

TELELEANS OF INDIA

EVEN though Cooperation was introduced in the early years of the 20th century, the movement did not make any significant impact on the economy till after independence. Till 1947, the cooperative movement concerned itself primarily with credit activities. With the introduction of planned development in 1951-52, the attention of Government came to be focussed on Cooperation as a suitable organisation for undertaking programmes of economic development. The Cooperative movement was assigned a crucial role in the transformation of the socio-economic structure of the country.

The Cooperative movement was given a new direction in 1954 by the All India Rural Credit Survey Committee. The Committee not only advocated, but formulated in great detail, an integrated approach to cooperative development including credit, marketing, processing and storage activities in the rural areas.

The National Cooperative Development Corporation, which completes ten years of its existence on March 13, 1973, owes its birth to the recommendations of the All India Rural Credit Survey Committee. The Corporation was conceived as an all-India organisation to plan, promote, finance and co-ordinate certain economic programmes in the cooperative sector. Its main functions are directed mainly to the promotion of marketing, processing and storage of agricultural inputs to the farmers. How the Corporation has performed its role, can be best summed up in the report of the special committee which reviewed and assessed its working recently. The Committee, headed by Shri B. Venkatappaiah, stated: "The striking progress recorded by various cooperative programmes, under the promotion of which is the responsibility of NCDC, under its charter, does credit to the NCDC."

The last few years have witnessed significant diversification of the activities of the cooperatives. Before the advent of NCDC, cooperative marketing was mainly confined to marketing of commercial crops, particularly sugarcane and cotton. Cooperatives have now entered the foodgrains trade in a big way.

In 1951-52, the cooperatives handled 16 lakh worth of Rs. 32 crores. In ten years it increased ten fold — Rs. 320 crores in 1971-72. The value of agricultural produce handled by cooperatives during the same period increased from Rs. 175 crores to Rs. 1,400 crores.

Another encouraging development is the expanding inter-State trade for the sale of agricultural produce in terminal markets so as to secure better prices to the growers. The

value of inter-State business was only of Rs. 1 crore in 1962-63. In 1971-72 it was about Rs. 70 crores.

Processing of agricultural produce has significant place in our rural economy. A large programme of cooperative processing greatly increases the pace of rural industrialisation and creates opportunities for building up new industrial and business leadership in rural areas.

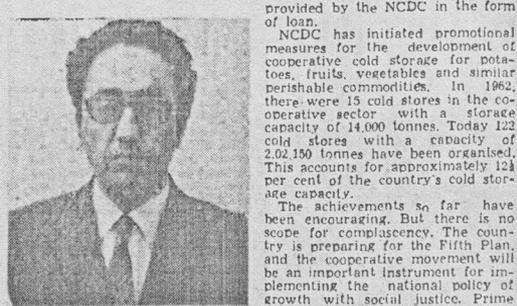
There was no organised attempt to develop cooperative processing in the years preceding the Second Plan, that is, before the NCDC came into being. Government's Industrial Policy Resolution 1956 emphasised that the principle of cooperation should be applied wherever possible. A definite programme of organising agricultural processing units in the cooperative sector was launched in the Second Plan, with 201 agricultural processing units were envisaged, of which 484 were actually organised.

by **M. S. GILL,**
Secretary, NCDC

In the Third Plan more stress was laid on cooperative processing and a target of organising 800 units was fixed. The actual achievement was 1,021 units. In 1971-72 the processing units in the cooperative sector numbered 1,755 comprising a very wide range of entrepreneurship. Of the 1,755 units over 200 could be classified as major industries with block investment exceeding Rs. 50 lakh each. These units are mainly sugar factories, sugar refineries, jute spinning mills (etc.), spinning mills, jute mills, vasnapi industries, solvent extraction plants and cattlefeed factories.

The most spectacular development of cooperative processing has been in the sugar industry. In 1961-62 there were 34 cooperative sugar factories accounting for 17.7 per cent of the total production of sugar in the country. So far 134 cooperatives have been sanctioned licence for establishing new sugar factories out of which 80 are in production which contribute 42 per cent of the total production of sugar. By the end of the Fifth Plan the cooperative sugar factories are expected to contribute 65 per cent of the total production of sugar.

NCDC has also taken a leading role in the promotion of the cooperative rice milling industry to facilitate marketing of paddy. Prior to the establishment of NCDC, processing reports for the selling up of paddy pressing units were not examined. As a result of which a large number of uneconomic units were established in the cooperative sector. By the end of Second Plan



period, out of 164 cooperative rice mills assisted, only 32 were installed. By the end of 1971-72, 700 rice mills were organised out of which 685 were installed.

Other processing units which have been promoted with the financial assistance from NCDC include cotton ginning and pressing units (out of 225 organised, 204 have been installed), oil mills (out of 173 organised, 138 have been installed), growers' cotton spinning mills (out of 23 organised, 16 have been installed), fruit and vegetable processing units (out of 36 organised, 28 have been installed), dal mills (out of 40 organised, 27 have been installed), plantation crops (out of 59 organised, 44 have been installed), jute baling units (out of 44 organised, 40 have been installed). NCDC has also been instrumental in setting up a jute textile mill in the cooperative sector in Assam.

For systematic marketing of agricultural produce and distribution of fertilisers and other inputs, adequate storage is an essential pre-requisite. A programme for assisting cooperatives to enable them to construct godowns was initiated in the Second Plan. Till 1958, the owned storage capacity available with the cooperatives was negligible. NCDC has played a creditable role in increasing the storage capacity of the cooperatives. So far, the Corporation has provided financial assistance of Rs. 21,80 crores for the construction of 24,732 godowns.

437 at the mandal level to be constructed by marketing societies and 19,815 in primary credit societies. The present storage capacity with the cooperatives is 44 lakh tonnes. The Corporation is also implementing a programme to increase the storage capacity by 10 lakh tonnes during the last two years of the Fourth Plan. This programme is expected to cost Rs. 35 crores, of which about Rs. 9.50 crores will be

provided by the NCDC in the form of loan.

NCDC has initiated promotional measures for the development of cooperative cold storage for potatoes, fruits, vegetables and similar perishable commodities. In 1962, there were 15 cold stores in the cooperative sector with a storage capacity of 14,000 tonnes. Today 122 cold stores with a capacity of 2,02,150 tonnes have been organised. This accounts for approximately 124 per cent of the country's cold storage capacity.

The achievements so far have been encouraging. But there is no scope for complacency. The country is preparing for the Fifth Plan, and the cooperative movement will be an important instrument for implementing the national policy of growth with social justice. Prime Minister Smt. Indira Gandhi once said, "In our country, we cannot afford to let the fact stand that wherever an agricultural breakthrough is perceptible—whether it is the wheat revolution in Punjab or sugarcane development in Maharashtra—the development has been largely facilitated by a vital cooperative structure in the area."

During the Fifth Plan period, marketing cooperatives will be required to handle agricultural produce of the value of Rs. 1,600 crores, consisting of Rs. 600 crores under foodgrains, Rs. 500 crores under sugarcane and Rs. 500 crores under other crops. About 470 new processing units have to be organised. The cooperatives are expected to create a storage capacity of 85 lakh tonnes. They would also be expected to distribute to the total consumption of fertilisers in the country by the end of the Fifth Plan as against the present level of 60%. Out of the targeted consumption of 80 lakh tonnes of fertilisers, the share of Rs. 1,800 crores in the country the share for cooperatives in the distribution of fertilisers may come to 52 lakh tonnes valued at Rs. 1,000 crores. Similarly, cooperative marketing improved seeds worth Rs. 100 crores, pesticides and insecticides of the value of Rs. 75 crores and agricultural machinery and implements worth Rs. 25 crores. In other words, cooperative marketing is expected to handle business of inputs of the order of Rs. 1,200 crores.

Thus the Fifth Plan entrusts the NCDC with great responsibility. Besides continuing the finance the present schemes the Corporation proposes to finance manufacturing of tractors and other agricultural machinery, aerial spraying of pesticides and a number of other projects to help in the balanced and all-round development of cooperatives.