

## 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](#)

