

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 1.2 crore members in more than 31793 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 ₹ 52742 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 22 State Level Federations, 29 Central Cooperative Banks, 21 Milk Unions, 36 Upbhokta Wholesale Bhandars, 36 Primary Land Development Banks (PLDB), 5650 Primary Agricultural Credit Societies (PACS), 500 Large Area Multi-purpose Co-operative Societies (LAMPS) and 267 Kraya-Vikraya Sahakari Samities (KVSS). Thus about 31793 co-operative societies are registered in the State including the above societies.

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 ₹ 41182.13 lakh has been incurred in 2013-14 against outlay of ₹ 28427.55 lakh. An outlay of ₹ 37591.89 lakh is proposed for the Annual Plan 2014-15 including ₹ 2075.93 lakh of Central Assistance. The scheme-wise provisions are given in the following table:-

Table No. 5.1
Financial Outlay

(₹ in lakh)					
S. No.	Name of Scheme	Twelfth Plan Outlay	Outlay for 2013-14	Exp. 2013-14	Modified Outlay for 2014-15
1	Publication and Publicity	200.00	40.00	38.44	40.00
2	Cooperative Complex Building	981.14	846.01	26.49	701.74
3	Interest Subsidy to Good Loanee of Cooperative Societies	0.05	16798.61	18299.62	13000.00
4	Interest Subsidy for Credit Cooperative Institutions	30105.39	10000.00	16790.03	20000.00
5	Assistance for Restructuring of Primary Cooperative Credit Institutions (Vaidyanathan Package)	540.00	0.01	0.00	0.03
6	e-Governance/ Computer and Computer peripherals in the Cooperatives	1081.30	0.01	0.00	25.00
7	Subsidy to SPINFED	45.45	45.47	1500.00	0.06
8	Assistance to Gram Seva Sahkari Samiti (GSS) and KVSS for Construction of Office Building and Godowns	0.05	0.07	1609.28	1000.11
9	Training to Departmental Employees	150.00	25.00	20.00	30.00
10	Assistance to Women Cooperatives Societies	87.50	12.50	12.50	15.00
11	Training to Women SHGs	75.00	12.50	12.22	15.00
12	ST to MT Conversion	0.05	0.00	1350.00	0.01
13	Maintenance, Water Harvesting & Central Cooling of Nahru Sahakar Bhawan	0.00	180.00	56.44	0.01
14	Investment in Rajasthan Cooperative Finance & Development Corporation	0.00	0.00	1000.00	0.01
15	Others (Token Provisions)	0.10	0.25	0.00	0.33
Central Assistance schemes					
16	Integrated Cooperative Development Project (ICDP)	2755.74	467.11	467.11	2764.59
	Total Cooperative	36021.77	28427.55	41182.13	37591.89

Achievements during the year 2013-14

- The financial limit of interest free crop loan to farmers is enhanced from ₹ 1.00 lakh to ₹ 1.50 lakh.
- ₹ 16830.54 crore loans have been distributed to farmers under Interest free crop loan to good loanee borrowers' scheme. Approximate 31 lakh farmers have been benefitted under the scheme.
- Interest subsidy of ₹ 164.27 crore is provided to cooperative institutions for distribution of the crop loan.
- Financial assistance of worth ₹ 1500.00 lakh for construction of godowns and offices has been provided to 150 newly established societies.
- Construction of Cooperative Complex buildings at district level has been initiated in 2 districts.
- Proposal for IInd phase of ICDP Project for Sikar, Jalore and Banswara districts was sent to National Cooperative Development Corporation (NCDC) for sanction.
- Financial assistance of ₹1500.00 lakh is provided to SPINFED.
- Sanction has been issued for establishment of new 162 PACS, 109 LAMPS and 2 KVSS.
- After computerisation of Central Cooperative Banks (CCB's), 453 branches are connected to online Core Banking System (CBS) facility.

Goals/Objectives and Vision for the Year 2014-15

- Revitalization of PACS/LAMPS and ensuring their viability and profitability with a view to making them financially strong to provide greater assistance of rural credit to the farmers by increasing their loan business and increasing the resource base through mobilization of rural small savings.
- Encouraging micro credit groups and women co-operatives to inculcate the habit of small savings in the rural areas as a sub system of co-operatives. The co-operative credit institutions are required to function as facilitators for linking these small groups and women co-operatives with credit institutions.
- There is a need to diversify the loans portfolio of co-operative credit institutions, particularly in the area of housing, rural trading sector, integrated loaning in rural areas, agro processing and financing for Micro Irrigation System aiming at water saving devices.

- Diversifying lending operations to activities allied to agriculture like dairy, farming, animal husbandry, fisheries etc. so that there can be an additional employment generation in the rural areas.
- 6 new Sahakar Bhawans at district level are proposed to be constructed to bring all the offices under one roof.
- Interest subsidy @ 4 per cent by the State government to farmers repaying crop loans in time.
- To maintain the liquidity and to meet out the cost of deposit of the cooperative institutions, 2% subvention is also required by the State government in the year.
- ICDP projects are under implementation in 17 districts, out of which, project in 6 districts will be completed.

5.8 The important physical targets proposed for Twelfth Five Year Plan and targets proposed for the Annual Plan 2014-15 are as under:

Table No. 5.2
Important Physical Targets

(₹ in crore)

S. No.	Scheme	Proposed Target for Twelfth Plan	Proposed Target for 2014-15
1	Short Term Loan Distribution	47000.00	16000.00
2	Medium Term Loan Distribution	1865.00	350.00
3	Long Term Loan Distribution	2020.00	295.00
4	Sale of fertilizers	4195.00	1368.00
5	Marketing of Agriculture Produce	1805.00	815.00
6	Distribution of Consumer Goods	9720.00	1320.00

Important Monitorable Indicators for the Twelfth Five Year Plan and Annual Plan 2014-15

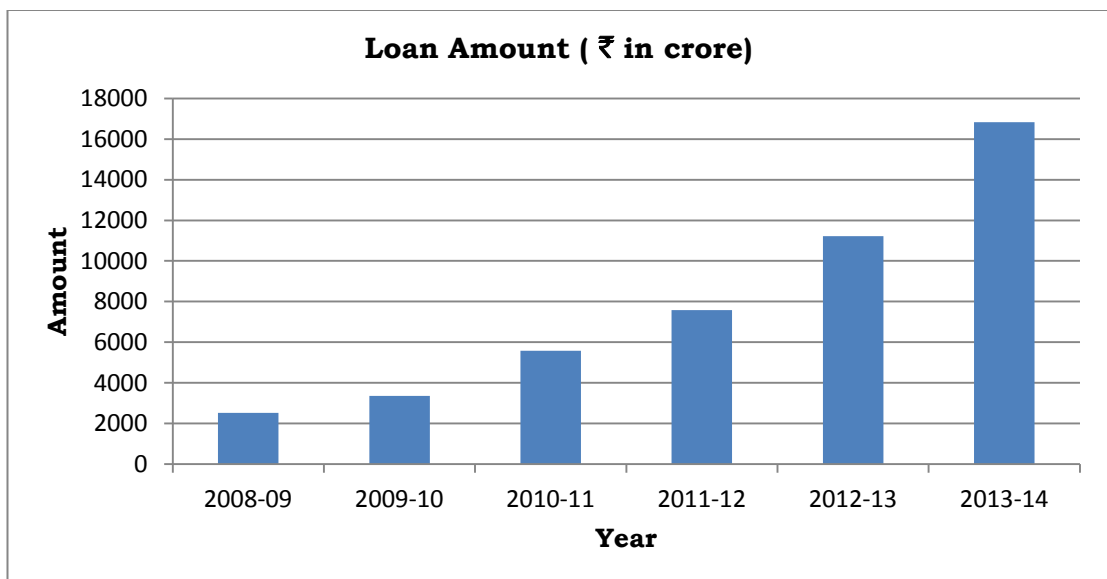
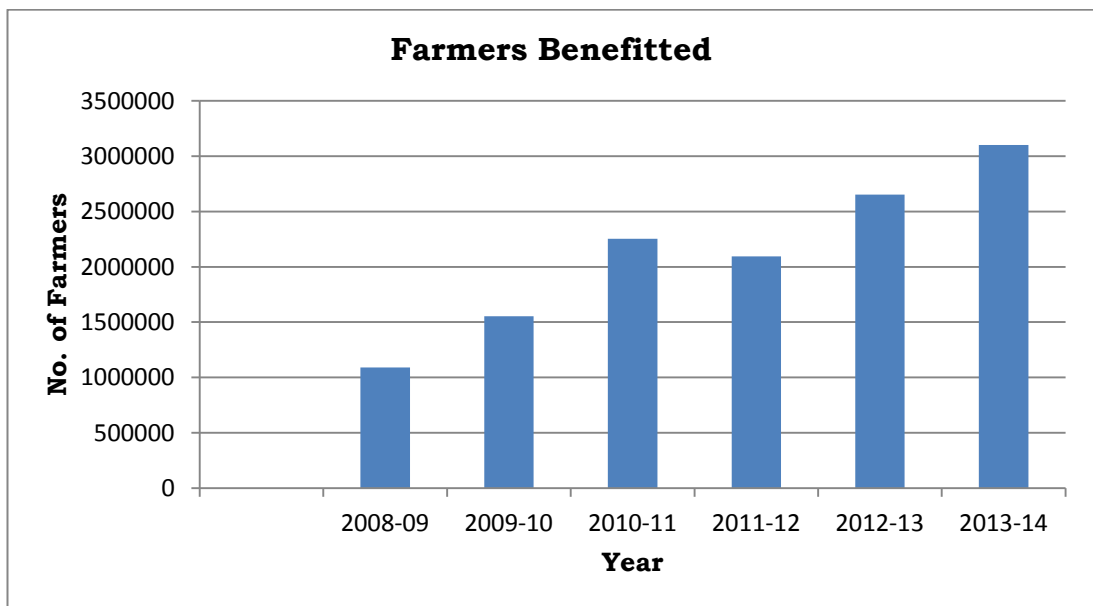
Table No. 5.3
Monitorable Indicators

S. No.	Details	Position in 12 th FYP (2012-17)	Proposed for 2014-15
1	Total No. of Societies	35000	32200
2	Total Membership (in lakh)	150	120
3	Share Capital (₹ in lakh)	200000	210000
4	Working Capital (₹ in lakh)	4250000	4000000

5.9 The progress of short term lending by cooperative institutions from the year 2008-09 to 2013-14 are as follows:

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

Year	Farmers Benefited	Loan Amount (₹ in crore)
2008-09	1090627	2522.89
2009-10	1553404	3364.30
2010-11	2252540	5581.10
2011-12	2094620	7576.76
2012-13	2653559	11215.91
2013-14	3100000	16830.54



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 17 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 ₹ 38.44 lakh has been incurred in 2013-14. An outlay of ₹ 40.00 lakh is proposed for the Annual Plan 2014-15.

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. Up to 2013-14, 14 districts have been covered under cooperative complex. Cooperative complexes in Banswara and Hanumangarh were under construction in the year 2013-14. Cooperatives Complexes in Chittorgarh, Dungarpur, Rajsamand, Jaisalmer, Bhilwara and Bundi are proposed for the year 2014-15. An expenditure of ₹ 26.49 lakh has been incurred in 2013-14. An outlay of ₹ 701.74 lakh is proposed for the Annual Plan 2014-15.

Interest Subsidy to New/Good Loanees Borrowers

5.12 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 up to ₹ 1.50 lakh sanctioned to farmers by the Cooperative Institutions, on timely repayment, is being released as subsidy. An expenditure of ₹ 18299.62 lakh has been incurred in 2013-14. An outlay of ₹ 13000.00 lakh is proposed for the Annual Plan 2014-15 on account of last year's pending claims.

Interest Subsidy to Cooperative Credit Institutions

5.13 In accordance to the directions of the Government of India to provide loan facility to farmers on subsidized rates the State Government is also providing crop loan to farmers @ 7 per cent interest. Loan of ₹ 16830.54 crore has been disbursed during the year 2013-14. An expenditure of ₹ 16790.03 lakh has been incurred in 2013-14. An outlay of ₹ 20000.00 lakh is proposed for the Annual Plan 2014-15.

e- Governance in Co-operatives

5.14 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 outlay of ₹ 25.00 lakh is proposed for the Annual Plan 2014-15.

Assistance to SPINFED

5.15 Modernization and renovation of cooperative Spinning Mills, Sugar Mills etc is done according to the project of National Cooperative Development Corporation (NCDC). During the year 2010-11, it was decided to implement Technology Upgradation Fund (TUF) Scheme for all 3 units of SPINFED. An expenditure of ₹ 1500.00 lakh has been incurred in 2013-14. Only token provision is proposed for Annual Plan 2014-15.

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

5.16 Free land and subsidy assistance for construction of office and godown to KVSS @ of ₹ 25.00 lakh and GSS @ of ₹ 10.00 lakh is being provided since 2012-13. An expenditure of ₹ 1609.28 lakh has been incurred in 2013-14. An outlay of ₹ 1000.11 lakh is proposed for the Annual Plan 2014-15.

Training to Employees of Cooperative Department:

5.17 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 (HCM RIPA) 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 ₹ 20.00 lakh has been incurred in 2013-14. An outlay of ₹ 30.00 lakh is proposed for the Annual Plan 2014-15.

Assistance to Women Cooperative Societies

5.18 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 ₹ 12.50 lakh has been incurred in 2013-14. An outlay of ₹ 15.00 lakh is proposed for the Annual Plan 2014-15.

Financial Assistance to Women Self Help Groups for Training

5.19 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 ₹ 12.22 lakh has been incurred in 2013-14. An outlay of ₹ 15.00 lakh is proposed for the Annual Plan 2014-15.

Loan for Conversion of Short Term Loans into Medium Term Loans

5.20 This scheme was introduced to assist farmers in case of loss of crops due to natural calamities like irregular rains, drought and flood position having adverse effect of more than 50 per cent on the farmer's produce. Disaster Management Department of the State declares such areas as drought affected and Land Revenue Department stays recovery of land revenue in these areas and short term loans are converted into medium term loans which make the farmers (members) eligible for further loans. The total convertible short term loan amount is shared as below:-

- 60 per cent by NABARD
- 10 per cent by Apex Cooperative Bank
- 15 per cent by Central Cooperative Bank and
- 15 per cent by State Government

5.21 An expenditure of ₹ 1350.00 lakh has been incurred in 2013-14. Only a token provision is proposed for Annual Plan 2014-15.

Renovation and Maintenance of Nehru Sahakar Bhawan

5.22 Nehru Sahakar Bhawan was built almost 25 years ago. There is felt need of renovation of old water facilities, roof reconstruction and renovation of other facilities. New Air Cooling system is required to save water and electricity. Rain Water Harvesting System is to be constructed. An expenditure of ₹ 56.44 lakh has been incurred in 2013-14. Only a token provision is proposed for Annual Plan 2014-15.

Rajasthan Cooperative Finance & Development Corporation

5.23 Rajasthan Sahkari Vitt Avam Vikas Nigam Ltd. has been established during the year 2013-14 through a share capital of ₹ 100 crore to increase the availability of credit in rural areas and to strengthen the linkage of Self Help Groups. The main objective of the Corporation is to fulfill the credit requirement of Self Help Groups. Out of ₹ 100 crore, ₹ 10.00 crore has been provided in 2013-14 and only a token provision is proposed for Annual Plan 2014-15.

Central Assistance Scheme

Integrated Cooperative Development Project (ICDP)

5.24 Integrated Cooperative Development Project (ICDP) was sanctioned in Rajasthan in 1993-94 with the assistance from NCDC. Now all the districts of the State have been covered in this scheme. At present 17 ICDP projects of ₹ 338.63 crore are running. The State Government has provided ₹ 467.11 lakh as state share in the year 2013-14. Jalore, Sikar and Banswara districts have been selected for second phase of ICDP and proposal of these districts have been sent for sanction to NCDC. An expenditure of ₹ 467.11 lakh has been incurred in 2013-14. An outlay of ₹ 2764.59 lakh is proposed for the Annual Plan 2014-15, out of which, ₹ 2075.89 lakh from Central Assistance.

Agriculture Credit

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

5.26 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 ₹ 650.00 lakh has been incurred in 2013-14. An outlay of ₹ 650.00 lakh is proposed for the Annual Plan 2014-15 for Special Debentures.

Recapitalization of Regional Rural Banks (RRBs)

5.27 Regional Rural Banks (RRBs) were set up with the objectives of meeting the credit needs of the small/marginal farmers, agricultural labourer, artisans and other people of small means in rural areas. RRBs are jointly owned by GoI, GoR and sponsored banks with share holding of 50 per cent, 15 per cent and 35 per cent respectively.

5.28 A report of the Committee on Recapitalization of RRBs for improving 'Capital to Risk weighted Assets Ratio' (CRAR) has suggested a roadmap for the RRBs for achieving CRAR of at least 9 per cent on a sustainable basis. The total recapitalization requirement for the State (GoR) is assessed at ₹ 264.30 crore. This amount is to be shared in the ratio of 50:35:15 by the Central Government (₹ 132.15 crore), Sponsor Banks (₹ 92.50 crore) and the State Government (₹ 39.65 crore)

5.29 In the State, 6 RRBs are in functional, out of which, 5 RRBs requires funds to maintain desired level of CRAR (at least 9 per cent) for which funds of ₹ 39.65 crore as state share has been provided in the year 2012-13. Only token provision is kept for the year 2014-15.