Strengthening Cooperatives

Why in news?

The Budget 2023-24 strengthens the cooperatives to take forward the agenda for inclusive growth.

What is the role of cooperatives?

- Cooperatives play a major role in enhancing the income of the small and weaker sections and provides opportunities for employment, access to credit and market.
- The cooperative sector will play an important role in aggregation, adherence of standards, provision for storage, packaging, integrated supply chain, promotion and branding of to make products competitive for export.

What are the recent initiatives?

- **Vibrant Villages Programme** - The Cabinet approved the Centrally Sponsored Scheme, Vibrant Villages Programme for the FYs 2022-23 to 2025-26.
- The scheme will strengthen the cooperative movement through 2 lakh multipurpose Primary Agricultural Credit Societies (PACS) in each uncovered panchayat.
- **Computerisation of PACS** - The Budget outlay for the Cooperation Ministry of Rs. 1,150.38 crore will boost the initiatives that have been taken for computerisation of PACS.
- **Budget Allocation** - The budget allocation will also aid in
    - Establishing National Multi State Cooperative Societies in export, seed and organic products
    - Creation of large grain storage infrastructure and national cooperative database
- **Pan-India services** - The establishment of the National Export Society, National Cooperative Society for Organic Products and National Level Multi-State Seed Cooperative Society will bring pan-India services to farmers and producers.

What is the role of PACS?

- To address the credit needs of the producers, PACS disburse credit and related services.
- The model bye-laws on PACS pave the way to make PACS as multi service centres to dispense services in a timely and affordable manner.
- The PACS can come up with diverse business models and or instrument for aggregation and distribution.
- The PACS and FPOs can go hand in hand by completing the backward and forward linkages.

What is the way forward?

- The ecosystem of PACS, Agricultural Produce Market Committee (APMC) and electronic national agriculture market (e-Nam) provides for gainful linkages for the diverse wholesale and retail market.
- However, the missing link of storage facilities results in losses and inability to march the supply with demand.
- The storage of grains, pulses and oilseeds should be backed by timely market information system.

References

1. The Hindu Business Line – Budget for cooperatives to achieve inclusive growth
2. Indian Express – Amit Shah welcomes 'unprecedented' decisions for cooperative sector

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