148 in 1986.

The social service cooperatives (e. g. Consumers socys.) Housing socys etc.) have risen from 3,846 in 1961 to 31,883 in 1987.

Cooperative Agricultural Credit:

The Maharashtra State Cooperative Bank

It is not only the Apex organisation of the three tier structure of Agricultural Credit in the State but also serves as a balancing centre of the Movement. Besides extending financial assistance to the thirty District Central Cooperative Banks, it provides concessional loans for purchases of shares for cooperative sugar factories and spinning mills, loans at the rate of only 4% to small land holders for purchase of milch cattle, loans for integrated Rural development schemes Gobar gas schemes, lift irrigation schemes etc. These loans are provided by the Bank from its own funds, even when refinance facilities are not available from NABARD. The important statistics about the Bank are given below :

Table No. - 2
Maharashtra State Cooperative Bank

Item	1961	1971	1981	1985	1987
Number of Branches (including H.O.)	20	24	44	43	43
Membership (including nominal)	11	16	16	20	20
Share Capital of which	326	826	1,103	1,413	1,579
Government	118	303	200
Owned Funds	425	1,885	8,254	13,995	15,718
Deposits	2,153	9,332	42,994	95,975	1,175,55
Borrowing					
Outstanding	2,286	6,894	880	3,545	
Working Capital	5,254	18,741	54,483	1,17,881	

- Note - 1) Rupees in lakhs
 2) Membership in thousands
 3) S. A. O. = Seasonal Agricultural operations
 4) N. A. = Not available

The Cooperative Sugar Factories

Maharashtra is pioneer in cooperative sugar industry. The cooperative sugar factories in Maharashtra have assumed an important place as an Agro-based industry which has ushered radical economic changes in the rural areas. Number of sugar factories have crossed century. Of these 84 are in production. They produce 34% sugar in the country. These factories manufactured 22.70 lakhs ton sugar valued at Rs. 1135 crores during last year. The progress achieved by Cooperative Sugar factories in the State is given in the table below. (T. ow. 3)

Table No. 3
Cooperative Sugar Factories

Item	1981	1985	1986	1987
1) Factories Registered	78	100	100	98
2) Factories in Production	67	77	79	84
3) Sugarcane crushed (quantity)	16,953	19,063	19,672	
Sugar produced—				
A) Quantity	1,877	2,121	2,209	2,270
B) Value	62,683	78,483	95,005	1,13,500
4) No. of factories having distillery plant	18	26	26	
5) Membership	4,376	6,080	6,200	
6) Share capital	9,443	16,500	18,000	19,000
7) Deposits	14,129	26,500	29,000	32,000
8) Owned funds	26,004	47,500	50,000	53,000
9) Working capital	66,843	1,00,000	1,04,000	1,06,000

NOTE :- (1) Rs. in lakhs.
 (2) Membership in hundreds.
 (3) Quantity in thousand tonnes.
 (4) T. C. D. = Tonnes Crushing per day in thousands.
 (5) At the rate of Rs. 3,700 & 4,300 per tonne for the years 1985 & 1986 respectively.

Other Important Cooperatives

Many other types of cooperative societies have also made considerable progress. Maharashtra state cooperative Marketing Federation is an apex institution for marketing agricultural goods and supply of agricultural inputs. Federation has supplied agricultural input amounting to Rs. 115.41 crores.

Maharashtra is the pioneer state in the country to implement monopoly purchase of cotton through cooperatives. Presently Maharashtra State Cotton Growers Cooperative Marketing Federation is handling this activity. Cotton Federation has sold lint cotton worth Rs. 214.00 crores and cotton and seed to the tune of Rs. 135.00 crores.

Maharashtra State Cooperative Land Development Bank is providing long term Agricultural credit. It has adopted new approach while financing for various purposes. This Bank has provided long term loans of Rs. 57.72 crores during 1986-87

The Maharashtra Cooperative Housing Finance Society mainly finances Cooperative Housing Societies. The Housing Finance Society has its working capital of about Rs. 184 crores with the loan assistance provided by this Society. 67200 houses have been constructed. The formation of cooperative housing societies growing in towns with a view of combat rising rents and providing shelter to middle and weaker sections of community has proved essentiality.

Dairy Development is an important subsidiary activity providing gainful engagement, particularly to the cultivators whose farming is not economically viable. The consumers movement in the state is playing crucial role distribution of essential commodities both controlled and uncontrolled

The irrigated cultivation has strength to change the condition of poor cultivator making him economically sound which is achieved by coop. Lift Irrigation Societies. The State also leads in the Urban Cooperative Banking. These banks have advanced loans of Rs. 3500 crores. The bulk of which has gone to middle class people, workers, small scale industries and weaker section of community. The actual number of societies working in important different sectors is given below.

Sr. No.	Type	No.
1.	Housing Coop Societies	22877
2.	Dairy societies	12703
3.	Salary earners' credit societies	5122
4.	Labour Contract coop. societies	4814
5.	Primary Industrial Societies	2989
6.	Consumers Coop. Stores	2486
7.	Lift Irrigation Coop. Societies	2001
8.	Urban Credit Coop Societies	1706
9.	Handloom and Powerloom Coop. Societies.	1175
10.	Forest Labourers Coop. Societies	395
11.	Urban Coop. Banks	376

Cooperative Training, Education & Publicity

The Maharashtra Rajya Sahakari Sangh (State Cooperative Union) has continued to play its prominent role in shaping the Cooperative Movement in the State, with the support of State and Central Government. This Institute has been entrusted with the important job of conducting and organising need based and job oriented training programmes for the personnel connected with different types of Cooperative Societies including Member Education Programme. This has proved to be an effective input for increasing the efficiency of the Cooperatives for their betterment in general and qualitative advancement in particular. The Sangh (Union) has also undertaken the activities of publicity and propaganda, Research and consultancy. These activities have helped a lot in developing Cooperative leadership, particularly in youth and in women. The Sangh has published number of books on cooperation and allied subjects. The Sangh also publishes two periodicals namely Sahakari Maharashtra in Marathi and the Maharashtra Cooperative Quarterly in English which is one of the oldest journal in the field of cooperation country having readership in the country and abroad.

The details of these activities of the sangh are given in table No. 4.

One of the important activities taken up by the M. R. S. S. is the establishment of the Agricultural Cooperative Staff Training Institute at Pune. Secretaries of Primary Agricultural Cooperative Societies.

Cooperation does find place in the revised twenty point programme of the Hon. Prime Minister of India. Cooperatives in the state have been given the responsibility in respect of marketing of Agri. produce including fruits and vegetable and creation of additional storage capacity, opening of additional outlets for distribution of fertilizers. The monopoly procurement scheme of cotton has helped a lot to dryland farmers. Main thrust is on bringing up the people who are below poverty line.

It also envisages afforestation, consumer protection, increasing irrigation has also proper and better water utilization.

The resume of the cooperative movement in the state brings out the fulfilment of the tasks entrusted to the cooperatives.

Table No. 4
 Maharashtra Rajya Sahakari Sangh Maryadit, Pune
 Cooperative Training, Education and Propoganda

Sr. No.	Item	Unit.	1984-85	1985-86	1986-87
Training Programme					
1.	Co-operative Training Colleges.	No.	2	2	2
2.	H. D. C. and Condensed H. D. C.	a) No. of programmes	2	2	2
		b) No. of participants	63	57	64
3.	Other Diploma & Short-term Courses.	a) No. of programmes	18	31	36
		b) No. of participants	472	697	864
4.	Cooperative Training Centres.	No.	13	13	13
5.	L. D. C. (Junior Basic Course) and Other Diploma Courses.	a) No. of programmes	41	39	37
		b) No. of participants	1548	1489	1279
6.	Sectoral Programmes and Short-term Courses.	a) No. of Programmes	59	60	69
		b) No. of participants	1267	1605	1361
7.	Leadership Development Programmes.	a) No. of programmes	31	25	27
		b) No. of participants	497	335	525

Member Education Programmes		No.	26	26	26
8.	Districts Co-operative Bords.				
9.	Short-term, Refresher and Secretary Training Classes.	a) No. of programmes	133	111	95
		b) No. of participants	3355	2755	2159
10.	Leadership Development Programmes.	a) No. of Programmes	2210	2126	2010
		b) No. of participants	136605	163409	137690
11.	Youths Development Programmes.	a) No. of programmes	759	818	777
		b) No. of participants	46353	56789	55047
12.	Women Education Programmes.	a) No. of programmes	525	458	433
		b) No. of participants	27846	23751	24800
13.	Conferences and Seminars.	a) No. of programmes	27	27	28
		b) No. of participants	4797	15867	5383
Publications					
14.	Books, Brouchers and Leaflets	No.	3	5	4
15.	Journals	No.	7	7	7
16.	Film shows.	No. of spectators	394850	407300	277850

MATERIAL DISTRIBUTED IN INDIA
ON FIELD STUDY VISITS
IN MAHARASHTRA STATE, India,

30th November to 11th December 1988

12

9

THIRD ICA/JAPAN TRAINING COURSE FOR STRENGTHENING
MANAGEMENT OF AGRICULTURAL CO-OPERATIVES IN ASIA.
FIELD STUDY VISITS.

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COOPERATIVE MOVEMENT IN MAHARASHTRA

Co-operative movement as a means of bringing about economic upliftment of the Rural population has been implemented in the State of Maharashtra for almost eight decades. It has attained great strength and versatility vertically and horizontally. It has initially started as an official mechanism for finding the solution to the problem of rural indebtedness and of bringing credit within the reach of common Agriculturist. It has now enveloped many other fields of economic activities covered by ancillary activities like provisions of agricultural inputs, agricultural processing, marketing, cottage industries, rural distribution of consumer goods and as also their social needs. Special attention is paid to the development of small farmers, Adivasi and weaker section of community.

Cooperation is an inspiration of people. The movement has been de-officialised and as a result, it has acquired a very strong democratic base. It is a matter of pride that the renowned social and political leaders participated in the development of cooperative movement in Maharashtra. Mahatma Gandhi, the father of the Nation has given his blessings and moral support in the initial days of State movement. Today, the Cooperative Movement covers almost all the villages in the State, and as a result the major portion of the agricultural population has been brought within the fold of the Cooperative Movement. With the recognition of the principle of State participation to Govt. share capital contribution, the movement has not only become a vital Instrument of economic development but has been recognised as effective media for the successful implementation of the various plan-schemes, which have, a bearing on the raising of the standards of living of Rural Population. The role of the cooperative movement in the task of changing the lives and the living conditions of the rural population, is, therefore, of crucial and strategic importance. Maharashtra occupies a predominant place in the country among all the States in terms of its contribution towards development of cooperative infrastructure particularly in rural areas.

Trends in the cooperatives in Maharashtra

The total number of Co-operative Societies in the State, increased to 87,676 as on 30.6.1988 from 31,565 in 1961 i.e. more than two and half times. The total gross membership of all these societies has increased to 224 lakhs from just 42 lakhs in 1961 which is five fold. The paid up share capital of these Societies is Rs. 1,233 crores which has increased from just Rs. 53 crores, this growth is twenty times. The Government has contributed Rs. 257 crores, which is over

20%. This contribution has risen from 8 crores in 1961 which is over twenty five times. The own funds of these Co-operatives have increased to Rs. 2,601 crores from Rs. 73 crores in 1961 i.e. over 30. Various types of Co-operative Societies have mobilised deposits of huge amounts of Rs. 6,504 crores which were just Rs. 76 crores in 1961. The rise is over 85 times. The working capital has also risen from Rs. 326 crores in 1961 to Rs. 14,360 crores in 1988. The rise is 33 times. The net loans advanced by all these types of Cooperative Societies are to the tune of Rs. 3,055 crores in 1988 which were limited to Rs. 95 crores only in 1961. This is almost nearing 30 times.

The above position is shown in the following table :
(Table 1)(Page No. 3)

It is interesting to see the sectorwise growth of development activities of various types of Cooperative Societies. The non-Agricultural Credit Societies have grown 1610 in 1961 to 8435 in 1988 Growth is five fold. The marketing societies rose from 344 in 1961 to 782 in 1988. The productive enterprise (e.g. Sugar factories, Rice Mills etc.) increased from 4306 in 1961 to 23833 in 1988.

The social service cooperatives (e.g. Consumers societies, Housing Societies etc.) have risen from 3,846 in 1961 to 36,147 in 1988.

Cooperative Agricultural Credit :

The Maharashtra State Cooperative Bank

It is not only the Apex organisation of the three tier structure of Agricultural Credit in the State but also serves as a balancing centre of the Movement. Besides extending financial assistance to the thirty District Central Cooperative Banks, it provides concessional loans for purchase of shares for cooperative sugar factories and spinning mills, loans at the rate of only 4% to small land holders for purchase of milch cattle, loans for integrated Rural development schemes, Gobar gas schemes, lift irrigation schemes etc. These loans are provided by the Bank from its own funds, even when refinance facilities are not available from NABARD. The important statistics about the Bank are given below : (Page No. 4)

Table No. 1
Trends in the Co-operatives in Maharashtra State

ITEM	1961	1971	1981	1985	1986	1987	1988
Total Societies	31,565	42,603	60,747	75,360	79,291	83,460	87,676
Total Members (Gross)	42	86	148	186	201	211	224
Paid up Share Capital	53	238	600	957	1,091	1,186	1,233
of which Government	8	39	105	214	251	254	257
Owned Funds	73	345	1,207	1,962	2,307	2,430	2,601
Deposits	76	315	1,939	4,184	5,044	5,925	6,504
Working Capital	326	1,490	5,210	9,346	11,051	12,820	14,360
Loan Advanced (Net)	95	348	1,116	2,215	2,739	2,875	3,055

* Note : 1. Rs. in crores. 2. Membership in lakhs

Table No. 2
Maharashtra State Cooperative Bank

Item	1961	1971	1981	1985	1987	1988
Number of Branches (including H.O.)	20	24	44	43	43	43
Membership (including nominal)	11	16	16	20	22	23
Share Capital of which	326	826	1,103	1,413	1,579	1,883
Government Owned Funds	118	303	200	--	--	--
Deposits	425	1,885	8,254	13,995	16,145	17,453
Borrowing Outstanding	2,153	9,332	42,994	95,975	1,17,555	1,33,594
Working Capital	2,286	6,894	380	3,545	4,864	6,876
	5,254	18,741	54,483	1,17,881	1,44,863	1,65,506

Note : 1) Rupees in lakh
2) Membership in thousands

The Cooperative Sugar Factories

Maharashtra is pioneer in cooperative sugar industry. The cooperative sugar factories in Maharashtra have assumed an important place as an Agro based industry which has ushered radical economic changes in the Rural areas. Number of sugar factories has crossed century. Of these 85 are in production. They produce 34% sugar in the country. These factories manufactured 26.92 lakhs ton sugar, valued at Rs. 1,481 crores during last year. The progress achieved by Cooperative Sugar factories in the State is given in the table No. 3. (Page No. 5)

Other important Cooperatives

Many other types of cooperative societies have also made considerable progress. Maharashtra State Cooperative Marketing Federation is an apex institution for marketing agricultural goods and supply of agricultural inputs. Federation has supplied agricultural input amounting to 118.11 crores.

Table No. 3

Cooperative Sugar Factories

Item	1981	1985	1986	1987	1988
1) Factories Registered	78	100	101	101	108
2) Factories in Production	67	77	80	84	85
3) Sugarcane crushed (quantity) Sugar produced -	16,953	19,063	19,672	20,631	24,810
A) Quantity	1,877	2,121	2,209	2,270	2,692
B) Value	65,683	78,483	95,005	1,13,500	1,48,060
4) No. of factories having distillery plant	18	26	24	27	27
5) Membership	4,376	6,080	6,214	6,250	6,400
6) Share Capital	9,443	16,500	20,935	21,000	22,000
7) Deposits	14,129	26,500	29,958	32,000	33,000
8) Owned Funds	26,004	47,500	56,716	57,000	57,500
9) Working Capital	66,843	1,00,000	1,12,075	1,31,000	1,32,000

NOTE : 1) Rs. in lakhs
2) Membership in hundreds.
3) Quantity in thousand tonnes.
4) T.C.D. = Tonnes Crushing per day in thousands.

Maharashtra is the pioneer state in the country to implement monopoly purchase of cotton through cooperatives. Presently Maharashtra State Cotton Growers Cooperative Marketing Federation is handling this activity. Cotton Federation has sold lint cotton worth Rs. 361.79 crores and cotton seed to the tune of Rs. 139.56 crores.

Maharashtra State Cooperative Land Development Bank is providing long term Agricultural credit. It has adopted new approach while financing for various purposes. This Bank has provided long term loans of Rs. 64.94 crores during 1987-88.

The Maharashtra Cooperative Housing Finance Society mainly finances Cooperative Housing Societies. The Housing Finance Society has its working capital of about Rs. 208 crores with the loan assistance provided by this society. 71,000 houses have been constructed. The formation of cooperative housing societies growing in towns with a view of combat rising rents and providing shelter to middle and weaker sections of community has proved essentiality.

Dairy Development is an important subsidiary activity providing gainful engagement, particularly to the cultivators whose farming is not economically viable. The consumers movement in the state is playing crucial role in distribution of essential commodities both controlled and uncontrolled.

The irrigated cultivation has strength to change the condition of poor cultivator making him economically sound which is achieved by coop. Lift irrigation Societies. The state also leads in the Urban Cooperative Banking. These banks have advanced loans of Rs. 4,090 crores. The bulk of which has gone to middle class people, workers, small scale industries and weaker section of community. The actual number of societies working in different sectors is given below.

Sr.No.	Type	No.
1.	Housing Coop Societies	26945
2.	Dairy Societies	12941
3.	Salary earners' Credit Societies	5465
4.	Labour Contract Coop. Societies	4767
5.	Primary Industrial Societies	3470
6.	Consumers Coop. Stores	2552
7.	Lift Irrigation Coop. Societies	2646
8.	Urban Credit Coop. Societies	2590
9.	Handloom and Powerloom Coop. Societies	1172
10.	Forest Labourers Coop. Societies	391
11.	Urban Coop. Banks	380

Cooperative Training, Education and Publicity

The Maharashtra Rajya Sahakari sangh (State Cooperative Union) has continued to play its prominent role in shaping the Cooperative Movement in the State, with the support of State and Central Government. This Institute has been entrusted with the important job of conducting and organising need based and job oriented training programmes for the personnel connected with different types of Co-operative Societies including Member Education Programme. This has proved to be an effective input for increasing the efficiency of the Cooperatives for their betterment in general and qualitative advancement in particular. The Sangh (Union) has also undertaken the activities of publicity and propagands, Research and consultancy. These activities have helped a lot in developing Cooperative leadership particularly in youth and in women. The Sangh has published number of books on cooperation and allied subjects. The Sangh also publishes two periodicals namely Sahakari Maharashtra in Marathi and the Maharashtra Cooperative Quarterly in English which is one of the oldest journal in the field of cooperation having readership in the country and abroad.

The details of these activities of the Sangh are given in table No. 4

Cooperation does find place in the revised twenty point programme of the Hon. Prime Minister of India. Cooperatives in the state have been given the responsibility in respect of marketing of Agri., produce including foods and vegetables, creation of additional storage capacity, opening of additional outlets for distribution of fertilizers. The monopoly procurement scheme of cotton has helped a lot to dryland farmers. Main thrust is on bringing up the people who are below poverty line.

It also envisages afforestation, consumer protection, increasing irrigation and proper and better water utilization.

The resume of the cooperative movement in the state brings out the fulfilment of the tasks entrusted to the cooperatives.

MAHARASHTRA RAJYA SAHAKARI SANGH MARYADIT, PUNE

Co-operative Training, Education and Propeganda

Table No. 4

Sr.No.	Item	Unit	1984-85	1985-86	1986-87	1987-88
Training Programme						
1.	Co-operative Training Colleges	No.	2	2	2	7
2.	H.D.C. and Condensed H.D.C.	a) No. of Programmes	2	2	2	1
		b) No. of Participants	63	57	64	29
3.	Other Diploma and Short-term courses	a) No. of Programmes	18	31	36	31
		b) No. of Participants	472	697	864	811
4.	Co-operative Training Centres	No.	13	13	13	13
5.	L.D.C. (Junior Basic Course) and Other Diploma Courses	a) No. of Programmes	41	39	37	36
		b) No. of Participants	1548	1489	1279	1371
6.	Sectoral Programmes and Short-term Courses	a) No. of Programmes	59	60	69	66
		b) No. of Participants	1267	1605	1361	1504
7.	Leadership Development Programmes	a) No. of Programmes	31	25	27	28
		b) No. of Participants	497	335	552	569
Member Education Programmes						
8.	District Co-operative Boards	No.	26	26	26	26
9.	Short-term, Refresher and Secretary Training Classes	a) No. of Programmes	133	111	95	82
		b) No. of Participants	3355	2755	2159	1768

Sr. No.	Item	Unit	1984-85	1985-86	1986-87	1987-88
10.	Leadership Development Programmes	a) No. of Programmes	2210	2126	2010	1817
		b) No. of Participants	136605	163409	137690	126973
11.	Youth Development Programmes	a) No. of Programmes	759	818	777	733
		b) No. of Participants	46353	56789	55047	53503
12.	Women Education Programmes	a) No. of Programmes	525	458	433	436
		b) No. of Participants	27846	23751	24800	27792
13.	Conferences and Seminars	a) No. of Programmes	27	27	28	33
		b) No. of Participants	4797	15867	5383	20094
Publications						
14.	Books, Brochures and Leaflets	No.	3	5	4	2
15.	Journals	No.	7	7	7	7
16.	Film Shows	No. of Spectators	394850	407300	277880	258600

MAHARASHTRA RAJYA SAHAKARI SANGH LTD.**5 B.J. Road, PUNE - 411 001**

The Maharashtra Rajya Sahakari Sangh was registered as "Bombay Central Co-operative Institute" on 13th July 1918 (Registration No. 1985).

Historical Background :

It is a matter of pride that the establishment of the M.R.S. Sangh had the blessings of Mahatma Gandhi, Father of the Nation. The decision to establish this kind of organisation was taken in a provincial co-op. conference, which was held in Pune in September 1917. Mahatma Gandhi, who attended this conference, read there a paper on "Moral basis of Co-operation". This conference discussed the role of Co-operative Department and that of the Co-operative Federations and suggested that an independent organisation like State Co-op. Union should be established and entrusted with the task of co-operative education, training, publicity and propaganda of co-operative movement, and to function as a spokesman of the co-operative movement. This was based upon a paper presented by Late Rao Bahadur S.S. Talmaki.

The Sangh is fortunate to have renowned social and political workers taking lead in its organisation and providing leadership to it. Sir Fazalbai Karimbhai, Sir Vithaldas Thackersey, Shri Lallubhai Samaldas, Shri G.K. Deodhar of Servants of India Society, Shri Bhaskarrao Jadhav of Kolhapur State, Shri Vaikunthbhai Mehta, Sir Janardan Madan, Prof. D.G. Karve, Dr. D.R. Gadgil, Shri V.P. Varde and such other veteran co-operators led the activities of the Sangh.

The Sangh has played and continues to play the prominent role in shaping the co-operative movement of Maharashtra State. It always advocated preservative of co-op. character while promoting the new co-operatives and guiding the existing co-operatives in different fields of economic activities. The Sangh has always taken initiative and providing leadership in mobilising, forming and projecting the opinions of the people. It has resulted in getting the patronage of the people and qualitative development of the co-op. movement as a whole.

Objects :

The objects of the Sangh are :

- i) To plan, design and conduct training programmes for the employees of co-operatives and that of the Co-op. Department in the State of Maharashtra.
- ii) To impart Member Education Programmes for co-operatives.
- iii) To arrange for publicity and propaganda of principles and philosophy of cooperation through new methods of communication like film shows, conferences, seminars, exhibitions etc., and create favourable public opinion about co-operatives to ensure people's participation in co-operative movement.
- iv) To publish literatures and periodicals on co-operation.
- v) To establish liaison between the Government and the Co-operatives.
- vi) To promote new co-operatives.
- vii) To promote the study and research in the co-op. field and provide consultancy services; and
- viii) To act as the spokesman of the co-op. movement in Maharashtra State.

Membership :

The Sangh has mixed membership consisting of co-operatives and individuals. According to its bye-laws, all co-operatives with their area of operation extending to -

- i) Whole State of Maharashtra.
- ii) Region consisting of more than one district.
- iii) A district, and
- iv) All those, whose Working Capital is above Rs. 1 Lakh are eligible for membership.
- v) While any individual paying Rs. 250/- can become Life Member.

Total Membership as on 30.6.1988 consists of 281 Societies, and 181 ordinary members.

Management and Administrative Structure :

The Sangh has its Headquarter in Pune and though it has no branches, 26 district and 5 divisional co-operative boards indirectly function as its branches.

Besides, the Sangh has established 13 Co-operative Training Centres in the State and has administrative control over the two Co-op. Training Colleges established in the State by NCCT, New Delhi.

Co-operative Member Education Programme is carried out mainly through the District Co-op. Boards, while the training programmes are implemented through Co-op. Trg. Colleges and Centres.

Management :

The Sangh is democratically managed, through its Board of Directors, which consists of 45 representatives. Also, there are sub-committees as under :

- i) Executive Committee of 16 members.
- ii) Staff Committee of 7 members.
- iii) Co-operative Education, Training and Publicity Committee of 9 members.

Office-bearers are elected from amongst the Board of Directors. They are (i) Chairman (ii) Vice-Chairman & (iii) Hon. Secretary. The term of the Board of Directors is for 5 years. Office-bearers are elected every year.

Administration :

Chief Executive Officer is the Head of the organisation. He is assisted by 6 Assistant Chief Executive Officers for different departments in the Head Office. Junior Officers, Assistants and other Secretarial Staff is appointed in each department. Staffing pattern in the field is as under :

- | | | | | |
|-------------------------------------|---|----------------|---|--------|
| 1) At Co-operative Training Centres | - | Principal | - | 1 |
| | | Vice-Principal | - | 1 |
| | | Lecturers | - | 2 |
| | | Other Staff | - | 4 to 5 |

2)	At Co-op. Training Colleges	- Principal	- 1
		Vice-Principal	- 1
		Lecturers	- 6 to 8
		Other Staff	- 16 to 20
3)	At District Co-op. Boards	- Member Secy.	- 1
		Co-op. Trg.	
		Instructors	- 3
		Other Staff	- 3 to 4

One lady Co-op. Training Instructor for every two districts.

The total employees of the Sangh as on 30.6.88 are - 394.

Functions & Programmes :

As already stated, the functions of the Sangh can broadly be classified as - (1) Co-op. Education (2) Co-op. Training (3) Co-op. Publicity and Propaganda (4) Publication (5) Research & Consultancy. A brief account of working of the Sangh while undertaking the above functions is given below.

1) Member Education :

To impart member education programme is the main function of the Sangh. Changes have been made from time to time and in the contents, methodology and duration of these programmes. The coverage has been very wide in respect of number of programmes and number of members participated. The beneficiaries of these programmes include ordinary members and Managing Committee members of the Societies, Women, Youths and School-going boys and girls. The types of programmes conducted including Co-op. Camps, Contact meetings, Co-op. Rallies, Seminars, Conferences, attending General Body meetings, conducting Managing Committee classes, Youth camps, arranging lectures on co-operation in Schools and Colleges, organising debating and essay competitions. All these programmes are also organised for women. Special programmes are organised for special types of Co-operatives, particularly those of the weaker sections. No. of programmes organised and their attendance during the year 1987-88 is as under:-

S.No.	Name of the Programme	No. of Programmes	No. of Participants
1.	Member Edu. Programmes (All types)	1899	1,28,741

2.	Coop. Leadership Development Programmes (in the C. T. Centres)	28	569
3.	Programmes for youths	733	53,503
4.	Programmes for Women	436	27,792

2) Cooperative Training :

In the two Colleges (Pune & Nagpur) and thirteen Co-op. Trg. Centres, training programmes variably are organised for the employees of co-operatives and Govt. employees. The Sangh has been sensitive to meet the needs of the movement which has led to make the changes in types, duration, contents and methodology of these programmes. Job-oriented, need-based and short term duration programmes are more popular than basic and long duration programmes. The following diploma courses are conducted at the Colleges:-

S.No.	Name of the Course		No. of Participants trained
1.	Higher Diploma in Co-operation	..	2,195
2.	Diploma Course in Co-op. Audit	..	1,331
3.	Diploma Course in Industrial Co-op. Management	..	780
4.	Diploma Course in Co-op. Banking	..	981
5.	Diploma Course in Consumers' Co-op. Management	..	325
6.	Diploma Course in Co-op. Hsg. Management	..	169
7.	Higher Diploma in Co-operation (Condensed)	..	623
8.	Urban Co-op. Banks	..	206
9.	Weavers	..	387
10.	and other short-term programmes	..	9,150

Besides, number of Certificate and other short-term duration training programmes are also conducted at these Colleges.

In the Co-op. Training Centres, Lower Diploma Course in Co-operation (LDC) is organised and so far 41,915 persons have been awarded this Diploma. Besides, number of job-oriented, need-based and short duration programmes have also been conducted at these Centres. In all 25,412 participants are trained in these Centres.

Publicity and Propaganda :

Publicity and propaganda of the Co-op. Movement is arranged by the Sangh through :

1. organising Conferences at Dist., Divl. and State level - both sectoral and that of the co-op. movement as a whole;
2. arranging film-shows with the help of publicity vans;
3. publishing periodicals in English and regional language i.e. Marathi;
4. arranging Exhibitions on Co-operation;
5. Co-operative Week Celebrations; and
6. Organising lecture-series on Co-operation.

The Conferences serve as very useful forum to focus attention on current problems of co-operatives, discuss Govt. policies and programmes and create co-op. opinions. These Conferences are very largely attended. In the year 1987-88, 39 programmes of Conferences and Seminars at Divisional and District level were organised, which were attended by 2,500 persons.

In Maharashtra State, about 25 journals on co-operation are published. These include fortnightly, monthly and quarterly periodicals. The Sangh publishes two periodicals viz. "SAHAKARI MAHARASHTRA" (monthly Marathi) and "THE MAHARASHTRA CO-OP. QUARTERLY (English Quarterly), special issues are also published.

Publications :

The Sangh has, so far, published books in Marathi, English and Hindi languages. Attempts are made to publish books on the subject taught in the Training Centres/Colleges.

Radio/ T.V. Programmes :

The radio and T.V. are considered as an effective media of mass communication, through its rural programmes. The radio and T.V. are used to convey to the masses the information pertaining to latest developments, new projects in co-op. movement as well as the working of co-operative institutions.

Audio Visual Aids :

For effective co-operative training and education programmes, the Sangh has provided modern audio visual aids viz. T.V., V.C.R., Slide Projectors and Radio-cum-Tape Recorder to the co-operative training centres and District Co-op. Boards working under the Sangh.

The Sangh has produced educational cassettes, slides and film strips and full length colour film on co-operation to make co-op. education and training programmes more informative and interesting.

Research and Consultancy Cell :

There was a felt need of research and consultancy service in the co-op. sector. The Sangh has started Research and Consultancy Cell since 1986. Uptill now, Sangh has completed and published two project reports i.e. (i) Rural Public Distribution Scheme in Maharashtra - A Study (ii) The Evaluation of the Utility of the Diploma Course for Dairy Co-operatives conducted by Maharashtra Rajya Sahakari Sangh. The research work is in progress on the following projects:-

- 1) The Management and Working of Adiwasi Service Co-operatives in Maharashtra - A Research Survey.
- 2) Rural Development Schemes Implemented by District Central Co-op. Banks - Evaluation.
- 3) Survey of the Industrial Finance provided by the Urban Co-op. Banks.
- 4) Preparation of Project Reports of Farmers' Service Centre under the Scheme of NCDC/IFFCO/KRIBHCO.

Source of Income and Revenue :

Following are the sources of income and revenue of the Sangh :

- 1) Annual Subscription from the Members.

- 2) Education Fund (recoverable from Co-operatives in the State according to statutory provisions).
- 3) Government Grants/Donations.
- 4) Miscellaneous income such as sale of literature, flags, cassettes, and subscription of journals etc.

The total income of the Sangh as on 30th June 1987 is Rs. 1,08,61,556/- in which the share of Education Fund is that of Rs. 1,02,79,175/-

Besides, the State Govt. gives Annual Grant to the Sangh to undertake approved co-op. education, training and publicity programmes under financial year plan scheme, besides the normal programmes of the Sangh. The grants vary from year to year. During the year 1987-88, the Sangh received Rs. 15,00,000/-.

* * *

**PUNE DISTRICT MILK CO-OPERATIVE UNION,
PUNE.**

The Pune District Milk Co-operative Union was established in the year 1959. The Union's Registration No. is D-12 dated 7th March, 1960. The area of operation of this Union is 13 talukas in the Pune District.

In the beginning the Union was collecting milk from Pune and its surrounding villages only. This milk was supplied to the Government Milk Scheme. But from the year 1972, when the Union has taken the possession of "Katraj Milk Plant", the Union has started collecting and distributing milk on its own.

As on 30-6-1987, the membership of this Society was 912.

Objects :

The objects of the Union are as under :

- 1) To promote dairying on scientific lines by assisting members to produce pure and more milk and milk products.
- 2) To buy and maintain breeding bulls for improving the breed of milch cattle of members.
- 3) To purchase land for dairying purposes.
- 4) To undertake marketing of milk and milk products.
- 5) To disseminate knowledge in Dairying to members.
- 6) To grant loans to members for purpose of buying and maintaining milch cattle.

The Union is trying to supply improved seeds to its members. The Union is having its own nurseries and through these nurseries the Union has been distributing quality plants to its members. During the year 1987-88, the Union has prepared 12 lakh new plants in these nurseries. The Union has planted 26,000 new plants on the baren land during the year.

To-day the Milk Union has been distributing 1,10,000 litres of milk through polythene bags. During the year 1986-87, the Union has distributed in all 2,03,92,290 litres of milk in addition to supply of 36,46,507 litres of milk to Cadbury Company, Bombay.

Future Plans :

- 1) To increase the storing capacity of Katraj Dairy from 50,000 litres to 1,50,000 litres.
- 2) To erect the cold storage having storing capacity of 1,50,000 litres of milk and milk products so that the Union can be in a position to supply 2 lakh litres of milk every day.
- 3) Erection of new plant so that scented milk can be supplied to Tetrapacked packing.
- 4) Erection of new chilling plant near Panshet Dam.
- 5) To encourage thrift, self-help and co-operation among members.

Management :

The day-to-day management of the Society is carried out by the Board of Directors elected by the members. At present, this Board consists of 20 Directors.

Activities

During the year 1987-88, the Union has collected milk 101221739 litres. The Union is collecting milk about 279021 litres every day through its 852 milk collecting centres.

For collecting milk 7 milk tankers, 17 goods trucks and 3 motor launches are used by the Union.

At present the Union has undertaken the following activities also :

- 1) The Union is running First Aid and Artificial Insemination Centre. At present 10,034 such centres are in operation.

- 2) In order to make available milk testing materials etc. to the members, the Union has been running its own store. Through this store the Union has been producing milk cans, electronic milk testing machines, stationery, dairy equipments, milk storage material to the members.

The Union is supplying good quality of cattle feed.

Financial position :

The authorised share capital of the Union is Rs.1,00,00,000, paid-up share capital is Rs.60,42,600 during the year 1986-87. Out of this Government contribution is Rs.14,04,000 whereas members' contribution is Rs.46,38,600. The Union has created Share Redemption Fund for the repayment of Government share contribution which is now Rs.8,16,600 during the year 1986-87.

THE SHETKARI SAHAKARI SANGH LTD., KOLHAPUR

Services to the Cultivator :

The Shetkari Sahakari Sangh Ltd., was established on 23rd October 1939 with the object of serving, safeguarding and promoting the interests of the cultivators by securing better prices for their produce and by providing quality agricultural inputs at the minimum possible prices, with principal objective of the betterment of the economic life of the cultivator. For this purpose, the Sangh is supplying quality seeds, fertilisers, modern agricultural implements and imparting better techniques of cultivation. This has helped to promote agricultural development.

Consumer Activities :

Side by side realising that the agriculturist has to be protected as a Consumer; the Sangh started supply of consumer goods. Its consumer activities have grown enormously and now they range from Medicines to Cloth and readymade garments. Its policy and practice of charging the absolute minimum prices has been a great boon to the consumers, resulting in successful protection of the interests of the consumer in general. For this purpose the Sangh determines and pursues the price policy to which private traders have many times to conform. The policy - the practice generally followed - has always been, bulk purchases directly from the manufacturers, securing wholesale dealership, minimum margin of profit, minimum prices and maximum service to the consumer.

The Sangh handles multifarious activities like marketing of agricultural produce, manufacture and distribution of agricultural requisites, processing of agricultural produce and a large variety of consumer services, all on a very big scale. In the co-operative year 1986-87, its total turnover was over Rs. 98 crores, share capital, Rs. 51 lacs, reserve funds over Rs. 81 lacs, other funds exceeded Rs.160 lacs and the working capital was over Rs. 12 crores. It conducts its operations through 18 sections, 93 branches and 78 centres. It has over 1058 employees on its regular staff.

Membership and Board of Directors :

The Sangh has a very large membership of 1002 Co-operative Societies, 41315 Individual 'A' class and 10,660 'B' Class Individual members, spread all over the Kolhapur District. It is managed by the Board of Directors, elected for a period of 5 years, the composition of which is as follows :

- 6 Directors elected by Society Members.
- 3 Directors elected by 'A' class Individual members
- 1 Director from backward class elected by 'A' Class individual members.
- 1 Director from Weaker section elected by 'A' Class individual members.
- 1 Managing Director elected by all 'A' Class members i.e. Society members and 'A' Class individual members
- 1 Director who is a nominee of the Dist. Central Co.op. Bank.

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Monthly meetings of the Board of Directors are held regularly on the 11th of every month without fail. This record has been maintained since 1943

Continuity in tenure and good team spirit have made it possible for the Board of Directors to have a long term perspective, take bold decisions and implement them forcefully.

Organisation and Administration :

The Sangh has evolved a sound system of management and highly disciplined and streamlined administration. Experienced and dedicated directors, who have always worked as a team, disciplined managerial, supervisory and other staff with long and continuous records of service, contribute to its financial organisational and operational strength. Procedure and practices regarding the conduct of business operations, maintenance of accounts, regular checking of accounts, monthly balance sheets and Profit and Loss Statements, periodical inspection and supervision, etc. are firmly established and scrupulously followed.

Managers of Sections and Branches have to send their Monthly Balance Sheets to the Managing Director so as to reach him before 5 p.m. on the 5th of every month. The Managing Director presides over the meeting of the Managers of Sections and Branch is held on the 6th of every month to review the work done in previous month and to discuss the problems and issue instructions wherever needed.

These procedures have helped to establish its reputation for punctuality and reliability. In this context, reference may be made to its Transport Section and its Bombay Branch. Its operations in

the district as also outside the district and its commitments to other co-operatives involve transport of a very large volume of goods. The transport section has greatly facilitated quick, reliable and cheap transport. The branch in Bombay was started with the object of establishing commercial relations in the terminal market of Bombay and to build up a large volume of business in the Bombay market. It has established trade relations with Companies, Merchants and Co-operative Societies to facilitate it to purchase commodities in bulk required by the Sangh for distribution in the district are handled by the Branch. This has contributed to the progress and smooth, efficient and economical operation of the Sangh. Besides, as and when required it is attracting on a fairly large scale basis short and long term deposits from its members. So also it has been getting credit facilities on the scale commensurate with its requirements.

Mission and Business :

Co-operation in practice, is first and foremost a method of doing business. If the co-operative sector is to succeed and expand, co-operative societies have to succeed as business organisation. At the same time, they have to be true to their co-operative character. They have to render social service. The Sangh has been doing this with meticulous care. Its success as a co-operative is as impressive as its success as a business enterprise.

The Sangh and The Co-operative Movement :

For the Co-operative Movement to grow and gather strength and momentum, smaller and upcoming co-operatives have to be helped by bigger and established co-operatives. The adopted policy of co-operation amongst co-operatives, has proved crucial to the expansion and efficiency of the co-operative sector in Kolhapur District.

This has helped and encouraged Taluka Co-operative Marketing Societies and primary co-operative credit (service) Societies in the marketing of agricultural produce distribution of agricultural inputs, distribution of consumer articles and providing managerial expertise, etc. It has played an important role in promoting and organising the Co-operative Sugar Factories in the district. Its investments in the shares of 9 co-operative sugar factories today are of the order of Rs. 1.60 lacs and has close business connections with them. The Sangh is a share holder of 27 different types of co-operatives in the district, the total amount so invested totalled Rs. 8,48,000/-.

Shri Tatyasaheb Mohite :

The Sangh has been described by several visitors as a magnificent, gigantic co-operative enterprise. It has developed from humble beginnings with 17 Society members, 213 individual members and a share capital of Rs. 4,564. The first three years were very difficult and the promoters took a rather pessimistic view of its prospects. It was under such trying circumstances that the late Shri Tatyasaheb Mohite took over as Managing Director in 1942. He worked as Managing Director of the Sangh for 17 fruitful and eventful years from 1942 to 1959 and proved himself a man of vision, imagination, tremendous drive and remarkable organisational ability. The Sangh, whose Chief Architect he was, is a living example of what one man of devotion, discipline and determination, supported by co-operative and appreciative colleagues, can do to build up a model co-operative. Managing Directors who followed him have followed his principles and concepts with needed modifications to promote business of the Sangh. Tatyasaheb Mohite died on 29.6.1959. His death anniversary is observed by the Sangh every year.

Proposed Departmental Store :

The Sangh is pursuing the plan for establishment of a Department Store in the Kolhapur City, in response to the persistent demand from its members. The proposal for this store involving an investment of Rs. 79.70 lacs was submitted to the Government of India, through the State Government. And now this project has been sanctioned.

SHETKARI SAHAKARI SANGH LTD., OLD PALACE : KOLHAPUR

Balance Sheet as on 30th June 1987.

(PROVISIONAL)

(Rs. in Lakhs)

Liabilities	Rs.	Assets	Rs.
Share Capital	51.27	Cash in hand & at Bank	152.87
Reserve & other funds	240.69	Investments	12.66
Provident & Staff Funds	207.69	Provident & Staff fund	191.20
Deposits	133.35	Current Assets	529.96
Govt. Loan	16.04	Fixed Assets	101.94
Bank Loans	4.17	Sundry Debtors	188.42
Sundry Creditors & unpaid dues	484.57		
Net Profit	39.27		
Total	----- 1,177.05 =====	Total	----- 1,177.05 =====

SHETKARI SAHAKARI SANGH LTD., OLD PALACE, KOLHAPUR

Profit & Loss Account for the year ending 30th June 1987.

(PROVISIONAL)

(Rs. in Lakhs)

Expenditure	Rs.	Income	Rs.
Interest & Commission	64.49	Interest Received	0.49
Employees Salary, D.A. HRA, Daily wages, PF Contribution, Gratuity Premium & T.A.	147.04	Commission on Adat Sales	20.67
Managing Director & Board of Directors Meeting Allowance & TA	1.67	Other Income	4.72
Rent, Rates, Taxes	13.26	Misc. Income	9.27
Postage, Phone & Gram Expenses	4.33	Printing Press & Vehicles Dept's. Income	26.20
Printing & Stationery	6.34	Trading Profit	295.25
Audit Fees	3.98		
Provisions	10.00		
Depreciation, Current repairs & Misc. purchases	21.40		
Sundry expenses	26.82		
Printing Press, Oil Mills & Vehicles Depts. expenses	17.90		
Net Profit	39.27		
Total	356.50	Total	356.50

SHE TKARI SAHAKARI SANGH LTD., KOLHAPUR

Details of Gross Sales During 1986-1987

Sr.No.	Particulars	Sales (Rs.in lacs)	Percentag
1.	<u>Agricultural Goods</u>		
	a. Jaggery	5.30	0.06
2.	<u>Agricultural Service Goods</u>		
	a. Fertilisers	3335.70	
	b. Fuel Oil	1615.10	
	c. Iron/Cement	276.20	
	d. Machinery Spares	131.90	
	e. Seeds, Insectides	87.90	

		5446.80	61.95
3.	<u>Consumer Goods</u>		
	a. Medicines	422.55	
	b. Cloth	420.00	
	c. Readymade Garments	44.90	
	d. Utensils	198.95	
	e. Provisions	394.90	
	f. Sugar & other grains	1154.70	
	g. Kerosene	383.40	

		3019.40	34.34
4.	<u>Processing Units</u>		
	a. Oil Mill	86.10	
	b. Utensils Factory	75.50	

		161.60	1.84
5.	<u>Other Sales</u>	158.90	1.81

	Total	8792.00	100%
		=====	

THE SANGLI DISTRICT CENTRAL COOPERATIVE BANK LTD.,SANGLI

General Information of the District :

Name of the District	:	S A N G L I
Number of Talukas	:	E I G H T (8)
Total No. of villages	:	719 (Including 6 towns)
Area of the District	:	3324.20 Sq. Miles.
Population	:	18.26 (figures in lakhs)
Of which urban	:	2.87 - " -
R u r a l	:	15.29 - " -
Total area of land (in acres)	:	21.52 (8.61 Hectares)
Of which under cultivation	:	15.22 (6.09 Hectares)
Of which area under irrigation	:	2.10 (0.84 Hectares)
Un-irrigated	:	13.12 (5.25 Hectares)
Total area under Co-op. fold.	:	9.83 (3.93 Hectares)
Of which irrigated.	:	2.03 (0.81 Hectares)
Un-irrigated.	:	7.81 (3.12 Hectares)
Name of the Bank	:	THE SANGLI DIST. CENTRAL CO-OPERATIVE BANK LTD H.O.AT MIRAJ ROAD, SANGLI Pin-416 416 (MAH.) INDIA.
Area of operation.	:	SANGLI DISTRICT.
Audit class.	:	"A" CLASS
No. of Branches.	:	120 (Excluding H.O.)
Membership	:	1610 Societies; 381 Individuals; 1 Zilla Parishad & 1 State Government
Date of Registration	:	28th March, 1927. Registration No.19169.

History of the Bank :

The Bank was established in the year 1927 with a view to provide finance to agriculturists through the Primary Agricultural Credit Societies in the Ex-Sangli State. Originally its share capital was Rs.5,150/- only. The Sangli State was merged with the Old Bombay State in the year 1948 and subsequently this district was formed. The Bank was functioning as the Central Co-operative Bank in the areas of the State. After formation of this district, the Board of Directors of the Bank tried to get this Bank recognised as Central Financing Agency for the District. The Maharashtra State Co-operative Bank which was then functioning in some of the Talukas of the District, gradually transferred its business to this Bank. The Bank at present covers the entire area of the district and it is catering to the needs of the agriculturists by providing cultivation finance through the Primary Agricultural Credit Societies in the District. The Government of Maharashtra has so far, contributed to the Share Capital of the Bank to the extent of Rs.41.00 lakhs.

The Bank is having its own buildings at eight places in the district. The number of total staff of the bank as on 30.6.1988 is 1004. Similarly 119 branches are spread over the district.

Financial Position of the Bank during the last two decades :-

Particulars	(Rs.in lakhs.)		
	1970	1980	1988
Share Capital	95.38	188.92	488.18
Reserve and Other Funds	29.35	185.06	412.69
Deposits	527.98	2,697.30	12,033.24
Borrowings	380.75	134.83	1,185.62
Investment	188.54	1,433.37	3,745.43

Loans and Advances :-

a) Short term	585.42	864.78	2,216.38
b) Medium term	130.05	338.65	1,626.26
c) Others	95.64	452.47	5,950.65
Working capital	1,079.55	3,424.62	14,579.51
Profit	8.52	37.66	76.55
Dividend declares	5.0%	7.5%	10.0%

Agricultural Finance :-

(a) Short term Loan :-

The primary objective of the bank is to finance agricultural credit needs of the agriculturists in the district, through the Primary Agricultural Credit Societies, especially Short term loans for raising of crops and Medium term loans for development purposes.

The Bank provides Short term loans to the Primary Agricultural Credit Societies for being advanced to their members as per scale fixed every year for raising of crops. The scales per acre for each main crop is fixed after taking into consideration the expenditure required for raising the crops and average yield per acre. The scales are decided in the technical group meeting. The technical group consists of various Government departments and Co.op. Sugar Factories Progressive cultivators, members of the Board of Director of the Bank and representative of Lead Bank of the District and Commercial Bank. The scale varies depending on fertility of soil and climatic conditions such as rainfall, irrigation facilities etc. The scale for main crops are as under. These are allowed in cash and kind component. Normally ratio of kind and cash component is 60:40.

The scale of various crops per hectore is as under -

		(Scale per Hectore)	
a)	Sugarcane	Rs. 7,250	to 19,000
b)	Grapes	Rs. 37,500	to 50,000
c)	Turmeric	Rs. 7,000	
d)	Batata	Rs. 900	to 4,500
e)	Cotton	Rs. 250	to 4,875
f)	Banana	Rs. 2,125	to 25,000
g)	Bittle leaves	Rs. 6,250	to 12,500
h)	High yielding varieties in Jwar, Wheat and Paddy etc. (kind portion)	Rs. 1,050	to 2,750

Recoveries are made through linking and by way of cash Linking recoveries are made from the Processing & Marketing Co-operatives like Co-operative Sugarcane Factories & Spinning Mills and Co-operative Sale-Purchase Unions. Cotton Procurement and Market committee recovery position of the year ending 30th June 1982 to 1988 is as under :-

(Rs. in lakhs)

Year	Demand	Recovery	Overdues	Outstanding	% of Recovery
1982	1,332.34	1,056.85	275.49	1,412.41	79.3%
1983	1,813.72	1,460.26	353.47	1,425.39	80.5%
1984	1,811.90	1,389.99	421.91	1,713.48	76.7%
1985	1,958.94	1,227.51	731.43	1,797.16	62.7%
1986	2,013.28	1,262.04	751.24	1,800.01	62.7%
1988	2,295.67	1,644.01	651.66	2,216.38	71.6%

Eastern part of the District has always been under scarcity conditions during the last 10/11 years. Out of 719 villages in the district 338 villages are recognised as always under scarcity conditions by the State Government.

(b) Medium term Loan :-

Bank is advancing Medium term loans to the members of Primary Agricultural Credit Societies for different agricultural development purposes. Duration of Medium term loan is 3 to 5 years. Medium term loans are sanctioned on the basis of minimum holding and repaying capacity of the member. The repaying capacity is worked considering the present position and future expected yield after the investment in the concerned purposes.

Position of Medium term (Agricultural) loans outstanding and overdues as on 30.6.1988 is as under -

Particulars	Year - 30.6.1988 (Rs. in lakhs)		
	Advances	Outstanding	Overdues
Ele.Motor and Oil Engine	19.42	45.08	2.49
Cement Pipes & P.V.C. Pipes	47.05	113.90	10.32
Repairs to Old Wells	7.49	18.03	1.38
Purchase of She-buffaloe	27.36	50.39	4.35
Purchase of Cross-Breed Cows	83.69	148.24	5.18
Grape gardens	7.44	25.41	2.52
Purchase of Sheep & She-goats	16.98	36.01	8.89
Lift irrigation	1.58	10.95	5.26
Gobar Gas Plant	47.02	252.43	7.50
Others	26.52	61.58	7.08
TOTAL	284.55	762.02	54.97

20 Point Economic Programme :-

Our Bank has been always in the fore-front in implementing 20 Point Economic Programme in the District. Our total involvement under 20 Point Programme is Rs.1,446.97 lakhs as on 30.6.1988.

(i) I.R.D. Programme :

Under this programme our Bank has advancing Medium term loans for the various purposes as under :-

(Rs. in lakhs)

Year	Targets	Sanctions	Disbursement	Subsidy received
1982-83	99.96	87.34	60.46	14.63
1983-84	31.11	60.67	59.53	16.73
1984-85	27.16	27.31	32.81	9.38
1985-86	40.00	25.97	24.07	7.00
1986-87	28.14	48.36	41.86	10.13
1987-88	37.62	55.40	42.67	13.26

(ii) Bio-Gas Plants :-

Under this National Programme our Bank has advanced Medium term loans more than the target given to our Bank as under :-

(Rs. in lakhs)

Year	Targets	Sanctions	Disbursement	Subsidy received
1983-84	10.29	66.95	10.74	2.67
1984-85	80.00	136.71	114.78	31.65
1985-86	104.00	155.68	135.03	35.63
1986-87	136.00	139.48	124.64	25.81
1987-88	64.00	70.51	57.19	13.80

Block Level Village Artisan Societies :-

There are 8 Village Artisan Societies in our District. Village Artisans like tanner, leather worker, rope maker, carpenter are the members of these Block Level Village Artisan Societies. They are

provided with Cash Credit Limit by way of working capital for their small business.

The total members are 7415 of 8 Block Level Village Artisan Societies of which 2552 are borrowing members as on 30th June 1988. The outstanding is Rs.30.25 lakhs as on 30th June, 1988.

Our Bank has also sanctioned an amount of Rs.3.72 lakhs for 67 'A' class (Master Artisan) members as a special case by way of experiment. They are selected village leather - tanner, village pottery and bricks makers, blacksmithy and carpentry in the scale of Rs.5000 to Rs.10000. This experiment may give us headway to provide finance on better scale to the village artisans.

Project Finance Under 'Nabard' Scheme :

Our Bank is advancing Long-term loans under NABARD Scheme from 1983-84 for Irrigation Schemes, Poultry, gardens and for the construction of godowns under the National Grid of Rural Godown Scheme. The sanctions and outstanding as on 30-6-1988 are as under :-

(Rs.in lakhs)		
P u r p o s e	Sanction	Outstanding as on 30/6/1988
Irrigation scheme	44.74	43.49
Drip Irrigation.	44.83	31.07
Grape garden	466.52	384.77
P o u l t r y	215.16	161.56
R.Godown Scheme	25.68	17.41
Pomogranate	9.45	4.44
Ber (Zizaphus)	0.29	-

Financing To Non-Agricultural Co-Operatives :-

Bank is financing Non-agricultural Credit Societies in the form Clean, Hypothecation and Pledge credits. In this section Marketing, Processing and Urban Credit Societies - avail of the bulk of the credit. Three years outstanding & overdue position as under -

(Rs.in lakhs)

Particulars	1985-86		1986-87		1987-88	
	Outstanding	Over-dues	Outstanding	Over-dues	Outstanding	Over-dues
Processing Stys.	1741.89	3.72	1874.54	-	2958.86	-
Marketing Stys.	66.99	27.55	58.17	27.43	54.33	17.17
Industrial Stys.	83.46	13.62	72.84	16.65	85.87	21.67
Urban banks and other societies.	760.42	2.03	1239.86	4.43	1830.43	5.99
O t h e r.	33.99	2.40	56.43	3.06	85.87	3.74

A) Processing Co-operatives :-

At present there are 7 sugar factories working in our District. Crushing capacity of these factories is 13250 Mts. per day. These co-operative sugar factories are owned by the farmers. The sugar cane growers supply their cane to these factories and the cane bill are routed through the Bank, insuring linking of credit with marketing. Last year an amount of Rs.705.79 lakhs was recovered through Co-operative Sugar Factories.

The Bank has provided these Sugar factories the following types of finance as on 30/6/1988.

(Rs. in lakhs)

	<u>Sanction</u>	<u>Outstanding</u>
1) Hypothecation.	150.00	128.49
2) Pledge of sugar.	4370.00	2729.97
3) M.T. Loan	200.00	122.17

Inspite of the co-operative sugar factories, the bank has financed the following two processing societies, as on 30/6/1988.

B) Spinning Mills :-

1) Cash Credit.	150.00	82.16
2) M.T. Loan.	25.00	20.00

C) Solvant plant-Other processing.

1) Cash Credit.	44.25	-
2) M.T. Loan	4.00	4.00

Other Important Features of the Bank :-

A) Financing of Weaker Sections :-

Provision of financial needs of the weaker section has been considered as our Primary responsibility. Keeping this in view Bank is trying to meet-out financial needs and relief to certain extent to weaker sections of the community in the District. The following may be said in this behalf.

1) Land holders below 5 acres are recognised as small holder in our District. As per Reserve Bank of India's stipulation, we have to provide at least 20 per cent of our crop loan advances to the small holders. At present such advances works out at 37.6% of total crop loan advances. Our total advances during the year ending 30/6/1988 are Rs.1949.80 lakhs of which advances to small holders are Rs.733.63 lakhs. The outstanding under these heads are Rs.2216.38 lakhs and Rs.728.87 lakhs respectively as on 30/6/1988.

B) Technical-cum-development cell :-

Bank has its own agricultural cell to guide and advice farmers in the matter of the use of improved seeds, fertilizers, pesticides etc. The cell consists of one Deputy Manager and Othe Senior Officers and Inspectors and Civil Engineer also. All these Officers are well qualified. These Officers visit the field and guide the farmers in the matter of new cropping pattern, use of fertilizer doses, disease control and water supply scheme etc.

M A N A G E M E N T

Board of Directors consists of 21 members, of which 8 representing agricultural primaries in the District. One representing processing societies, 1 representing Urban Banks, 1 representing Industrial and Weavers Societies, 1 representing Marketing Cooperatives and 2 representing Other Societies. There is one representative Backward and one representative from weaker section as per the provision of Maharashtra Co-operative Society's Act. There is 1 nominee of State Co-op. Bank and One of Zilla Parishad. There is also 1 representatives of the employees and one of the State Government.

There is Chairman and Vice-Chairman of the Board to be elected every year. The duration of the Board is 5 years. There are two sub-committees (1) Executive Committee and (2) Staff-Sub-Committee.

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SHETKARI SAHAKARI SAKHAR KARKHANA LTD., SANGLI.

HOW DID A FARMERS DREAM COME TRUE

The Sugar manufacturing industry in Maharashtra dates back to 1924. The Then Government of India in 1933-34 gave protection to the Sugar Industry and gave some concessions for sugar cane plantations etc. As a result, number of sugar factories were established in the Joint Stock Sector. During the period of 2nd world war the Sugar Industry and Sugarcane Agriculture remained somewhat stationery. However, after independence in 1947 Government of India thought over the sugar cane and Sugar Industry of the Nation and gave this policy a new outlook and broader dimensions. Sugarcane cultivation, however, was nothing new and has been traditionally known since long. Most of the cane was used for making Jaggery or Gur. The fluctuations in the prices of Jaggery led to untold misery and exploitation of the cane cultivators on account of highly erratic behaviour of the Jaggery prices. This situation rendered cane cultivation a totally uneconomic venture. The private Joint stock sugar factories took advantage of the buyers market and offered unreasonably low prices for the same. It was in these circumstances that the idea of a Co-operative Factory of the cane producing farmers was mooted and the first ever farmers' Cooperative Sugar Factory in India was brought into being at Pravaranagar in Ahmednagar District in Maharashtra in 1949. In spite of the inevitable teething troubles, the Pravaranagar Farmers'.

Co-operative Sugar Factory under the able leadership and guidance of Late Padmashree Vithalrao Vikhe-Patil and the Late Dr. Dhananjayrao Gadgil, was put on a sound footing. This Co-operative Sugar Factory paved a new road to prosperity for the Agriculturists and its undoubted success led the Union Government and planning Commission to make a policy decision and reserving future capacity of the Sugar Industry in the Country mostly for the Co-operative Sector. Of-course most of the new proposals for the starting of such Co-operative Sugar Factories came from areas which were rich in cane production in Maharashtra State. However, story of Shetkari Sahakari Sakhar Karkhana Ltd., Sangli was different.

The area around Sangli was not one of those areas known traditionally for cane cultivation and "Jaggery Manufacture" Nor did the surrounding area yield enough cane to meet the need of a sugar factory at Sangli. The idea of the sugar factory at Sangli which has since become something of legend was a completely different story. With promoters strong will, imbedded with imagination and understanding, initiative and drive and equipped above all with an indomitable will to act and comply, the dream has come.

They were led by Padmabhooshan Shri Vasantaoada Patil, known for his uncanny practical sense and organisational ability of a rare order, combined with remarkable vision. The Farmers, Co-operative Sugar Factory at Sangli which was initiated, nurtured and fostered with fatherly care by Shri Vasantaoada Patil, has achieved something of a miracle. Beginning virtually from scratch, with the initial disadvantage of being situated in an area now known for traditional plentiful cane production, the factory has carried out two expansion programmes, during the 25 years of its existence and has set an all India record for being the first to achieve a crushing capacity of 5000 M.Tons of sugarcane Per day, as a result, the factory achieved another first by producing 12,48,822 bags of sugar in the year 1982-83 season regarded as an all time high record till then for sugar factories in the Co-operative as well as in Private Sector in India.

This is a matter to be proud for the people in general and the farmers in particular in Sangli District and Maharashtra.

INDUSTRIAL COMPLEX :

The Sugar Factory situated at Sangli is more than a successful Co-operative Sugar Factory of Farmers. Besides bringing prosperity to thousands of its small farmers members it has acted as a lever of industrial development and the Sugar Factory Complex is today humming with big Ancillary units. A Distillery with daily capacity of 45000 Litres of alcohol production and 0.3 million litres of Foreign Liquor, 5 million bulk litres of Country Liquor per annum, and a Poultry and Cattle Feed Plant with a capacity of 120 M. Tonnes per day. A chemical industry based on alcohol has been established and Acetic Acid and Anhydride will be manufactured from alcohol, Besides it has developed a net-work of Lift Irrigation Project that help to irrigate 82,500 acres of land. It would not be out of place if we

mention that all this has become possible only due to the vision and able leadership of Honourable Shri Vasantraodada Patil.

EARLY HISTORY :

The factory was registered on 8th October 1956, under the Co-operative Societies ACT of Maharashtra State. The Promoters set about their work in the right earnest and completed the work including purchase of the land for factory building and erection of the machinery in a span of two years time and put up the plant on stream for the first crushing season to begin on 21st December 1958. The area under cane available to the factory at that time was no more than 800 hectares. The Promoters were approaching their task with open eyes and made use of the factory as an instrument for bringing about a change in the pattern of cropping and cultivation by the farmers within the command area. They quickly initiated measures for making use of available water for growing cane by stepping up irrigation, facilities. In 1959, producer member farmers were provided with about Rs. 15 Lacs by way of medium term loans for buying oil-engines, lift pumps and electric motors. The efforts developed into a movement and farmers were encouraged to make use of lift irrigation facilities for lifting water from their wells for cane cultivation and all this led to a rapid increase in cane cultivation.

The command area of the sugar factory is blessed with three rivers, The Krishna, The Warna and Verla flowing through it. Except for two Lift Irrigation Schemes on the River The Krishna which were tried and abandoned by Government, quite some time ago, ostensibly on the ground of their being found "not feasible", nobody seemed to give serious thought to the possibility of utilising the water of the rivers for irrigational purposes. Both the State Govt. as well as the planning Commission had more or less concluded that lift irrigation projection rivers for agricultural purposes were not a feasible proposition.

It was in such a vacuum that Shri Vasantraodada Patil, the architect of around development and a man of vision and an idomitable will and tremendous capacity stepped in. He decided to try his hand where others had tried and despaired. He saw the river water flowing for decades and

centuries without making any fruitful use, the dry but fertile lands along the banks, hungry for water. He took in hand four Lift Irrigation Schemes on experimental basis at Sangliwadi Padmale, Haripur and Mhaisal along the Krishna River.

These schemes catered initially the needs of about 1000 acres. The whole irrigation project had been so designed as to provide an ideal working for Lift Irrigation Schemes by creating a unified, Welknet central agency which took care of the erection and construction work of the Schemes under it in all its aspects Civil, Mechanical as well as Electrical, managed and administered through a single unified authority for Lift Irrigation Schemes in the area. The whole project had been designed and administered with such imagination, understanding and thoroughness, mainly inspired by the vision of and put through at the initiative of Shri Vasantraodada Patil, that the schemes (with represent a unique combination of design and construction as well as management and administrative skills and abilities) demonstrated that the concept of Lift Irrigation Co-operative for river-side farmers was both technically viable and administratively feasible.

It may be noted that the success of these efforts carried on at the instance of & under leadership of Shri Vasantraodada Patil much against the apprehensions of some of the "Experts" had amply demonstrated for the first time that the idea of irrigating riverside lands through lift pumps organised into Co-operative was a sound one, and if wisely implemented, of small farmers along the banks of rivers.

During those early days (1960-61) Shri Vasantraodada Patil had very difficult and uphill task trying to conveyance the State Govtment of feasibility and efficiency of the Lift Irrigation Schemes of his conception. The State Government and the concerned administrative departments and agencies had concluded themselves that such Lift Irrigation Schemes were highly uneconomic and unsuccessful.

After the first four projects were found feasible, Hon'ble Vasantraodada initiated 48 new projects along the Krishna River with the factory's resources and saw to it that some of them actually began to supply water to the fields of the members farmers, even before Govt. assistance came forward.

The State Governments Irrigation Department which approved a permissible expenditure for such projects of only Rs.200/300 per acre and was persuaded to increase its yard-stick of Rs. 500/- per acre and was subsequently prevailed up to fix it at Rs. 750 or above here again Shri Vasatraodada Patil had to strive hard to break through the hard shell of bureaucratic conservatism both with regard to the needed changes in the yardstick of permissible limit of per acre expenditure and to get Government's administrative machinery to involve itself in the effort. Meanwhile the Sangli Farmer's Co-operative Sugar Factory had launched some projects out of its own funds and had helped to produce sugarcane for the factory. The factory's investments in these projects had been of the order of Rs. 86,82,000/- then.

As a result, the acreage under sugarcane increased so rapidly that in about two years, the factory had to launch upon a programme of expansion and obtained sanction in February 1965 to increase its crushing capacity from 1000 M.T. to 2600 M.T. per day. The factory carried out the expansion project successfully in a record of about eight months the same year without in any way interfering with its normal crushing programme, thus setting-up standard of efficiency well worth emulation by others in the field of production. This ambitious venture in stepping up agricultural production undertaken at the initiative of and inspiration from Shri Vasatraodada Patil with his new technique of Lift Irrigation of lands along river banks proved to be a land-mark not only in the history of rapid irrigational facilities and benefits to dry land in Maharashtra but opened up hither to under emat of possibilities of rapid agricultural development in the country as a whole, whose significance could not be missed by Central Government as well as the planning Commission.

The successful implementation of 56 Lift Irrigation Schemes bringing under the cane cultivation about 12,500 heactores of dry land within the factory area at present was a signal for unleashing a tremendous new effort by other factories in the area. These factories are deeply indebted to Shri Vasatraodada Patil for his pioneering effort. The Karkhana has made a total capital investment of about Rs. 2,62,00,000/- in similar Lift Irrigation Projects. Of this the share of the member farmers account for Rs. 62,63,000/- belonging to the member farmers under cane out of a total of 12,500 hectores belonging to member farmers under cane.

Due to all these efforts upto the year 1979-80 the acreage under cane registered significant increase and the expanded crushing capacity of 2600 tonnes per day of the factory was found to be inadequate within the next two years. The factory then obtained sanction for a further expansion doubling its crushing capacity to an all time high of 3000 tonnes per day and systematically set about expanding its plant and machinery. While the factory increased its capacity to 3500 tonnes per day during the first stage of its new expansion programme, it attained the maximum capacity of 5000 Tonnes per day during its second stage by 1975-76 and has maintained the rate constantly through the following seasons upto date.

RECORD OUTPUT :

As a result, the factory was able to achieve a record output during the following years as below, which is a record not only for the factory but the highest production figure for any sugar factory in the whole country whether in the Co-operative or Private Sector. No factory in India was able to achieve an annual production of over 8,00,000 bags of sugar by 1975-76 and 12,48,822 bags by the season 1982-83.

Year	Acreage	Cane crushed (M.T.)	Sugar produced (bags)
1975-76	23,488.18	8,37,201	9,58,89
1976-77	23,389.11	7,65,791	8,98,302
1977-78	20,774.00	9,03,912	10,50,855
1978-79	29,315.05	10,23,052	11,32,785
1979-80	20,739.00	7,70,164	8,84,070
1980-81	28,232.29	8,50,796	9,89,923
1981-82	35,526.00	10,36,173	11,59,600
1982-83	39,449.23	11,07,415	12,48,822
1983-84	29,641.02	7,75,559	9,00,575
1984-85	31,172.06	8,04,521	9,19,895
1985-86	30,953.06	8,91,493	10,07,590

The command area of the factory comprises about 150 villages in 5 talukas of the districts of Sangli and Kolhapur.

On of the total producer membership 96% of them are small and marginal farmers. Now stand over 31,000 the biggest that any Co-operative Sugar Factory has. It is open to any grower at any time and no one is debarred from becoming a member. Backward class member can enroll after paying a nominal membership subscription. They are admitted to membership of the Lift Irrigation Societies too.

SHARE CAPITAL INVESTMENTS AND LOANS :

The authorised share capital of the Factory is Rupees five crores. The subscribed capital stood at Rs. four crorer as on 30.9.86. The details of paid up share capital are as under.

	Lakhs
a) A class (producer) members	349.97
b) C Class Society members	0.88
c) B class individual members	0.69

	351.54

WAYS AND MEANS POSITION :

The Factory has made judicious use of funds borrowed by it has taken care to repay all loans from out siders within the stipulated period. Besides this, the Factory holds in permanent and fixed period deposits belonging to its members Rs. 1000.28 lakhs and has in Reserve Funds or other Permanent Funds a total of Rs. 1036.42 lakhs.

The Factory has invested in all 44 lakhs in the share capital of such financial and other institutions as the Maharashtra State Co-operative Bank. The Indian Farmers and Fertilizers Co-operative Ltd., in the debentures of the Industrial Finance Corporation and Govt. Saving Certificates etc.

The Factory has now total permanent assets at the order of Rs. 1505.95 lakhs by the year 1986-87.

The factory was not content to remain satisfied with what it had done or was trying to do for the economic uplift and betterment of its hundreds of small farmers. It is akin to the needs of other equally important aspects of the welfare of the people, the Karkhana has shouldered its responsibility in meeting grave crises created by natural disasters like Koyana earth-quake or draught, floods etc. The factory is proud of its assistance to the educational institutions like Nav-Bharat Shikshan Mandal and Modern Education Society, which has set up a sizable campus for their residential college, technical institutes and English medium High Schools which provide degree course in Arts, Commerce and Science and run besides a High School, a School of Art for the children of the farmers within the factory's command area.

ROAD CONSTRUCTION :

The Factory has launched on a programme of road construction within the areat at an cost of more than Rs. 1.50 crore on construction 350 k.m. length to convert all the Cutchha Roads in the surrounding country - side into hard murum and metal roads. Besides facilitating transport of cane to the factory, the project is bound to act as an important lever in the rapid economic development of the villages by providing quick means of transport to their farm produce.

CANE MANAGEMENT :

Needless to say the factory has paid special attention for improving cane cultivation by produce members and has been supplying improved varieties of seeds to them.

MECHANISATION :

As the first step towards helping farmers, the factory has stood guarantee for loans to farmers to help them to purchase tractors, trolleys and transport trucks to facilitate transport of their produce to the factory and to the market in addition to sugarcane transport. Besides, ensuring

quicker supplies of cane to the factory the scheme has come as a big shot in the arm for many enterprising farmers, who have found new prosperous days for adding their incomes. The factory had made special and systematic efforts for the needy farmers for tapping underground water in their wells. Also subsidised the same. Tractors and bull-dozers for better cultivation, electric pumps, oil engines, pipe lines for lifting water for irrigating the lands are made the countryside hum to a new rhythm.

Thanks to the wonderfully incisive intelligence, vision and multi-faceted genius of Shri Vasantaodada Patil, the prime mover behind the Farmers Co-Operative Sugar Factory at Sangli, the factory has become a spring board for launching of a large number of other ancillary projects, which have opened up avenues for a new economic order holding rich promise for the future. Shri Vasantraodada Patil, a simple, uneducated farmer from a sleepy little village of the freedom struggle. Struggles under Mahatma Gandhi's Leadership and has created a sensation by his daring escape from imprisonment in the Sangli Jail during the 1942-Quit-India-movement might have remained just 'A veteran of our Freedom Struggle' but for the way he later evolutionised himself into a leader of new Agro industrial movement that is transforming our countryside. He had truly learnt the great Mahatma's teaching that political freedom was only a means.

And the factory had succeeded in achieving the objectives, in translating his dream into a reality. And under his guidance it has triggered a chain reaction, leading to a number of other agro-based projects not only for the processing of by-products of the sugar plant like molasses into alcohol, but also for processing other forms of farm produce and related enterprises in fields like transport, construction, dairy, poultry, poultry and cattle feed, power alcohol and its by-products, cattle development, improved varieties agricultural equipment and implements, horticulture, intensive crop cultivation project, low cost housing for farm labour and other backward groups, besides attending to the more intimate concerns like development of research in sugar technology and participating in the Centre's drive for export of raw sugar, the active participation in various rural development schemes and projects launched by the Government.

DISTILLERY

A distillery producing 16,000 litres of alcohol production per day from the molasses at the sugar plant was set up in 1964 and once again it was another first in the Cooperative Sector in this country. The distillery has been working at an increased capacity of 30,000 litres per day since September 1975 and with a capacity of 45,000 litres per day since April, 1979. This project represents a capital investment of Rs. 8.5 million by the Sugar Factory. The distillery's production has been further diversified into the manufacture of foreign and country liquors in keeping with the Maharashtra State Government's new policy of encouragement to production of Country Liquor. The country liquor unit has produced a total of about 55,00,000,00 bulk litres during 1984-85 and represents a capital investment of about Rs.3 million.

ACETIC ANHYDRIDE PLANT

Now from the distillation plant of 45,000 litres per day capacity Rectified Spirit to the extent of 13.2 million litres will be manufactured. The sugar factory has installed at Acetic Anhydride Plant having 3000 **M.T.** per annum manufacturing capacity. For this purpose 5.6 million litres of Rectified Spirit will be utilised. This project has capital investment to the tune of Rs. 4.00 crores as per estimates of M/s Indo Baroline Industries, Bombay. The project has attractive profitability. The new by-product is used in films, fibres, plastic industries as well as in pharmaceuticals, dyestuffs and pesticides. The State Government has given a green signal to the project by allocating 5.6 million litres of rectified spirit per year. Moreover, the Central Government In the Directorate General of Technical Development have issued to us Registration certificate in this behalf. The plant and machinery has been purchased from M/s Naran Lala Metal Works, Navsari, on turn key basis, First stage of the unit is completed and Acetaldehyde and Acetic Acid are being manufactured successfully. Acetic Anhydride is produced.

DISTILLERY EFFLUENT PLANT POTASH CONCENTRATION PLANT

With a view to solving the problem of distillery effluent on permanent basis, the factory has undertaken a project of

Potash Concentration Plant. In this plant the spent wash to the extent of 0.65 Million litres per day with 45.000 P.P.M. It will be concentrated and 54 M.T. of potash, 9 M.T. protins in powder form will be recovered. The process involved is an unique one. The plant has been ready for commissioning. After implementation of this project, the whole problem of effluent will entirely be solved.

FACTORY AND COLONY EFFLUENTS DISPOSAL ARRANGEMENT

From sugar factory 2 million litres of factory effluents together with 0.2 million litres of colony effluent is discharged every day during the season. With a view of eliminating this problem factory has installed effluent disposal plant manufactured by M/s. Hindustan Dorr Oliver, Bombay. Due to the advantages of process involved in the B.O.D. of factory and colony effluent is reduced from 1000 P.P.M. to 50 P.P.M.

CATTLE FEED PLANT

With a view to boost earnings of the small farmers and rural polulation in the area of operation of the factory, the management has been active support to poultry and dairy. Supply of balanced Cattle and Poultry feed at reasonable price has been well thought of. The management have put a plant of cattle and poultry feed manufacture with daily capacity of 120 M.T. There is attractive demand from the rural area for the feeds. The capital investment of this plant has been of the order of Rs. 30 lakhs.

OTHER DEVELOPMENT ACTIVITIES.

In addition to this plant the factory has started soiltesting laboratory for advising the farmers in their agricultural activities. Similarly Horticultural programme and Gobar gas plant scheme are also in progress. A number of agriculturists are taking maximum advantage of these schemes. Subsidy of the order of Rs. 15 lakhs is given to the farmers.

This Sugar Factory has taken its due share in the alround development of the rural masses. It has started a new education society e.g. Shetkari Shikshan Mandal. This Mandal has started a new Engineering College and a Polytechnic Padmabhooshan Vasantdada Patil Institute of

Technology, Sangli, with a total outlay of Rs. 80 lakhs. This College started in 1983 will have total students of the order of 1600 in 1986. With this college, the factory has brought the advanced technical education at the doorsteps of the rural masses.

The project cited above are examples of how a processing cooperative has taken initiative in reconstruction of agricultural economy in its area of operation.

All these activities have made this grand cooperative complex in Sangli, around the nucleus of the sugar factory only. All the spade work, preparation of project, collection of share capital, initial financial help and starting the operation is borne by parent sugar factory, its zealous members of the Board of Management, Executives, Senior and Junior Technical and Office staff.

It is a matter of gratification that under the able leadership of Padmabhooshan Shri Vasantraodada Patil, Shetkari Sahakari Sakhar Karkhana Ltd., Sangli, has inspired self confidence in the mind of farmers at large. Due to the coming up of this factory and sugarcane processing complex around it a revolutionary spirit and approach is borne in the community of agriculturists. It has created a chain reaction giving rise to new industries and has generated new forces to create more and better employment opportunities to un-employed and under employed people in the rural areas of the region to which it belongs. No doubt, the sugar factory participated with a sense of duty, in the promotional and organisational work which promotes betterment of the common people and has helped to better life of farm labour and increase in employment opportunities.

The achievement described above is just a beginning of the efforts which are directed to build a new dynamic agro-industrial economy of the district as a part of the national efforts.

Workers of Sangli District confidently feel that with the new philosophy and the technique that is crystalising in the form of process cooperatives, they will be able to effectively participate in the gigantic efforts of national reconstruction economic means.

From the experience gained by us in the sphere of cooperative movement, we find that the processing cooperative which are instrumental in the growth of agro-industrial economy, could effectively do so only if they are insulated out and kept protected from adverse effect of price fluctuations, either through the price support policy or through fiscal concessions. Unless something of this is done, they will fail to assure their producer members assured returns. Proper incentive to the agriculturists for investing more and more to develop agriculture for better and higher yields, should be the state of economy.

THE AGRICULTURAL PRODUCE MARKET COMMITTEE, SANGLI

1) Name and Address

- I. Name of the Market Committee : Agril. Produce Market Committee, Sangli.
- II. Name of the Principal Market Yard : 'Vasant Market Yard, Sangli.
:
- III. Sub-Yard : a) Miraj Sah. Market Yard.
b) Jath Sah. Market Yard.
c) Kawathe-Mahankal Market Yard
d) Dhalagon Sah. Market Yard.
e) Sangli Cattale Market Sangli.
- IV. State : Maharashtra.
Taluka/Teshil : Miraj.
Dist : Sangli.

2) Date of Regulation :

- I. Principal Market Yard, Sangli. : Date 16.8.1950.
- II. Sub - Market Yard : a) Miraj, Dated 16.12.1954.
b) Jath, Dated 15.3.1959.
c) Sangli Cattale Market - Dated 10.10.1970.
d) Kawathe-Mahankal - Dated 11.9.1984.

3) Historical Background :

The Agricultural Produce Market Committee, Sangli was established under the provision of the Bombay Agricultural Produce Market Act 1939, with the view to regulate the purchase and sells of agricultural commodities and give a square and fare deal to the agriculturist. At present the provision of Maharashtra Agricultural Produce Marketing (Regulation) Act 1963 is in force.

Sangli is situated on the border of Maharashtra and Karnataka State. Sangli with a population of nearly one and half lakh is one of the leading cities in Maharashtra. It is on the Miraj-Pune Brodgage line of south Central Railway and it is connected with various Commercial Centres like Poona, Bombay, Latur and up country market. Sangli Market is an important multy commodity assembling centre for commodities like Groundnut, Jaggery, Turmeric and Food Grains. It is the biggest Turmeric and Juggery Market in the whole of Maharashtra State. Sangli is the only Exchange in India recognised by the Forward Markets commition, Government of India, Bombay for conducting futures trading in Turmeric.

4) Area of Operation :

a) Principal Market Yard, Sangli :

The total area of the market yard is 99 acres and 38 gunthas and ownership of the site is vested with the market committee.

b)	Name of the Sub Market Yard	Acres	Gunthas	Gunthas
1)	Miraj Sub-Market Yard.	20	-	
2)	Jath Sub-Market Yard.	12	3	
3)	Kawathe Mahnkal Sub-Market Yard.	19	-	
4)	Dhalgon Sub-Market Yard.	10	-	

5. Object :

The object of the Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963 is to regulate the transactions of the Agril. Produce for the economic development of the agriculturist.

6. Working :

I) Method of Sale :

The major commodities like groundnut (unshelled), Turmeric, Juggery and Chillied are sold by open auction and rests of the commodities including cattale are sold by open agreement system.

II. Arrivals Noted :

The Market Committee has supplied charts to the general admission agents and the arrivals of different agricultural commodities are noted from those charts. The Market Committee has entrusted this work to one of its employees who daily visits every shop and note down the arrivals. Arrivals register is maintained and the arrivals so collected are incorporated in the same.

III) Auction System :

The open auction system as soon as the bargain is struck in the auction the general commission agent prepares the agreement slip in triplicate which is signed by purchaser, the auction inspector and by general commission agent. One copy of agreement slip is given to purchaser, one to general commission agent and one remains with the market committee.

The Weighment is done by the licensed weighman who prepares weighment slip in four copies. One copy of which is given to general commission agent, One to purchaser and One to seller and last remains with the market committee.

After weighment the account slip is prepared by the general commission agent in triplicate. One copy of which is given to seller, One to Market Committee and third remain with him. The general commission agent makes deduction on account of market charges and sale proceeds are handed over to the cultivator seller.

IV) Weighment :

Weighment of the produce is done by the weighment licensed by the market committee. There are 86 licensed weighmen and the daily work is done by rotation system.

V) Market Fees and Supervision Charge :

The Market Committee is collecting market fees and supervision charges from the purchasers at the rate of Rs. 00.60 Ps. and Rs. 00.05 Ps. per rupees banded on the value of the produce sold. The supervision charges are credited in the name of State Govt. up to 10th of every month.

VI) Grading :

At present grading is done in case of Groundnut (Unshelled) only on the commercial basis. Taking into consideration specification of department the characteristics of commodity the market committee has prepared the grading specification and as per the specification of the produce is graded by the grader.

VII) Price Intelligence Service :

The Market Committee send the rates of important regulated commodities to the Marketing Research Officer Bombay, and he is displaying the prices of Sangli market on A.I.R. Bombay at 7 P.M. every day. Daily arrivals minimum and maximum rates of regulated commodities in the Sangli Market are displayed on the notice board. In the same manner, Auction No. is noted

on the notice Board the name of the shop in respect of major commodities daily. The review of the price trend is also published in the local newspaper. The market committee is also sending rates to the multi purpose Co-operative Societies and Village Panchayats in the rural area by Post Cards.

7) Financial Position :

The following figures of income, expenditure, surplus and permanent fund for the last year, will indicate the financial position of the market committee.

Year	Income	Expenditure	Surplus	Permanent Fund
1986-87	76,12,557/-	32,80,517/-	43,32,040/-	1,79,05,255/-

8. Constitution and Management :

Constitution of Market Committee :

A)	Constituency	No.	Mode of representation.
a)	Agriculturist	10	(7 from Co-op. Credit Societies and 3 from village Panchayats.
b)	Traders Memabers.	3	
c)	Co-operatives.	1	
d)	Govt. Nominees.	2	
e)	Local Bodies	2	
B)	Chairman Constituency.	--	Agriculturist.
C)	Vice-Chairman's Constituency.	--	Trader's.
D)	Term of Office of Market Committee	--	Five years.
E)	Term of Chairman and Vice-Chairman	--	Five years and Members.

Ten agriculturist residing in the market area. In this seven members, elected members of the managing committees of the Agril. Credit Societies and multi purpose Co-op. Societies and three are elected by members of village panchayats.

Three are elected from traders constiency holding One member is elected from Co-op. societies doing business of processing or marketing of Agril. produce in the market area.

One is the Chairman of the Panchayat Samiti.

One is the president of the local authority (Municipality) within the jurisdiction of which the principal market yard is situated.

One is the Extension Officer of Agril. Dept. Zilla Parishad and One is the Co-op. Dept.

9) Social-Economic Progress made by the institution :

1/2th amount from the balance of last year is distributed as donation to the educational institutions working in the area.

10) Problems and Difficulties :

Some provision made in the Act are vague so strictly regulation is difficult.

The percentage of ignorant Agriculturists is more due to this they are deceived by other ways.

11.) Future Plans :

Sell hall godowns are under consideration land aquisition. proposals are sent to the state Government for the regulation of new Agricultural Commodity's like that fruit and vegitable and cattle.

**KHED TALUKA CO-OPERATIVE
PURCHASE & SALE SOCIETY LTD.,
RAJGURUNAGAR.**

Rajguru was a great freedom fighter who sacrificed his life for the freedom of our country. In honour of his great service and patriotism the town KHED is named as RAJGURUNAGAR.

To facilitate sale of agricultural commodities at reasonable price by providing marketing and other services to the farmers, the Khed Taluka Co-operative Purchase and Sale Society was registered on 11 September 1947. The society started working with 377 members and share capital of Rs.3,770/-. Area of operation of the society is limited to Khed Taluka of Pune district comprising of 158 villages.

Main Objectives :

- 1) To market agricultural produce of farmers.
- 2) To supply agricultural inputs to farmers.
- 3) To undertake distribution of consumer goods.
- 4) To provide godown facility to the farmers.
- 5) To arrange for processing of agricultural produce of the farmers.

Membership :

The membership of the society is open to individual farmers and primary Agricultural Co-operatives. The State Government is also the member of the Society. Total membership of the society as on 30-6-1988 is 1,130, out of it 1023 are individual farmers, 106 are Co-operative Societies and one State Government.

Management :

The management of the Society is vested in the Board of Directors comprising 15 members. The term of the Board is of 5 years. The office bearers of the Society are President and Vice-President elected by Board every year.

Working of the Society :

- 1) The Society has been engaged in marketing of agriculture produce of the farmers since inception. The Society has been handling agricultural produce mainly on commission basis. The agricultural commodities grown in the area are Jawar, Baraji, Wheat, groundnuts, paddy, onions, potatos, chillies, garlik etc. The Society generally limits its purchases on outright account duen to inherent risk in such business and availability of limited working capital. Total value of the agricultural produce purchased by the Society during 1987-88 is Rs.12,58,835/-.
- 2) The Society is dealing in the business of distribution of agricultural inputs as per needs of the farmers of the area. During the year 1987-88 the Society has distributed agricultural inputs amounting to Rs.9.40 lakhs.
- 3) The increase real income of the farmer the Society has undertaken distribution of consumers goods, i.e. sugar, cloth, rationed articles and cement etc. The value of the consumer goods distributed by the Society during 1987-88 was Rs.29.26 lakhs.
- 4) For undertaking marketing and supply activities effectively, the Society has constructed 4 godowns of a total capacity of 17,500 bags which is adequate to meet its business activities.

Financial position :

Authorised share capital of the society is Rs.3 lakhs. As on 30-6-1988 paid up share capital of the Society was Rs.87,240/-. Total amount of reserves and other statutory funds of the society as on 30.6.1988 was Rs. 17.12 lakhs.

Staffing pattern :

The society's Chief Executive is Manager who is assisted by Accountant, Cashier, 4 Sr.Clerks, 3 Jr.Clerks, 3 Salesmen, Fitter, Peon and Watchman. Annual expenses on the establishment during the year 1987-88 amounted to Rs.74,320/-.

Future plans :

- 1) The Society has purchased two acres of land for establishment

of petrol pump and cold storage at Rajgurunagar. The Society has submitted proposal for sanction of financial assistance for establishment of cold storage. The Society has also applied to the Indian Oil Corporation for grant of licence for running a petrol pump.

- 2) The Society has purchased a plot of three acres in the regulated market yard, Pune to undertake adad shop/marketing business on commission basis.
- 3) The Society proposes to construct Shetakari Niwas for the benefit of farming community of the area.

Problems :

The marketing and distribution activities of the Society are at low level due to increased competition, lack of support from the Apex and national cooperative marketing organisation, draught conditions in the area, non-recovery of trade credit granted to the traders etc. The Society has good prospects for various marketing services to the farming community in the area as it has developed good infrastructural facilities.

**HADAPSAR BHAJIPALA KHAREDI VIKRI
SAHAKARI SOCIETY LTD., HADAPSAR.**

A vegetable marketing society known as Hadapsar Bhajipala Kharedi Vikri Sahakari Society came into being on 31st July 1947.

The village Hadapsar was famous to meet the requirements of vegetables of defence personnel of army camps near Pune. The procurement of the vegetables by the Army people were stopped in 1947 and farmers of Hadapsar were thrown to problem of disposal of vegetables amounting to thousands of rupees. As a result, the farmers of Hadapsar came together and formed their own vegetable marketing society for the sale of vegetables of their own.

Objects of the Society :

The broad based bye-laws of the Society provided for that the Society will -

- 1) promote self-reliance and co-operation among members;
- 2) accept deposits from members and non-members;
- 3) provide agricultural implements and farm equipments and undertake repairs thereof, as also sale of construction material;
- 4) sale agricultural produce of members as well as non-members;
- 5) sale seeds, fertilisers and pesticides;
- 6) procure and arrange sale of essential commodities;
- 7) process agricultural sproduce and undertake sale thereof;
- 8) disseminate information regarding agricultural prices and market arrivals and sales etc.;
- 9) undertake extension education on agriculture and allied aspects.

Area of operation :

In the inception stage the area of operation of the Society was confined to four contiguous villages including Hadapsar. Afterwards, the area of operation was extended to the entire Haveli taluka comprising 127 villages.

Membership :

The Society was registered in 1947 with 66 members. At the end of 30th June 1988 the membership of the Society rose to 1071 including 836 agriculturists, 18 primary co-operative societies, 216 consumers and 1 Government.

Management :

The management of the Society is vested in the Board of Directors comprising 13 members elected every five years with 7 representing 'A' class members (agriculturists), 3 'B' class members (representing societies) and 3 'C' class members (representing consumers).

The office bearers of the Society, i.e. Chairman and the Vice-Chairman are elected by the Board of Directors.

The Society has 14 employees including one Manager, one Accountant and one Clerk-cum-Cashier.

Working :

The Society's business activities are as under :

- 1) Fertilisers, seeds and pesticides Department.
- 2) General Stores (Consumer Store) Department.
- 3) Ration (essential controlled goods) Department.
- 4) Textile (controlled and non-controlled cloth) Department.
- 5) Vegetable Department.

Total turnover of Society in the year 1987-88 is Rs.43,86,358/-. The Society since beginning dealt in vegetables. It purchased vegetables and sold to Military Stores. This continued till 1951-52. From 1951-52 to 1963-64 Society mainly dealt in ration goods. Vegetable business was stopped as Military Stores declined to purchase from the Society. During the year 1963-64 Society opened two vegetable sale retail stores in Bombay market. However, these two shops could not attract customers and were later on closed. Encouraged by the Government of India's plan on vegetable cultivation, the Society opened 10 retail outlets in Pune city during 1965-66, and 1966-67. However, these 10 retail outlets could not function well and were gradually closed.

In the year 1964 the Society opened consumers store at Hadapsar. ; This store is functioning today though it was closed for a brief spell during 1979-82.

In the year 1964 Society opened, a ration shop at Manjari which was closed in the yar 1982. During the period 1964 to 1966 the Society started textile shop, agricultural input retail outlets, but these activities of the Society closed during the year 1982-83 and 1986-87 respectively.

The success of the marketing co-operative much depends upon the awareness and foresight of its leadership and competent management. Society has been fortunate to get committed leadership but as there was no special attention towards business goal and planning the shift in the business stook place quite often and Society degenerated into the business of rationed commodities and controlled goods.

Financial position :

At the end of 30th June 1988 the share capital of the Society is to the tune of Rs.2,93,393/-, reserve and other funds are Rs.1,68,686/-. Net profit during 1987-88 is Rs.4465/-.

Since inception to the year 1987-88 in a life span of 41 years Society suffered losses for 8 years aggregating to Rs.1,76,428/-. Since sthe Society was mainly continuing its activities to sale of controlled commodities bearing a fixed margin it could reap surplus during the remaining 39 years.

Future plans :

The Society has projected a business plan for a period of three years, i.e. 1987-88 to 1989-90. The Society intends to start 8 to 10 centres in Bombay for supplying vegetables. Also it intends to establish an agro service centre with the assistance of NCDC. The Society has planned to develop consumers business while constructing a three storeyed building for departmental store.

**SHIROLI BK. KRISHAK SEVA SAHAKARI SANSTHA MARYADIT
SHIROLI BK. TAL. JUNNAR. DIST.PUNE.
SPONSORED BY BANK OF INDIA**

1. Name and Address :

Shiroli Bk. Krishak Seva Sahakari Sanstha Maryadit, Sahakar Nagar, At and Post-Shiroli Bk. Tal. Junnar, Dist. - Pune, Maharashtra State.

2. Registration No and Date :

20,643 Dated 31.12.1975.

3. Historical Background :

The Shiroli Bk. Primary Agril, Credit Society was formed and registered in the year, 1951 on 1st June, with a Registration no 20,643. Its registered office was at Shiroli Bk. With the recommendations of the National Commission of Agriculture, the Shiroli Bk. Primary Agril.Credit Society was converted in to "The shiroli Bk. Krishak Seva Sahakari Sanstha Maryadit" (A Farmers Service Society, i.e. F.S.S.). This Society is sponsored by a leading Nationalised Bank i.e. Bank of India. (Branch Junnar). The Society was registered with the same Registration No. i.e. 20,643 on 31st Dec,1975, under the Maharashtra State Co-operative Societies Act, 1960., by merger of two Primary Agril. Credit Societies viz. Ozar and Hivare Khurd. The Society now has its Head Office at Sahakar Nagar, Shiroli Bk.

4. Area of Operation :

Area of operation of the Society is of 9 villages, which are as below ,

Shiroli Bk.	Shiroli Khurd	Kumshet
Tejewadi	Ozar	Dhalewadi
Dhangarwadi	Hivare Khurd	Kuran.

5. Objectives of the Society :

The Society has been formed with the main objective amongst other of rural development on the principle of members approach in an integrated manner. As per the Model bye laws of the Society, the main objects of the Society are as follows,

- Overall economic upliftment of small/marginal farmers Agril. and landless labourers, rural artisans, by increasing their incomes.
- To provide Short, Medium and Long Term Loans to the members at reasonable rate of interest.
- To supply inputs like improved seeds, fertilizers, cattle feeds, pesticides, Agril. implements and raw material for the cottage industries
- To provide essential facilities for procurement, processing, storage etc for the Agril. products and other secondary occupation products.
- To provide custom hiring services.
- To conduct seminars and demonstrations for the modern technics of agriculture, for the benefit of members.
- To create and provide employment opportunities to the small farmers, agril and landless labourers etc by way of construction of wells, roads etc.
- To take cattle breeding programmes.

6. Constitution and Management :

The Management of the Society is rested in the Board of Directors consisting of 17 members, of which 13 are elected from amongst the members of the Society, 2 State Govt. nominees includes Asstt. Registrar of Co-operative Societies, Junnar and Animal Husbandry Officer, Pune. 2 nominees of sponsored Bank i.e. Bank of India, the Regional Manager, Pune Region and the Managing Director of the Society, who is the Chief Executive Officer.

13 Directors elected from the members are as below,

- 3 from Big farmers, 2 each from small/marginal farmers and Agril. labourers.
- 2 from land less labourers and 1 from village aritsans.
- 1 each from (S.C./S.T./& N.T.) members and economically backward members.

Board of Directors are having supreme powers and the final, authority of the Society, subject to the provision of Act and Rules. The Chairman is elected from Board of Directors. The State Govt. and Bank nominees are not having voting rights for Chairman's election. The term of the Chairman is of one year and he may be reappointed. The Board of Directors meet once in a month. Moreover, there is one General Body Meeting once in a year, where in an annual report of the Society is being dicussed in detail.

7. Procedure for granting loans :

- i. Term Loans : The applications received from the members are processed as to its techno-economic viability. It is then discussed in the Board of Directors monthly meeting and eligible applications are recommended to the Bank for sanction. After receipt of the sanction from the Bank, disbursement is made to the ultimate borrowal members after obtaining necessary security documents.
- ii. Crop Loans : A season wise Normal Credit Limits (NCL), for the entire year is sanctioned by the Bank and the disbursements are made as per requirements of the members within their sanctioned sub-limits.

8. Service Activities undertaken by the Society :

- Granting of Short, Medium and Long Term loans for Agril and non-agril. purposes.
- Supply of fertilizers and other inputs (2 Fertilizer Depots, Total sales as on 30.6.88, Rs. 18.24 lakhs and profit of Rs. 0.74 lakhs.)
- Accepting Agril. produce such as food grains, Groundnut pods etc for storage and granting short term credit against pledge of such produce (6 Godowns, Profit as on 30th June,88 is Rs.0.32 lakhs.)

- Supply of controlled/non-controlled cloths. (1 cloth shop, profit Rs.4,483.38).
- Supply of ration under public distribution system (3 fair price shops, profit Rs.1,018.06)
- Supply of improved seeds of Bajra, MBH-110 and Groundnut, Phule Pragati (J.L.24), to the members.
- Grant of loans against pledge of Gold/Silver ornaments. (173 accounts, Loans outstanding as on 30.6.1988 Rs.8.97 lakhs.)
- Milk collection through starting the milk collection centre at Shirol Bk. Average milk collection is more than 600 litres per day.
- Supply of cattle feeds to the milk producers on one months credit.
- Participation in Govt. Schemes of "Milk for the School Children"
- Insurance Agency : Society is having agency of the New India Assurance Co.Ltd., and insuring the cattles, Agril. Machinery like Tractor, Trailors, Ele. motors etc., of the area.
- Demonstration plots of Sugarcane plantation, Groundnut, Sunflower, Wheat etc. Plantation of Horticultural plants viz Mango and Coconuts on Society's own farm.
- Plantation under Social Forestry Schemes.
- Agril. Extension Services : Mass media extension services like rallies, free soil testing campaigns study tours, Gram sabhas etc arranged with the assistance of Govt.Depts and Companies.

9. **Financial Assistance to the members :**

The Society has increased the lending business to a considerable extent as revealed by the following data.

Amt. in Lakhs.

Type of Loan	Amt. Disbursed during year			Loans outstanding as on 30.6.1988	
	1975.76	1986.87	1987.88	A/Cs	Amt.
ST. Loans	8.07	36.10	59.99	881	48.26
MT. Loans	0.80	8.99	12.26	289	27.60
LT. Loans	-	14.65	6.66	247	42.32
TOTAL	8.87	59.74	78.91	1417	118.18

10. Recovery of Loans :

Recovery of loans at Bank level is Cent per cent since inception of the Society and from members to Society is by and large above 80 per cent. More than 50 per cent of the total loans recovered during the year is effected through the linking arrangements with Shri Vighnar Sugar Factory, Agril. Produce Market Committee, pledge of Agril. produce and Gold ornaments, milk payments etc. Provision of Special Recovery Officer from Co-operative Dept has also been made for recovering the dues as per co-operative Societies Act, Section 101 and 137.

11. Socio-economic Progress made by the Society since inception.

Rs. in Lakhs.

Sr.No.	Particulars	Position as of			
		30.6.76	30.6.86	30.6.87	30.6.88
1.	SHARE CAPITAL				
	Authorised Capital	10.00	30.00	30.00	50.00
	Paid up Capital	3.13	23.41	26.94	32.48
	Working Capital	15.00	112.84	115.98	140.26
	State Govt. Capital	0.50	0.65	- -	-
	Bank of India	0.01	0.01	0.01	0.01

Sr.No.	Particulars	Position as of			
		30.6.76	30.6.86	30.6.87	30.6.88
2.	MEMBERSHIP	1220	2387	2477	2526
	Large/Medium Farmers	225	777	791	806
	Small/Marginal Farmers	724	1041	1118	1152
	Others	271	569	568	568
3.	FUNDS	1.30	11.81	13.26	15.34
	Reserve Fund	0.57	4.00	4.86	5.48
	Others	0.73	7.81	8.40	9.86
4.	BANK LOANS OUTSTANDING	8.98	67.75	76.56	83.72
	S.T. Loans	6.84	15.71	21.58	32.43
	M.T./L.T. Loans	2.14	52.04	54.98	51.29
5.	INVESTMENTS IN SHARES & FIX DEPOSITS	0.56	1.65	2.36	2.68
6.	LOANS TO MEMBERS OUTSTANDING	11.79	80.54	97.61	118.20
	S.T. Loans	9.33	21.51	30.08	48.26
	M.T./L.T. Loans	2.46	59.03	67.53	69.94
7.	FIXED CAPITAL INVESTMENTS (Godowns/Office Bldg. etc.)	1.29	12.42	11.65	10.71
8.	DEPOSITS FROM MEMBERS	0.16	7.24	9.94	9.25
9.	NET PROFIT	0.35	1.11	2.10	2.27
10.	AUDIT CLASS	A	A	-	-

It can be revealed from the relevant data that the Society has made remarkable progress and achievements by the Society during the last 13 years of its march on the way of developments. It is having a good number of members of 2526 as on 30th June, 1988. At the end of year 1987-88, the Society has increased its paid up Capital to Rs.32.48 lakhs. This is an evident of efficient management leading the Society towards self reliance. The Society has also succeeded to attract good deposits from the members. The Society could also built up the Reserve Fund to the tune of Rs. 5.48 lakhs. Other Funds of the Society stood at Rs.9.86 lakhs. The Society has also made good profit of Rs.2.27 lakhs during the year and distributed the dividend @ 6 per cent during the last year. This is despite of Society's trading activities on the principle of co-operation, socialism and non-profit motive.

12. Financing Lift Irrigation Schemes :

The Society has done a commendable work by way of financing for lift irrigation schemes on the reservoir of the Yedgaon dam and on the bank of Kukadi river. Under lift irrigation schemes several small and marginal farmers join together and apply for loan to the Society. The Society then submits a consolidated loan application to the Bank. The Bank in turn sanctions such consolidated loan to the Society for its onward disbursement to the individual participating members. During last 13 years, Society so far sanctioned more than 71 group lift irrigation schemes, amount disbursed more than 75 lakhs and bringing about 2325 acres of land under permanent irrigation.

13. Social Contributions :

- i. Setting up of Shri Vighnagar Sahakari Sakhar Karkhana Maryadit (A Co-operative Sugar Factory), a one step ahead for alround development of the people of the area

The above Co-operative Sugar Factory has already been commissioned in the area of operation of the Society, during the year, 1985. The Project Report of the same was prepared in 1976-77 by the then Managing Director, Mr. D.N. Upadhye, of the Society in consultation with Mr. N.N. Sherkar, who is at present Chairman of both i.e. Society and Karkhana. Thus there is tremendous scope for expending credit facilities through the Society with linking arrangement with the sugar factory. The Society could recover about 27 lakhs from the sugarcane payments made by the sugar factory.

ii. Implementation of National Development Programmes :

I.R.D.P. : The Society has financed to the BPL beneficiaries participating in the group lift irrigation schemes and other activities. The Society so far has sanctioned and disbursed more than Rs.4 lakhs to such 45 members and thus obtained 1.91 lakhs Rs. as a subsidy from DRDA and under Special Component Scheme.

Bio-gas Development Programme : The Society so far has financed Rs.6.39 lakhs to 90 members for setting up of Gobar gas plants and obtained Rs.1.24 lakhs as a subsidy amount from the Govt.

iii. Social Forestry :

The Society has undertaken the plantation programme of Mangoes, Coconuts, Ucaliptus, Rain Trees, Soobabuls etc on large scale, on its own farm.

iv. Demonstration Plots :

The Society has developed the Demonstration Plots for supply of improved sugarcane sets, groundnut pods, sunflower wheat etc. The Society has cultivated the improved varieties of Sugarcane i.e. Co-8125, Co-7219 and Co-740 and supplied it to its members for multiplications.

The Society has also committed to social obligations by way of donations to the charitable trusts, Bal melas, Voluntary organisations, educational institutions and family welfare programmes.

14. Problems and Difficulties :

- i. Supervision Fee : As per Govt. orders, the supervision fee is levied at the rate of 0-4-0 per cent on the working capital from all Agril.Credit Co-operative Societies affiliated to the Superivsory Unions with effect from 1st July, 1953. Since inception the Society has been charged Rs. 1.72 lakhs as supervision fee, while it has paid Rs.1.10 lakhs despite of losses incurred by it during the year 1981-82 and 82-83. It is Society's firm opinion that it should be exempted from payment of supervision fees for the following reasons :

- The Society has neither affiliated to the Taluka Supervisory Union nor Dist. Supervisory Unions. Further their staff is not on Society's establishments.
- There is no uniformity in regards to levying supervision fees, to all societies.
- There is no ceiling limit to supervision fees to be charged.

The Society has already taken up the matter with the concerned and the same is pending for decision since, 16.6.1987.

- ii. The Society has already applied for grant of share capital of Rs.5 lakhs from long term loan funds from the State Govt., on 14.12.87. Our Society is satisfying almost all norms prescribed by NABARD, for getting the aforesaid funds. The share capital contribution by the State Govt., from long term loans facility will definitely enable the Society to augment its loans raising capacity to be used for further developmental plans. The decision in the matter is still awaited from the concerned Dept, since Dec, 1987.
- iii The Society has also applied to get the permission for constructing one 200 MT. capacity godown at Ozar village, under National Grid of of Rural Godown Schemes, since 3.10.1983. The decision in the matter is also awaited from the concerned Dept.
- iv. The another two co-operative dairy societies have been registered in our area of operation, without our consent. This has created lot of problems in regards to recovery of dairy loans since these societies are not co-operating us for recovery of dues. The Society is of the firm opinion that no other co-operative societies of any kind be registered in its area of operation.

15. Future Developmental Plans :

- i. To promote the Sugarcane farming by brining remaining lands under permanent irrigation to cope up the need of the Sugar Factory already been established in the area.

- ii. Development of Dairy Projects such as installation of small chilling plant, food processing industries etc.
- iii. Development of Poultry and Fishery Programmes in the area.
- iv. To promote the Horticultural farming, Farm & Social Forestry development.
- v. Construction of Staff quarters near main Office Building.
- vi. Construction of Godown on the plot situated in Gultekadi Market Yard, Pune., and at Ozar village.

**FURSUNGI MULTI-PURPOSE SERVICE
CO-OPERATIVE SOCIETY LIMITED
At & Post : Fursungi, Taluka : Haveli,
District : Pune**

This village level multi-purpose co-operative society is one of the oldest co-operative societies in Pune District. It is established on 10th December, 1918, in Fursungi village, which is about 20 kms. from Pune City. (Its registration no. is 2144).

Objects :

As per bye-laws of the Society, the objects are as under :

1. To advance crop loans to members at concessional rate for seasonal agricultural operations.
2. To advance medium term loans for wells, pumpsets, etc.
3. To arrange for the supply of agricultural inputs to the members.
4. To arrange for distribution of essential goods.
5. To provide storage facilities to the members to facilitate storage and sale of essential goods.
6. To arrange for the transport and marketing of agricultural produce of the members.
7. To provide credit facilities, raw material and marketing facilities for finished goods of the members (Village artisans).
8. To arrange for securing employment for landless labourers/ members throughout the year.
9. To act as an agent on behalf of the Government for procurement.

Members :

The present membership of the Society is 509 agricultural families (out of 1250 total) and it has nominal membership of 58 from non-agricultural families (out of 1750 total). Thus, this Society has the organisational characteristics of an agricultural co-operative.

Management :

The management of the Society is vested in the Managing Committee of 11 members including 8 elected members. The Society has one Secretary and 3 other employees.

Activities :

Main activity of the Society is of providing short-term credit and medium term credit. Society provided short-term credit of Rs. 2,60,000 during the year 1987-88 to 51 members, while its outstanding of medium loans amounts to Rs. 5,90,000 from 17 members.

In terms of purposes for which credits are provided, short-term loans are given for production of sugarcane and vegetables, two main crops in the area. While medium term loans are provided for fairly diversified purposes, such as (a) transport vehicles, (b) well repair, (c) pipeline, (d) oil engine, (e) electric motor, (f) land levelling.

The Society undertakes input supply mainly of fertilizers. This activity is mainly assisted by the two component formula of crop loan under which as per the policy guidelines, 60 per cent of credit is to be provided in kind and 40 per cent in cash. The Society has its own building and godown. Hence, it is possible for the Society to undertake input supply more intensively for its own development and for the benefits of its members.

Society undertakes distribution activities through a Fair Price Shop, which is run in the society's own building. Annual turnover of this activity is about Rs. 1,25,000/-.

Financial Position :

Society has share capital of Rs. 1,98,000/- and Reserve Fund Rs. 40,000/- and Building Fund of Rs. 40,000/-. The Society has earned business surplus of Rs. 33,000/- during the year ended on 30th June, 1988.

Since Fursungi village is having fertile land and irrigation facilities, main crops grown around the village are vegetables and sugarcane. As marketing needs of these farmers who are growing vegetables and sugarcane, the Society should render these services to each member to obtain better returns to their produce. However, the Society has not been undertaking these activities. Since the terminal market like Pune is available nearby, with little efforts, Society can undertake pooling and group marketing of vegetables. This will help the Society to augment its own business and income and provide better returns to members of their produce. This will also help the members in the village to improve their quality of life.

WASHI SAHAKARI BHAT GIRNI SANSTHA
WASHI, TAL.: PEN, DIST.: RAIGAD

The Washi Co-Operative Rice Mill, Washi, Taluka-Pen, Dist.: Raigad, was established in the year 1958. The Mill's registration no. is KB/25807 (dated 2.9.1958).

The village Washi is situated just five miles off the Bombay-Goa Highway. Agriculture is the main profession of the villagers. Paddy is the main food crop grown here. It is the first Co-Operative Rice Mill in Maharashtra. Recently, the Mill celebrated its Silver Jubilee.

The area of operation of this Mill is all the villages within the radius of 7 miles from Washi.

Objects :

The Washi Co-Operative Rice Mill was originally registered as Rice Processing Unit, but it changed its bye-laws in 1976, to enlarge the scope of its activities. The broad aim and objectives of WCRM are as follows :

- i) To purchase and/or to take on lease/rent rice mills, flour mills, spice grinding mills and poha mills for the purpose of processing.
- ii) To receive and process members' produce like Paddy, Chilly, Cereals, etc. and to undertake production of by-products thereof.
- iii) To undertake marketing of finished/processed products, by-products through Co-Operative Marketing channels.
- iv) To buy/hire vehicle for transportation of members' produce from their farms to the mills.
- v) To propagate among members modern methods of cultivation and other allied occupations like darying, poultry, etc.

Activities and Operations :

The WCRM has installed a half tonne per hour capacity sheller type rice mill. During the year 1987-88, this mill had been working for 266 days and it has processed Paddy about 1274 tonnes. Of the 1274 tonnes of rice, 178 tonnes was of members and the remaining of non-members.

Financial Position :

The WCRM has a share capital of Rs. 20,000/-; Reserve Fund of Rs. 1,34,000/- and other funds Rs. 1,40,000/-. The WCRM has kept Rs. 1,75,000/- in the fixed deposits in the bank. The Mill has also invested Rs.18,000/- in the small savings scheme. During the year 1987-88, the net surplus of the Mill was Rs. 32,000/-.

Management :

The management structure of the WCRM is a democratic one. On the top, there is a General Body of 207 members, which meets once in a year. The General Body elects Managing Committee every three years. The Managing Committee consists of 11 members, out of which 8 are elected by the individual farmers while remaining 3 represent the primary Co-Ops.

The Chairman of the Mill visits the office every day.

Social Economic Progress :

The WCRM has given financial help to number of educational institutions in this area.

Problems :

The private traders are also running some Paddy processing units in this area. The Government should not give permission to open new private mills in this area.

**NANGAON LIFT IRRIGATION CO-OPERATIVE
SOCIETY LIMITED, NANGAON.**

The Nangaon Lift Irrigation Co-Operative Society was registered on 30th June, 1950. The irrigation need caused the establishment of this Society with the efforts of the farmers in a village about 65 kms. away from Pune to harness water resources available in Bhima river flowing close to the village for irrigation purpose.

Area of Operation and Membership :

The area of operation of the Society is restricted to the command area of the irrigation project where the Society can supply water for agricultural purpose. It is about 1200 acres.

The total membership of the Society as on 30.6.1988 stood at 536, of which 320 are small farmers.

Main Objects :

- i) Supplying water from Bhima river by constructing bunds and canals.
- ii) Digging wells, repairing and deepening wells for irrigation purpose.
- iii) Lifting water from river, storing and supplying water to the farmer-members by constructing canals.
- iv) Land improvement for facilitating irrigation and encouraging consolidation of land holdings.

Capital :

The Society has raised resources by way of :

- a) Collecting share capital from members, State Government/ Zilla Parishad.
- b) Accepting deposits from members and non-members.

- c) Contribution and subsidies from Government and the developmental agencies.

The total working capital of the Society as on 30.6.1988 of Rs. 8,23,982. The Society accumulated its own funds by way of strengthening its reserves. As on 30th June, 1988, the total reserves of the Society stood at Rs. 5.38 lakhs.

Working of the Society :

The main task of the Society is to lift and supply water to the members, cultivating land in command area of 1200 acres. The water is lifted from the Bhima river. The Society has installed three electric motors of 100 HP each. It has installed transformer of 500 KW capacity which can operate four motors of 100 HP.

The Society has established discipline in supply of water, which is incorporated in the bye-laws of the Society.

The Society earns its major part of the income by way of collecting water charges from its members. Water charges are levied by the Society in relation to the crops grown by the members. Total income received by the Society during the year 1987-88 reached Rs. 5,68,645. Total expenditure of the Society was Rs.4,73,046 during the year 1987-88.

Management :

The Society manages its affairs through democratically elected Managing Committee of 11 members. The term of Managing Committee is of three years. The Managing Committee meets regularly at least once in a month. During 1986-87, 25 meetings were held. Generally, all the members attend the meetings.

The Society has 11 employees for managing the day to day work. The employees include an Assistant Manager, Wiremen, Helpers and peons.

Problems :

1. The main problem faced by the Society is soil erosion/due to continuous irrigation and water-lagging. It has badly affected the fertility of the lands.

The Society has approached the State Government to help them to solve this problem.

2. The second problem is non-recovery of irrigation charges. There are higher preparation of dues recoverable against water charges from the members on 30th June.
3. Tapping water by the members against the programme fixed by the Society is third problem faced by the Society. However, due discipline imposed by the Society this has considerably reduced.

The Society feels that if the Government comes to their help in solving their soil erosion problem, they would be able to function more effectively and increase production of the crops grown in the area.

**THE MAHARASHTRA STATE
COOPERATIVE BANK LIMITED, BOMBAY.**

The Maharashtra State Co-operative Bank was established in 1911. It has completed seven decades of its notable role as a leader of the cooperative movement of the State. A radical transformation of political, social and economic structure has taken place during the period. In tune with this change on the national scene, the face of the cooperative movement has also changed radically.

Out of the experiment to create primary credit societies as a help to the weak has grown a fairly strong and well-knit three tier cooperative credit structure to provide powerful support to the non-creditstructure embracing a wide field of economic activity ranging from production, marketing and processing of agricultural produce to the manufacture of inputs for agriculture and the service to the consumers, while serving the weak, backward, the depressed people.

In this national endeavour for fostering around development of the cooperative sector, the Maharashtra State has always played a prominent role and has largely provided the lead. In many instances, this has been the result of the vision, guidance and organising capacity that the MSC Bank could command. The leadership, it could mobilise in the rural areas for ground work, and the support from the Government and the Reserve Bank, each deriving the strength from the other links and injecting its own to them, has proved rewarding in moving forward in step with each other without being overtaken by sharp swings of political, social and economic tides.

PANORAMIC VIEW :

Maharashtra is considered to be a cooperatively well-developed State in the country. Beginning with credit both for agricultural and non-agricultural purposes, the co-operative endeavour has gradually fanned out to more and more activities and included in its fold different segments of the rural and urban population. There is hardly any village in the State which is not served by a co-operative and hardly any important economic activity which is not undertaken on co-operative basis.

The Co-operative Kaleidoscope of the State presents an astonishing galaxy of over 79,000 societies-banks and credit societies for agricultural and other pursuits, the farming and lift irrigation societies securing for the small cultivators the economics of joint operation on a large scale, the marketing societies ensuring for the farmers timely and adequate supplies of their requirements and a due price for their produce; processing cooperatives like rice mills and solvent extraction plants, cotton ginning and pressing societies and spinning mills and notably the sugar factories, which have emerged as the nuclei of decentralised agro-economic development and act as catalytic agents in the socio-economic transformation in rural areas; the highly sophisticated gigantic projects for the production of agricultural inputs like fertilisers and machinery and implements like oil engines and pump sets, tractors and tillers, with fruitful foreign collaboration where necessary; and lots of other co-operatives like artisans' and consumers' societies, dairy, poultry, piggery, fishery, labour contract, forest labour etc. which are primarily aimed at providing assistance and relief to the weaker and valunerable elements in the society.

GENESIS :

The Maharashtra State Co-operative Bank has played a significant role in initiating and ensuring such an enviable growth and development of co-operative effort in the state.

Established on October 11, 1911 by a special resolution of the then Government of Bombay, the Bank started business by taking over from Government the provisions of finance to agriculturists at cheaper rate of interest under the Government Scheme of teccavi loans. After a period of about two decades of smooth sailing, it had to face serious difficulties in the thirties when it was confirmed by a panicky demand for withdrawl of deposits. The Bank could, however, successfully, weather the storm more or less from its own resources and emerged even stronger than before. Then came World War II which brought stability to agricultural prices and enabled the Bank further to consolidate its position. The emphasis, encouragements and State assistance earned by co-operation in the post-independence years, and the bold approach and progessive policies followed by the Bank resulted in its continued progress and prosperity.

NON-OFFICIAL LEADERSHIP :

But more important than the quantitative progress is the basic approach inherent in the activities and aspirations of the bank over all these years.

The singular factor which differentiates cooperative developments in Maharashtra from those in other States is the fact that from the very beginning, the Bank was fortunate in having at the helm of affairs eminent personalities in different walks of life.

Successfully businessmen like Sarvashree V.D. Thackersey, C.V.Mehta, Lallubhai Samaldas and R.G. Saraiya; intellectuals of repute like Prof. D.G. Karve and Prof. D.R. Gadgil, social workers like Padmabhushan Vasantdada Patil and Padmashri Shamrao Kadam and revered devoted cooperative workers like Shri G.K. Deodhar and Shri V.P. Varde were associated with the Bank either as Chairman or Chief Executives. This resulted in non-official leadership inspiring a happy fusion of business acumen with social sympathy. This has left an indelible imprint on the character and accomplishments of the cooperative movement of the State, and has ensured large scale participation from the masses, which is the very soul of cooperative activity.

This concept of people's participation was nursed by the Bank in its early history when it operated branches in the districts by constitution of branch committees and giving them some of the powers of the Board. This provided the nucleus of trained leadership for the District Central Cooperative Banks which were formed subsequently and the Bank could withdraw from the districts by handing over the business to the newly formed banks.

INTEGRATED WORKING :

Cooperation amongst cooperatives has been another important feature of the working of the cooperatives in the State. This has been facilitated by leadership provided by the Bank. It started by establishing direct contact with the cultivators but later closed its branches by encouraging formation of District Central Cooperative Banks. Similarly in the initial stages it combined credit and marketing in its rural branches. However, in course of

time it encouraged formation of separate marketing societies and transferred this business to these newly formed societies.

In more recent years the Apex and the District Banks and the marketing and processing societies working at different levels jointly operated Monopoly Procurement Scheme for foodgrains and for cotton and provided an object lesson of socialisation of trade in agricultural commodities.

AGRO-INDUSTRIES :

It was through the efforts of the MSC Bank that the first cooperative sugar factory was established at Pravaranagar District Ahmednagar in the State in 1950. Successful operation of this factory gave impetus to the organisation of grower co-operatives for the processing of agricultural products. In fact in the Second Five Year Plan period a policy decision was taken to license any further capacity in agricultural processing industries only in the cooperative sector.

The Bank not only provides finance to the agricultural processing industries but also offers them guidance and assistance in promotional, technical and managerial matters. For this purpose it constituted a Co-operative Industries Commission as a separate Cell within the Bank consisting of expertise drawn from Universities and technical institutes, industrial houses and consultancy organisations.

The Bank did not stop at agricultural processing industries alone. It encouraged cooperative industries for production of agricultural inputs like fertilisers, agricultural implements like oil engines, pump sets, tractors and tillers etc., and also for undertaking secondary and tertiary industries like manufacture of paper, alcohol, paints and varnishes etc., by utilising by-products of agricultural processing industries.

CONSORTIUM FINANCING :

With the expanding dimensions of the cooperative activities it had to face new challenges in its role as the balancing centre of the co-operative movement in the State. At one time, faced with the problem of surplus resources, it had to explore the possibility of finding new avenues like national level cooperative organisations such as the IFFCO, NCDC, and corporate bodies like Agro

Industrial Development Corporations. This approach of the Bank culminated in appointment of a special working group on deployment of resources of the state and central cooperative banks by the RBI and acceptance of this approach as an all India policy.

When balance swung from surplus to scarcity, the Bank devised a system of consortium financing with the help of District Central Cooperative Banks and Urban Cooperative Banks in the State, for providing finance for the Monopoly Cotton Procurement Scheme. This also meant better return to the Central and Urban Cooperative Banks on the funds representing their share in the consortium.

WEAKER SECTIONS :

Co-operation is basically meant for the economically weak who come together to satisfy their common economic needs through associative action. Cooperative banks in the State have always recognised their responsibility towards the weaker sections. Under the guidance and inspiration of the apex bank they have been showing increasing initiative in undertaking schemes specifically meant to benefit small farmers, agricultural and other labourers, artisans, small traders and the like.

The Bank sponsored an experiment, with the help of District Central Cooperative Banks, in providing full finance in a systematic and supervised manner, for all requirements of the small farmers for production as well as consumption. It has also constituted a special credit stabilisation fund and organised provision of funds to the fishery societies on the same lines as those of crop loans, on easy terms. It has also rendered special assistance to labourer's and hawkers' cooperatives in Greater Bombay District.

With a view to helping the artisans, the Government, in collaboration with the Khadi and Village Industries Board has undertaken an ambitious programme of organising about 300 block level societies. The cooperative banks in the State have assumed the responsibility of providing them adequate block and working capital, with financial support from the Khadi Board and the Reserve Bank of India.

BANKING SERVICES :

The Bank has also been a pioneer in introducing several banking facilities and services for its customers. It has been providing remittance and clearing house facilities by becoming a member of the Bombay Bankers' Clearing House in 1930 and by devising the Mutual Arrangement Scheme in 1931. It was the first apex cooperative bank to be admitted to a clearing house and today it is regarded as one of the important members of the Bombay Bankers' Clearing House.

The Mutual Arrangement Scheme for cooperative Banks in the State enthused the National Federation of State Cooperative Banks to introduce a similar scheme for cooperative banks in the country from the sixties.

WIDESPREAD NETWORK :

The Bank has always emphasised working by establishing direct contracts with the villagers. In the initial period it started by establishing its own branches in far-off places in the state. However, with the acceptance of the three-tiered cooperative credit structure, in the post-rural credit survey period in the late fifties, the Bank seized the initiative in organising the District Central Cooperative Banks even by closing its branches and transferring their business to the newly created central financing agencies and also encouraged a healthy development of the urban cooperative banks.

The widespread net-work of banking organisations in the State and dimensions of their operations would become clear from the following information :

PARTICULARS	State Co-op Bank.	Dist Central Co-op Banks.	Primary (Urban) Co-op. Banks.	Primary Agril. Credit Societies.
1	2 (30.6.86)	3 (30.6.86)	4 (30.6.86)	5 (30.6.86)
1. Number	1	30	367	18374
2. No.of branches (Incl. H.O.)	43	2469	1411	--
3. Membership (In thousands)	6	70	2500	6450
4. Owned Funds (Rs. in Crores)	152.36	165.19	210.00	220.00
5. Deposits (Rs. in Crores)	1076.22	1444.58	1560.00	14.50
6. Advance Outstanding (Rs. in Crores)	859.48	1095.37	1200.00	670.00
7. Working Capital (Rs. in Crores)	1329.10	1932.14	2100.00	900.00

NEW SCHEME :

This Bank is always on the look-out for new avenues and new strategies, in tune with the challenges and opportunities of the situation. With a view to realise the full potential of the agricultural productivity and help to achieve the objective of helping the poor and the weak, the Bank has now been emphasizing provision of credit at special rates for the following activities.

1. Minor Irrigation projects and modern irrigation systems like sprinkler and drip irrigation;
2. Fish Farming;
3. Social Forestry;

4. Horticultural Scheme;
5. Purchase of milch-cattle by small farmers and landless labourers;
6. Interest-free loans to small farmers holding dry land for purchase of shares of Co-op. Spinning Mills and loans with concessional interest for purchase of shares of co-op. sugar factories;
7. Revolving Cash Credit System in place of the crop loan system.
8. Sericultural Schemes.

A PIONEER :

This brief resume will indicate that the initiative and enthusiasm of the non-official leadership and the well-knit integrated working of the cooperative institutions in the State has enabled the MSC Bank to remain in the forefront in the development of cooperative ideology and activity.

The Bank has not only achieved phenomenal progress in its traditional activities but also been responsible for initiating significant developments in co-operative thought and policy resulting in consolidation and diversification of cooperative effort.

Now developments in cooperation are initiated in the State and after their successful operation here, they spread to other parts of the country. The Crop Loan System of financing agriculture, State participation in the share capital of cooperatives, sugar cooperatives as forerunners of the producers, cooperatives, monopoly procurement scheme for foodgrains and Cotton, Cooperative Industries Commission, annual conferences of CFAs, as the annual credit planning exercise, the Mutual Arrangement Scheme for cooperative banks there are some of the more important instances of the pioneering spirit.

A DEVELOPMENT BANK :

These achievements are by no means accidental; they are the result of well-conceived policies pursued consistently over decades

in a spirit of innovation and experimentation. The boldness to accept new challenges and take up the accompanying risks has been characteristic feature of the working of the Bank over its entire career of the past seven decades.

It has been working as a true Development Bank. It is, therefore, no wonder that the Bank has earned for itself a pivotal role in the cooperative movement and is today regarded as the largest and the strongest State Co-operative Bank in the Country.

ADVANCES AT CONCESSIONAL RATE OF INTEREST :

In the Platinum Jubilee year the Bank with the help of the District Central Co-op. Banks has advanced short term loans to the tune of Rs. 470 Crores, medium term loans of Rs.190 Crores and long term loans of Rs. 50 Crores as concessional rate of interest. Out of which an amount of Rs. 50 Crores is for the Adwasis and Schedule caste/tribes and Rs. 100 Crores for farmers in drought prone areas.

DONATION TO CHIEF MINISTER'S FAMINE RELIEF FUND :

In view of the critical drought condition in the State of Maharashtra continuously for the past three years, the Bank considered it, its bounden duty to rise to the occasion and donated a sum of Rs. 2 Crores towards the Chief Minister's Famine Relief Fund.

4% INTEREST REBATE TO FARMERS :

The Maharashtra State Co-operative Bank has announced a momentous scheme of relief to all farmers in the state by granting rebate of 4% on short term crop loans. The interest rebate would be granted to all short term borrowers in the state numbering around 30 lakhs khatedars inclusive of defaulters for a loan quantum upto Rs. 10,000/-. This rebate relates to the full repayment on outstanding loans together with interest, and is granted for a maximum period of one year. This rebate is a sort of gift from the bank to the farmers in Platinum Jubilee Year. The total financial burden on the Bank is estimated to the tune of Rs. 14 to 15 Crores.

BUSINESS EXPANSION :

The dimensions of the financial progress of the Bank over seven decades of its existence can be gauged from the following figures:

(Rs. in Lakhs)

Year ended	Capital & Reserve	Total Deposits	Loans Outstanding.	Total Resources..
1912	2.00	3.00	5.00	6.00
1922	9.00	46.00	51.00	67.00
1932	20.00	129.00	99.00	173.00
1942	33.00	235.00	96.00	289.00
1952	98.46	745.81	649.24	1217.61
1962	493.27	2548.41	4540.37	6161.63
1967	1185.87	5095.66	7651.31	10665.96
1970	1631.77	8115.48	12939.89	17091.16
1971	1885.06	9332.36	14189.93	19575.35
1972	2068.20	10422.65	14849.88	20468.42
1975	3305.42	16251.51	23368.82	32276.64
1976	3730.41	22491.86	22446.46	36311.44
1977	4545.52	23023.05	17789.40	33523.55
1978	5312.50	25996.03	27116.16	39421.00
1979	5587.50	32227.75	28751.50	44518.05
1980	6535.98	35824.74	24564.67	17086.38
1981	7331.00	12993.81	31075.62	55582.27
1982			50083.65	70097.26
1983	10995.97	62374.45	61212.50	85375.39
1984	12413.72	82337.18	46360.84	101848.60
1985	13568.03	95974.71	61125.14	119190.39
1986	15236.10	107622.27	85948.17	132910.22
1987	15717.56	117554.94	76926.44	146264.16

**THE MAHARASHTRA STATE COOPERATIVE
MARKETING FEDERATION LTD.**
Kanmoor House, Narsi Nathe Street, Bombay - 400 009.
(Reg. No. 24020 Date : 25.11.1958)

The Maharashtra State Co-operative Marketing Federation Ltd. was registered in 1958 as a State-sponsored and State-partnered Apex Society for Agricultural Marketing and Processing Co-operative in the State. It started functioning in 1959 with a Board of Directors nominated by the State Government for an initial period of five years. Elected Board of Directors was first constituted in 1960.

Objectives :

The main objectives of the Marketing Federation are, to create an institutional agency for marketing of agricultural produce, supply of agricultural inputs to farmers, Guiding the working of member-societies and assisting them in enlarging their activities, promoting inter-state and international trade in agricultural commodities and farm inputs, providing market intelligence to member-societies and co-ordinating the working of affiliated marketing Societies. Construction of godowns and cold storage plants, installation of processing units also form part of the objectives of the Marketing Federation.

Membership :

Membership of the Federation consists of Maharashtra State Government, Agricultural Marketing Societies and Processing Societies other than Co-operative Sugar Factories and Spinning Mills, Individuals, Companies and other Corporate bodies having business dealings with the Federation are admitted as Nominal Members. Co-operative Societies registered in Maharashtra and other States can be enrolled as Associate Members provided they hold at least one share. The latter two classes of members have no right to vote nor are they entitled for a share in the profits.

Board of Directors :

The Board of Directors consists of one representative each from all districts in the State elected by the Agricultural

Marketing and Processing Societies, Managing Director of the Federation as Ex-Officio member, the Commissioner for Co-operation and Registrar of Co-operative Societies and three representatives of the recognised employees' union. Besides, directors of certain institutions are also included in the Board provided such representation is on a reciprocal basis. Such institutions include, Maharashtra State Co-operative Spinning Mills' Federation, Maharashtra State Consumers' Federation, Maharashtra State Co-operative Bank, Maharashtra State Land Development Bank, Maharashtra Rajya Sahakari Sakhar Karkhana Sangh. The members of the Board are elected for a period of five years while the Chairman and the Vice-Chairman are elected from amongst the Board of Directors every year.

Committees :

For the purpose of supervising and guiding the work of the Federation in different fields Sub-Committees consisting of a few of the members of the Board have been constituted. These Committees are Executive, Staff, Fertiliser and Machinery Committee and Fodgrains Committee. These Committees meet as and when required. Board of Directors generally meet once in a month.

District Advisory Committee :

Federation has a branch office in each district which is headed by a District Marketing Officer. In each district. Advisory Committees have been constituted to guide and supervise the various activities of the Federation in the districts. This Committee is headed by the local Director of the Federation and consists of the District Deputy Registrar of Co-operative Societies and a representative each of the District society and District Central Co-operative Bank as members. The District Marketing Officer of the Federation works as its Secretary. The Committee normally meets once in a month.

Share Capital and Funds :

Details regarding share capital reserve and other funds of the Federation, annual turnover and other relevant information are given in the Statement below :

(Figures in Rs. Lakhs)

<u>Year</u>	<u>Capital</u>	<u>Turnvoer</u>	<u>Net Profit</u>
1986-87	1239	15300	47
1985-86	1135	17600	40
1984-85	1135	15500	27
1983-84	1150	11900	15
1982-83	1057	13300	22
1981-82	866	15900	69
1980-81	771	14300	11
1979-80	772	8500	68
1978-79	772	8100	26
1977-78	756	6900	30
1976-77	974	8200	118
1975-76	713	8500	181
1974-75	650	5900	114
1973-74	629	6200	79
1972-73	611	3000	3
1971-72	155	3900	75
1970-71	155	5100	24

Working of the Federation :

The activities of the Federation included, trading in foodgrain, distribution of levy cement and sugar, processing of pulses and paddy, manufacture and sale of cattle feed, sale of oil engines, electric pumps and accessories, fertilisers and pesticides and manufacture and sale of granulated fertilisers. The Federation is also having Cotton Seed Oil Complex at Jalna/Khamgaon. The Federation also implements State/Centrally sponsored programmes of supplying ready to eat nutritious food (Sukhada Paushtic Ahar). The Federation is also working a Chief Agent of the State Govt. in the implementation of purchase of paddy and jower under Price Support Scheme, and Purchase and sale of onion and other farm produce under the Price Support Scheme. These activities are carried on through separate departments such as Foodgrains, Fertiliser, Machinery. Turnover of different Departments is indicated in the Statement attache.

Foodgrain Department :

The Federation has been purchasing foodgrains and pulses from producing areas in the State. These purchases are made during harvest season when farmers sell major part of their marketable surplus. Federation's purchases at the harvest time contribute to stability in price thus benefiting the farmers. Taluka Sale Purchase Unions work as sub-agents of the Federation in the purchase of these commodities.

Purchase of paddy, rice and jowar under Price Support Scheme are made through Taluka Sale purchase Unions and Co-operative Rice Mills.

Retail Distribution Scheme :

For the supply of essential commodities to consumers, the Marketing Federation has been operating stalls in Greater Bombay area. The unique feature of this scheme is that the stalls are being operated by educated unemployed persons. In these stalls, foodgrains such as rice, wheat, pulses, jaggery, onion and other products like soaps, tea etc. are sold. In the initial stages, milk booths of the Dairy Department were utilised for the sale of commodities. At present, wherever the Municipal Corporation has allotted the space particularly in Housing Colonies, the Federation has constructed wooden stalls. The Stalls have not only helped in giving employment to educated unemployed persons but they have also served the public in getting essential commodities at reasonable rates.

Fertiliser Department :

Till 1976, State Govt. was purchasing fertilisers from the Central Pool of the Govt. of India and also from indigenous manufacturers. The fertilisers were stored in the State and Central Warehousing Corporation godowns for further distribution to the co-operatives, Zilla Parishads and others. In 1976, this work was taken over by the Marketing Federation. Apart from purchasing stocks from the Central Pool, the Federation has entered into agreements with indigenous manufacturers for supply of fertilisers. The fertilisers are distributed through Taluka Sales Purchase Unions and other co-operatives. Nearly 500 societies work as sub-agents of the Federation. The fertilisers are stored at

the godowns of State and Central Warehousing Corporations and also those of Co-operatives. Average annual turnover in fertiliser business is around Rs. 100 crores. This accounts for nearly 45 per cent of the fertilisers sold in the State.

Distribution of Pesticides :

The Federation also distributes through sub-agent societies different types of pesticides required by the farmers. Average annual value of pesticides sold is about Rs. 5 to 6 crores.

Soil Testing Laboratory:

The Federation has established a soil testing laboratory at Chikhalthana Aurangabad. Many farmers take advantage of this laboratory where, after testing the soil, proper dosages of fertiliser are advised.

Machinery Department :

The Federation has been distributing electric pumpsets, oil engines and other requirements like capacitors, starters etc. to farmers. During 1976, the Govt. of Maharashtra introduced a scheme wherein the loans of the Land Development Bank sanctioned for purchase of oil engines and electric pump sets were related to supply of these machines through co-operatives. Accordingly, it was made compulsory for the loanes of the Land Development Bank for purchasing electric pump sets and oil engines through the Federation. The Federation has entered into agreements with a number of manufacturers for the supply of these machineries and spare parts. The machineries are distributed through Taluka Purchase and Sale Unions. With a view to supervising and effectively implementing the scheme, the Govt. have constituted State Level Co-ordination Committee at the State Level and District Advisory Committee at the District level.

Petroleum Department :

The Federation is working as an agent of the Indian Oil Corporation for distribution of superior kerosene oil and

other petroleum products such as lubricants, engine oils etc. At present, the Federation distributes mainly kerosene oil in Bombay city and at Manmad in Nasik district.

Processing :

Processing of Pulses :

A modern mill for processing pulses has been installed at a cost of Rs. 5 lacs in Thane. It was commissioned in 1978. The production capacity of the Mill is 2.00 M.Ts per hour. All varieties of pulses are being processed in this mill.

Cattle Feed Factory :

Federation operates Cattle Feed Factory at Borvahir in Dhule District since 1971. It has a production capacity of 50 M.Ts per shift. The cattle feed is sold under the brand name 'VAIBHAV'.

Granulated Fertiliser :

The Federation has set up a Granular Fertiliser Factory at Chikhalthana in Aurangabad, District in 1971. The factory is running in three shifts and has a capacity of production of 35,000 M. Tonnes of granulated NPK fertilisers per annum. The granulated NPK fertiliser is sold under the brand name "BHAGIRATH". Every year about 33,000 to to 35,000 M.Tonnes of granulated NPK fertilisers are manufactured and sold.

Storage :

The Government of India had decided to construct godown for the storage of agriculture products of small and marginal farmers through-out India during peak season. In this regard, the Maharashtra State Cooperative Marketing Federation Ltd., had proposed to construct 43 godowns having a total storage capacity of 47000 M.Tonnes under National Grid of Rural Godowns Scheme. The Federation has also proposed to construct 16 godowns under N.C.D.C's normal scheme. Under various schemes, between 1976 to 1980, 15 godowns having a total storage capacity of 30000 tonnes have been constructed in various parts of the State.

The total cost of these godowns works out to Rs. 2.00 crores. From 1980 to 1988 the Marketing Federation has completed construction of 106 godowns having a total storage capacity of 1,85,100 tonnes in various parts of the State, under different schemes mentioned above. The total capital cost in case of these godowns is Rs. 10.25 crores. The capacity utilisation of the godowns constructed by the Federation is found to be quite good and there is need for further construction of godowns at taluka headquarters. The Marketing Federation has now decided to construct 88 godowns having a total storage capacity of 142000 tonnes, at a total cost of Rs. 7.10 crores. It is proposed to construct these godowns under N.C.D.C. III, World Bank Co-operative Storage Project and National Grid of Rural Godowns Scheme. The entire godowns construction under the new scheme will have to be completed by June 1990. Necessary action is being taken towards construction of the above godowns.

SHUKHADA PAUSHTIC AHAR DEPARTMENT

The Marketing Federation has been implementing State/Centrally sponsored programmes of supplying ready-to-eat nutritious food to the beneficiaries selected under the following three different schemes :-

- i) Integrated Child Development Services Scheme.
- ii) School Feeding Programme.
- iii) Centrally sponsored Wheat - based Nutrition Programme for Maharashtra.

Since beginning the work of manufacture and supplying ready-to-eat nutritious food under the first two schemes was entrusted to the private contractors. The work of many contractors who were given contracts for this work was found to be not satisfactory. Hence State Government, after considering various alternatives, finally entrusted this work to the Marketing Federation. Accordingly, Marketing Federation has been implementing the schemes since November 1984 and February 1985 respectively.

Under the first scheme, CARE which is an American Voluntary Organisation supplies, free of charge, wheat/Milk Powder and

Salad/Vegetable Oil for preparing supplementary nutritious food. The third ingredient sugar is purchased by the Federation. The beneficiaries include malnourished children, severely malnourished children and lactating mothers and pregnant woman. At present, the scheme is operated in six districts, which are divided into 44 blocks, 6526 Anganwadies covering 5,94,361 beneficiaries. The requirement of "Sukhada" is 1150 M.Ts per month.

In the second scheme, the main objective is to improve nutritional and health status of school going children and to ensure better attendance in schools. This programme is being implemented all over the State covering all primary school children in Ist to IVth standard in Single teacher schools and only in Ist standard in Multi-teacher schools. At present, 11,19,930 beneficiaries are covered under the scheme. The requirement of Paushtik Ahar is 2000 M.Ts per month.

For Anganwadies in six districts under ICDS scheme "Shukhada" is supplied and for rest of the Anganwadies wheat based Purak Ahar supplied under the third Scheme. Under this scheme, Government of India has allotted wheat, free of cost, to the State Government for Special Nutrition Programme for additional coverage. The scheme has commenced from October, 1986 in the State. The work of manufacture and distribution of Wheat based "Purak Ahar" has been entrusted to the Marketing Federation. Accordingly, Marketing Federation has been implementing the scheme in 13 districts which are divided into 36 blocks, 5672 Anganwadies covering 4,18,223 beneficiaries. In addition to this, where percentage of backward classes population exceeds 30 percent, of the total population, in such blocks through 1470 distribution centres Purak Ahar is distributed to 1,47,000 beneficiaries. The combined requirement of Purak Ahar is 1400 M.Ts per month.

DISTRIBUTION OF PAUSHTIC AHAR IN ACUTE SCARCITY AREAS IN THE STATE :

The Government has entrusted the work of manufacture and distribution of Paushtic Ahar to people in acute scarcity areas in the State for the last two years. This is a purely temporary work. Depending upon gravity of the scarcity situation no. of beneficiaries increase or decrease every

year. In 1987, in 23 districts covering 151 blocks approximately 28 lakhs beneficiaries were regularly supplied with Paushtik Ahar. This scheme is generally continued upto 30th june. Under this scheme the requirement of Paushtik Ahar is about 3000 M.Ts per month.

COTTON SEED OIL COMPLEX :

The Federation had planned to set up 3 cottonseed oil Complexes each having a crushing capacity of 100 M.Ts per day, at Jalna, Khamgaon and Jalgaon, of the above 3 complexes the Federation has taken up the work at Jalna in 1981 and at Khamgaon in 1983. Oil Complex at Jalna was commissioned for commercial production in December, 1983, and the oil complex at Khamgaon was commissioned for trial production in April, 1985.

National Cooperation Development Corporation has sanctioned block cost of the above 2 complexes as under

- | | | |
|----|-------------------------------|-----------------|
| 1. | Oil Mill Complex at Jalna | Rs. 349.22 Lacs |
| 2. | Oil Mill Complex, at Khamgaon | Rs. 358.00 Lacs |

of the above National Cooperative Development Corporation has sanctioned 65% as loan component which has been fully released to the Marketing Federation through the State Government. The State Government has granted 26% of the above cost as share capital which has been received in full by the Federation. The balance 9% has been contributed by the Federation from its own resources.

The Federation did not take up the work of the Oil Milk Complex at Jalgaon, as the State Government has established a separate oil seed Growers Federation (Maha Fed) with its area of operation as Jalgaon and this activity is transferred to them.

As the prices of decorticated cotton seed oil cake has reduced considerably in the International market, the Federation has switched over to a production of undecorticated cotton seed oil cake. It has also started processing other minor oil seeds like Sunflower seed, Neem

seed etc. at both the plants in order to achieve a better utilisation of the installed capacity. The Federation has set up an additional oil mill at Jalna with conventional machinery having a capacity of 50 50 M.T. per day cotton seed.

TURNOVER OF DEPARTMENTS

(Figures in Crores).

Department	1984-85	1985-86	1986-87
1. Fertiliser	87.60	95.17	78.84
2. Pesticides	3.04	5.94	3.88
3. Machinery and Spare Parts	4.93	4.40	5.07
4. Jowar/Paddy	26.15	12.61	1.16
5. Foodgrains - R.C.S., Deccan Road, Byculla, Sugar, Cement, Onion-export.	8.05	26.96	13.15
6. Wadala Depot. (including Manmad).	7.05	7.88	8.40
7. Gunny	2.57	1.02	0.51
8. Sukhada/Paushtik, Purak Nutritious Food.	1.18	6.14	16.11
9. Bhagirath, Aurangabad	7.66	9.90	11.13
10. Vaibhav Cattle Feed	2.84	2.88	3.84
11. Rice Mill Annapuran	0.18	0.10	0.03
12. Sahyog, Jalna	3.26	2.64	3.40
13. Sahyog, Khamgaon	-	0.25	2.30
14. Citrus (Sparying) scheme	-	-	4.96
TOTAL.....	154.81	175.89	152.78

REVIEW

Description	1984-85	1985-86	1986-87
Members	867	880	879
Paid up Share Capital (Rs. in lacs)	1135	1135	1239
Reserve Funds (Rs. in lacs)	1263	1337	1463
Bank loan (Rs. in lacs)	908	296	1132
Working Capital (Rs. in lacs)	2398	2472	2702
Business Turnover (Rs. in lacs)	15482	17589	15279
Gross Profit (Rs. in lacs)	272	410	470
Management Expenses (Rs. in lacs)	661	481	539
Net Profit (Rs. in lacs)	27	40	47
No. of Employees	1056	1010	942

**THIRD ICA/JAPAN TRAINING COURSE FOR STRENGTHENING
MANAGEMENT OF AGRICULTURAL CO-OPERATIVES IN ASIA.
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KHED TALUKA CO-OPERATIVE PURCHASE AND SALE SOCIETY LTD., RAJGURUNAGAR - A CASE STUDY

Dr. A.P. Kansal *

In Khed taluka of Pune district, onions are grown in large quantity besides other vegetables like potatoes, chillies and garlic and other green vegetables in addition to groundnut. During the agricultural year 1986-87, arrival of onions in the agricultural produce market yard Khed and its sub-market yards was approximately 3.40 lakh quintals. In Maharashtra, Chakan regulated market yard of Khed is known to be second largest market for arrival of onions.

In forties, the farmers of the area raising vegetables and other agricultural commodities were marketing their crops through private traders. In the process, they were being exploited by the traders in very many ways. The traders were making purchases of agricultural commodities keeping in view the demand. Thus, whenever there was no demand, the farmers were compelled to sell agricultural commodities at throw-away price. The weighing of the crop was incorrectly done, the price paid was much less than prevailing price and the payment of the sale proceeds was made in instalments over a period of time. This resulted in uneconomic marketing of agricultural produce by the farmers of the area.

To facilitate sale of agricultural commodities at reasonable price by providing marketing and other services to the farmers of the area and arranging sale of various agricultural inputs, the Khed Taluka Co-Operative Purchase and Sale Society Ltd., was registered on 11th September, 1947. The Society started working immediately after registration with 377 farmer members and paid-up share capital of Rs. 3,770/-. Area of operation of the Society extends to Khed taluka of Pune district, comprising of 158 villages.

Membership and Paid-up Share Capital:

The membership of the Society is open to individual farmers and village co-operative societies. The State Government has also become the member of the Society. Authorised share capital of the Society is Rs. 3 lakhs, comprising of 30,000 shares of Rs. 10/- each. As on 30th June, 1988, the membership and paid-up share capital of the Society was as under :

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Category of Members	No. of Members	Paid-up Share Capital in Rs.
(a) Individual Farmers	1023	20,870
(b) Co-Operative Societies	106	17,870
(c) State Government	1	48,500
T o t a l :	<u>1130</u>	<u>87,240</u>

The membership and paid-up share capital of the Society has not increased for the past 3 years. This situation is mainly due to the reason that the Society is providing limited marketing services to the farmers of the area.

Marketing of Agricultural Produce :

To fulfil the main objective, the Society has been engaged in marketing of agricultural produce of the farmers since inception. Agricultural commodities grown in the area are Jawar, Bajari, Wheat, Groundnut, Paddy, Onions, Potatoes, Chillies, Garlic, etc. The Society is operating branches at Khed, Chakan, Wada, Holewadi. In addition, it operates seasonal branches at Pimpalgaon and Kanersar.

The Society has been handling agricultural produce of farmers mainly on commission basis. Handling charges payable by the farmers while marketing of agricultural produce are prescribed by the regulated market committee. The Society's charges for marketing services are the same. Value of agricultural produce purchased by the Marketing Society on commission basis during the past three years is shown in the following table :

Year	(Value in Rs.)	
	Groundnut	Onion/Potatoes
1985-86	15,640	63,030
1986-87	-	9,644
1987-88	-	12,88,835

Commission business of the Society has been dwindling due to drought conditions in the area, availability of limited working capital for undertaking marketing activities and lack of support for higher level cooperative marketing organisations.

To help the farmers to sell their agricultural commodities at reasonable price, the Society enters into the market for making outright purchases in competition with traders particularly when the prices are very low. During the year 1987-88, the Society made purchases of groundnut to the extent of Rs. 2,517/- and suffered loss. The Society generally limits its purchases on outright account due to inherent risk in such business and availability of limited working capital.

Supply of Agricultural Inputs :

In order to arrange distribution of agricultural inputs as per needs of the farmers of the area, the Society has undertaken this activity since inception. The policy of the Society is to make available agricultural requisites for different crops at a reasonable price well ahead of the sowing season to meet the requirements of the farming community. During the past three years purchase and sale of agricultural inputs by the Society were as under :

(Value in lakhs of Rs.)

Year	Fertiliser		Seeds		Insecticides/ Pesticides		Oil Engines	
	Pur- chase	Sale	Pur- chase	Sale	Pur- chase	Sale	Pur- chase	Sale
1985-86	3.43	3.85	0.07	0.60	0.07	0.08	0.50	0.57
1986-87	4.42	4.76	0.03	0.03	0.06	0.06	0.94	1.03
1987-88	2.80	2.80	--	--	--	--	1.77	2.03

The above figures reveal that value of agricultural inputs distributed by the Society has been decreasing from year to year except in case of fertilisers and oil engines and motors. This was due to the following reasons :

- Increased competition from the private trade
- Drought conditions in the area
- Inadequate working capital

The increase in regard to value of oil engines and motors distributed was also due to drought conditions in the area. To increase the availability of water, increased number of farmers were sanctioned loans for installation of tubewells and this resulted in increased business in the purchase and sale of oil engines and motors.

Distribution of Consumer Goods :

To increase real income of farmers, the Society has undertaken distribution of consumers goods in the area. The approach and strategy in this field has been to supply standardised consumer articles like cloth, grocery items cement, foodgrains etc.

During the past three years, value of consumer goods distributed by the Society was as under :

(Value in lakhs of Rs.)

Name of the Commodity	Y e a r					
	1985-86		1986-87		1987-88	
	Pur- chase	Sale	Pur- chase	Sale	Pur- chase	Sale
1. Sugar	4.08	5.14	--	--	--	--
2. Rawa & Maida	0.13	0.13	--	--	--	--
3. Cloth	2.48	3.03	0.10	0.53	0.26	0.13
4. Rationed Articles	7.01	7.06	9.05	9.18	12.28	12.02
5. Cement	0.17	0.03	--	--	--	--
Total	13.87	15.39	9.15	9.71	12.54	12.15

Figures in above table disclose that supply activities of the Society for meeting consumer needs of the farmers has been fluctuating. In the year 1985-86 items of consumer goods supplied in the area were more and the volume of business was also more. In the year 1986-87 not only the items of supply decreased but there was also decrease in the quantum of business. In the year 1987-88, items of supply continued to be two but the volume of business increased in comparison to the previous year though it could not reach the level of 1985-86.

The main reason for fluctuation in the volume of business is the decision of the Government authorities. The Society was operating as a wholesaler for the taluka for supply of sugar in the area but this was withdrawn from the Society from the year 1986-87 and allotted to private trade. Increased competition from the private trade and inadequate working capital were other reasons for decline in the business.

To help the farmers of the area in drought conditions, the Society organised distribution of fodder in the year 1986-87 and 1987-88. In the two years the Society purchased fodder worth Rs. 3.32 and Rs. 4.50 lakhs respectively. The corresponding sales during these years were of the value of Rs. 4.26 and Rs. 5.90 lakhs respectively. Thus, the Society was of help of farmers in changed conditions also.

Godowns :

For undertaking marketing and supply activity effectively, the Society has constructed godowns. First godown was constructed in the year 1961. In the next year two godowns were added and the last godown was constructed in the year 1974.

The Society has not borrowed funds for construction of godowns and has invested its own capital in othe construction of godowns. Presently, the Society is owning 4 godowns of a total capacity of 17,500 bags which is adequate to meet its business in marketing and supply activities.

Transport Vehicles :

To undertake marketing and other trading activities economically and effectively, the Society purchased one truck in the year 1957-58. Another truck was purchased in the year 1962-63. Third truck was added in the year 1971-72. For facilitatiing supervision of branches, a jeep was purchased by the Society in the year 1964-65. These vehicles were disposed off by the Society sometimes in the middle of 1970s as the business of the Society declined and the transport vehicles were proving uneconomical.

Processing Units :

The Society purchased a plot of land measuring one acre and established two processing units as under :

a) **Rice Mill :**

The Society installed a Rice Mill in the year 1968-69 at a investment of Rs. 40,000/-. The unit operated for a few years but was closed in the yer 1976-77 due to availability of raw material in lesser quantity in the area because of changed cropping pattern. Presently, the mill is closed and has become a dead investment.

b) **Fertiliser Mixing Unit :**

The meet the demand of the fertilisers in form of mixtures, othe Society established the fertilisers mixing unit in the year 1955-56. The fertiliser mixtures for various crops of the area were prepared by using manual labour and were sold with "Shri Shankar" Brand. Later on, with the availability of the granular fertiliser mixtures when the demand for manually prepared fertilisers mixtures decreased, the Society took a decision to close the unit.

Management :

The management of the Society is vested in the Board of Directors comprising of 15 members. The term of Board is 15 years. In the first meeting after election of the board the members of the board elect President and Vice President for one year. Thus, election of President and Vice President is held every year. The Board, keeping in view the provisions of the Cooperative Societies Act, Rules and Bye-laws lays down the policy for the various activities of the Society. The members of the Board of Direcotors are honourary but the elected members are paid travel cost. The presentation of the various types of members of the Board of Directors is as under :

a)	Cooperative Societies	-	8
b)	Individual Farmers	-	3
c)	Backward Classes	-	1
d)	Weaker Section	-	1
e)	Processing/Ginning Societies	-	1
f)	Non-agricutural Societies	-	1

Professional Staff :

The Society's Chief Executive is Manager who is assist:ed by Accountant, Cashier, 4 Sr. Clerks, 3 Jr. Clerks, 3 Salesmen, Fitter, Peon and

watchman. Annual expenses on the establishment during the year 1987-88 amounted to Rs. 74,320/-. The Society has yet to frame service rules for its staff members. However, State Government service rules are followed and the facility of contributory provident fund and house rent are extended to the staff members. Whenever the Society earns profit the staff members are paid bonus. Upto the year 1985-86, the Society has been paying bonus equivalent to two months salary to the staff members.

Cash Credit Limits :

Pune District Central Cooperative Bank operates a branch at Rajgurunagar and the Society is sanctioned cash credit limits for undertaking various trading activities every year. During the years 1985-86, 1986-87 and 1987-88, the Society availed cash credit limit to the extent of Rs. 10.81, 9.55 and 10.12 lakhs respectively. The Society has been sanctioned cash credit limits for the various purposes as under for the year 1988-89.

	<u>Rs.in lakhs</u>
a) Cash Credit for cement	0.50
b) Cash Credit for Sugar	2.00
c) Cash Credit for Onion business	3.00
d) Cash Credit for Cloth business	0.60
e) Cash Credit for Fertiliser business	1.00
f) Cash Credit for Pledge loan	3.00

Profitability :

The trading activities of the Society have generally resulted in profit except the last two years. During the past three years, the position of the gross profit and net profit was as under :

(In lakhs of Rs.)

Year	Gross Profit	Net Profit (+)/Loss (-)
1985-86	1,39,115	(+) 43,157
1986-87	1,83,009	(-) 16,180
1987-88	1,27,767	(-) 1,05,800 app.

Thus, trading activities of the Society have resulted in gross profit in all the three years but the Society has earned net profit during the year 1985-86 and suffered net loss during the other two years. This was mainly due to the reason that Society's trading activities decreased due to drought condition in the area and expenses increased due to rising cost of living index.

The Society has been paying dividend to the members of the Society upto 1985-86 regularly but after that year it has not been able to pay dividend as it suffered losses. During the year 1985-86 the Society had paid dividend at the rate of 11%.

Funds :

Whenever the Society earns net profit, it creates and other statutory funds. As on 30.6.1988, the position of various funds in the Society was as under :

(Rs. in lakhs)		
Sr. No.	Name of the Fund	Amount
1.	Reserve Fund	6.96
2.	Share Redemption Fund	1.33
3.	Building Fund	0.46
4.	Development Fund	1.21
5.	Emergency Fund	1.71
6.	Bad Debt Reserve	1.46
7.	Donation Fund	1.04
8.	Publicity Fund	0.76
9.	Price Fluctuation Fund	1.62
10.	Cooperative Education Fund	0.56
11.	Employees Welfare Fund	0.02

The balance in the above funds are indicative of the financial strength of the Society.

The Society has been regularly audited and placed in 'A' audit classification upto 1985-86 but due to decrease in the trading activities and loss in the year 1986-87, it has been placed in audit classification 'B' during the year.

Future Plans :

a) Cold Storage and Petrol Pump :

The society has purchased two acres of land in the year 1981-82 at Rajgurunagar for establishment of petrol pump and cold storage for potatoes. The plot of land has costed the Society Rs. 1.30 lakhs. The Society has submitted proposal to the State Government for sanction of financial assistance for the establishment of cold storage. The Society has also applied to the Indian Oil Corporation for grant of licence for running a petrol pump. A team of Corporation visited in January 1988 for having discussions with the Society.

b) Adat Shop in regulated Market Yard Gultekdi, Pune :

The Society has purchased a plot of three acres in the regulated market yard, Gultekdi, Pune, in the year 1974-75 for opening a commission shop to facilitate disposal of agricultural produce of the farmers at a reasonable price as the ruling prices of agricultural commodities in the Pune Market Yard are higher than the Market Yard and Sub-Market Yards of Khed Taluka.

c) Shetkari Niwas :

The Society has purchased a plot admeasuring 1000 sq.ft. on Wada road by investing Rs. 5,000/- in the year 1975-76. It proposes to construct Shetkari Niwas for the benefit of farming community of the area. The foundation stone of the building has also been laid down but the construction of the Shetkari Niwas has yet to be completed as it does not have adequate finances for undertaking construction of the building.

Some Management Problems :

a) Marketing of Agricultural Produce : The Society has not been able to provide marketing services to the farmers of the area to fulfil its main objective. It has opened branches with infrastructural facilities.

It commands reasonable financial limit from the Pune District Central Cooperative Bank. The Society should plan to market agricultural produce of the farmers to give the benefit of collective bargaining and institutional marketing.

b) **Supply of Consumer Goods** : The Society is arranging distribution of consumer goods in the rural areas to enhance the real income of the farmers, but its business on this account has been fluctuating not only in terms of volume but also in respect of number of items. The Society should prepare a practical plan for distributing consumer goods in the area on increasing basis to help farmers. It may take support of higher level organisations and the District Administration in this regard.

c) **Processing activities** : To ensure value added marketing of agricultural commodities, the Society should undertake processing of agricultural commodities.

Unfortunately, the rice mill established by it is lying unutilised. All efforts should be made to restart the rice mill and start other activities like cold storage for the benefit of the farmers of the area.

d) **Financial Recoveries** : Though the Society has lot of reserves and funds but a large portion of its working capital is tied-up on account of dues recoverable from members, private traders and cooperative organisations with which it had trade in the past. This situation has resulted in non-availability of the finances to the Society for its business activities. The Management should make efforts to recover the amount to enable it to undertake trading activities in the service of the farmers on increasing basis.

The Society has been undertaking marketing and supply activities since inception. Its funds and reserves are indicative of the Society's financial strength. It has been placed continuously under audit classification 'A' upto 1985-86. It has been granted cash credit limits by the Khed Branch of the Pune District Central Cooperative Bank for various trading activities. The trading activities of the Society are at low level due to increased competition, lack of support from the apex and national cooperative marketing organisations, drought conditions in the area, amount of trade credit granted to traders not being recovered etc. The Society has good prospects of providing various marketing services to the farming community of the area as it has developed good infrastructural facilities.

**HADAPSAR BHAJIPALA KHAREDI VIKRI SAHAKARI SOCIETY LTD.,
HADAPSAR (Pune) - A Case Study**

Prof. UM Shah

Introduction :

A Cooperative marketing society is a voluntary business organisation established by its members, to market farm products collectively for their direct benefit. Its immediate aim to secure for its members the highest price possible. As a business organisation it must succeed or fail on its own merit. In India, cooperative marketing on an organised basis came to be started only in 1930s. It was only in 1936 that a systematically organised cooperative structure for marketing of agricultural produce was conceived as a part of development plans. Marketing by its very nature is a complex phenomena. Marketing of agricultural produce, particularly vegetables presents its own complexities. A wide variety of vegetables are grown by farmers and the produce is marketed locally. The middlemen and traders have emerged on the scene and usurped the lions share of profit by arranging sales in distant areas of towns and cities, thanks to the fast developing transport system and the capacity of the consumers to pay any price. Hadapsar Vegetable Producers Society came into being as early as in 1947 in a satellite village of Pune. The present case study throws light on the organisational structure and financial and business management aspects of the society.

Emergency of Society :

The erstwhile Government of Bombay through its Agriculture Department initiated in 1945 a programme of development of vegetable cultivation in selected pocketes of the State (now Maharashtra State) to meet the requirements of vegetables of the defence personnel at army camps, including Hadapsar village, the head quarters of the society under study. The

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procurement of the vegetables by the Army people were stopped in 1947 and the farmers were thrown to a problem of disposal of vegetables amounting to thousands of rupees of weekly arrivals. All efforts to persuade army authorities to purchase vegetables directly from the growers as against the contractor/supplier did not fructify. It was at this stage, the Government suggested vegetable growers to organise themselves into a cooperative for sale purpose. A meeting on 15th March 1947 was held followed by another meeting on 9th April, 1947, attended by 62 and 74 growers respectively. It was at these meetings resolved to form a cooperative. Accordingly a cooperative society came into being on 31st July, 1947, known as Hadapsar Bhajipala Kharedi Vikri Sahakari Society Ltd., at village Hadapsar of Pune District (Hadapsar Vegetable Growers Purchase and Sale Cooperative Society).

The first annual general meeting of the Society was held on 17th August 1947 and was attended by 60 members. The society was fortunate to have dedicated leadership and a qualified manager in the beginning. The society progressed well for the first two years. Besides contributing to the share capital, members and non-members placed deposits with the society. The bye-laws of the society were approved at the first meeting of the society held on 17th August, 1947. The overall progress of the society in terms of membership growth, share capital mobilisation, reserves and other funds, turnover, profit and loss accrued and audit classification is given at page No. 114.

Table - 1 : Progress at a Glance

Year	Member- ship (Nos)	Share Capital (In Rs.)	Reserve and other funds (Rs.)	Total Turn- over (Rs.)	Net Profit/ Loss (+/-)	Audit Classi- fication
1947-48	216	5,680	216	3,13,491	12,217	B
1948-49	217	5,790	9,991	3,87,594	12,738	B
1949-50	217	5,790	20,590	80,602	466	C
1954-55	215	5,740	24,997	31,815	(-)2,319	C
1959-60	258	6,280	34,935	3,99,589	1,641	C
1964-65	583	15,570	49,123	NA	5,369	C
1969-70	873	22,220	2,00,968	35,67,333	35,154	B
1974-75	966	50,560	1,93,344	38,35,619	17,473	A
1979-80	1028	50,282	1,97,329	24,23,577	2,764	B
1984-85	1037	99,313	1,89,155	26,05,449	1,972	B
1985-86	1052	2,98,043	1,89,522	33,02,240	(-)51,046	B
1986-87	1063	2,92,503	1,83,522	39,23,402	17,851	A
1987-88	1071	2,93,393	1,68,686	43,86,358	4,465	In Pro- gress

Objective of the Society :

Since very inception members were clear of the objectives which led to the formation of the society. The broad - based bye-laws of the society provided for that the society will -

- a) promote self-reliance and cooperation among members;
- b) accept deposits from members and non-members;
- c) make available agricultural implements and farm equipments and undertake repairs thereof, as also sale of construction material;

- d) sale of agricultural produce of members as well as non-members;
- e) sale of seeds, fertilisers and pesticides;
- f) procure and arrange sale of essential commodities;
- g) process agricultural produce and undertake sale thereof;
- h) disseminate information on farm prices and on market arrivals and sales;
- i) undertake extension education on agriculture and allied aspects, etc.

Area of operation of the Society :

In the beginning the area of operation of the society was confined to four contiguous villages including Hadapsar. Lateron, the area of operation was extended to the entire taluka of the district, comprising 127 villages. It is working as a block-level society.

Membership Structure and Growth :

The sixty-two promoter members, all vegetable growers at their meeting on 15th March, 1947 resolved to organise a society with cultivator members of the four contiguous villages, especially known for vegetable cultivation. Another meeting was held on 9th April, 1947 whereunder 74 farmers were present. The pre-registration stage over, the society came into being with formal registration on 31st July, 1947 with 66 members. The membership as on 30th June 1948 stood at 216, all vegetable growers from the four villages. The initial enthusiasm faded and there were no efforts to mobilise more membership. In fact for the first ten years, the membership virtually remained stagnant. It reached to 258 as on 30th June 1960. It increased to 583 by 30th June 1965 and to 683 by 1966-67. Till 1966-67, the membership was open to only agriculturists. With amendment in the bye-laws, the membership since 1967-68 was extended to consumers residing

in the area of operation of the society. The individual membership consisting of consumers moved from 135 in 1967-68 to 216 only by 1987-88. The composition of membership and its growth is reflected in Table-2 as under

Table - 2 : Membership : Composition and Growth

Year	'A'	'B'	'C'	Govt.	Total Membership
1947-48	216	-	-	-	216
1948-49	217	-	-	-	217
1949-50	217	-	-	-	217
1954-55	214	1	-	-	215
1959-60	255	2	-	1	258
1964-65	573	9	-	1	583
1969-70	703	10	159	1	873
1974-75	794	12	159	1	966
1979-80	811	12	205	1	1029
1984-85	813	18	205	1	1037
1985-86	821	18	212	1	1052
1986-87	828	18	216	1	1063
1987-88	836	18	216	1	1071

- Note: (1) 'A' Class members consist of Agriculturists.
- (2) 'B' Class membership consist of Primary Cooperative Societies functioning in the area of operation.
- (3) 'C' Clas membership is made up of consumers and have been enrolled since 1967-68.

Even though the area of operation of the society stands extended to the entire sub-division "Haveli" (Block area comprising of 127 villages) with about 40,400 agriculturists, the membership of the society stood at 1071 as on 30th June, 1988, made up of 836 'A' class members (agriculturists), 18 'B' class members (primary cooperative societies), 216 'C' class members (individual/consumers) and 1 share of the Government.

If we analyse the growth in membership since 1967-68 (when the society started enrolling individual consumers as members besides agriculturists), the membership moved from 821 in 1967-68 to only 1071 as on 30th June 1988 i.e. an increase by 30.45 percent within a period of 20 years. Being a block level marketing society, it was also expected that the primary village agricultural credit societies functioning in the area of operation of the society will also acquire membership of this society. Out of 65 PACS operating in the area of operation of the society, only 8 societies have become members. The other 10 societies which have acquired membership are-one farming society, four consumer stores, two housing societies, one irrigation society, one urban credit society and one onion grower's cooperative federation. There also does not appear any business relationship of the society with these affiliated societies, excepting the eight PACS whose members are given fertiliser as a loan component as per the advise of the Central Coopeative Bank of the district to which these societies are affiliated.

It will be interesting to note that Haveli Block as an area of operation of the society has 127 villages with 1,33,000 families, of which 40,400 are estimated to be agriculturists.

It is thus clear that the society has not been in a position to attract membership even though the scope exists. It may be that the farmers and others might not be feeling any significant gain by acquiring membership.

The share value is only Rs. 10/- per member irrespective of whether it is individual membership or society membership. Therefore this also could not be considered as a constraint in acquiring membership.

Share Capital Structure and Growth :

Allied to 'membership' base is the importance of share capital in a society as it reflects the 'owned funds' base and member involvement. The society was registered with an authorised share capital of Rs. one lakh with a share value capital to Rs. five lakhs in the year 1981-82. The share capital of members which stood at Rs. 5,680/- on 30.6.1948, reached to Rs. 31,670/- in a period of 40 years. State Government gave share capital contribution of Rs. 5,800/- in the year 1964-65 and again Rs. 25,000/- in the year 1971-72. This share capital loan stands repatriated back to the government by the Society. The National Cooperative Development Corporation, (a promotional autonomous agency of the Government of India) released Rs. 97,987.50 as share capital assistance through State Government to the society in the year 1982-83. Further, share capital assistance of Rs. 20 lakhs was released by NCDC in the year 1985-86 for construction of godowns. Again the NCDC has come forward to assist society for developing Agro-Service Centre in the year 1988-89 and already Rs. 3.0 lakhs have been released to the society on 5th September, 1988.

The share capital composition and growth is reflected in Table No. 3.

Table - 3 : Share Capital - Composition and Growth

Year	Individual (In Rs.)	Societies (In Rs.)	Government Contribution (In Rs.)	Total (In Rs.)
1	2	3	4	5
1947-48	5,680.00	-	-	5,680.00
1948-49	5,790.00	-	-	5,790.00
1949-50	5,790.00	-	-	5,790.00
1954-55	5,740.00	50.00	-	5,790.00
1959-60	6,280.00	100.00	-	6,380.00
1964-65	9,330.00	440.00	5,800.00	15,570.00

1	2	3	4	5
1969-70	14,960.00	1,460.00	5,800.00	22,220.00
1974-75	18,060.00	1,700.00	30,800.00	50,560.00
1979-80	19,650.00	3,700.00	26,932.00	50,282.00
1984-85	23,860.00	4,580.00	70,873.47	99,313.47
1985-86	25,090.00	4,580.00	2,68,373.47	2,98,043.47
1986-87	26,200.00	4,580.00	2,61,723.47	2,92,503.47
1987-88	27,090.00	4,580.00	2,61,723.47	2,93,393.47

- Note : (1) Government of Maharashtra gave share capital contribution of Rs. 5,800/- on 30.6.1966 (to be returned in 15 Instalments).
- (2) Government of Maharashtra gave share capital contribution of Rs. 25,000/- second time on 1.4.1971.
- (3) NCDC contributed towards (share capital) Godown construction Rs. 97,987.50 on 1.3.1982.
- (4) NCDC contributed towards (share capital) Godown Construction Rs. 2,00,000 on 5.7.1985.

An analysis of the share capital vis-a-vis the nature and structure of the society is relevant. A marketing cooperative is essentially a trading enterprise. It must therefore command sufficient capital base which may add to its 'Owned Funds' base, enabling it to borrow from financing agencies as well as undertaking marketing operations.

A share value of Rs. 10/- of a marketing cooperative is beyond visualisation these days. The consumer stores activity of the society has also brought in non-agriculturists as members. Here also, share capital base appears too low. Individual membership and society membership carry the same share value of Rs. 10/-. Further as in base-level credit

cooperatives, there is no built-in mechanism to link share capital mobilisation with the business in the society. The level of involvement of the members in the share capital of the society also influences member interest in the society. In this society under study neither the society is responsive to the members nor the members are motivated to take interest in the affairs of the society.

Ofcourse, the society has brought in innovative provision in its bye-laws by prescribing minimum business turn over and share-holding for different categories of members in case they want to contest elections to the Board of Directors. For 'A' class members it is Rs. 2,500/- as an annual transaction with the society and Rs. 100/- as share-holding. For 'B' class members (i.e. societies), the minimum limits are Rs. 10,000/- as an annual business and Rs. 100/- as share holding. For 'C' Class individual members (consumers), an annual purchases of Rs. 1,000/- and share holdings of Rs. 100/- has been laid down. These qualifying provisions in the bye-laws for contesting elections to the Board of Directors is more from the point of view of member participation on the management rather than share-capital mobilisation. The share capital structure is decidedly poor when considered from 'owned funds' base of a marketing cooperative.

Reserves and Other Funds :

Society's owned funds base is considerably strengthened with the "reserves" which it builds year after year, out of its profits. Since the society has assured margins of profit in its fertiliser, ration business and to some extent in the sale of controlled cloth, the society has been in a position to build up reserve funds base, year after year. It has also kept establishment cost at a low level and thus avoided expenditure which deplees the net profitability. The society does not declare dividends and thus there is no drain on its surplus.

The Society besides Reserve Fund (statutory) has created Bad and Doubtful Fund, Building Fund, Shares Redemption Fund, Charity Fund and General Fund. The statutory reserve funds constitute about 40 percent of the total funds.

The aggregate 'reserve' and 'other funds' position of the society is given in Table No. 4.

Year	Amount
1947-48	216.00
1948-49	9,991.00
1949-50	20,590.00
1954-55	24,997.00
1959-60	34,935.00
1964-65	49,123.00
1969-70	2,00,968.00
1974-75	1,93,344.00
1979-80	1,97,329.00
1984-85	1,89,155.00
1985-86	1,89,169.00
1986-87	1,83,522.00
1987-88	1,68,686.00

It will be seen from the Table above, that the position of funds though on increase, has been declining since 1984-85. The society suffered a record loss of Rs. 51,040.90 in the year 1985-86, marginally lower to the loss of Rs. 54,229.29 in 1971-72. Like share-capital position, the position of Reserve and Other Funds also does not speak high of society's performance when one takes into account the life span of the society, nearing 41 years.

Business Finance ;

The society since beginning was affiliated with Pune District Central Cooprative Bank and was getting credit from it. The Society got into difficulty in the year 1979-80 and became defaulter to the Bank. Society cleared its dues of Rs. 73,773/- with the DCCB and delinked itself. Society is now

(since 1982-83) is operating with Canara Bank (a commercial Bank) on a Cash Credit limit of Rs. 1.25 lakh under General Account and Rs. 1.50 lakh under Fertiliser Account. The Society is expected to have dealings with the cooperative bank. Informal enquiry revealed that this situation has come as the Board of Directors of the Bank and the Society subscribe to different political ideologies and feel apart from each other. Unnecessary apprehensions have over-taken the desirable relationship between the bank and the society.

Business Operations :

Conceived as a society to undertake purchase and sale of the vegetables of the farmers of the four villages (namely Hadapsar, Munwa, Manjari Budruk and Fursungi of Haveli sub-division), the society grew in course of years and extended its area of operation to entire Haveli sub-division, comprising of 127 villages. it as well diversified its business activities. The society has carved out its business activities under five departments, as under :-

- (1) Fertilisers, seeds and Pesticides Department.
- (2) Ration Department (essential controlled goods of day-to-day consumption).
- (3) General Stores Department (Consumer Store)
- (4) Textile Department (Cloth shop dealing in controlled and non-controlled cloth) and
- (5) Vegetables Department.

The year-wise progress of business carried on by the society since its inception till 1987-88 is reflected in Exhibit No. 1 annexed to this study.

Before an analysis of its business activities is made, it will be relevent to recall chronology of business events of the society, detailed out as under :-

- (1) For the first three years 1947-50, society operated from its headquarter village Hadapsar and primarily dealt in vegetables. it purchased vegetables and sold to Military Stores Depot. Society retained 3% commission on the sales. Society virtually operated on a controlled clientele. This continued till 1951-52.
- (2) From 1951-52 to 1963-64, society mainly dealt in ration goods. Vegetable business was stopped as Military Stores declined to purchase from the society. Even highest level intervention could not persuade Military authorities to make purchases from the Society. Currently three ration outlets are functioning.
- (3) During the year 1963-64, the society opened two vegetable sale retail outlets in Bombay Market (distance of about 200 Kms) at Dadar suburb. However, these two shops could not attract customers and were later on closed.
- (4) Encouraged by the Government of India's plan on vegetable cultivation, the society opened 10 retail outlets in Pune City (15 Kms from society headquarter village) during 1965-66 and 1966-67. In fact society thought of opening 50 retail outlets for sale of vegetables within a period of three years then. However, even 10 retail outlets opened could not function well and were gradually closed. The paid employees of these shops could not match the expectations of vegetable business which required early morning and late evening attention. Today there are no retail outlets for sale of vegetables.
- (5) On 26th January 1964, society opened a Consumer Store with a big gesto at Hadapsar, the headquarter village of the Society. This sotre is functioning even to this day, though it was closed for a brief spell during the period 1979-82.
- (6) On 16th April 1964, the society opened a ration shop at Manjari Village. This shop stands closed since 1982.
- (7) On 5th November 1964, a textile shop was opened in Hadapsar Village. This shop dealt in controlled and non-controlled textiles. This shop/stands closed since 1st July, 1983.

- (8) Since 1965-66, society started dealing in seeds, pesticides and fertilisers. The first retail outlet opened at the headquarter village Hadapsar on 1st July, 1965. Four more outlets were opened in the year 1982-83 in different villages. Again one centre has been opened in 1986-87. Even though 4 more retail outlets were opened in 1982-83, the sale of seeds, fertilisers and pesticides remained at a low level till 1985-86. Currently, the society is having all the six retail outlets and sales are picking up since 1986-87.
- (9) Since 1986-87, society has again reverted back to vegetable business, after a gap of a decade. It is making available vegetables to 'Apna Bazar', a leading Coopertive Departmental Store at Bombay.

The successful operations of a marketing cooperative much depends upon the awareness and foresight of local leadership and competent management. Society has been fortunate to get committed leadership but business goals and planning could not get specialised attention. The result has been that the shift in the business took place quite often and like any other marketing cooperative, this society also degenerated into the business of essential commodities made up of scarce controlled goods. The society virtually became an agency house of the Government, distributing controlled goods like cement, steel, sugar, wheat flour, controlled cloth, kerosene etc. Vegetable business, the societie's bonafide function went into background. The initial enthusiasm of the members made them to contribute to the share-capital, members and non-members palced deposits with the society in the initial years. The society made purchases of vegetables of the value of Rs. 3,03,252 and had a sale of Rs. 3,13,491 during 1947-48 and earned a net profit of Rs. 12,217. In the year 1948-49 also, society had purchased vegetables of the value of Rs. 2,65,093 and had sale of Rs. 2,77,623. The society earned a net profit of Rs. 12,378. The years following led to the closure of vegetable business, excepting a brief revival during 1969-70 to 1974-75 and again from the year 1986-87 onwards. In the years following 1969-70, the dominant business activities of the society centred round fertiliser business and controlled commodities made up of ration goods and textiles. The annual turnover reflects wide variance. It touched to Rs. 35.67 lakhs in the year 1969-70 and to Rs. 38.35 lakhs in the year 1974-75. It slided down considerably and could touch to Rs. 33.02 lakhs in the year 1985-86, to Rs. 39.23 lakhs in the year 1986-87 and to Rs. 43.86 lakhs in the year 1987-88.

Since inception to the year 1987-88 in a life span of 41 years, the society suffered losses for 8 years, aggregating to Rs. 1,76,428. Performance wise, 1971-72 was the worst year for the society when it suffered a net loss of Rs. 54,299.29. Equally bad were the years 1982-83 and 1985-86 when it suffered the net loss of Rs. 48,081.33 and Rs. 51,046.90. Since the society was mainly confining its activities to sale of controlled commodities bearing a fixed margin, it could reap surplus during the remaining 39 years. The vegetable business, by and large, also added to the net income as the society earned commission. The aggregate net profit works out at Rs. 2,99,726. The auditors have classified society and have placed it either in 'A' or 'B' category.

The society purchases its requirement of fertilisers directly from the Marketing Depot of National Chemical Fertilisers located at Pune. IFFOC fertiliser is routed through State Cooperative marketing Federation, of which the society is member. Pesticides are purchased directly from the private firms. Seeds are purchased from the National seeds Corporation and also from open market. Consumer goods are normally purchased from the open market, mostly from Pune. The society has not constituted any Purchase Committee. Quite often goods remain unsold and sale price runs high than the market price in case of consumer goods. Sales man is not associated with the purchases and quality judgement is missed. No credit sales are made. Earlier society extended credit facilities to the members from the consumer stores.

Management-Structure and Role :

A Cooperative for its gains is as much dependent on its management as any other business enterprise is. The general body of members, elected board of directors and the paid executives constitute the trio of the management edifice of a cooperative. While the membership normally interacts in management decisions at the time of the general body meeting, the elected leadership give direction and thrust at the time of the board meetings. The paid executives become responsible for implementation of what is decided at what could possibly be achieved.

The democratic functioning of the society never received any set back. The society conducted annual general meetings regularly for all the 41 years. The percentage attendance at the AGM remained between 25 to 40 percent in the initial years and is now only 3 to 4% of the total membership since 1981-82. The minimum quorum fixed for the annual general meeting is one-fifth attendance of members or 25 whichever is less. Not only there is poor attendance of the members, even the affiliated societies do not attend. Hardly 2 to 3 societies participate. The poor participation of the members could be attributed to the fact that the society is not doing any significant business for and on behalf of the members resulting into economic gains.

The society had elected Board of Directors since inception. Till 1984, the Board of Directors consisted of 15 members and term of office was three years. Now the Board is made up of 13 directors and is elected every five years with 7^A representing 'A' class members (agricultureists), 3 'B' class members (representing societies), and 3 'C' Class members (representing consumers). Board is expected to meet once in a month and a quorum of seven directors is prescribed for the board meetings. The office bearers are the Chairman and the Vice-Chairman, who are elected by the Board of Directors in the presence of a Government nominee (sub-divisional officer of the area) as per the provisions of the bye-laws. The board regularly meets and takes all business decisions. On an average 8 to 10 directors remain present. Neither any sitting fee nor travelling expenses are paid to the Directors. The Board has not constituted any functional committees.

As per bye-laws, a 'Control Committee' is constituted consisting of three members to facilitate the functioning of the Managing Committee. This Committee consists of three members including the Chairman of the Society. Of the two members, one is elected from the General Body and one is nominated by the Managing Committee meets once in three months and is expected to check accounts and report on financial position of the society. As Per convention, two of its members are always invited to the Board Meetings.

As regards paid executives, the society has 14 employees including one Manager, one Accountant, one Clerk-Cum-Cashier at the office of the society. The Consumer Stores Section has

a complement of three staff made up of one salesman and two weighman. All the three ration shops are managed by one sales man and one weighman. Two salesman look after fertiliser section at Hadapsar. The other five village fertiliser depots have one sales man each who are retained on commission basis. The manager of the society is the responsible executive for all the employees and he oversees their functioning. By and large, all employees are untrained ones and are poorly paid (Rs.450/- to Rs.750/- per month). They belong to the local area and get one months bonus annually in addition to the salary. Consumer Store is managed by the salesman who is non-metric. The manager of the society is a graduate and is trained one in stores management. Since inception, the society had 10 managers including the one working since January 1986. One of the earlier managers is now Vice-Chairman of the Society. The Society had a manager who functioned from 1970 to 1979 and was a post graduate. The society had taken a government officer as Manager on deputation from 1979 to 1982.

No specific powers have been delegated to the Manager. As per bye-laws, the manager is responsible for day-to-day working of the society and also acts as Secretary to the Managing Committee. Being local employees and not well-educated, the staff does not present any problem to the management. Besides, the Manager has always to run from one place to another in connection with purchases, sales, supervision, and other related work pertaining to controlled goods.

There is none in the Management to plan and then work upon the plan. Annual performance is not an outcome of deliberately planned exercise. Management has no sensitivity to the business results of the year. Whatever performance, low or high, none is responsible.

Future Business Plan of the Society :

The Society has projected a business plan for a period of three years in December 1987 while seeking 'Share Capital' assistance from National Cooperative Development Corporation (GOI). It provides for as under :-

Table (5) : Business Projections for the year 1987-88
and 1988-89 and 1989-90

(Sales Projections - Rs. in Lakhs.)

Item	1987-88	1988-89	1989-90
(1) Fertilisers, seeds and Pesticides	Rs.20.00	Rs.25.00	Rs.30.00
(2) Vegetables	Rs. 3.80	Rs. 5.50	Rs. 6.60
(3) Others : controlled and non-controlled consumer goods inclusive of ration and cloth.	Rs.34.20	Rs.35.50	Rs.37.00
Total	Rs.58.00	Rs.66:00	Rs.73:60

The Society intends to start about 8 to 10 Centres in Bombay for supplying vegetables. It intends to establish an agro-service centre with the assistance of National Cooperative Development Corporation. The Society wants to develop consumer business and is contemplating to construct departmental store building, a three storeyed one in the heart of the satellite town Hadapsar, which already old building costing Rs.20,000 has been purchased from the Municipal Corporation. It has already constructed an independent sales outlet for vegetables at 'APNA BAZAR' at Bombay. Society is contemplating sale of vegetables in small polythene packs to attract customers with good quality vegetables. Currently the Society is selling vegetables at three outlets of 'Apna Bazar' in Bombay. This activity started since March, 1987, had recorded sale of Rs. 2,84,860 during the period 30th March, 1987 to March 1988. As against a total projection of sales for the year 1987-88 for Rs.58.00 lakhs, the society could reach the figure of Rs.43.86 lakhs only. Society contends that the short-fall of Rs.14.14 lakhs in its turn-over is mainly on account of the state-wide strike by the managers of the Cooperative societies during 1987-88, lasting for four

months. Whatever the position and projections, they appear to be tall claims in the given profile of the society.

Conclusion :

It appears that the members for whom the cooperative was set up have been virtually forgotten. The society is no different from private business. The moot question is - are members for the society, or the society is for members ?

The Hadapsar Market Yard has an annual recorded sale of vegetables of the value of about Rs.278 lakhs with about 700 to 800 farmers, per day bring their vegetables to be bidded by about 900 purchasers every day. As against this the society purchased vegetables worth Rs.2.77 lakhs only in the year 1987-88. The Society's major business is made up of fertilisers, pesticides and seeds. With sale of Rs.13.71 lakh worth fertilisers etc. during 1987-88 (the record sale in 41 years), is it possible in the existing frame for the society to achieve the projected sale of fertilisers, pesticides and seeds of Rs.30 lakhs by 1989-90, ? Like-wise, as against the consumer business of Rs.4.88 lakhs during the year 1987-88, the society proposes to reach the target of Rs.37.00 lakhs by 1989-90. Will the society achieve this ? These are all tall targets formulated by the society, no doubt backed by well motivated objectives.

What then make society achieve its objectives - right policies or right plans or right investment measures, well-informed leadership or professional management, or a combination of all these ? In this back drop let us locate the areas of strength and weakness of the society in its functioning.

SHIROLI FARMERS SERVICE SOCIETY, SHIROLI VILLAGE

**ORGANISATIONAL INNOVATION TOWARDS
INTEGRATED MANAGEMENT APPROACH**

- Dr. D.R. Oza *

Genesis :

Farmers Service Society (FSS) is an organisational innovation in the form of Primary Agricultural Credit Society (PACS) introduced in India to specifically serve the interests of small farmers, landless labourers and other poor in the rural areas. It also represents the aim of developing integrated management approach in base level agricultural co-operatives.

National Commission on Agriculture, at whose suggestion FSS came to be introduced, has enunciated its concept as : "This structure would consist of FSS at grass-root level, controlled by small and marginal farmers and agricultural labourers which will be linked to a commercial bank or a Central Co-operative Bank for necessary financial and managerial support. FSS should also encourage viable units of supply of inputs, custom services, storage and transport of agricultural produce, besides, all types of credit should flow through this single agency to ensure its appropriate control and use".

Shiroli Farmers Service Society at Village Shiroli is one such FSS which was organised in December 1975 and is operating in the area since last about 13 years.

Organisation :

Society was registered in December 1975 by amalgamating two earlier existing PACS with extended area of its operation to 9 villages, all situated within the radius of 10 Kms.

These 9 villages amongst them have population of about 15,000 divided into about 2,200 families - mostly of agriculturists and some others.

1 Govt. of India, National Commission on Agriculture, Part II, Pages 80-81, New Delhi, India - 1976.

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Membership of the Society, which was 1220 in 1975 has risen to 2477 by end of 1986-87 representing a two-fold increase in membership. Society has more than one member from some of the families; hence the families covered under membership comes to about 2,100, i.e. about 80 percent of the total families in the area of operation. Coverage of families by the Society under its membership is thus broad based and comprehensive.

In terms of composition of membership, the position gathered was broadly as under:-

1. Small farmers upto 3 hcts. of landholding	:	490
2. Agricultural labourers and other rural households	:	640
3. Agricultural holders above 3 hcts. with more than one member per family	:	<u>970</u>
	Total	: 2100

As will be seen from above, more than half of the families covered under the membership of the Society were small farmers, agricultural labourers and other families of rural producers.

Objectives of the Organisation :

Objectives of the Society, as laid down in its bye-laws, covers all elements of activities as envisaged for FSS, and inter alia, include :

1. Provision of all types of credit - short, medium, long term for supporting agricultural and rural production activities.
2. Supply of inputs for agricultural production as well as for other rural production activities.
3. Marketing services for members produce.
4. Provision of storage, custom services and essential processing for enabling the members to get value added returns of their produce.
5. Promoting and assisting animal husbandry development for providing the benefit of subsidiary occupation to members to augment their economic status.

6. Assisting development of infrastructural facilities either on its own or in conjunction with other agencies such as minor irrigation, construction of roads, godowns.
7. Maintenance of demonstration farm for providing farm guidance to members.
8. Distribution of essential commodities and other requirement of daily necessities.

It is significant that many of the above objectives have been acted up by the Society through its activities as can be seen from the details of its activities which are given in the subsequent sections.

Management infrastructure :

FSS have been envisaged as distinct from PACS, not only in terms of pronounced bias in favour of small farmers and rural poor membership but also in terms of providing controlling participation of these members in the management of the Society.

Society's bye-laws, accordingly, provides for the composition of management committee as under :

Managing Committee of the Society consists of 17 members with its tenure for 5 years. Chairman of the Committee will, however, be elected every year after the annual general body meeting. Committee will have 13 elected members, 3 nominated members and 1 ex-officio-Managing Director of the Society with detailed composition as under :

- | | | |
|---|------------|----|
| a) Representative elected from small and very small farmers | : 4 | |
| b) Representative elected from Agricultural labourers | : 1 | |
| c) Representative from four other agriculturists members | : 3 | |
| d) Representative from other rural workers and landless | : 3 | |
| e) Representative of scheduled castes, scheduled tribes, etc. | : 1 | |
| f) Representative of weaker section | : <u>1</u> | 13 |

g)	Nominated representative of Co-operative department - Govt.	: 2	
h)	Nominated representative of financing/sponsoring institution	: 1	
i)	Ex-officio member - Mg. Director	: <u>1</u>	<u>4</u>
			17

As can be seen from the composition of elected management organ - Managing Committee, 10 out of 17 members are elected from amongst small farmers, agricultural labourers, landless and other rural producers and weaker section of rural community in the membership of the Society. Composition of the Managing Committee, therefore, provides built-in arrangement for controlling share of the members with small and weaker resources, and thereby, it reflected the approach to put the powers of decision making in the hands of such people, where it should belong and which may ensure their active participation in the management of the Society.

Professional Management :

FSS, by its very nature of large-size of the area of operation and integrated range of activities which it is expected to undertake, should have an adequate compliment of professional staff and chief executive of commensurate level and competence. Accordingly, in the Society, which is operating under the sponsorship of the public sector commercial bank, has Managing Director provided by the sponsor Bank. Managing Director is the Chief Professional Executive of the Society whose cost is presently borne by the Bank as an aid for developing proper professional management for the Society. Besides Managing Director, Society has 3 other supervisory level assistants, of which one is qualified in guiding animal husbandry activities of members.

Activities of the Society :

As envisaged in the objectives as laid down in the bye-laws, Society undertakes integrated range of activities, which presently include, (a) provision of credit, (b) input supply, (c) storage of agricultural produce, (d) milk collection, (e) minor irrigation facilities, and (f) distribution of essential goods. Extent and quantum of these activities are examined hereunder in respect of each of these activities.

(a) Provision of Credit :

Society provides credit of all types - short, medium and long term and for diverse purposes such as, agricultural production, purchase of milch cattle, marketing advance against pledge of farm produce, consumption finance against pledge of gold ornaments. Extent of credit provided by the end of June 1988 was as under :

Type of Credit	Loans issued during the year 1988	Loans outstanding at the end of 1988
(Amount in million, Rs. rounded)		
a) Short term credit (upto 18 months)	6.00	4.82
b) Medium term credit (upto 5 years)	1.23	2.76
c) Long term credit (above 5 years)	0.67	4.22
	7.90	11.80

Recovery of loans :

Crux of credit management in primary agricultural co-operative remains in its timely recovery of loans, so that the flow of credit can continue to be recycled for the benefit of members. In this respect, the position of Society at the end of 1988 was as under :

Type of loan	Percentage of recovery to outstanding	Aggregate Recovery Percentage
a) S.T. loans	41.80	
b) M.T. loans	8.60	
c) L.T. loans	9.00	58.00

In critically examining credit activities of the Society, following features are discernable :

(a) Quantum of credit provided - about 8 million rupees by itself is fairly progressive and sizeable but the coverage of credit extends only upto about 40 percent of total membership which calls for intensive efforts for the Society to extend the number of borrowing members.

(b) Society charges differential rate depending upon the quantum of loan such as :

Loans upto Rs. 15,000	11.50 percent
Loans Rs. 15000 to 25000	14.00 percent
Loans above Rs. 25,000	15.50 percent

This aspect of credit management is commendable as it is likely to encourage the small farmer-borrowers to avail of more credit and at the same time discourage the large borrowers from availing of credit as it becomes comparatively costly credit.

(c) Society collects 10 percent of loan amount as share capital contribution of members (5 percent in case of small farmers). Thereby, the Society inculcates the discipline of stake of members in the Society and habit of obligatory savings. It also helps Society to build-up its share capital base.

(d) Input Supply :

Input supply activities of primary agricultural co-operatives, essential as it is, is mainly based upon the built-in mechanism of two component formulae of production finance. It is part of the general policy guidelines in providing production finance for agriculture that about 60 percent of the sanctioned credit will be given in kind of input supply and 40 percent in cash. As a result of this policy which is followed as universal practice, though to a varying degree - by PACS in providing crop loan, input supply becomes an inseparable part of credit management. Society accordingly provides input supply - mainly fertilizers and to a smaller extent, improved seeds and cattle-feed. During last year, Society had the turnover of input supply of about Rs. 2 million of which Rs. 1.9 million represented fertilizer supply.

Under its input supply activities, whereas extent of fertilizer supply is satisfactory, the same cannot be said of improved seeds and cattlefeed. Particularly for the cattlefeed, there is vast scope for the Society because animal husbandry is main or subsidiary occupation of many of its members. Again pesticides supply is not undertaken which the Society now intends to undertake.

There is another aspect which can augment the input supply activities of the Society and may directly benefit the members. This relates to strict adherence to proportion of kind component (60%) in provision of credit. Presently, it was gathered that Society provides about 1/3 in kind component. Though this sort of inadequate fulfilment of kind component proportion is not unusual for variety of reasons, for FSS with professional staff, it should be possible to increase the extent of kind component at least upto level laid down as desirable. This will help Society in augmenting its input supply turnover and to the members in augmenting their agricultural production through the use of these inputs.

(c) Storage Services :

Society does not undertake marketing of agricultural produce but provides storage facilities of such produce to members pending its sale by members on their own. Society also provides advance against the pledge of produce in Society's storage-godown. Marketing advance provided as part of these activities, however, was not sizeable. Again with the availability of storage facilities infrastructure, it would be desirable that Society undertakes marketing of agricultural produce of members, on its own or in conjunction with Taluka-level Marketing Co-operative. This will help Society in augmenting its business and in fulfilment of one of its unfulfilled objectives. While, more importantly, it will help the members, particularly small farmers to obtain better return of their produce.

(d) Milk Collection :

Society has been undertaking collection of milk with a view to providing marketing outlet for its members having milch cattle as main or subsidiary occupation. This is an activity based upon felt-need of the members. The scale of operation of this activity is meagre, about 600 litres per day, as compared to potential of demand for this service. Society purchases milk at Rs. 5.40 leaving a margin of 2 paise per litre. If Society can increase the quantum of its milk collection, upto at least 1500 litres per day, it can viably operate the chilling plant

and thereby help avoiding possible risk of sourage in handling milk collection. Again the payment of milk price can be linked to supply of cattlefeed which in turn will enable the member to augment the productivity of their milk cattle.

(e) Promoting Minor Irrigation - Group Approach :

One commendable and useful activity which the Society has been undertaking is promoting irrigation facilities through group action. Society has sponsored about 70 groups consisting of 350 members (with average membership of 5 per group) which manage their irrigation services for the benefit of group members. Society provides long term loan and medium term loans for the purpose to the small farmers on group basis as well as individual basis. Groups, therefore, have been able to create required infrastructural facilities like construction of wells, levelling the lands, laying pipelines and installing electric motors for lifting the water. Activity is significant because it takes care of the import production input-water and is an experiment in group action by people of limited means by working through self-management interest groups.

(f) Distribution of essential goods :

Society also undertakes distribution activities of essential food items and cloth through its fair price shops operating in three villages in its area of operation. Society's turnover of distribution during last year amount to Rs. 0.8 million. Distribution of essential, other requirements is one of the crucial activities which primary agricultural co-operatives need to undertake, because it particularly helps the weaker and vulnerable sections of the membership and helps improve their quality of life. In case of this activity also, keeping in view of the facilities of financial accommodation available to the Society through sponsor bank, there is a scope as well as potential to cover all the 9 villages of its area of operation and augmenting distribution business.

Resource Base and Business Position :

Society commenced with small share capital base of Rs. 0.03 million in 1975 which at the end of 1987 has the share capital of Rs. 2.7 million contributed by members. While its reserves and other funds have risen to Rs. 1.3 million, Society thus now has the owned funds of about Rs. 4 million which represents sound financial resource base. Society is running with business surplus although its existence and during last year, it could generate business surplus of Rs. 0.02 million. Society has been adjudged in 'A' class by Statutory Audit during last years.

Performance Appraisal : Some Issues :

While considering the detailed account of various aspects of the organisation and management of the FSS, following issues emerge

- (a) Organisation of the Society, in terms of spread and composition of members and particularly, constitution of its management organs, are in tune with the organisational ethos of the FSS, as envisaged while introducing this innovation in the form of PACS.
- (b) Society's management has traversed on the lines of integrated management approach by developing wide range of activities, but one important gap in its activities is of providing marketing of agricultural produce to its members.
- (c) As commented upon at respective stage of activity-wise discussion, extent of coverage of members and scale of operation of respective activities - leaves scope for its augmenting these activities for which there is potential, as well as need and also financial and management infrastructure with Society. Society, therefore, can and should exploit these potential to augment and further develop its various activities to further serve the economic development of its member.

FURSINGI MULTI-PURPOSE SERVICE CO-OPERATIVE SOCIETY

ORGANISATION AND MANAGEMENT OF A PACS

Dr. D.R. Oza *

Organisation :

Fursingi Multi-purpose Service Co-operative has been in existence since last about 7 decades with its organisation, way back in 1918. Its area of operation is only one village - Fursingi - where it is located and hence it represents earlier vintage type of one village - one society - PACS.

Fursingi village is located at a distance of about 20 Kms. from Pune City. Village has total population of about 15,000 divided into about 3,000 families, including about 1250 agricultural holding families.

The present membership of the Society is of 509 agricultural families (out of 1250 total) and it has nominal membership of 98 from non-agricultural households (out of 1750 total). Thus, the membership of the Society covers 40 percent of agricultural families and 6 percent of non-agricultural families. In terms of composition of membership in aggregate (regular as well as nominal). Of the total membership of 607, more than 80 percent are agriculturists. Thus the Society has the organisational characteristics of an agricultural co-operative rather than a rural co-operative.

Fursingi village has the natural endowment of fertile land with adequate rain fall and irrigation facilities. Main crops grown around the village are sugarcane and vegetable. Agricultural members in the area therefore stand in need of. Besides production credit, two post-production services viz., processing of sugarcane and marketing of vegetable.

Processing of sugarcane obviously cannot be undertaken by the Society, nor it is expected of it. This is being taken care of by Yeshwant Sahakari Sakhar Karkhana - a Co-operative Sugar Factory located nearby in the area. Society only provides production credit for cultivation of sugarcane.

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As regards marketing needs of those members growing vegetable, Society can and should render these services to enable the members to obtain better return of their produce. Society, however, has not been undertaking these activities, on the ostensible ground that vegetable market is available very nearby in Pune, and therefore, members does not find the heed of Society's services in this regard.

Management of the Society :

Management of the Society is vested in the Managing Committee of 11 members including 8 elected members. In the professional management society has one Secretary and 3 other employees. Secretary belongs to the cadre scheme of Secretaries for PACS in operation in the district.

Activities of the Society :

Main activity of the Society is of providing short-term production credit and medium term credit. Society provided short-term credit of Rs. 2,60,000/- during the year 1987-88 to 51 members, while its outstanding of medium loan amounts to Rs. 5,90,000/- from 17 members.

Provision of credit by the Society, thus covers only 68 members. Out of the total of 607 with proportion of borrowing members amounting to a meagre percentage of about 11 percent of total.

Recovery position of the Society indicates overdues of Rs. 85,000/-. Out of total short-loan receovery demand of Rs. 2,60,000/-, the recovery position, thus, is about 70 percent, which is fairly satisfactory compared to overall overdues position obtainable elsewhere.

In terms of purposes for which credits are provided, short term loans are given for production of sugarcane and vegetable, two main crops of the area. While medium term loans are provided for fairly diversified purposes such as (a) transport vegetable, (b) well repair, (c) pipeline, (d) oil engine, (e) electric motor, and (f) land levelling etc.

Interest rate charged by the Society, both for short and medium term loans is 12 percent, in which Society gets the margin of 3 percent. Only in case of medium term loan for transport vehicle, Society charges 15 percent as it gets the Bank accommodation for the same at 12.5 percent.

Society obtains and passes on 4 percent interest subsidy of 4 percent in case of timely repayment of loan by small farmers. This has helped better recovery performance by the Society.

(b) Input Supply : Society undertakes input supply mainly of fertiliser. This activity is mainly assisted by the two component formula of crop loan under which as per the policy guidelines, 60 percent of credit is to be provided in kind and 40 percent in cash.

Society has not been able to adhere to this proportion strictly; however, about 50 percent of the credit is provided through input supply. Since production credit provided by the Society is for the cultivation of sugarcane and vegetables - both of which stand in need of intensive fertiliser use, there is scope for the Society to augment its input supply activities. Again, Society has its own building and godown; hence it is possible for the Society to undertake input supply more intensively for its own development and for the benefit of its members.

(c) Distribution of essential goods : Society undertakes distribution activities through a fair price shop, which is run in the Society's own building. Annual turnover of this activity during last year amounted to Rs. 1,25,000/-, but the distribution activities has remained confined to supply of foodgrains etc. through fair price shop scheme. Since the Society has centrally located good building in the village where the shop is situated, it is possible for the Society to increase the range of commodities to be distributed to cover many other items of daily necessities.

Financial Position :

Society has share capital base of Rs. 1,98,000/- and reserve fund of Rs. 4,00,000/-, besides building fund of Rs. 40,000/-. Thus, it has the owned resource base of about Rs. 2,80,000/-. Society has earned business surplus of about Rs. 33,000/- during the year ending June 1988. Society has been awarded 'B' class by the Statutory Audit of Co-operative Department.

Some Issues :

Critically considering the organisation and management of the Society, some issues of inadequate performance as compared to potential

emerges as under :

- a) Even though the Society is in existence for the last about 7 decades, its coverage of families in the village has been only 600 out of 3,000 families. Thus, the coverage is only 20 percentage of the total, while in the membership, predominant proportion is of agricultural families. Society, therefore, has not attempted to increase and universalize coverage of membership to large number of families. With only one village as its area of operation, it should be possible for the Society to provide undivided attention to increasing the coverage of membership and develop into rural co-operative from its present stance of a co-operative for agriculturists. This has been the envisaged role and function of base level co-operative operating at village level.
- b) Even within the limited coverage of families under its membership, extent of borrowing members is also very small. Borrowing membership is only 68 out of total 608 members - that is only 11 percent, which is too inadequate for the Society to effectively serve the economic development of its members.
- c) Since the Society has been in existence for long and was organised at a time when PACS were mainly concerned with dispensation of credit, it has not made serious attempt to undertake integrated activities for the benefit of the members. Besides credit, activities of input supply has been undertaken as concomitant of two component formula of crop loan, while distribution activities is there on account of public distribution scheme. These are good and useful activities, as far as they go, but the felt-need based activity of undertaking marketing of vegetable, which concerned about 70 percent of existing membership, has not been undertaken so far. Since the terminal market is available nearby, with little efforts, Society can undertake pooling and group marketing of vegetable. This will help the Society on the one hand to augment its own business and income and provide better returns to members of their produce.
- d) Society has the advantage of good and impressive building in the centre of the village and therefore, it can exploit the potential of selling many items of daily necessities, besides foodgrains under fair price scheme. This again will help the Society to develop its business and render useful service to the members and even other potential members in the village to improve their quality of life.

* * *

**WASHI SAHAKARI BHAT GIRANI SANSTHA, WASHI
(WASHI COOPERATIVE RICE MILL)**

A CASE STUDY

Introduction :

This case attempts to describe the growth and progress of a Cooperative Rice Mill located at Wasi in Rajgarh district of Maharashtra State in India. It discusses its evolution and achievements and highlights potential area of growth and nature of member-cooperative relationships that can be built. The study is embedded in the larger context of rice milling industry in India.

Rice in Indian Economy :

Rice is by far the most important food crop in Asia. Thus, it is through increased production that a large segment of mankind will continue to be nourished. Furthermore it is on the rice industry and on the human employment it generates, in the farm as well as in the mills, that much of Asia's rural economy depends. Rice, therefore, is likely to continue to play a primary role in the improvement of the economy of Asia.

Rice is the largest third-world crop and the staple diet for a majority of the people there.

India ranks second only to China in the production of rice in the world, and it is the most important among the foodgrains produced in India. Out of the total foodgrains production of 144.1 million tonnes of food production in India, during 1986-87, rice alone accounted for 60.4 million tonnes, or 41.9 per cent of the total foodgrains production. Even in terms of area under cultivation for different crops, rice occupies a pre-eminent position in India. During 1981-82, 40.70 million hectares or 23.2% of the total cultivated area under all crops, was utilised for growing rice. Rice is grown practically all over India, but its cultivation is mostly concentrated in eight states; Andhra Pradesh, Assam, Bihar, Madhya Pradesh and West Bengal. These States accounted for 82.6% of the total area under rice cultivation.

This case has been prepared by KK Taimni for study and discussion. It is not intended to reflect on the soundness or otherwise of management's practices.

Stages in Rice Handling :

When the rice grain is harvested, it is un-usable as human food until inedible hull is removed. Since the grain is consumed as a white rice, the bran layer must also be removed (through a process called polishing or milling). Thus the normal sequence in the handling of rice crop after it matures is : harvesting, cleaning, drying, storage, milling and distribution (or retention for self consumption). Studies conducted in the field reveal that 13 to 34% of the crop is lost during harvest and post harvest operations : during harvesting and thrashing 5 to 15%; in cleaning and drying 2 to 3%; in storage 2 to 6%; in processing 3 to 7% and during handling and transportation 1 to 3%.

Rice Milling and Technologies in use :

Rice milling is the process of removing the outer husk and all (or part) of the bran layer from the grain. The husk is totally inedible, if the bran layer is not removed the product is called brown rice.

There are three principle types of rice mills in use, in addition to the traditional system of hard pounding of rice; one is the steel huller, a rather simple machine that removes the husk and bran in one operation. Its defects are that it is expensive to operate, has a low capacity and low rice out-run and produces too many broken gains.

The second type is sheller mill. It consists of several machines; usually a cleaner, a disc sheller, a separator and a polisher. It has a high Capacity and medium operational costs, but is less efficient than a modern mill. The modern rice mill - the third type - has a highly efficient equipment; cleaners remove foreign matter, rubber roll shellers dehusk the grain, paddy separators remove any unhulled gain, polishers remove the bran layer, and the graders separate broken grains from head rice. The modern rice mill has a high capacity, and it recovers more total rice as well as head rice.

The percentage out-turn the quantity of rice produced from paddy-achieved under the above three different technologies would be 70% for the modern mill, 68% for the sheller mill, and 64% for the steel huller mill.

Exhibit-I gives the average recovery efficiency of the three types :

Exhibit-I
Average Recovery Efficiency of three types of mills

Type of Mill	Recovery as a percentage of Paddy		
	Bran + Hulls	Whole-grain	Broken grain
Steel Huller	36.6	46.5	16.9
Sheller Mill	32.5	55.9	11.6
Modern Mill	30.0	62.0	8.0

Rice Mill Capacity :

Rice mill capacity is worked out on the basis of tonnes of Paddy intake per hour. The larger the mill, the greater the efficiency provided enough Paddy is available to run the mill full time. Modern Rice Mills are designed to operate almost continuously for upto 300 days a year. In determining how many hours a day to operate a mill, facts to be considered are the availability of labour and paddy and transportation and storage facilities.

Co-Operative Rice Mills in India :

Of the total number of 1,07,343 rice mills in India, 82,344 of huller type, 6,385 of sheller type and 18,684 of huller-cum-sheller type only 19,771 had been modernised by the end of 1986. Of these, 1,07,343 rice mills with a total capacity of 97.73 million tonnes, only 664 were co-operative rice mills, i.e. less than 1%; with a capacity of 1.984 million tonnes or 2.21% of the total paddy produced in the country.

Under a scheme of the National Co-operative Development Corporation, 205 out of 654 Rice Mills had been taken up for modernisation.

Most of the co-operative rice mills in India have a milling capacity ranging from 1/4 tonnes to 4 tonnes of paddy per hour. A majority, however, is of 1 tonne per hour capacity. Due to a variety of reasons, the capacity utilization in India of co-operative rice mills has ranged between 35.7% (1976-77) to 75% (1986-87) in recent years.

52% of the co-operative rice mills had shown surplus, while 47.6% had reported loss during 1984-85.

Co-Operative Rice Mills in Maharashtra :

Maharashtra is one of the major states in India. It is located in the western part with its coast bordering the Arabian Sea. It is the third largest state in the area as well as the population. It ranks second in the net area shown and third in the gross cropped area, accounting for 13% and 11% respectively. The productivity of land, however, is low, for instance, it had 11% of the country's total area under foodgrain but produced only 8% of the country's total foodgrains. The low productivity is largely due to low irrigation facilities available in the State. Hardly 10% of the net sown area is irrigated as against All India average of 29.4%. Agriculture essentially depended on monsoon.

There were 8500 rice mills in Maharashtra at the end of March, 1987, of which 143 were co-operative rice mills. Of these 143, however, only 84 were actually in operation. These 84 co-operative rice mills processed 1,00,000 tonnes of paddy during 1985-86 and 57 were in surplus and 29 in loss.

WASHI VIBHAG SAHAKARI BHAT GIRANI VA KHAREDI VIKRI KARNARI SAHAKARI SANSTHA LIMITED, WASHI; (WASHI CO-OPERATIVE RICE MILL - WCRM)

Washi - a village with the population of 3,000, is located on the coastal district of Raigarh, in Maharashtra State. Of the total population 370 were land-owning households, but the entire population was almost wholly engaged in cultivation of paddy - the principal crop in the area; except, of course, those who were employed in the industrial units in the nearby towns of Khopoli, Pen, Panvel and Bombay. Some households kept poultry for own consumption as well as for commercial purpose. Washi was not a particularly progressive or a prosperous village. Its major handicap being its dependence on monsoon, there being no other means of irrigation. Only one crop of paddy could thus be raised during the year.

There was a primary and high school, a primary health centre, a branch of the Raigarh District Central Co-Op. Bank, and elected Panchayat, two primary agriculture service co-operatives, besides two rice mills, in Washi.

One of these two rice mills - the other was a private one - was the Washi Co-operative Rice Mill (WCRM). It was organised during 1957-58, with 21 members, and Rs. 15,150/- as share capital. Over the years it had grown in its membership, financial strength and area of its operation. On 30th June, 1988, its membership stood at 218, including 12 primary agriculture service co-operatives, within its area of operation, extending over 15 villages, and 12 kilometres radius. There were four other private mills in the area, three each with a capacity of half tonne per hour - the same that of WCRM - and the fourth one with 1/4 tonne per hour.

Aims and Objectives :

The WCRM was originally registered as Rice Processing Unit, but it changed its bye-laws in April, 1976, to enlarge the scope of its activities to include purchase and sale of rice as well. The broad aims and objectives of WCRM as per the new bye-law inter-alia, included the following :

- 1) To purchase, and/or to take on lease/rent, rice mills, flour mills, spices grinding mills and Poha Mills for the purpose of processing, and/or undertaking production based on by-products of the above; ig,
- 2) To receive and process members produce like paddy, chilly, cereals etc. and to undertake production of by-products thereof;
- 3) To undertake marketing of finished/processed products and/or by-products, either through co-operative marketing channels or agents;
- 4) To buy/hire vehicle for transportation of members produce from their farms to the mills; and
- 5) To propagate among members modern methods of cultivation and other allied occupations like dairying, poultry etc. and encourage and help them to increase their income/productivity, and if necessary guarantee such businesses.

Management :

The management structure of the WCRM was typical of a co-operative society. On top was the General Body of the membership, which met once a year and it elected a Managing Committee every three years. The election to the Managing Committee had been regularly held, the last one was held in 1985 and the next one was due in October, 1988. (This study was completed in September, 1988).

The Managing Committee consisted of 11 members. Of these 11, 8 were elected by the individual members, while remaining 3 represented the primary co-operatives. The Committee was elected every 3 years, but the Chairman was elected every year by the Managing Committee. The Managing Committee of WCRM had met 14 times during the year 1987-88, for transacting normal business, once every month, except in November and June, when it met twice, in November for the election of the Chairman and in June for finalisation of annual accounts.

The Chairman of the WCRM visited the office every day and generally guided the operations, advised the staff and kept in close touch with the members.

Staff :

The WCRM had 4 permanent staff, consisting of a Manager, a Clerk and Operator and an Assistant, Casual Labour was engaged off and on, depending upon the contingency of work.

The Manager had joined the Co-operative as a clerk and was subsequently promoted. He had undergone Co-Operative Management Training at the Co-operative Training Centre, Pune.

Activities and Operations :

The WCRM had installed a half tonne per hour capacity sheller type rice mill, following its registration in 1958. It had since been providing rice milling facilities to members and non-members within its area of operation. Apart from rice milling, it had no other activity. It, however, had a 100 tonnes godown to store paddy during the season; both members and non-members were encouraged to use this facility on temporary basis.

Exhibit 2 gives the performance of WCRM, in so far as rice milling was concerned.

Exhibit - II

Rice Milling and Capacity Utilization of WCRM :

Particulars	Years		
	1985-86	1986-87	1987-88
1) No. of days the mill worked	264	274	266

2)	Quantity of rice mill (in tonne)	1334	1174	1274
3)	Capacity Utilization (in percentage)	79.4	69.88	75.83

 (Capacity has been calculated with 180 days 8-hours single shift + 120 days double shift i.e. 1680 tonnes per annum).

Of the 1274 tonnes of rice milled during the year 1987-88, 178 tonnes were of members, and the remaining of non-members. As rice was a kharif crop i.e. harvested in October and November, the WCRM worked for 7 to 8 months i.e. from October to February in double shift, and then from April to June in single shift.

Exhibit 3 gives the technical performance of WCRM during the year 1987-88.

Exhibit - III

Technical Performance of WCRM :

			(in K.G.)	
<u>Paddy intake</u>	<u>Hull & Husk</u>	<u>Rice</u>	<u>Broken Rice</u>	
100	24	50	16	

Exhibit IV gives the historical evolution of WCRM, its progress, performance and achievements over the years.

Exhibit IV

Washi Cooperative Rice Mill - Statistical Profile of Progress :

(Rs. in '000)

Membership		1975-76	1979-80	1984-85	1985-86	1986-87

1.	i) Indv.	116	141	172	195	206
	ii) Coop.	12	12	12	12	12

Share Capital

	i) Members	20	20	20	20	20
	ii) Govt.	-	-	-	-	-
2.	Reserve Funds	48	78	117	123	134
3.	Other Funds	119	162	118	128	140
4.	Loan from Bank	-	-	-	-	-
5.	Investments	6	6	5	5	5
6.	Small Savings	27	29	2	2	1
7.	Fixed Deposits	70	125	150	175	175
8.	Net Surplus	19	45	27	37	32
9.	Loan from Bank	-	-	-	-	-
10.	Income from Rice Milling	6	10	81	102	98
11.	Audit Classification	A	A	A	A	Not yet audited

Benefits to Members :

The WCRM normally charged Rs. 10 per 100 Kg. for paddy milled; WCRM members, however, were given 50% discount i.e. they were charged Rs. 5 per 100 Kg. The members also got preference over non-members, while accepting paddy for milling. No other benefit or service was extended to members of SCRM.

No bonus on business done was either declared, though members received 12% per annum as interest on their share capital.

EXhibit - VFinancial Position of WCRM as on 30-6-1987 :

(Rs. in '000)

Source of Funds	Amount	%	Application of Funds	Amount	%
Share Capital	20	4.6	Cash in hand & with Banks	15	3.5
General Reserves	269	62.0	Fixed Deposits & Savings in Bank	198	45.6
Bldg. & other Reserves	43	9.9	Investments	5	1.2
Sundry payable	10	2.3	Land, Building & Machinery	160	36.8
Other liabilities	55	12.7	Other Assets	56	12.9
Undistributed Surplus	37	8.5			
	434	100		343	100

The Exhibit V gives the financial position of the WCRM as on 30th June, 1987. It shows that it has been consistently making surplus, had shown as impressive performance, and was in a very sound financial position.

Exhibit VI gives the Cost & Income structure of WCRM for the year 1986-87.

Exhibit VICost & Income structure of WCRM during 1986-87 :

(Rs. in '000)

Incomes	Amount	%	Costs	Amount	%
Milling charges	98	82.3	Mill Maintenance & Depreciation	13	10.9
Interest	20	16.8	Electricity charges	16	13.4
Other	1	0.9	Staff Salary	25	21.0
			Labour charges	4	3.4
			Printing & Stationery	3	2.5
			Bonus to staff	3	2.5
			Committee Sitting fee	3	2.5
			Other	20	16.9
			Surplus	32	26.9
	119	100		119	100

A Critique :

Undoubtedly, WCRM had shown commendable performance over the years. It was the first unit to introduce sheller type rice milling in the area, that also provided an opportunity to farmers to own and participate in a processing unit. On top of that, it was one of the very few co-operative rice mills, which had consistently shown surplus in its operations. There were, however, a few areas where it could do better in days together.

Enlargement of Membership :

1. Individual membership of WCRM, which stood at 206, had been increasing at a slow pace; in fact there had been no increase in the membership between 1977-78 and 1983-84, when it stood at 141. During the last 4 years, 65 more members had been admitted. There still, however, existed tremendous potential for increasing membership and making it broad based.

2. Range of Services :

As stated elsewhere in this study, 13 to 34% of the rice was wasted during the processes of handling, milling and transportation. The WCRM provided only processing facilities, farmer-members had to mend themselves for storage, marketing, transport as well as other post-harvesting operations. Similarly, farmers had to depend on the Village Level Worker for extension support-services and the Village Panchayat for the supply of improved seeds. The credit and fertilizers were available from the primary agriculture service co-operatives. This fragmentation of services had resulted both in sub-optimum delivery as well as vital gaps in supply system dampening thereby efforts to increase productivity and production and thereby income of farmers in the area. WCRM could consider enlarging its activities and provide a full package of farm related services in an integrated manner, as was also provided in its revised bye-laws.

Modernization :

The WCRM had installed the sheller type mill in 1959. Meanwhile, technology to modernize, and thereby to improve efficiency of rice processing had been developed & was now easily available. The National Co-operative Development Corporation had also formulated a scheme to finance modernization of sheller type rice mills. WCRM could consider availing itself of this facility, thereby modernize as well as expand its capacity in order to satisfy the growing requirements of the farmers in the area.

Diversification :

The Management of the WCRM had been considering diversifying into the field of spices grinding. It was a good area of diversification. Management of WCRM could also consider similar other areas as provided in its bye-laws for diversification, in order to satisfy the requirements of members as well as to increase the use of its extensive

infrastructure and machinery. Moreover, it had adequate funds for the purpose.

There is no doubt that the management of the WCRM was alive to the above points; given in the dynamic leadership, financial strength and support facilities available, it would continue to grow and effectively serve its members and other in its area of operation.

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**A CO-OPERATIVE EFFORT TO MEET IRRIGATION NEEDS
A CASE STUDY OF NANGAON LIFT IRRIGATION
CO-OPERATIVE SOCIETY**

C.Dinesh

1. The Frame Work:

- 1.1 The Nangaon Lift Irrigation Co-operative Society was an effort by the farmers in a village about 65 Kms. away from Pune to harness water resources available in Bhima river flowing close to the village for irrigation purpose.
- 1.2 The Nangaon Lift Irrigation Co-operative Society (NLICS) was registered on 30th June, 1950. The initiative to form the Co-operative Society was taken by three enterprising farmers viz., (1) Shri Parashuram Balaji Gund, (2) Baburao Kondoji Rao Gund and (3) Laxminarayan Badrinarayan Zanwar. The Society started with 181 members with an initial share capital of Rs. 44,600/-. In the beginning the share value was Rs. 50/- per share which was increased to Rs. 100/- per share in the year 1977. On 30.6.1988 the total membership of the society stood at 536 owning 1500 shares with a share capital amounting to Rs. 1,50,000/-. The society is classified as a resource society by the Registrar of Co-operative Societies as per the Co-operative Societies Act, 1960.
- 1.3 Though the society was registered in 1950, and they started erecting three oil engines with 100 HP capacity and three centrifugal pumps for lifting water, the work was completed by 2.2.1953 when the society started operating by supplying water to the members in the area of its operation.

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2: Area of Operation and Membership :

- 2.1 The total geographical area of Nangaon village is recorded to be 4665 acres which 4233 acres were under cultivation (net cropped area). Of the net cropped area of 4233 acres 1550 acres are under irrigation.
- 2.2 The area of operation of the society is restricted to the command area of the irrigation project where the society can supply water for agricultural purpose. As on 30.6.88 the total membership of the society stood at 536 as stated earlier with a command area of 1200 acres of which 320 were small farmers (0-5 acres). When the society was promoted the farmers were eager to become members of the society and it was reported that many of the farmers in the area sold their women's jewels to raise money to pay the share capital to the society. The society has not received any share capital contribution from the State Government.

3. Main Objectives :

The main objectives of the society outlines in the bye-laws are noted below :

- 1) Supplying water from Bhima river by constructing bunds and canals.
- 2) Digging wells, repairing and deepening wells for irrigation purposes.
- 3) Lifting water from the river, storing and supplying water to the members by constructing canals.
- 4) Land improvement for facilitating irrigation and encouraging consolidation of land holdings.

4. Capital for Investment :

- 4.1 The society has raised resources by way of :
- a) Collecting share capital from members, State Government/ Zilla Parishad.
 - b) Accepting deposits from members and non-members.
 - c) Contribution and subsidies from Government and the developmental agencies.
- 4.2 The total working capital, total income and the expenditure of the society is presented in Statement I.

STATEMENT I
RESOURCES AND COST OF MAINTENANCE

	(Amount in Rs.)		
	1985-86	1986-87	1987-88
<hr style="border-top: 1px dashed black;"/>			
<u>Working Capital</u>			
Total	9,46,098	9,12,579	8,23,982
Of which owned funds	6,57,547 (69.5)	6,72,784 (73.7)	6,88,016 (83.5)
Total Income	5,41,284	5,75,271	5,68,645
Total Expenditure	4,31,891	4,61,401	4,73,046
Cost of Management	1,42,479	1,68,133	1,35,551
% of Cost of Management to Working Capital	15.06	18.42	16.45
Profit	1,04,938	1,13,870	95,599
Loss	--	--	--
<hr style="border-top: 1px dashed black;"/>			

- 4.3 The data presented in the statement indicated the financial strength of the society. The society accumulated its own funds by way of strengthening its reserves - at the end of 30 June, 1988 the total reserves of the society stood at Rs. 5.38 Lakhs. The percentage of owned funds (share capital + reserves) to total working capital of the society has been continuously increasing over the past three years, from 1985-86 to 1987-88. In 1985-86 this percentage was 69.5 per cent which has gone up to 83.5 per cent in the year 1987-88.
- 4.4 The society earns its major part of the income by way of collecting water charges from its members. Water charges are levied by the society in relation to the crops grown by the members.
- 4.5 Statement II gives details of the crop-wise water charges fixed by the society.

Statement II

Cropwise per acre water charges

(Amount in Rs.)

Sr. No.	Crop	Water Charges
1.	Sugarcane	650
2.	Foodgrains (Cereals and pulses)	100
3.	Horticulture (Fruits including grapes)	500
4.	Vegetables	200
5.	Onion	200

4.6 It can be seen from Statement II that highest per acre charges are levied for sugarcane which requires more water than other crops. In the year 1987-88, of the total 900 acres cultivated in the command area of the society about 53 percent was occupied by sugarcane and rest by other crops. Of the total income earned by the society over 75 percent was by way of water charges collected from members.

5. Operations :

5.1 The main task of the society is to supply water to the members, cultivating land in the command area of 1200 acres. The water is lifted from the Bhima river which flows by the side of the Nangaon village. The society has installed three electric motors of 100 HP each. The oil engines originally installed in 1952 was replaced in the year 1965 (2 engines) and 1972 (one engine). The society has installed a transformer of 500 K.W. capacity which can operate four motors of 100 HP each simultaneously. However, the society has no immediate plans of expansion.

5.2 The water is supplied by lifting the water through 7500 feet rising main pipe of 27 inches diameter which carried the water to a storage tank from where 7 channels of distribution pipelines are erected by the society. The total pipelines installed by the society runs into over 20,000 feet. The cost of installation of lift irrigation scheme was met by the society from its share capital and Government assistance. Initially the State Government gave assistance to the society by way of long duration loan of Rs.1,25,000 for 15 years at 3.5 percent interest and an equal amount as subsidy.

6. Water distribution discipline :

6.1 The society has established a discipline in supply of water, which is incorporated in the bye-laws of the society.

6.2 Cropping season-wise the society calls for applications from its members for indicating their water requirements

as per their cropping and sowing plan. The quantum of water is supplied strictly in relation to the share amount contributed by the member. For sugarcane for each share of Rs.100/- water is supplied for 10 guntas (1/40 acres) per share. For other crops upto 15 guntas (1.5/40 acre).

6.3 After the applications are received by the society they issue a water pass to each applicant member, a copy of which is given to both the farmer member and to the water man who is incharge of supplying water. In the water pass details of his survey number, area, crops grown, water channel number and dates of watering is given. On the basis of these water passes the water man prepares distribution plan report and submits it to the society. He also submits a daily report of the water use for verification. If any member farmer taps the waterline and takes unauthorised water on dates not fixed for him, a panchanama is made and fine is imposed on such an erring member. Between 14th February and 15 June which is considered to be peak season when there is pressure for the water, fines are imposed kat the following rates; for sugarcane Rs.500/-, for other 8 month crop Rs.125/- and Rabi crops Rs.75/-.

6.4 If a farmer takes water without pass, he is fined three times of the normal rates of irrigation charges fixed for the crops and this discipline is strictly imposed by the society. The manager of the society has reported that because of this discipline followed by the society there are not many violations in the distribution discipline and so far they were not required to take legal or criminal action against any of their members.

7. Management :

7.1 The society has a democratically elected Managing Committee of 11 members. The period of the Managing Committee is 3 years. The present committee was elected in 1986. There is no government nominee on the Managing Committee. It is strictly a democratically elected body by the farmer-members themselves. Though

the society does not have any special member contact and education programme, the members of the Committee tried to keep contact with the members by personally meeting them frequently.

- 7.2 The Managing Committee meets regularly at least once in a month. During the past three years from 1985-86 to 1987-88 around 21-25 meetings per year were held as detailed below :-

Statement III

Managing Committee Meetings

Year	No.of meetings held	Attenddance
1985-86	21	generally all
1986-87	25	the members
1987-88	25	attend the meetings.

- 7.3 It was reported that all the disputes are settled in the meetings which are accepted by the members.
- 7.4 The society has a staff of 11 people divided into three sections viz., (a) Office Administration, (b) Canal Section and (c) Machinery Section. In the Office Section, there is a Manager, Assistant Manager and a Peon, in the Canal Section, one Canal Inspector and two Watermen and in the Machinery Section, one Wiremen, one Assistant Wiremen, two helpers and a watchman are employed. The wireman was sent for wiremen's course by the society at their own cost. No other employee has received any training so far but inspite of this they seemed to have managed the society very well.

7.5 The cost of management of the society works out to over 15 percent of the working capital (Statement I) which varies between 15.06 to 18.42 percent during the past three years between 1985-86 and 1987-88. The society during these three years has marched towards a greater self-reliance which indicates real cooperation among the members.

8. Problems :

8.1 The main problem of the society is said to be soil erosion due to continuous irrigation. During the past 10 years about 250 acres of land in the command area of the society belonging to the members has become arid and salty land which has become uncultivable. The society has not been able to take up the land development in this area or prevent further soil erosion. The society has approached the state government to help them out in this problem.

8.2 The second problem is non-recovery of irrigation charges due to difference in the cropping season and the cooperative accounting year which has resulted in showing higher proportion of dues recoverable against water charges from the members on 30th June.

8.3 Third problem faced by the society was tapping the water by the members against the programme fixed by the society. However, due to the discipline imposed by the society on errants, this has considerably reduced.

8.4 The society feels that if the Government comes to their help in solving their soil erosion problem they would be able to function more effectively and increase productivity of the crops grown in the area of their operation.

A copy of the latest balance sheet of the society is enclosed for reference.

30.6.87		30.6.88		30.6.87		30.6.88	
Liabilities		Assets		Total B/f		Total B/f	
11,26,943.54		TOTAL B/f	10,80,723.47	5,31,719.78		5,73,356.76	30.6.88
2,925.00		6) Suiay Control	2,925.00	58,273.66	5) Water Scheme	56,525.47	
6,849.00		7) Transport Rent	6,849.00	53,622.50	i) Gate No. 1	52,013.75	
51.00		8) Professional Tax	51.00	8,984.65	ii) Gate No. 2	8,715.13	
600.00		9) Electricity Deposit	550.00	38,002.80	iii) Gate No. 7	36,861.96	
--		10) Savings - Kedgaon	3.90	37,318.89	iv) Gate No. 6	36,189.05	
--		11) Irrigation Water Charges	1,30,000.00	270.40	v) Main Canal	282.18	
--		12) Gratuity Payable	14,668.30	409.91	vi) Library	397.34	
.09		13) Bal. Sheet difference	.09	17,774.00	vii) Machine Tools	17,240.78	
10,425.09		14) Profit		4,176.83	viii) Gate No. 5	4,051.55	
1,41,903.42		Carried forward	1,41,903.42	6,410.72	ix) Gate No. 4	6,218.21	
1,09,392.77		30.6.85	1,09,392.77	2,25,244.36	x) Gate No. 3	2,18,505.42	
1,04,938.23		30.6.86	1,04,938.23	43,253.50	6) Sundry Debtors	43,382.50	
1,13,870.02		30.6.87	1,13,870.02	816.00	i) Salary Advance	816.00	
30.6.88			95,599.17	790.50	ii) Hanuman Hatwala	790.50	
4,70,104.44				6,646.00	iii) Telephone Deposit	6,646.00	
				100.00	iv) Cement Advance	100.00	
				400.00	v) Gate No. 2 Adv.	370.00	
				2,300.00	vi) Canal Repair Adv.	2,300.00	
				1,700.00	vii) Share Suspense	500.00	
				300.00	viii) Machinery Adv.	300.00	
				56,366.00	ix) Land Dev. Adv.		
				400.00	7) Sundry Debtors	55,265.00	
				500.00	i) Printing Adv.	400.00	
				750.00	ii) Mahati Elect.	500.00	
				1,650.00	iii) Share Suspense	750.00	
				1,634.15	8) Member Receivable	1,650.00	
				5,073.02	i) Water Charges 78/79	1,634.15	
				2,331.17	ii) Water Charges 79/80	4,948.02	
				2,918.67	iii) Water Charges 81/82	1,951.85	
				2,583.76	iv) Water Charges 82/83	2,475.20	
				2,795.20	v) Water Charges 83/84	1,793.36	
				26,650.66	vi) Water Charges 84/85	1,073.26	
				1,298.12	vii) Water Charges 85/86	7,662.12	
				1,09,090.45	viii) Water Charges 86/87	916.68	
				736.55	ix) Water Charges 86/87	31,710.61	
				1441.38	x) Water Charges 87/88	1,46,648.26	
				740.50	xi) Govt. Instalment	736.55	
				66,433.29	xii) Repairing Adv.	441.38	
				30.00	xiii) Telephone Rent	740.50	
				2,22,756.92	ixv) Well Water Charges	53,543.59	
					xv) Silver Jubilee	30.00	
						2,56,311.53	

SOIL EROSION IN THE COMMAND AREA OF AN IRRIGATION SOCIETY

- A MANAGEMENT CASE

Introduction

The Nangaon Cooperative Lift Irrigation Society registered in the year 1950, started functioning from February 1953 by completing its installation work for lifting water from the Bhima river. The membership of the society had increased from 181 at the time of registration to 536 as on 30 June 1988 with a share capital of Rs.1.5 lakhs and operating in a command area of 1200 acres owned by the members. Of the total members 320 were small farmers. (0-5 acres).

The Problem

Since last 10 years because of continuous irrigation and lack of appropriate measures to prevent soil erosion, the soil erosion started about 10 years ago in 1968. Initially nobody seems to have given attention to this problem and by now over 250 acres of land has become uncultivable because of soil erosion.

However, when the society noticed this erosion they sent a proposal to the Irrigation Department in the year 1979 for assistance and requesting them to undertake soil conservation at Government cost. Irrigation Department rejected this proposal on the ground that the erosion took place because of the irrigation provided by the society and therefore, the department cannot undertake this soil conservation work.

In 1983 another proposal was again sent to Collector, Pune for getting the work done under the Employment Guarantee Scheme at the Government cost. The Collector has approved the proposal in principle and asked the Irrigation Research and Development Department to undertake the work. The Irrigation Research and Development Cell conveyed to the society that there is already a G.O. on this subject which

has very clearly mentioned that they cannot undertake soil conservation measures on private land or the land operated by the lift irrigation societies, under the Employment Guarantee Scheme. They have also conveyed that the IRDP agency could only conduct a survey at the Govt. cost and prepare a project for implementation. Accordingly, they have conducted a survey of the specified land and submitted a project costing Rs.5 crores. The society feels that since it is a farmer's land which needs to be improved, the Government should help them in overcoming this problem. Though the society has built up adequate reserves they are not able to utilize that amount for land improvement purposes because of restrictions imposed by the cooperative act. They feel that they cannot afford to spend such a big amount even by borrowing from the Land Development Bank which would result in imposing additional debt burden on the members to be covered under this project.

At present the society once again has tried to approach the Government through local members of the legislative assembly for persuading the Government to undertake the work at Government cost. The case is, however, pending at this level.

Points for Discussion

1. What are the measures required to be taken by an irrigation cooperative society to prevent soil erosion ?
2. Do you think that the action taken by the society in this case is right ? If not, what other course of action you suggest ?
3. It was reported that the society could not spend their reserves on this project as per the cooperative act. Whether there is a need to amend the Cooperative Act in this respect or the society should create a separate fund to tackle this problem ?

ICA/JAPAN TRAINING COURSE, 1988-89

Areas of Enquiry for Field Study Visits :

1. How the Business (or economic) activity of cooperative decided. How the need for such economy activity is determined.
2. How financial and manpower resources are organised to handle the chosen activity.
3. Operational activities with special reference to :
 - a. Returns on investment
 - b. Services to members
 - c. Development, efforts through increase of share capital and savings.
 - d. How the members are educated in order to increase share capital and savings.
4. Value adding activities
5. Backward integration, forward integration, horizontal integration
6. Democratic operations
 - 6.1 How the Management Committee or Board is elected
 - 6.2 How Professional management is organised(staff relationship, from what sources etc.)
 - 6.3 The inter-relationship between the Management Board and Professional Managers.

GROUP.A

	D (2)	SE (2)	e/B (3)	MKT (3)	S
1. BACKGROUND	MILK	SUGAR-C	RF	RF	K
2. ORGANIZATION					
→ STRUCTURE	4	3	3	4	
3. FINANCIAL (SOURCE)					
a. GOVT. (SHARE CAPITAL)	Y.	Y.	Y.	Y.	
b. MEMBERS	Y.	Y.	Y.	Y.	
c. BORROWING (LOAN)	Y.	Y.	Y.	Y.	
d. OTHERS	Y.	Y.	N.	N.	
4. MAN-POWER OPERATION					
a. BOD	D	D	D	D	
b. MANAGEMENT	P	P	P	P	
5. MEMBERS PARTICIPATE					
a. OPERATION	VA	VA	A	M	L
b. CAPITAL/BUILD UP	G	G	G	m.	N
6. INTEGRATE					
B.	VG	VG	d	m	L
H.	VG	VG	L	L	L
F.	VG	VG	L	m	L
7. VALUE ADDING	VG	VG	N	L	L
8. SERVICE	VG	VG	G	m	L
9. TECHNICAL GUIDANCE	VG.	VG	N	L	L
10. POTENCIAL					
DEVELOPMENT PLAN	G	G	m	m	L

CHITRA. A.

PROCESSING (MILK/COOPERATIVE)

OUTSTANDING FEATURES:

1. MOST DEVELOPED COOPERATIVE SECTOR
2. INTEGRATION (BACKWARD/HORIZONTAL/
FORWARD) ACTIVITIES
3. SERVICE TO MEMBERS
4. BETTER RETURNS TO MEMBERS
5. VALUE ADDING ACTIVITIES
6. GOOD CAPITAL BUILD-UP
7. STRATEGIC LOCATION

SUGGESTION

1. EXPANSION OF HORIZONTAL
INTEGRATION ESPECIALLY IN MILK
INDUSTRY
2. WOMEN'S ROLE IN PMSE - NEED FOR WOMEN
REPRESENTATIVE IN BOARD OF DIRECTORS

2. IN THE DAIRY INDUSTRY SHOULD IMPLEMENT THE ELEMENT OF TOTAL DEVELOPMENT OF THE MEMBER SOCIETY NOT ONLY CONFINED TO MILK INDUSTRY AS TO FURTHER UPLIFTMENT THE STANDARD OF LIVING OF THE MEMBERS.
3. EXPANSION OF MARKETING OF SUGAR-EXPORT
4. PRICE CONTROL BY GOVT. ESPECIALLY IN MILK.
5. ELECTION OF BOD AT HIGHER LEVEL (DISTRICT) IS A COSTLY AFFAIR AND 'POLITICAL'? YET TO BE SEEN

MARKETING.

- SOME
1. ACTIVITIES NOT UP TO THE OBJECTIVES
- SCOPE FOR IMPROVEMENT AND MAKE
- FULL UTILIZATION OF THE VAST POTENTIAL

1. INTER-RELATIONSHIP AND THE ROLE OF
OPER. COSTS SHOULD BE IMPROVED AND
RECOGNISED. MORE ACCESS TO THE
PROBLEMS AT GRASS-ROOT LEVEL.
2. VALUE ADDING ACTIVITIES SHOULD
BE INTENSIFIED.
3. SPECIFIC CROP PATTERN (WHATEVER
POSSIBLE) SHOULD BE ENCOURAGED IN
MAKING THE MARKETING ACTIVITIES
EASIER AND ENSURE BETTER RETURNS.

CREDIT

1. IMPLEMENT ONE WINDOW CONCEPT SYSTEM FOR SHORT/MED./LONG TERM LOAN.
2. INCREASE THE RATE OF DIVIDENDS/BONUS SHARE
3. LOWER RATE OF INTEREST FOR AGRICULTURAL/ PRODUCTION LOAN.
4. ALLOCATION OF SPECIAL FUND (FROM THE PROFIT) FOR THE WITHDRAWAL OF MEMBERS CONTRIBUTION.

CONCLUSION

1. COOPERATIVE SECTOR ENJOY GOOD GOVT. SUPPORT IN TERMS OF SHARE CAPITAL AND ASSISTANCE. THIS IS IMPORTANT IN THE BEGINNING PROCESS BUT LATER THEY SHOULD BE SELF-RELIANCE.

STUDY VISIT REPORT

FUNCTION OF COOPERATIVE.

- MILK COOPERATIVES ORIGINATED TO FREE FARMERS FROM EXPLOITATION OF MIDDLEMEN
- INCREASING INCOME OF CAFE CULTIVATORS AND PROCESSING OF BY-PRODUCTS
- TO PROVIDE FINANCE FOR SHORT, MEDIUM LONG TERM LOAN FOR AGRICULTURAL PRODUCTION AND ALSO TO REMOVE THE CLUTCHES OF MONEY LENDERS
- TO REGULATE PRODUCTION AND MARKET OF AGRICULTURAL PRODUCE

FINANCE AND MANPOWER RESOURCES

- SHARE CAPITAL CONTRIBUTION BY GOVERNMENT STRENGTHENED FINANCIAL POSITION OF COOPERATIVES
- IN THE LONG RUN, COOPERATIVE MUST MANAGE WITH ITS OWN FINANCIAL DEVELOPMENT NOT DEPENDING ON GOVERNMENT HELP.
- BOARD OF MANAGEMENT UNDERGO EDUCATION AND TRAINING
- UTILIZATION OF SERVICES OF MEMBERS IN PROCESSING PLANT (SUGAR, MILK) IS HIGHLY COMMENDABLE
- SCHEME OF RETAINING RESIDUUM IN SUGAR SOCIETY FOR CAPITAL BUILD UP IS NECESSARY FOR SELF-RELIANCE
- SHARE VALUE IS LOW IN SOME SOCIETIES RESULTING TO INSUFFICIENT FUNDING

1. SUGGESTION

A) MILK - HORIZONTAL INTEGRATION

SUCH AS LENDING FOR PURCHASE OF MILK ANIMALS BY PRIMARY COOPERATIVE CREDIT SOCIETY

B) SUGAR - VALUE ADDED PROCESS

SUCH AS EXPANSION OF ACTIVITIES UNDER BY-PRODUCTS

EXS;

C) MARKETING

- TO TAKE UP MAIN ACTIVITY OF MARKETING OF AGRICULTURAL PRODUCE
- TO EDUCATE FARMERS IN MARKETING THEIR PRODUCE

D) CREDIT - VERTICAL INTEGRATION

- SINGLE WINDOW CREDIT DELIVERY SET FOR STMTLT FINANCE
- INTENSIVE BACKWARD INTEGRATION BY PRIMARY CREDIT SOCIETY
- NEED TO PARTICIPATE MORE UNDER CROP LOANS BY DCC BAN

GROUP 12

STUDY VISIT REPORT

1. OBJECTIVES OF THE VISIT

- WITH GOVT. & OTHER ORGANIZATION TO GAIN KNOWLEDGE FROM EXPERIENCE OF OTHERS
- INCREASING INCOME OF COOPERATIVES AND PROCESSING OF BY-PRODUCTS
- TO PROVIDE FINANCE FOR SHORT, MEDIUM & LONG TERM LOAN FOR AGRICULTURAL PRODUCTION AND ALSO TO REMOVE THE CLUTCHES OF MONEY LENDERS
- TO REGULATE PRODUCTION AND MARKETING OF AGRICULTURAL PRODUCE

2. FINDINGS AND MAJOR RECOMMENDATIONS

- IMPROVE CAPITAL CONTRIBUTION BY GOVERNMENT STRENGTHENING FINANCIAL POSITION OF COOPERATIVES.
- IN LONG RUN, COOPERATIVE MUST MANAGE WITH ITS OWN FINANCIAL DEVELOPMENT NOT DEPEND ON GOVERNMENT HELP.
- IMPROVE OF MANAGEMENT THROUGH EDUCATION AND TRAINING.
- UTILIZATION OF SERVICES OF MEN IN THE PROCESSING PLANT (SUGAR, MILK) IS HIGHLY COMPARABLE.
- SCHEME OF REGAINING RETO, FROM THE SUGAR INDUSTRY FOR COOPERATIVES SHOULD BE DEVELOPED FOR COOPERATIVES WITH VIEW TO GET THE BEST RESULTS TO IMPROVEMENT WORK.

CONCLUSION

- Government should take steps to encourage the growth of UNITS / Societies in the following areas:
 - CLOTHING, PAPER, FERTILIZERS
 - PUNE MILK SOCIETY should be set up in ALL PARTS OF INDIA
 - DISTRICT CENTRAL COOPERATIVE SOCIETY SHOULD ASSIST MARKETING SOCIETY TO ESTABLISHMENT OF PROCESSING PLANTS FOR VALUE ADDITION

INTERNATIONAL

A) BACKGROUND

- BACKGROUND INFORMATION IN MILK AND SUGAR SOCIETIES ARE GOOD
- MARKETING AND CREDIT SOCIETIES HAVE MULTIPLE BACKWARD ACTIVITIES
- SERVICE SOCIETIES SHOULD FOCUS BACKWARD ACTIVITIES OF MARKETING
- DISTRICT CENTRAL COOPERATIVE SOCIETY SHOULD COOPERATE WITH MARKETING SOCIETY
- FUND FOR CRYSTAL LAMP AND THE PRESENT INVOLVEMENT IS LOW

B) PROBLEMS

- SUGAR AND MILK SOCIETIES HAVE PROCESSING PLANTS FOR BY-PRODUCTS AND MARKETING SOCIETY IN MARKETING SOCIETY
- MARKETING SOCIETIES SHOULD ASSIST MARKETING SOCIETY IN MARKETING SOCIETY AND MARKETING SOCIETY IN MARKETING SOCIETY

GROUP D

IN SOME SOCIETIES, COMPETENT AND TRAINED STAFF WERE APPOINTED FOR EXAMPLE, AMUL, DCC BANK.

THIS HAS TO BE FOLLOWED IN OTHER SOCIETIES SUCH AS MARKETING AND CONSUMER SOCIETIES

RELATIONSHIP BETWEEN MANAGEMENT AND PROFESSIONAL MANAGERS ARE SOUND IN ALL THE COOPERATIVE INSTITUTIONS

FOR EXAMPLE, SHIRDI, FCS, AMUL, SHEWKARI SANSH KOLHAPUR.

TRAINING INSTITUTIONS ALONG WITH COOPERATIVE TRAINING COLLEGES WERE ESTABLISHED IN MAHARASHTRA, GUJRAT WHICH ARE PROVIDING TRAINED STAFF FOR MANAGEMENT OF COOPERATIVES

STRENGTH

GOOD INTEGRATE SYSTEM IN MILK AND SUGAR COOPERATIVES

MOST SOCIETIES ARE EARNING PROFITS AND DISTRIBUTING DIVIDENDS ON SHARES

LOOKING NEEDS OF SMALL AND MARGINAL FARMERS AND NON-AGRICULTURISTS SUCH AS ARTISANS AND AGRICULTURAL LABOURERS, DRDL LOANS

RESISTING FOR RURAL ECONOMIC DEVELOPMENT SUCH AS EARNING SUPPLEMENTARY INCOME; MILK, VEGETABLES

1000000

1000000

- COMMUNITY DEVELOPMENT FINANCE SUCH AS EDUCATION, HEALTH, HOUSING
- DEVELOPMENT FINANCE
- DEVELOPMENT FINANCE
- DEVELOPMENT FINANCE
- DEVELOPMENT FINANCE

3. DEVELOPMENT

- LACK OF FINANCING OF SERVICES IN RURAL AREAS
- NON-VARIABLE, AVERAGE FINANCE IS LESS THAN THE RURAL
- INVESTMENT, EXCESSIVE HYPERINFLATION FROM THEIR ECONOMIC ACTIVITIES AND ALSO LACKING PROFIT
- UNDER UTILIZATION OF INFRASTRUCTURE BUILDINGS AND EQUIPMENTS
- OVERSEAS AND HIGH RISK
- COVERAGE OF COOPERATIVE FINANCE UNDER CRY LOCAL IS LOW
- LOW INVESTMENT TO NEW CREDIT ACTIVITIES BY DCCB
- VERTICAL INTEGRATION IN MANUFACTURING ACTIVITIES IS NOT AT ALL SATISFACTORY

SUMMARY

FIELD STUDY VISITS AT GUJARAT
AND MAHARASHTRA

1. NEED AND DISCUSSION ABOUT BUSINESS ACT.

- i) COOPS. IN INDIA IS AN ANSWER FOR EXPLOITATION OF MONEY LENDERS AND TRADERS MIDDLE MAN.
- ii) TO PROMOTE SOCIO-ECONOMIC INTERESTS OF FARMERS.
- iii) COOPS. IN INDIA WERE STARTED WITH INSPIRATION OF NATIONAL LEADERS AND EFFORTS OF PROGRESSIVE FARMERS AND GOVT.
- iv) COOPERATORS WANTED SELF-HELP AND MUTUAL-HELP.

2A. FINANCIAL RESOURCES

- i) SHARE CAP. FROM MEMBERS IS FUNDS BASE.
- ii) SOME PROCESSING UNITS LIKE SUGAR FACTORY HAVE MOBBED UP GOOD RESOURCES AS SHARE CAP. BUT MOST OF THE PRIMARY SOCIETIES IS STILL HAVE POOR SHARE CAP. BASE. WE FEEL THE VALUE OF ONE SHARE MAY BE INCREASE FROM RS 10 TO 100. AND MEMBER PARTICIPATION SHOULD BE ENCOURAGED TO BUY MORE SHARE AND ENROLL NEW MEMBERS.
- iii) GOVT SHARES - WE APPRECIATE GOVT. HELP IN SHARE CAP. LOAN AND SUBSIDY. BUT NO INTERFERE IN COOP. DEMOCRACY AND AUTONOMY.

Cur. C.

C. OPERATIONAL ACTIVITIES

- PROCESSING SOCIETIES

- PACs

- MAHARASHTRA ^{State} COOP
UNION

- SANGLI DIST COOP
BANK

- SHETKARI SANGH
KOLHAPUR

- SANGLI MKT COMMITTEE

D. VALUE ADDED ACTIVITIES

- Processing Coops

- PACs.

GR. C

9 DEC 88

2

- (iv) HELP FROM COMMERCIAL BANKS IFCI, IDBI, NABARD.

2B. MAN-POWER RESOURCE

- i) GOOD TECHNOCRATS AND LOCAL EMPLOYEES
- ii) SCOPE FOR GREATER PROFESSIONALISATION AND BETTER SERVICE CONDITION

3. OPERATION ACTIVITIES

- i) MILK AND SUGAR COOPS. - GOOD ROI, THAN CREDIT AND MKT^g COOP.
- ii) BETTER PRICE TO MEMBERS ALSO SECOND PAYMENT MA
- iii) MAXIMUM RECOVERY BY-PRODUCTS
- iv) GOOD SERVICES TO MEMBERS
- v) WHERE THE COOP. HAVE IN LIGHTENEN MGT. THE SERVICES ARE BETTER
- vi) SOME PRIMARY COOP. HAVE POOR SERVICES
- vii) POOR SAVING, PRIMARY COOP.
- viii) SUGAR AND MILK HAVE GOOD SAVING, AND RESERVES
- ix) DEPOSIT MOBILISATION FROM MEMBERS NEEDED

4 VALUE ADDING ACT.

- i) GOOD VALUE ADDITION IN SUGAR AND MILK
- ii) POOR IN VILLAGE COOP. LEVEL
- iii)

5

GR. C

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5.A BACKWARD INTEGRATION

- i) MOST COOPS. HAVE GOOD B.I
- ii) SUGAR & MILK VERY GOOD B.I
- iii)

5.B FORWARD INTG.

- i) GOOD F.I IN PROCESSING COOP.
- ii) VILLAGE COOPS. TO IMPROVE F.I

5.C HORIZONTAL INTG.

- i) POOR H.I IN COOP LIKE RAJGU-NAGA, FURSUNGI, AND SHEDKARI SANGH KOLHAPUR
- ii) GOOD H.I IN OTHER
- iii) SHIROLI GOOD H.I, SOCIAL FORESTRY DEMONS. PLOT, AND IDRS PROGRAMME

6. DEMOCRATIC OPERATION

- i) IN G, UT & MAH. REGULAR ELECTION OF BOD FROM MEMBERS
- ii) REGULAR MEETING OF BOD AND AGM.
- iii) RELATIONSHIP BETWEEN STAFF AND MGMT. VERY GOOD
- iv) PROFESSIONAL MNGT. IN MILK & SUGAR VERY GOOD
- v) COMPLETE COOPERATION AMONG STAFF MANAGER AND BOD
- vi) SOME PRIMARY COOPS. LACK DRIVE AND INITIATIVE HAVE FAILED TO BENEFIT FROM GOVT. HELP.

PK.C

- vii) COOP MAY INCULCATE HABIT OF TRIFT AND MOBILIZE SAVING, BY BETTER INTEREST RATE.
- viii) THE EXPERIMENT OF SUCCESSFUL COOPS, MAY BE MULTIPLIED
- viii) THE MEMBERS SHOULD BE MAIN FOCUS IN ALL COOPS. TO IMPROVE THEIR QUALITY OF LIFE.

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1. PRAMOD
2. THUNGASENA
3. GAO
4. THAWEE
5. AGHA.