



## PERFORMANCE OF PRIMARY AGRICULTURAL COOPERATIVE CREDIT SOCIETIES IN WESTERN ZONE

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### ABSTRACT

*The cooperative movement in India has taken deep roots in various sectors and is making a significant contribution towards Agricultural and economical development , Particularly the primary Agricultural cooperative credit societies plays very important role in agricultural development it considered as the pillars of the Agricultural development in India. Primary Agricultural Cooperative Credit Societies actively engaged in provision of integrated service to the farmers and serve as a point of dissemination of the technology and the improved cultivation practices. In this paper the Researcher Study The Performance of Primary Agricultural Cooperative Credit Societies in Western Zone*

**Key Words:-** PACCS, Loans, Financial aspects. Role

### INTRODUCTION

Agriculture Development is a dominant sector of our Indian economy. It is backbone of Indian economy. As per Census near about 70 percent of population resides in rural area and depending directly or indirectly upon agricultural for there livelihood. Therefore in India Agricultural development is very important and the contribution of the rate of GDP is also depending on this sector. The cooperative movement in India has taken deep roots in various sectors and is making a significant contribution towards Agricultural and economical development , Particularly the primary Agricultural cooperative credit societies plays very important role in agricultural development it considered as the pillars of the Agricultural development in India. Primary Agricultural Cooperative Credit Societies actively engaged in provision of integrated service to the farmers and serve as a point of dissemination of the technology and the improved cultivation practices. It is expected to increase the prosperity of farmers by availing better services particularly in the area of technological intervention.

At present up to 2015 in india, there are 92789 Cooperative credit societies including FSS and LSAMS (Farmers service societies) and (Large sized Adivasi multipurpose societies) and out of this 29883 societies situated in Western Zones i.e. Gujrat, Maharshtra and Goa.

### Functions of PACCS

- provides credit to the farmers, distribute inputs like fertilizers and also run outlets under Public Distribution System.
- provides short term and medium term credit for agriculture and allied activities. The short term loans are repayable within a period of 12 to 15 months and the medium term loans are repayable within 3 to 5 years.
- Crop loan is the prominent item of credit to the farmers by Primary Agricultural Cooperative Credit Societies, provided without collateral security upto 10 acres in respect of registered sugarcane growers and upto Rs.1 lakh in respect of other crops. The loan amount exceeding this limit is secured with mortgage of property or pledge of jewels.
- Primary Agricultural Cooperative Credit Societies also issue loans for other agricultural purposes like purchase of farm machineries and

- To provide marketing facilities for the sale of agricultural produce and to associate itself with economic and social welfare programmes of the village.

### Role of PACCS in Agricultural Development

The Cooperative Credit societies Act 1904 permitted only to form PACCS, which laid more emphasis on the promotion of agricultural credit. The cooperative credit societies Act of 1912 removed the defects of 1904 Act and was made applicable to both credit and non-credit cooperative societies. The distinction between rural and urban societies was abolished and provision was made for societies with limited or unlimited liability. With the introduction of reforms Act of 1919, the transfer of cooperation to provincial government were empowered to have their own cooperative societies Act to make the path of credit movement smooth and sound. As a result, some provinces passed their own cooperative societies Act. The Bombay province took the lead and passed an act in 1925 followed by Madras province in 1932 and Bihar and Orissa in 1935 and Bengal in 1941. Through the No. of societies increased from 17729 in 1915-16 to 91786 in 1929-30, there had been a parallel growth of over dues to loan outstanding from 17 percent in 1915-16 to 25 percent in 1929-30.

After Independence, with the beginning of the planning era in 1950-51, the movement got a new phase of development under five year plans, The loans advanced by the paccs increased to Rs.550 crores during 1969-70 i.e. at the end of fourth five year plan as against Rs.22.9 crores during 1950-51, at the stage of five year plans.

### OBJECTIVES OF THE STUDY:-

1. To study the performance of PACCS in Western Zone.
2. To study the conceptual aspect of paccs..

### RESEARCH METHODOLOGY:-

The present study is based mainly on secondary data. The data was collected from Library books, Published Annual reports of NAFSCOB, Journals, websites, Research Articles and other published materials.

### DATA ANALYSIS AND INTERPRETATION

The Performance of primary agriculture cooperative credit societies in Western zone in India is discussed in the following. The number of primary agriculture co-operative societies during the period of 2011-12 to 2014-15 is shown in table 1.

Table No.1. Total Number of PACCS in Western Zone (in000)

Sr.No.	State	2014-15	2013-2014	2012-2013	2011-2012
1	Goa	79	79	100	77
2.	Gujrat	8605	8313	8810	8154
3.	Maharashtra	21199	21268	21394	21402
	Total	29883	29660	30304	29633

Source:- Annual report of NAFSCOB National federation of state cooperative Bank Ltd. In the above table Western zone consist of Goa, Gujrat & Maharashtra.

Table 2 Total Number of Members in PACCS (Western Zone) (In000)

Sr.No.	Year	Number of Membership	Growth Rate %
1.	2014-2015	17040	-5.41
2.	2013-2014	18015	0.31
3.	2012-2013	17959	5.07
4.	2011-2012	17092	-

Source:- Annual report of NAFSCOB National federation of state cooperative Bank Ltd.

**Table No.3. Type wise Number of Members in PACCS**

Sr.No.	Year	SC	ST	Others
1.	2014-2015	1086	1057	14897
2.	2013-2014	1125	995	15895
3.	2012-2013	1207	994	15758
4.	2011-2012	967	1143	14982

Source :- Annual report of NAFSCOB National federation of state cooperative Bank Ltd.

**Table No.4. Financial aspects of PACCS (Rs. in Crores)**

Sr. No.	Year	Paid up capital	Deposits	Borrowing	Working capital
1.	2014-2015	352051	98007	2111116	2702530
2.	2013-2014	278034	178892	1723291	2731710
3.	2012-2013	265740	172546	1638495	2507744
4.	2011-2012	242398	134577	1519350	2768288

Source :- Annual report of NAFSCOB National federation of state cooperative Bank Ltd

**Table No.5. Total Loans Issued (Rs. In Crores)**

Sr.No.	Year	Short term	Medium term
1.	2014-2015	2131674	259277
2.	2013-2014	1516401	229469
3.	2012-2013	1359666	496356
4.	2011-2012	1209784	178136

Source :- Annual report of NAFSCOB National federation of state cooperative Bank Ltd.

**Table No.6. Numbers of societies in profit and loss**

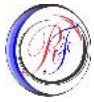
Sr. No.	Year	Number of societies in profit	Number of societies in Loss
1.	2014-2015	15053	13847
2.	2013-2014	15284	13360
3.	2012-2013	14998	13723
4.	2011-2012	14914	13152

Source :- Annual report of NAFSCOB National federation of state cooperative Bank Ltd.

## FINDINGS

Primary Agricultural credit cooperative societies were registered under the respective state cooperative societies act. The societies would be registered under the by-laws of the society, which contained all the regulations relating to the working of the society. Agriculture Co-operative Credit societies are working positively. From the collected data table No. 1 indicates the total number of PACCS in western Zone, western Zone consists of three states i.e. Gujrat, Maharshtra and Goa. table shows that Maharshtra states Number of PACCS is always high compared to Gujrat and Goa states. Gujrat states indicates very Low numbers of PACCS compared to other states. Only 79 PACCS in the year of 2014-2015. Its same in the year of 2013-2014. Number of paccs shows the increasing trends in every year.

Total number of members in paccs decreased 5.41% during 2014-2015. In the year of 2013-2014 this was increased 0.31% only, and 2012-2013 it also increased 5.07%. The



reduction of membership may be reason of cancelation of membership or death of member, and increase reasons are Issued more loans to farmers.

Type wise Number of Member in paccs classified SC scheduled caste, ST Scheduled Tribe and Others category. It seems that other category number of membership is always high compared to other category. IN the category of ST members number is always low compared to SC & others category. In the year of 2014-2015 SC category & other category numbers of members decreased compared to the year of 2013.2014.

In the table of financial aspects performance of primary agriculture co-operative societies has shown not much better but good performance in the scene of progress and development. Financial aspects deficits the performance of Paid up capital, Deposits, Borrowings and Working capital. Paid up capital is increased compared to 2013-2014 it means paccs issued more loans to farmers. But deposits value shows decreased trends in the year of 2014-2015. Total borrowings are increased and working capital shows decreasing during 2014-2015.

Agriculture is a dominant sector of our economy and credit plays an important role in increasing agricultural production. In all India level short term and Medium term loans is the main source of finance to farmer. It plays very important role of Agricultural development it proves the above tables statistics.

In the last tables of statistics shows that total number of PACCS in profit and Loss position. In the year of 2014-2015 No. of in profit positions societies are decreased compared to last three years it shows poor performance of societies. And reverse side said that No. of Loss positions societies are also increased. It is not positive of overall development.

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