

CHAPTER - 5

COOPERATION

5.1 The cooperative movement in India started more than 100 years ago in 1904 and started in Rajasthan soon thereafter. Rajasthan has been fortunate in reaping the benefits of this movement almost since its inception. Over a period of more than a century the movement has grown and permeated almost all sectors of the Indian economy.

5.2 At present the cooperative movement is playing a vital role in many sectors of the economy viz. short term and long term credit for farmers; investment loans for better productivity of land; loan for agricultural inputs like fertilizers, seeds, insecticides/pesticides; marketing of agricultural produce, agro processing units and storage facilities. Apart from this, the cooperative movement is also playing a major role through consumer cooperatives and housing cooperative societies.

5.3 A significant portion of the short term institutional credit to the small and marginal farmers is being provided by cooperatives. About 30 per cent of the total agricultural inputs in the state are being supplied by the cooperative marketing organizations.

5.4 In Rajasthan, there are almost 1.04 crore members in 33064 cooperative societies contributing in the economic development of the state through public welfare economic activities. Cooperative societies are running Credit, Marketing, Consumer, Dairy, Processing and similar activities through working capital of about ₹ 57198 crores. State Government also runs various public welfare schemes and programmes through cooperative institutions. It is necessary to add new members to the cooperative fold by creating a positive image of co-operative movement.

5.5 At present there are 23 State Level Federations, 29 Central Cooperative Banks, 21 Milk Unions, 36 U.P. bhokta Wholesale Bhandars, 36 Primary Land Development Banks (PLDB), 5848 Primary Agricultural Credit Societies (PACS), 583 Large Area Multi-purpose Co-operative Societies (LAMPS) and 267 Kraya-Vikraya Sahakari Samities (KVSS). Thus, including above 33064 co-operative societies are registered in the State.

5.6 State Government is committed to promote agriculture cooperative societies, for promotion of cooperative movement by formation of new Primary Agricultural Credit Societies (PACS) and LAMPS, renewal and strengthening of Primary Agricultural Credit Societies (PACS), empowerment of women through cooperatives and SHGs, timely availability of seeds & fertilizers to farmers etc. and also by providing short term, medium term and long term cooperative credit.

5.7 An outlay of ₹36021.77 lakh was kept for the Twelfth Five Year Plan. An expenditure of ₹ 58131.91 lakh has been incurred during the year 2015-16 against an outlay of ₹58887.74 lakh. An outlay of ₹ 61281.92 lakh is kept for the Annual Plan 2016-17 including ₹3113.60 lakh of central assistance for ICDP. The scheme-wise provisions are given in the following table:-

Table No. 5.1
Financial Outlay

(₹in lakh)

S.N o.	Name of Scheme	Twelfth Plan Outlay	Outlay 2015-16	Expenditure 2015-16	Outlay 2016-17
1	Publication and Publicity	200.00	40.00	39.83	40.00
2	Cooperative Complex Building	981.14	701.74	114.11	700.00
3	e-Governance/ Computer and Computer peripherals in the Cooperatives	1081.30	25.00	24.83	0.01
4	Interest Subsidy to Good Loanee of Cooperative Societies	0.05	37000.00	35830.40	32611.00
5	Share Capital For CCBC Churu, Tonk and Kota	0.00	0.03	0.00	691.02
6	Interest Subsidy for Credit Cooperative Institutions	0.05	0.02	0.00	3698.00
7	Assistance for payment of interest of Cooperative Credit Institutions	30105.39	18000.00	14164.00	17000.00
8	Assistance to Gram Seva Sahkari Samiti (GSS) and KVSS for Construction of Office Building and Godowns	0.05	1000.11	2022.61	1000.11
9	Training to Departmental Employees	150.00	30.00	30.00	30.00
10	Assistance to Women Cooperatives Societies	87.50	15.00	15.00	15.00
11	Training to Women SHGs	75.00	15.00	15.00	15.00
12	Assistance for Restructuring of Primary Cooperative Credit Institutions (Vaidyanathan Package)	540.00	0.03	0.00	0.03
13	Others (Token Provisions)	45.55	0.32	0.00	0.13
Central Assistance Schemes					
14	Integrated Cooperative Development Project (ICDP)	2755.74	2060.47	5876.13	5481.62
	Total Cooperative	36021.77	58887.74	58131.91	61281.92

Achievements during the year 2015-16

- ₹14890.00 crore loans were distributed to farmers under interest free crop loan to good loanee borrowers' scheme. About 27 lakh farmers were benefitted.
- Interest subsidy of ₹141.64 crore was provided to cooperative institutions for distribution of the crop loan.
- Financial assistance of worth ₹1000.00 lakh for construction of new godowns and offices was provided to 100 GSS.
- Assistance of ₹ 1000.00 lakh was provided to 450 GSS for repair and maintenance of old godowns.
- IInd phase of ICDP Project for Sikar, Jalore and Banswara districts were sanctioned.
- Sanction was issued for establishment of 65 PACS and 2 LAMPS.
- 484 branches of Central Cooperative Banks (CCB's) had been connected to online Core Banking System (CBS) facility.

Priorities for the Year 2016-17

- ₹ 326.11 crore for interest subvention scheme for agriculture short term crop loan.
- State Government is providing assistance to Churu, Kota and Tonk CCB's in the way of share capital of ₹ 691.02 lakh and aid of ₹ 3698.00 lakh for maintaining their loaning ratio.
- Cooperative Banks also allowed for Long term agriculture loans interest subvention scheme at 2 per cent subvention under a new scheme 'Sahakar Kisan Kalyan Yojana'.
- 100 godowns of 10000 MT storage capacities will be constructed.
- Under Bhamashah Scheme PACS/ LAMPS and e-Mitra Kendras will be made business correspondent for implementation of direct benefit transfer schemes (DBT) to facilitate rural masses.
- Buffer stocking of Urea and DAP according to requirement of farmers.

5.8 The important physical targets kept for Twelfth Five Year Plan and targets kept for the Annual Plan 2016-17 are as under:

Table No. 5.2
Important Physical Targets

S. No.	Scheme	(₹in crore)
		Target for Twelfth Plan
1	Short Term Loan Distribution	47000.00
2	Medium Term Loan Distribution	1865.00
3	Long Term Loan Distribution	2020.00

S. No.	Scheme	Target for Twelfth Plan
4	Sale of fertilizers	4195.00
5	Marketing of Agriculture Produce	1805.00
6	Distribution of Consumer Goods	9720.00

Important Monitorable Indicators for the Twelfth Five Year Plan and Annual Plan 2016-17

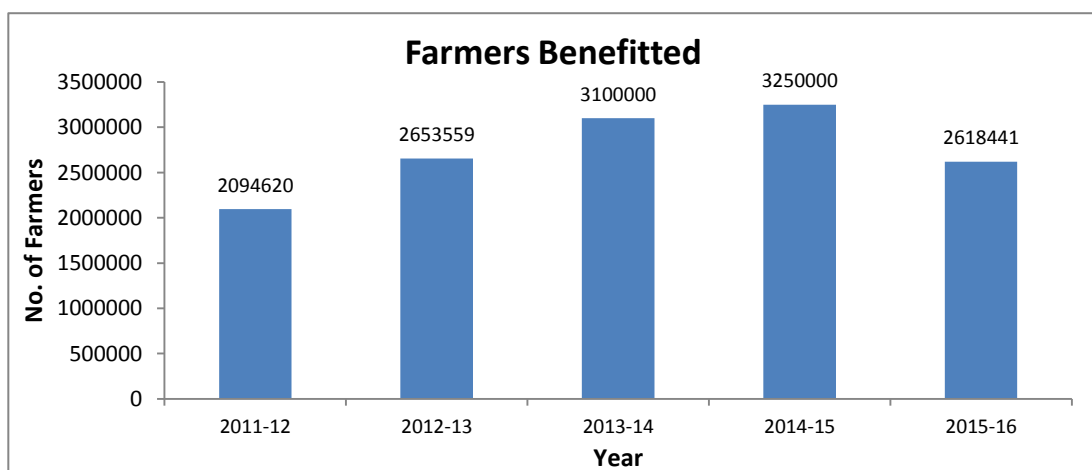
Table No. 5.3
Monitorable Indicators

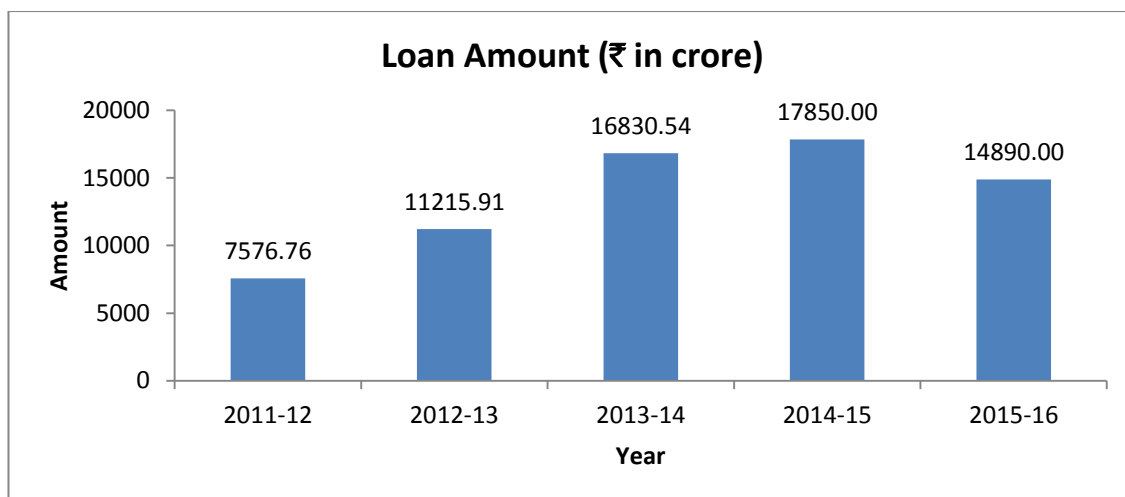
S. No.	Details	Position in 12 th FYP (2012-17)	Target for 2016-17
1	Total No. of Societies	35000	33064
2	Total Membership (in lakh)	150	104
3	Share Capital (₹in lakh)	200000	329600
4	Working Capital (₹in lakh)	4250000	5719800

5.9 The progress of short term lending by cooperative institutions from the year 2011-12 to 2015-16 are as follows:

Table No. 5.4
Year wise progress of Short term lending by Cooperative Institutions

Year	Farmers Benefited	Loan Amount (₹in crore)
2011-12	2094620	7576.76
2012-13	2653559	11215.91
2013-14	3100000	16830.54
2014-15	3250000	17850.00
2015-16	2618441	14890.00





The details of major schemes are as under:

Publicity & Extension of Cooperatives

5.10 Cooperative department has been publishing its monthly newsletter ‘Sahakar Samachar Bulletin’ for the last 18 years. In addition to this publication of folders, posters, pamphlets, leaflets etc. is necessary for publicity of various cooperative schemes, programmes, campaigns etc. Department regularly publish cooperative literature along with the ‘Sahakar Samachar Bulletin’. Expenditure on publicity is proposed for wide publicity of schemes relate to public in order to extend cooperative movement to remote villages. An amount of ₹70 thousand is provided to each district for publicity of activities and schemes of the department and cooperative institutions. An expenditure of ₹39.83 lakh has been incurred during the year 2015-16. An outlay of ₹40.00 lakh is kept for the Annual Plan 2016-17.

Construction of Cooperative Complex

5.11 Working Group of Eleventh Plan recommended for construction of cooperative complexes in all the districts of the State to serve people under one roof. Upto 2014-15, Ajmer, Bikaner, Bharatpur, Jodhpur, Kota, Udaipur, Dausa, Baran, Jhalawar, Sri Ganganagar, Tonk, Hanumangarh and Banswaradistricts have been covered under cooperative complex.Cooperatives Complexes in Chittorgarh, Dungarpur, Rajsamand, Jaisalmer, Bhilwara and Nagaurare proposed in the year 2015-16. The construction work will be continued in the year 2016-17. An expenditure of ₹ 114.11 lakh has beenincurred during the year 2015-16. An outlay of₹700.00 lakh is kept for the Annual Plan 2016-17 for the ongoing cooperative complexes.

e- Governance in Co-operatives

5.12 The State Government has been promoting e-Governance and giving high importance and priority to computerization of its various departments for making available their services to the common man in a more efficient and effective manner. An expenditure of ₹24.83 lakh has

been incurred during the year 2015-16. An outlay of ₹0.01 lakh is kept for the Annual Plan 2016-17.

Interest Subsidy to Good Loanee Borrowers

5.13 To provide relief to the farmers of the State and to strengthen them financially, the State Government has introduced 'Exemption from Interest to Farmers for Timely Repayment of Loans Scheme' in the year 2012-13. Under this scheme, the entire interest on agriculture loans upto ₹1.50 lakh sanctioned to farmers by the Cooperative Institutions, on timely repayment, is being released as subsidy. An expenditure of ₹35830.40 lakh has been incurred during the year 2015-16. An outlay of ₹32611.00 lakh is kept for the Annual Plan 2016-17.

Share Capital and Grant in Aid to CCB Churu, Tonk and Kota

5.14 As per the RBI circular dated January 7, 2014, RBI, the State / District Central cooperative banks will ensure to maintain the 7 per cent minimum level of CRAR as on 31-3-2015 and it will be increased up to 9 per cent as on 31.3.2017 in a phased manner. In compliance of RBI directions, Churu, Kota and Tonk Central Cooperative Banks are not being able to maintain the required level of CRAR due to their weak financial position. These banks need financial aid in the form of share capital and grant-in-aid by the State Govt., so that they can continue their banking business in a seamless manner thereby containing their banking licence.

5.15 The eligible DCCBs will be provided the Share Capital and Grant-in-Aid by the State Government as per the following details:-

Table No. 5.5
Share Capital and Grant-in-Aid to CCB's

S.No.	Particular	CCB			Total
		Churu	Kota	Tonk	
1	Share Capital of State Govt.	268.48	383.11	39.70	691.29
2	Non Refundable Grant-in-Aid	862.00	1336.00	1500.00	3698.00

(₹in lakh)

Assistance for payment of interest of Cooperative Credit Institutions

5.16 The State Government is providing short term agriculture loan to their farmer members as per the policy of Government of India i.e. providing ST loan upto ₹3.00 lakh @ 7 per cent. State Government is providing subvention to compensate the banks in lieu of deploying high cost funds in STCC operation. For the year 2015-16 this subvention scheme has been made applicable for CCB's as well as Primary Land Development Banks. An expenditure of ₹ 14164.00 lakh has been incurred during the year 2015-16. An outlay of ₹15000.00 lakh is kept for the Annual Plan 2016-17.

5.17 Sahakar Kisan Kalyan Yojana:- A new scheme for providing 2 per cent interest subvention on the term advances made under 'Sahakar Kisan Kalyan Yojana' being implemented by the Central Cooperative Banks in the State. Under the scheme, farmers will be entitled for 2 per cent interest subvention on term loan from the Short Term Cooperative Credit structure in the State and makes timely repayment of the term loan installment. An outlay of ₹2000.00 lakh is kept for the Annual Plan 2016-17.

5.18 Interest subvention will be provided only for the term loan advances made for the following purposes under 'Sahakar Kisan Kalyna Yojana' by the DCCB/PAC/LAMPS in the State:

- **Farm Mechanization-** Tractor, Cultivator, Input & produce transport vehicle, Seed drill machine both for purchase & repair, Thresure, Kutti Machine and other agriculture machinery both for purchase and repair.
- **Irrigation equipment-** Pipe line, Sprinkler, Minor irrigation, Drainage construction & repair, Water storage (Kheli) and pump repair etc.
- **Horticulture development-** Bagwani, Seed production, Mahndi production, Fruit plantation, Nursery development, Fencing of agriculture land, Munder construction/repair, electrical connection, electric Line repair and payment of Electricity bill.
- **Dairy Development-** Purchase of milk cattle, medical expenses, insurance expenses, cattle shade, milk processing equipments, Fodder production, Poultry, Fisheries, purchase & repair of Camel/bull cart etc.
- **Fodder storage.**

Assistance to Cooperative Credit Societies (KVSS&GSS) for Construction of Offices and Godowns

5.19 State Government is providing free land and assistance for construction of office and godown to KVSS @ of ₹25.00 lakh for construction of 250 MT godown and GSS @ of ₹10.00 lakh for construction of 100 MT godown. Apart from assistance for construction of new godowns, this year assistance of ₹ 1000.00 lakh is also provided for repair and maintenance of old godowns. An expenditure of ₹2022.61 lakh has been incurred during the year 2015-16. An outlay of ₹1000.11 lakh is kept for the Annual Plan 2016-17 for construction of 100 new godowns of 100 MT.

Training to Employees of Cooperative Department:

5.20 Officers, Inspectors and Ministerial staff of Cooperative Department are sent to Rajasthan Institute of Cooperative Education and Management (RICEM), Institute of Cooperative Management (ICM) and Harish Chandra

Mathur Rajasthan State Institute of Public Administration (HCMRIPA) so as to increase their work efficiency. These trainings have resulted in improvement of their work culture and efficiency. Training fees of these institutions is being paid under this scheme. An expenditure of ₹30.00 lakh has been incurred during the year 2015-16. An outlay of ₹30.00 lakh is kept for the Annual Plan 2016-17.

Gender Budgeting

Assistance to Women Cooperative Societies

5.21 Under this scheme ₹30000/- as share capital and ₹20,000/- as managerial subsidy are provided to women cooperatives for their successful management. Managerial Subsidy is given in three years on tapering basis. This scheme has helped the women cooperatives to function in a successful manner, which has resulted in better economic conditions of women in the State. At present there are 2712 women cooperative societies registered in the State. An expenditure of ₹ 15.00 lakh has been incurred during the year 2015-16. An outlay of ₹15.00 lakh is kept for the Annual Plan 2016-17.

Financial Assistance to Women Self Help Groups for Training

5.22 In order to encourage micro finance in the State, women SHGs are being trained regarding their functioning and bank linkages. They are also given training in various professions. Their officials are trained by the CCB employees and master trainers. An expenditure of ₹15.00 lakh has been incurred during the year 2015-16 and around 6900 members of SHG's have been provided vocational training. An outlay of ₹15.00 lakh is kept for the Annual Plan 2016-17 for training of 7500 members.

Central Assistance Scheme

Integrated Cooperative Development Project (ICDP)

5.23 Integrated Cooperative Development Project (ICDP) was sanctioned in Rajasthan in 1993-94 with the assistance from NCDC. Under the scheme institutions ranging from grass root level to state level is facilitated with funds likewise godown construction/furniture fixtures and infrastructure. Now all the districts of the State have been covered in this scheme. In the year 2015-16, 11 districts are covered likewise Jaipur, Pratapgarh, Ganganagar, Chittorgarh, Sirohi, Rajsamand, Churu, Nagaur, Udaipur, Pali and Dholpur. An expenditure of ₹ 5876.13 lakh has been incurred during the year 2015-16. Proposal for IInd phase of ICDP Project for Sikar, Jalore and Banswara districts has been sanctioned by National Cooperative Development Corporation (NCDC) during the year. So during 2016-17, projects of 3 districts of second phase will continue. An outlay of ₹5481.62 lakh is kept for the Annual Plan 2016-17 out of which, ₹3113.60 lakh from Central Assistance.

Agriculture Credit

5.24 This head covers Special Debentures, Ordinary Debentures, Share Capital to State Land Development Bank and Share Capital contribution to Regional Rural Banks.

5.25 State government is providing 5 per cent share as loan to Rajasthan State Land Development Bank (RSLDB) for long term credit to farmers through Primary Land Development Banks (PLDBs) for farm as well as non farm sector credit. An expenditure of ₹206.83 lakh has been incurred during the year 2015-16. An outlay of ₹650.00 lakh is kept for the Annual Plan 2016-17 for Special Debentures.