

## **2.8. Co-operation**

The co-operative movement, which is the largest socio-economic movement in the world, has contributed significantly to the alleviation of poverty, creation of productive employment as well as the enhancement of social integration in the country. Co-operative societies have played an important role in the economy especially in sectors such as agricultural credit, distribution of fertilizer and other agricultural inputs, storage and marketing of agricultural produce, dairies, fisheries etc. 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 per cent of the agricultural families in the State and 79.57 per cent of the agricultural families of weaker sections in terms of their operational holdings. The waiver of agricultural loans by the government has provided the much-needed relief to the farmers whose debt burden was becoming increasingly difficult to discharge largely due to the vagaries of nature.

The order of the government, waiving all the co-operative 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.1628 crore owed by the co-operative banks to NABARD. Under this scheme an amount of Rs.394 crore is likely to be spent during 2007-08.

### **Performance of 2007-08**

#### **Credit Co-operatives - Issue of Short term and Medium Term Loans**

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

#### **Issue of Short term and Medium Term Loans**

(Rs. in lakh)

<b>Year</b>	<b>Short Term Loans</b>	<b>Medium Term Loans</b>	<b>Long term loan</b>
2005-06	1132.18	37.76	0.02
2006-07	1235.00	70.00	200.00
2007-08	1360.00	100.00	150.00
2008-09 (Target)	1500.00	1500.00	150.00

### **Co-operative Marketing Societies**

Co-operative Marketing Societies assist their members by undertaking marketing of their agricultural produce and thereby helping them in securing a fair and reasonable return. The anticipated turnover for marketing of agricultural produce for the year 2008-09 is Rs.910 crore. The Co-operatives are distributing chemical fertilisers through 5678 retail outlets to the members of the Primary Agricultural Co-operative Banks as well as non-members.

### ***Interest Reduction on Crop loan***

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 co-operative banks will be reduced from 9% to 7% and that the loss to the co-operative societies on account of this reduction in interest rate will be borne by the state government itself.

### **State Plan Schemes**

#### **I. Assistance to Credit Co-operatives**

##### ***1. Integrated Co-operative Development Project***

The National Co-operative Development Corporation (NCDC) is an autonomous body, which supports the implementation of the Integrated Co-operative Development Project in selected districts in the country. The objective of the scheme is to diversify and to increase the volume of business of Primary Co-operatives. The National Co-operative Development Corporation (NCDC) provides assistance in the form of loan and subsidy. The State Government will sanction a matching subsidy.

**Assistance to Co-operative Institutions in Tribal Area Sub plan**

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 buildings, managerial subsidy, vehicle subsidy, interest subsidy etc., are being provided. A sum of Rs. 90.00 lakh has been provided for the year 2008-09.

**Plan outlay for 2008-09**

An amount of Rs.402.82 crore is expected to be spent during the year 2007-08 and an amount of Rs.505.86 crore is approved for 2008-09. Of this, the outlays earmarked for Scheduled Caste Sub Plan and Tribal Sub Plan are Rs. 5.25 crore and Rs. 0.90 crore respectively.