

2.8. Co-Operation

2.8.1. Cooperatives all over the world have become an effective and potent instrument of economic development. There are 4497 Primary Agricultural Co-operative Banks at the village level, providing short term and medium term credit facilities to the agriculturists. The Primary Agricultural Co-operative Banks have covered 85.96 % of the agricultural families in the State and 79.57 % of the agricultural families of weaker sections in terms of their operational holdings.

2.8.2. The order of the government waiving all cooperative farm loans and interest thereon outstanding loans (as on 31.3.2006) amounting to Rs.6866 crore to provide debt relief to a large number of farmers who have suffered on account of successive natural calamities is an unprecedented step towards the welfare of the farming community. Consequent to the waiver, the government has taken over the entire debt liability of Rs.1668 crore owed by the cooperative banks to NABARD. Towards this, a provision of Rs.435 crore has been made in the RE for the year 2006-07. More over in order to make good the loss caused to the cooperative banks due to the waiver and to ensure that fresh crop loans are given to the farmers, a provision of Rs.1000 crore has been made in the RE 2006-07. Thus the total provision of Rs.1435 crore has been made under the scheme of waiver of farmers' cooperative loans for the year 2006-07. Necessary provision will also be made in respect of the balance amount along with interest thereon during 2007-08 to ensure that the farmers continue to get crop loans and that the interests of the depositors and the employees of these banks are being protected.

Credit Cooperatives

Short term, Medium Term and Long Term Loans:

2.8.3. The quantum of short term and medium term loans issued by the Primary Agriculture Cooperative Banks are given as below:-

Table No: 2.1 Loans issued by the Primary Agriculture Cooperative Banks

(Rs.in crore)

Year	Short Term Loans	Medium Term Loans	Long Term Loans
2002-2003	963.96	94.37	218.15
2003-2004	616.59	72.15	126.88
2004-2005	1080.58	43.22	12.44
2005-2006	1132.18	37.76	0.02
2006-2007	1235.00	70.00	200.00
2007-08 (target)	1360.00	100.00	150.00

Issue of Jewel Loans:

2.8.4. The Jewel loan provided by the Credit Cooperatives during the year 2005-2006 is Rs.5901.58 Crore. It is expected that the jewel loan to the tune of Rs.6000 crore is to be disbursed. The programme for issue of jewel loans for the year 2007-2008 will be Rs.6420.00 Crore.

Cooperative Marketing Societies:

2.8.5. Cooperative Marketing Societies assist their members by undertaking marketing of their agricultural produce and thereby helping them in securing a fair and reasonable return. The value of agricultural produce marketed by cooperatives were:-Rs.410.06 crore in 2002-03, Rs. 340.87 crore in 2003-04, Rs.307.17 crore in 2004-05, Rs.674.29 crore in 2005-06 and Rs.355.30 crore in 2006-07(upto Oct 06). The programme for the year 2007-08 is Rs.860 crore.

Interest Reduction on Crop loan:

2.8.6. It is the intention of the government to provide agricultural loans to the farmers at low interest rates. It has been announced in the budget that the interest charged on crop loan issued by the cooperative banks during 2006-07 kurvai season will be reduced from 9% to 7 % and that the loss to the cooperative societies on account of this reduction in interest rate will be borne by the state government itself.

Integrated Cooperative Development Project:-

2.8.7. The objective of the scheme is to diversify and to increase the volume of business of Primary Co-operatives. The NCDC provides assistance in the form of loan and subsidy. The State Government will sanction a matching subsidy. An outlay of Rs.211 lakh is proposed towards investment credit under the scheme of Integrated Cooperative Development Project for the year 2007-08.

Assistance to Cooperative Institutions in Tribal Area Sub plan:

2.8.8. There are at present 19 Large Sized Multi Purpose (LAMP) societies functioning in the Tribal sub plan areas. Assistance in the form of share capital investment, share capital subsidy to tribals, loan and subsidy for construction of village fair price shop building, managerial subsidy, vehicle subsidy, interest subsidy etc. A sum of Rs.200.00 lakh has been provided for the year 2007-2008.

Interest subsidy to Cooperative Institutions:

2.8.9. A sum of Rs.320.00 lakh has been proposed for the year 2007-2008 towards interest subsidy to cooperative institutions for crop loan to the farmers under Special Component Plan.

Plan outlay for 2007-08

2.8.10. The agreed outlay of Rs.27.12 crore is provided for 2007-08. Of this, the outlays earmarked for Scheduled Caste Sub Plan and Tribal Sub Plan are Rs.5.42 crore and Rs.5.22 crore respectively.