Primary Agriculture Cooperative Credit Societies (PACS)

Why in news?

The Government has recently allowed Primary Agricultural Credit Societies (PACS) to operate Retail Petrol/ Diesel outlets and LPG Distributorships.

- Primary Agricultural Credit Societies are the *grass root level arms* of the *short-term co-operative credit structure*.
- **Rural (agricultural) borrowers** – PACS deals directly with the rural (agricultural) borrowers, give those loans and collect repayments of loans given and also undertake distribution and marketing functions.
- **Final link** – It serves as the final link between the *ultimate borrowers on the one hand and the higher financing agencies*, namely the Scheduled Commercial Banks, and the RBI/NABARD on the other hand.
- **Organisational Structure of PACS**
- **General Body of PACS** – Exercise the control over board as well as management.
- **Management Committee** – Elected by the general body to perform the work as prescribed by the society's rules, acts, and by-laws.
- **Chairman, Vice-Chairman, and Secretary** – Work for the benefit of the members by performing their roles and duties as assigned to them.
- **Office Staff** – Responsible for performing day to day work.
- **Significance of Primary Agriculture Credit Society** – For the uninitiated, a PACS is the first building block of the century-old cooperative banking system of India.
- PACS can play a colossal role, in *bringing farmer communities closer to credit*, inputs, market and value addition.
- No commercial bank branch can ever come close to providing the kind of services a Primary Agriculture Credit Society (PACS) can.
- PACS can also play a major role by *integrating its warehouse* with the physical and financial supply chain of agro-commodities in the upcoming Garmin Agriculture Markets (GrAMs) or large warehouses in the private sector.
- **Combined Category 2 (CC-2)** – PACS have been included under Combined Category 2 (CC-2) for retail Petrol/ Diesel dealership and Combined Category (CC) for LPG Distributorship.
- They can apply online as per the advertisements issued by Oil Marketing Companies (OMCs).
- **Strengthening of Primary Agriculture Cooperative Credit Societies (PACS)** – Refers to the process of enhancing the capacity, efficiency, and effectiveness of these cooperative institutions.
- It will be providing multiple services to the farmers and rural agricultural communities, apart from credit and financial services.
- By strengthening PACS, *governments and stakeholders aim to improve the overall*

state of agriculture, uplift rural communities, and promote inclusive economic growth.
- These efforts can contribute to poverty reduction, food security, and sustainable development in agrarian economies.

References

1. PIB - Primary Agriculture Cooperative Credit Societies (PACS)
2. Ministry of Cooperation - Primary Agriculture Cooperative Credit Societies (PACS)

