

CHAPTER - 13

COOPERATION

13.1 The cooperative movement in India started more than 100 years ago in 1904 and started in Rajasthan soon thereafter. In a sense, 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.

13.2 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. The loan scheme started recently for the students is yet another manifestation of the growing reach of this movement.

13.3 A significant portion of the short term institutional credit to the small and marginal farmers is being provided by cooperatives. About 30% of the total agricultural inputs in the state are being supplied by the cooperative marketing organizations. India leads the world in milk production. The contribution of the cooperative sector in milk production and distribution is about 95%.

13.4 In Rajasthan, there are almost 1.2 crore members in more than 30500 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 Rs. 20 thousand 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.

13.5 At present there are 22 State Level Federations, 29 Central Cooperative Banks, 21 milk Unions, 35 Upbhokta Wholesale Bhandars, 36 Primary Land Development Banks (PLDB), 5564 Primary Agricultural Credit Societies (PACS) and 257 Kraya - Vikraya Sahakari Samities (KVSS). Thus about 30500 co-operative societies are registered in the State including the above societies.

13.6 State Government is committed to promote agriculture cooperative societies, for promotion of cooperative movement by formation of new Primary Agricultural Credit Societies (PACS) and Large Area Multi-purpose Co-operative Societies (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.

13.7 As against the provision of Rs. 100.00 crores, Rs.420.40 crores is likely to be spent during the 11th plan period. An amount of Rs. 360.22 crores is proposed for the 12th five year plan.

13.8 The important physical targets proposed for Twelfth Five Year Plan and targets proposed for the Annual Plan 2012-13 are as under:-

Table No. 13.1

(Rs. in crore)

S. No.	Scheme	Proposed Target for Twelfth Plan	Proposed Target for 2012-13
1	Short Term Loan Distribution	47000.00	7000.00
2	Medium Term Loan Distribution	1865.00	290.00
3	Long Term Loan Distribution	2020.00	331.00
4	Sale of fertilizers	4195.00	720.00
5	Marketing of Agriculture Produce	1805.00	300.00
6	Distribution of Consumer goods	9720.00	1650.00

REVIEW OF 11th FIVE YEAR PLAN

13.9 During the XIth Five Year Plan, many important schemes, specially in cooperative credit sector, were formulated and implemented to facilitate the public in general, especially the farmers. Some of them worth mentioning are:

13.10 Implementation of Vaidyanathan Package was one of the highlights of the XI Five Year Plan. An amount of Rs.2119.70 lacs has been given to CCBs/PACS under the revival package of Short Term Cooperative Credit structure. Matching share of GoI which was Rs. 318.01 crore has been received.

13.11 Construction of Sahakar Bhawans - During the XI FYP Sahkar Bhawans were constructed in Baran and Tonk. The work of construction in Hanumangarh, Nagaur and Banswara was also initiated during the period.

13.12 ICDP Projects were started in five districts Bharatpur, Barmer, Dungarpur, Kota and Bikaner in the year 2009-10. In addition, new ICD Projects have been launched in 11 districts Chittorgarh, Churu, Dholpur, Nagaur, Pali, Pratapgarh, Rajsamand, Sirohi, Sriganganagar, Udaipur, Jaipur.

13.13 Assistance to SPINFED- Assistance worth Rs.2900.50 lakh was given to SPINFED up to 2011-12.

13.14 Women SHGs - An amount of Rs.54.00 lakh was given up to 2011-12.

13.15 Assistance to Women Cooperatives- Assistance worth Rs.64.71 lacks was given to women cooperatives up to 2011-12.

13.16 Publicity of cooperative movement -An amount of Rs.103.41 lakh was spent on publicity of cooperative movement during the XI Five Year Plan up to 2011-12.

13.17 Training of cooperative department personnel - An amount of Rs.53.52 lakh was spent up to 2011-12. A total of 2592 employees of Cooperative Department were given training during this period.

GOALS/OBJECTIVES AND VISION FOR THE 12th FIVE YEAR PLAN

13.18 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.

13.19 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.

13.20 There is an urgent 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 MIS aiming at water saving devices.

13.21 Diversifying lending operations to activities allied to agriculture like dairy, farming, animal husbandry, fisheries etc. so that there is additional employment generation in the rural areas.

Technological upgradation of Kisan Credit Card (KCC)

Opening of a consumer mall and better services to the pensioners

13.22 In addition, as many as 21 new Sahakar Bhawans are proposed to be constructed during this period in various districts of Rajasthan so as to bring all the offices under one roof.

13.23 Further funds would be required for interest subsidy @ 2% to farmers repaying crop loans in time to cooperative institutions.

13.24 Infrastructure assistance and compensation as well as managerial assistance for manpower deployed in branches of Mini Banks opened in Rajiv Gandhi Seva Kendras in the State.

13.25 At the same time, ICDP scheme will be completed in 16 districts during this period.

LIKELY LEVELS OF IMPORTANT MONITORABLE INDICATORS IN THE 12TH FIVE YEAR PLAN

13.26 The progress in various sectors of cooperative movement from 11th Five Year Plan (2007-2012) to 12th Five Year Plan (2012-2017) is as follows:-

Table No. 13.2

S. No.	Details	Position in 11th FYP (2007-2012)	Position in 12th FYP (2012-17) (approx.)
1	Total No. of Societies	29326	35000
2	Total Membership (in lakhs)	119	150
3	Share Capital (Rs. in lakhs)	159700	200000
4	Working Capital (Rs. in lakhs)	2758000	4250000

The details of major schemes to be taken up during the year 2012-13 and 12th five year plan 2012-17 are as under:-

Publicity & Extension of Cooperatives

13.27 Cooperative department is publishing its monthly newsletter 'Sahakar Samachar Bulletin' for last 17 years. Expenditure on publicity is proposed for publicizing co-operative schemes and programmes. 'Sahakarita ke Badhte kadam', with extensive coverage of cooperative schemes, programmes, activities and policies of the government is being telecast from Jaipur Doordarshan. Amount of Rs. 50 thousand is transferred to each district for publicity of activities and schemes of the department and cooperative institutions.

13.28 A provision of Rs. 40.00 lakhs is proposed in the year 2012-13 and Rs. 200.00 lakhs in 12th Five Year Plan.

Construction of Cooperative complex

13.29 At present 7 cooperative complexes in the state at zonal head quarters and one each at Jhalawar, Dausa, Baran and Tonk are constructed. Cooperative Complex in Hanumangarh, Nagaur and Banswara districts are under construction. Construction of new

Cooperative Complexes at Chittorgarh and Dungarpur districts are proposed in the year 2012-13.

13.30 A provision of Rs. 304.37 lakhs is proposed in the year 2012-13 and Rs. 981.14 lakhs in 12th Five Year Plan.

Cooperative Credit

Integrated Cooperative Development Project (ICDP)

13.31 Integrated Cooperative Development Projects are being operational in 16 districts viz., Bharatpur, Barmer, Dungarpur, Kota, Bikaner, Jaipur, Udaipur, Rajsamand, Churu, Sri Ganganagar, Nagaur, Pali, Sirohi, Pratapgarh, Dholpur and Chittorgarh.

13.32 A provision of Rs. 530.38 lakhs is proposed in the year 2012-13 and Rs. 2755.74 lakhs in 12th Five Year Plan.

Interest Subvention

13.33 Interest subvention for disbursement of ST loan by central and state governments is required to be contributed equally for disbursement of ST loaning so that the farmers can get ST loan @7%. An amount of Rs.72.00 crores was provided in the 2011-12.

13.34 A provision of Rs. 3475.42 lakhs is proposed in the year 2012-13 and Rs. 30105.39 lakhs in 12th Five Year Plan.

Reimbursement of losses for renovation of Short term and long term cooperative credit structure and conversion of share capital in excess of 25% in Grant-in-aid

13.35 NABARD had constituted Vaidyanathan Committee to reorganize and increase viability of the short term state credit cooperative institutions, which include Central Cooperative Banks, and Primary Agriculture Cooperative Societies. On the recommendations of Vaidyanathan Committee, Government of India had announced a package to revamp the short-term cooperative credit structural reforms in PACS to curb net losses of CCBs and Apex Bank.

13.36 A provision of Rs. 540.00 lakhs is proposed in the year 2012-13 and ₹ 540.00 lakh for the 12th Five Year Plan.

Cooperative Education and Training

13.37 To increase the efficiency and to provide the information regarding new schemes and also to train the newly inducted employees, Rajasthan Institute of Cooperative Education and Management (RICEM) is working as a leading institution in the cooperative sector. Besides this, training is also provided in different training institutions as and when required.

13.38 A provision of Rs. 25.00 lakhs is proposed in the year 2012-13 and Rs. 150.00 lakhs in 12th Five Year Plan.

Miscellaneous Cooperatives

13.39 **Assistance to Women Cooperative Societies-** Under this scheme Rs. 20000/- as share capital and Rs. 10,000/- as managerial subsidy are provided to women cooperatives for their successful management. Rs. 10,000 Managerial Subsidy is given in three years @ Rs. 2500, 5000 and 2500 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 2462 women cooperatives societies registered in the State.

13.40 A provision of Rs. 12.50 lakhs is proposed in the year 2012-13 and Rs. 87.50 lakhs in 12th Five Year Plan.

Financial assistance to Women Self Help Groups under State Plan

13.41 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.

13.42 A provision of Rs. 12.50 lakhs is proposed in the year 2012-13 and Rs. 75.00 lakhs in 12th Five Year Plan.

Assistance to SPINFED

13.43 Modernization and renovation of cooperative Spinning Mills, Sugar Mills etc is done according to project of National Cooperative Development Corporation (NCDC). During the year 2010-11, it has been decided to implement Technology Upgradation Fund (TUF) Scheme for all 3 units of SPINFED.

13.44 A provision of Rs. 45.45 lakhs is proposed in the year 2012-13.

e- Governance in Co-operatives

13.45 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. Under the efforts of e-Governance, the state in its policy has made its vision clear. The state Government in the Budget Speech (modified budget) 2009-10, has also directed that 3% of the Plan Budget of all the Departments will be used exclusively for Computerization of Department and implementing citizen centric e-Governance projects.

13.46 A provision of Rs. 154.33 lakhs is proposed in the year 2012-13 and Rs. 1081.30 lakhs in 12th Five Year Plan.

Agriculture Credit

13.47 This head covers Special Debentures, Ordinary Debentures, Share Capital to State Land Development Bank and share capital contribution to Regional Rural Banks. A provision of Rs. 650.00 lakhs is

proposed in the year 2012-13 and Rs.3250.00 lakhs in 12th Five Year Plan for Special Debentures.

Recapitalization of Regional Rural Banks (RRBs)

13.48 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 %, 15 % and 35 % respectively.

13.49 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 % on a sustainable basis. The total recapitalization requirement for the State (GoR) is assessed at Rs. 264.30 crore. This amount is to be shared in the ratio of 50:35:15 by the Central Government (Rs. 132.15 crore), Sponsor Banks (Rs. 92.50 crore) and State Government (Rs. 39.65 crore)

13.50 In the State, 6 RRBs are in functional, out of which, 5 RRBs requires funds to maintain desired level of CRAR (at least 9%) for which funds of Rs. 39.65 crore as states share are to be provided. Therefore, the provision of Rs 39.65 crore is proposed in the year 2012-13.