

Co-operative Movement in Odisha : Highlights of Progress

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Co-operative Institutions play a vital role in Socio-economic upliftment of the rural people. These institutions have been assigned a place of paramount importance in the process of planned development. Prior to launching of First Five Year Plan in the country the Co-operative Societies Act, 1904 was enacted during British rule. It may be mentioned here that Odisha has been one of the pioneering States in the Country in respect of co-operative movement as the first Co-operative Society, namely, Cuttack Cooperative Store was established in the year 1898 under the leadership of Utkal Gourab Madhusudan Das. This heralded the beginning of Co-operative movement in Odisha. Thereafter, three Credit Co-operative Societies were organized in Banki in the year 1903. The same co-operative societies were merged with Banki Central Co-operative Bank in the year 1910. The Directorate of Registrar, Co-operative Societies in Odisha started functioning in the year 1917. The Orissa Co-operative Land Development Act, 1938 was the first Co-operative Legislation after formation of Odisha as a separate State on 1st April, 1936. The Orissa Co-operative Societies Act, 1951 was enacted in the year 1951. This Act was substituted by the Orissa Co-operative Societies Act, 1962 which is in vogue. The Orissa Self-Help Co-operative Act, 2001 was enacted in the year 2001 and came into force w.e.f. 1st June, 2002. Thus, it may be seen that the growth of Co-operative

Movement in Odisha has been backed by a series of legislative measures in the State.

Structure of Cooperative Societies - District Wise

There are 4336 Co-operative Societies functioning under the control of Registrar, Co-operative Societies, Odisha as revealed from the statistics prepared by Registrar, Cooperative Societies. The District-wise Co-operative Societies are presented in the table below.

TABLE NO. I

As on 31.03 2008

SI. No.	Name of the District	No. of Co-operative Societies
1	Angul	159
2	Balasore	220
3	Bargarh	112
4	Bhadrak	132
5	Bolangir	233
6	Boudh	52
7	Cuttack	406
8	Deogarh	36
9	Dhenkanal	134
10	Gajapati	58
11	Ganjam	494

12	Jagatsinghpur	166
13	Jajpur	158
14	Jharsuguda	47
15	Kalahandi	97
16	Kendrapara	168
17	Keonjhar	93
18	Khurda	373
19	Koraput	64
20	Malkangiri	15
21	Mayurbhanj	118
22	Nuapada	31
23	Nayagarh	190
24	Nawarangpur	21
25	Kandhamal	36
26	Puri	272
27	Rayagada	41
28	Sambalpur	90
29	Subarnapur	93
30	Sundargarh	227
		4336

Source: Registrar of Co-operative Societies, Odisha

It may be seen that Ganjam district has the highest number of 494 Co-operative Societies whereas the district of Malkangiri has the lowest number of 15 Co-operative Societies. It is seen that the districts like Deogarh, Gajapati, Jharsuguda, Malkangiri, Nuapada, Nawarangpur, Kandhamal and Rayagada have less than fifty Co-operative Societies. It is necessary that in these districts efforts should be made to strengthen the Co-operative movement by way of organizing Co-operative Societies for the benefit of farmers and poor people.

When we analyse the position with regard to the numbers of Co-operative Societies, membership and working capital for the State as a whole the following table indicates the picture from the year 1998-99 to the year 2007-08.

TABLE NO.2

(Rs. in lakhs)

Year	No. of Co-operative Societies	Membership	Working Capital
1998-1999	4832	5416000	543847
1999-2000	4948	5600000	578263
2000-2001	4986	5729000	671254
2001-2002	4886	5765000	756533
2002-2003	4723	5700000	839647
2003-2004	4657	5940000	945743
2004-2005	4636	6218000	1015227
2005-2006	4626	6294000	1145973
2006-2007	4565	6355000	127483
2007-2008	4336	6485000	1404322

Source: Registrar of Co-operative Societies, Odisha.

The data presented in the Table No.2 indicate that there was a total number of 4832 Co-operative Societies in the year 1998-99. The number of Co-operative Societies has come down to 4336 in the year 2007-08. This shows that some societies must have been liquidated during the period. However, the membership of co-operative societies which was 5416000 in the year 1998-99 has increased to 6485000 in the year 2007-08. When we analyse the position with regard to Working Capital, it may be seen that total working Capital of co-operative societies in the year 1998-99 was Rs.543847 lakhs. Working capital of these societies has increased up to Rs.1404322 lakhs. This shows marked improvement in the working capital of co-operative societies over the years.

Performance of Short-Term and Medium-Term Credit Cooperative Structure

The Short-Term and Medium-Term Credit Structure in the Co-operative Sector

include 2694 Primary Agricultural Co-operative Societies (PACS) at the grass-root level, 17 Central Co-operative Banks (DCCB) at the middle level and Orissa State Cooperative Bank at the apex level. This structure has been functioning very well over the years, although performance of PACS has not been uniformly good in the past. Orissa State Co-operative Bank is one of the most efficiently performing apex Co-operative Banks in the country. This Bank has been earning profit since its inception in 1948. It is noteworthy that 46.33 lakhs agricultural families have been brought under the short-term credit co-operative sector out of a total of 52.89 lakh agricultural families in the State as on 31.03.2009 covering 85 % of total agricultural families. KISSAN Credit Card Scheme has been extended in respect of 39.37 lakhs members as on 31.03.2010. Short-Term credit advanced by the Co-operative Societies in the State accounts for about 70 % of the total short-term credit given to the farmers. This shows that Co-operative Bank and Primary Agricultural Co-operative Societies (PACs) have taken the load of much larger share of short-term credit vis-à-vis Commercial Banks and RRBs. An innovative package known as Kalinga Kissan Gold Card has been adopted for rewarding the defaulting-free farmer members. Kalinga Kissan Gold Card allows an incentive @ 0.5 % in addition to interest subvention schemes.

Crop loan of Rs.3396.39 crores has been provided to 20.35 lakh farmer members in 2010-11. The market share of Co-operative Bank vis-à-vis Commercial Banks and RRBs in dispersion of crop loan in the State is 64%. Interest subvention schemes announced by Government of India to provide crop loan at 7% rate of interest to farmers along with an additional 2 % subvention granted by the State Government has been adopted in the State. There is also an additional 2% interest subvention if there is timely repayment.

Promotion of Self-Help Groups

Co-operative institutions have played a prominent role in promotion and credit linkage of Self-Help Groups in general and Women Self-Help Groups in particular. In the year 2007-08 52,863 Self-Help Groups have been promoted with low cost deposit mobilization of Rs.56.55 crores and credit linkage to the extent of Rs.72.73 crores. In case of Women Self-Help Groups 48,712 Women Self-Help Groups have been promoted with mobilization of deposit to the extent of Rs.25.43 crores and credit linkage of Rs.70.11 crores.

Involvement in Paddy Procurement Operation

Since Odisha is primarily a paddy growing State sale of paddy by the farmers at minimum support price has been a matter of serious concern. The farmers were prone to distress sale of paddy. Short-Term credit co-operatives have taken the initiative of market intervention and participated effectively in procurement of paddy. 1630 nos. of PACS have actively participated in paddy procurement during the year 2010-11. A total amount of Rs.16.80 lakh M.T. of paddy was procured by PACS. Paddy procurement initiatives by PACS have helped the PACS to improve their financial position.

Long-Term Co-operative Sector

OSCARD Bank with 46 CARD BANKS is functioning in the State to cater the needs of long-term agricultural credit. To cater the credit needs of the farmer members in the year 2004-05 this sector could provide loan of Rs.7.54 crores. Since then no loan has been provided as the recovery position was not good for the Bank and there was adverse finance situation in the Bank.

There are 14 Co-operative Urban Banks (including one Utkal Co-operative Banking Society Ltd.) providing access to bank services in urban and semi-urban areas. During 2007-08 a sum of Rs.615.02 crores has been mobilized as deposit and Rs.415.43 crores had been advanced to its members.

State Co-operative Union and Training Centres

There is a State Co-operative Union known as Orissa State Co-operative Union which has four centers of Co-operative Management Training Institutes and 17 field level Co-operative Training Centers at the level of each Central Co-operative Bank which are imparting co-operative training in the State. Besides, Madhu Sudan Institute of Cooperative Management, Bhubaneswar under the National Council for Co-operative Training sponsored by the National Co-operative Union of India is facilitating basic training and orientation in the co-operative sector.

In the marketing sector the MARKFED at the apex level is functioning for distribution of fertilizer through Buffer godowns, depots and sale points. Out of 51 Regional Co-operative Marketing Societies (RCMS), 28 RCMS have undertaken business in distribution of fertilizer.

Implementation of Revival Package of Short-Term Co-operative Credit in Odisha

Odisha is 2nd State after Andhra Pradesh to accept the recommendation of Vaidyanathan Committee for revitalization of Short-Term Credit Co-operatives. Memorandum of Understanding was signed by Government of India, NABARD and Government of Odisha on 26th November, 2006. The process of Special Audit of Primary Agriculture Society was completed by March, 2007. A total amount of Recapitalization Assistance under Revitalization package to the extent of Rs.662.23 crores had been released to

2514 PACS. This revival package has strengthened the financial position of PACS in the State as a result the PACS are in a position to carry out short-term credit operation mainly for the farmers in the State. Assistance has also been given to 17 DCCBs (District Central Co-operative Banks) to the extent of Rs.132.19 crores.

Co-operative Movement in Odisha has progressed in the State for more than a century. Various Co-operative Institutions in the credit sector, consumer sector, marketing sector, industrial sector, housing sector and storage and processing sector etc. have expanded during this period. The performance of Co-operative Institutions in recent years after implementation of Vaidyanathan Committee Recommendations has improved significantly in the State. However, reform measures which are under implementation should be completed so as to bring about further improvement in performance.

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