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PREAMBLE

1. Tamil Nadu is the first state in Co-operative movement which plays an important role in the socio economic development of India. The first Co-operative Credit Society in India was started in Thirur, Thiruvallur District in 1904. Co-operatives in Tamil Nadu play a vital role in uplifting the poor and downtrodden.

2 The credit and input requirements provided to the farmers by the Co-operatives have resulted in marked improvement in the agricultural Production of the state. The Co-operatives play a significant role in sale of agricultural commodities by eliminating middle men and avoiding distress sale and ensuring reasonable price for the farmers. Distribution of essential commodities through the Public

Distribution System is undertaken by Co-operatives in this State.

3. Co-operatives in the state provide crop loans to the farmers at 7% interest. This interest payment is totally borne by the Government for the farmers who repay within the due date. Apart from arranging for crop insurance, agricultural investment credit like milch animals loan, Tractor loan, Drip irrigation loan, Poultry loan etc. are also provided by Co-operatives.

4. Co-operatives are providing support to the tribals in marketing their produce such as Samai, Varagu, Tamarind, Honey etc. Processing units are also installed through the Large Sized Multipurpose Co-operative Societies (LAMPS) there by eliminating middlemen.

5. The Consumer Co-operative wholesale stores and Primary Co-operative stores are supplying all type of consumer goods to the

public at a reasonable price for which **“Price Stabilisation Fund”** has been created separately for controlling prices in the open market. Farm Fresh consumer outlets have been opened in Urban areas by the Co-operatives across the State and good quality vegetables are sold through these Outlets at reasonable prices. Quality Medicines are sold through ‘Amma Marundhagam’ run by the Co-operatives at a discount of 20% on retail prices for the benefit of public.

6. Co-operatives run majority of the fair price shops in Tamil Nadu and thereby playing a major role in providing food security to the people of Tamil Nadu.

CHAPTER – I

CO-OPERATIVE CREDIT STRUCTURE

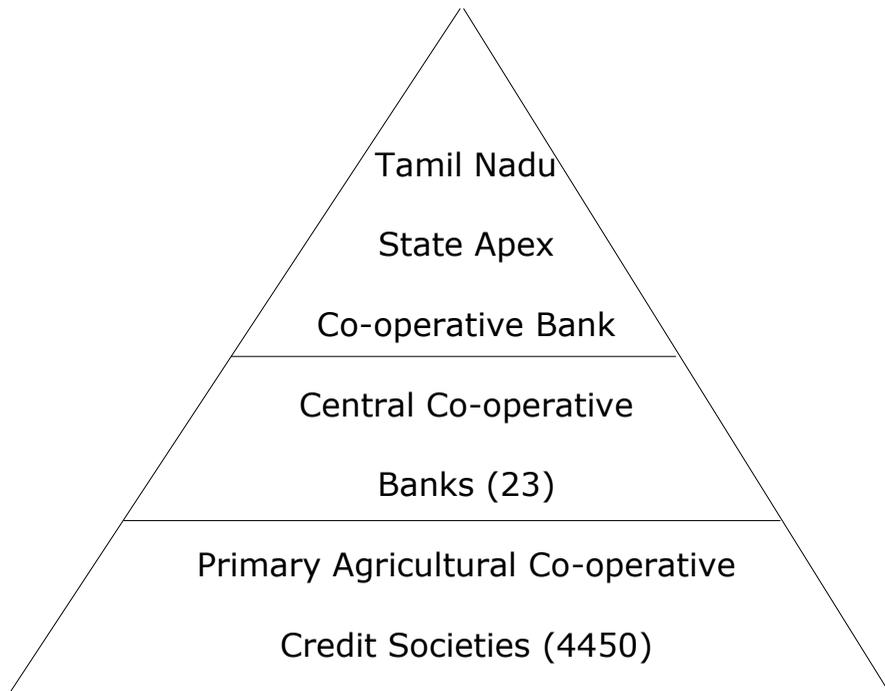
1. Co-operative Credit institutions, a century old institutions, were formed to free the farmers from the clutches of the private money lenders. It has evolved as an integrated credit system based on the concept of Thrift, Self reliance and mutual help. These institutions have a vast network in the state through which they provide credit to the people, particularly in the rural areas at a reasonable interest rate. They also implement various Government schemes for improvement of socio- economic status of the people.

The Co-operative Credit Institutions in the state broadly fall into 4 categories namely, Short Term Co-operative Credit Structure, Long Term Co-operative Credit Structure, Urban

Co-operative Credit Institutions and Employees
Co-operative Thrift and Credit Societies.

2. Short Term Co-operative Credit

The Short Term Co-operative Credit Structure, a Federal Structure consists of Primary Agricultural Co-operative Credit Societies at Village level, Central Co-operative Banks at Inter-mediate level and Tamil Nadu State Apex Co-operative Bank at State level. These Co-operative institutions fulfill the credit requirement of the agrarian population and immediate credit needs of people, especially in rural areas.



2.1 Primary Agricultural Co-operative Credit Societies (PACCS)

The Primary Agricultural Co-operative Credit Societies are the foundation stone of the grass root level Co-operative Credit structure in the State. There are **4,450** Primary Agricultural Co-operative Credit Societies functioning, which provides Short Term crop loan and Medium Term Investment Credit for agricultural and allied

activities like micro irrigation, land development, purchase of milch animals etc. These societies also provide loans for non agricultural purposes like house construction, income generating activities of Self Help Groups and to other Non Farm Sector activities. The Primary Agricultural Co-operative Credit Societies play major role in implementing Agricultural Insurance Scheme, "Pradhan Mantri Fasal Bima Yojana" (PMFBY) in the State.

The Primary Agricultural Co-operative Credit Societies undertake the sale of agricultural inputs like fertilizers, seeds and small agricultural equipments. In addition, 16,177 full time, 8,151 part time and 15 Mobile Fair price shops are run by Primary Agricultural Co-operative Credit Societies. The performance of Primary Agricultural Co-operative Credit Societies during the last five years is given below:

Amount (Rs. in crore)

Details	2014-15	2015-16	2016-17	2017-18	2018-19
Deposits	5,987.72	6,874.66	7,352.64	6,606.17	6,371.79
Loan Disbursement	20,326.63	19,409.52	15,403.51	17,784.88	19,723.89

2.2 Central Co-operative Banks

The Central Co-operative Banks which have an area of operation in one or more districts play a major role in promoting the Co-operative movement in the state. There are **23** Central Co-operative Banks functioning in the State. The Central Co-operative Banks not only act as a balancing centre of finance for the Primary societies in their area of operation by providing funds whenever they are required but also supervise, guide and inspect the working of affiliated societies. The Central Co-operative Banks raise resources, through public deposits and borrowings from Tamil Nadu State Apex Co-operative Bank. These banks have **876**

branches which are located mostly at Taluk and Block Headquarters. These Banks also provide banking services directly to the public through their branches.

All the 23 Central Co-operative Banks are functioning in current year profit and all the banks have been granted banking licence by the Reserve Bank of India. The performance of Central Co-operative Banks is given below:

Amount (Rs. in crore)

Sl. No.	Details	2014-15	2015-16	2016-17	2017-18	2018-19*
1	Members' Share Capital	1,052.70	1,248.49	1,252.23	1,308.93	1,421.28
2	State Government's Share	63.70	63.70	67.94	68.32	62.87
3	Reserves and Surplus	3,351.33	3,537.67	3,460.53	3,480.12	4,142.41
4	Deposits	22,748.33	25,667.74	28,343.91	27,693.41	28,733.90
5	Borrowings	5,609.60	5,043.30	4,340.41	4,885.59	6301.52

* Tentative

CORE Banking Solutions (CBS) is implemented in all the Central Co-operative Banks, which enable these banks to provide modern banking services such as National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) and SMS alert facilities to their customers. During 2017-18, Rupay debit cards were issued to the customers of the Central Co-operative Banks and 54 ATMs were established by Central Co-operative Banks across the state. The Rupay Kisan Credit Cards have also been issued to the loanee farmers of Primary Agricultural Co-operative Credit Societies to enable them to withdraw the crop loan amount through ATMs. Mobile Banking facility has also been introduced by the Central Co-operative Banks to their customers during 2018-19. The Customers of Cooperative Banks are benefiting by modern Banking Services which are provided by the Cooperative Banks on par with Nationalised and Commercial Banks.

To improve the efficiency of staff of the Central Co-operative Banks, training programmes on subjects like credit appraisal, funds management, business development and Non Performing Assets management were organized and 791 staff members attended these trainings during the year 2018-19.

2.3 Tamil Nadu State Apex Co-operative Bank

The Tamil Nadu State Apex Co-operative Bank, was started in the year 1905 with the objective of coordinating the work of Central Co-operative Banks and linking up the Co-operative credit organizations with general money market and Reserve Bank of India. The Tamil Nadu State Apex Co-operative Bank plays a major role in the formulation of credit policies for the entire Co-operative movement in the State. The Tamil Nadu State Apex Co-operative

Bank mobilizes resources through deposits, refinance from the National Bank for Agriculture and Rural Development (NABARD), National Handicapped Finance and Development Corporation (NHFDC) and loan from financial institutions like National Co-operative Development Corporation (NCDC). It provides refinance to all CCBs to issue Short Term and Medium Term agricultural loans to farmers through Primary Agricultural Co-operative Credit Societies and also provides cash credit from its own resources to the Central Co-operative Banks to enable them to finance their affiliates. It also provides banking services to the public through its 47 branches located in Chennai.

The Tamil Nadu State Apex Co-operative Bank helps in capacity building of the staff of Co-operative Banks and Primary Agricultural Co-operative Credit Societies through

Agricultural Credit Staff Co-operative Training Institute (ACSTI) run by it.

The Tamil Nadu State Apex Co-operative Bank continues to remain financially viable institution. The comparative performance of the Apex Co-operative Bank during the last five years is given below:

Amount (Rs. in crore)

Sl. No.	Details	2014-15	2015-16	2016-17	2017-18	2018-19*
1	Members' Share Capital	282.44	287.30	291.77	291.77	296.26
2	State Government's Share	20.26	20.26	20.26	20.26	20.26
3	Reserves and Surplus	827.21	855.63	778.66	598.01	700.92
4	Deposits	7,767.79	8,927.93	11,240.46	8,305.54	8,384.98
5	Borrowings	3,309.24	3,037.81	2,455.26	2,844.19	3,222.76
6.	Net Profit	41.38	43.31	43.70	81.83	105.01

* Tentative

CORE Banking Solution (CBS) has been implemented in Tamil Nadu State Apex Co-operative Bank. It enables the bank to provide modern banking services like National Electronic Fund Transfer Technology (NEFT), Real Time Gross Settlement (RTGS), SMS Alert facility, Immediate Payment Services (IMPS) and Mobile Banking facility to its customers. The Rupay Debit Cards are issued to the customers of Tamil Nadu State Apex Co-operative Bank and these can be used in any ATM (Automated Teller Machine) in India. The Bank also provides ATM services to its customers at eleven places in Chennai city. The Tamil Nadu State Apex Co-operative Bank played vital role in guiding the affiliated institutions in adopting modern banking technologies.

The Tamil Nadu State Apex Co-operative Bank has been maintaining the Primary Co-operative Development Fund (PCDF) and

Deposit Guarantee Fund (DGF). The Primary Co-operative Development Fund is created out of the contributions from the Central Co-operative Banks for the purpose of strengthening the Primary Agricultural Co-operative Credit Societies and to improve infrastructure facilities in Primary Agricultural Co-operative Credit Societies. As on 31.03.2019, a sum of Rs.**25.90** crore is available in the Primary Co-operative Development Fund. The Deposit Guarantee Fund is created out of contributions from the Tamil Nadu State Apex Co-operative Bank, Central Co-operative Banks and Primary Agricultural Co-operative Credit Societies. This fund is utilized for refunding the public deposits mobilized by the Primary Agricultural Co-operative Credit Societies wherever they are unable to refund them to the depositors. As on 31.03.2019, a sum of Rs.**236.65** crore is available in the Deposit Guarantee Fund.

2.4. Services rendered

(i) Crop Loan

The Primary Agricultural Co-operative Credit Societies provide Short Term crop loan to the farmers to undertake cultivation. The crop loans are provided based on the Scale of finance upto 10 acres of registered Sugar cane crop and for other crops, loans upto Rs.1.6 lakh are provided on personal surety. To achieve inclusive growth, the crop loans are disbursed to Small Farmers, Marginal Farmers, Scheduled Caste and Scheduled Tribe farmers and to the members of Joint Liability Groups.

The Government of Tamil Nadu provides 2% interest subsidy to the Co-operatives over and above the interest subvention received from Government of India for the disbursement of crop loans. Hence, the Co-operatives in the state extend crop loan to the farmers at 7%

interest rate. Further, the Government of Tamil Nadu provides 4% interest incentive in addition to the Government of India 3% interest incentive to the farmers who repay the crop loan promptly. Hence, no interest is charged on crop loan from the farmers who repay it within the due date.

Crop loans to the extent of **Rs.8,127.68** crore was disbursed to **12,37,393** farmers during the year 2018-19. Out of this, crop loans to the extent of **Rs.719.66** Crore was disbursed to **1,27,183** SC/ST farmers. During 2017-18, crop loan of **Rs.6,220.27** crore was issued to 10,63,821 farmers. The Government has fixed the crop loan target of Rs.10,000 crore to Co-operatives for the year 2019-20. The Government had allocated Rs.200 crore as interest subsidy and incentive to the farmers.

(ii) Loans to Joint Liability Groups (JLGs)

Joint Liability Group comprising of small and marginal farmers, Tenant cultivators, Share croppers are formed to provide credit to their members who hitherto could not access credit from institutional sources. Agricultural credit is provided to JLGs for promoting financial inclusion. During the year **2018-19**, crop loan of **Rs.440.62** crore was disbursed to **15,009** Joint Liability Groups as against the loan amount of **Rs.360.28** Crore issued to **13,865** Joint Liability Groups during 2017-18. Medium Term investment credit to the extent of **Rs.49.09 crore** was issued to **1988** Joint Liability Groups during the year 2018-19 as against the loan amount of **Rs.35.11** Crore issued to **1,649** Joint Liability Groups during the year 2017-18.

(iii) Investment Credit for Agricultural and Allied activities

To ensure a sustained growth in agriculture production and agricultural productivity, the Co-operatives are encouraged to continue to extend credit for investment activities in agriculture such as micro irrigation, land development, farm mechanisation etc., During **2018-19**, the investment credit disbursement to farmers increased to **Rs.438.95 crore** from **Rs.365.01 Crore** issued during the year 2017-18.

(iv) Produce Pledge Loan

Produce Pledge loan is extended to the Small and Marginal farmers on pledging their produce kept in godowns which enable them to store their produce during peak harvest season when the price is not remunerative and selling their produce profitably at a more opportune time.

Produce Pledge Loan issued by Co-operatives have increased to Rs.**317.02** crore during 2018-19 from Rs.**306.08** crore issued during the year 2017-18.

(v) Micro Credit to Petty Traders

The Central Co-operative Banks and Urban Co-operative Banks provide micro credit to Petty traders for doing small business like selling of Flowers, Vegetables, Fruits and running petty shops. During 2018-2019, the maximum loan limit has been increased from Rs.10,000 to 25,000 under this scheme. The concept of group lending is encouraged for the disbursement of micro credit and the Petty traders availing these loans under this scheme are made as surety for each other and they take responsibility to repay loan. The Loans issued to petty traders have increased to Rs.**368.47** crore during 2018-19 from Rs.**254.02** crore issued during the year 2017-18.

(vi) Assistance to Self Help Groups (SHG)

The Government considered lending to Self Help Groups by credit institutions is essential to achieve the objectives of financial inclusion. The interest rate on loans extended to Self Help Groups has been reduced from 12.40 % to 11.50% during 2018-19. The loans disbursed to Self Help Groups have increased to **Rs.1,161.80** crore during 2018-19 from **Rs.810.95** crore issued during the year 2017-18. The Co-operative credit institutions continue to increase lending to Self Help Groups and fulfill all their credit needs.

(vii) Women Entrepreneur Loan Scheme

The Central Co-operative Banks and Urban Co-operative Banks are providing loans up to Rs.10 lakh to women entrepreneurs to start small businesses and to take up service

activities. The interest rate for these loans has been reduced to 11 % and also uniform interest rate was fixed for disbursing women Entrepreneur Loans by all Cooperative Banks in the State. Loans issued to women entrepreneurs have increased to Rs.**102.40** crore during 2018-19 from Rs.**79.60** crore issued during the year 2017-18.

(viii) Working Women loan Scheme

Under this scheme, the Central Co-operative Banks and Urban Co-operative Banks are providing consumer loans to working women earning monthly income. Loans issued to working women have increased to Rs.**106.89** crore during 2018-19 from Rs.**92.64** crore issued during the year 2017-18.

(ix) Loans to Differently Abled Persons

The Co-operative institutions extend credit facilities to differently abled persons for undertaking various economic and income generating activities. From the year 2011-12, no interest is being charged from those who repay the loan promptly. During 2018-19, Rs.**36.41** crore was disbursed to **7,823** differently abled persons.

(x) Share Capital Assistance

The Government of Tamil Nadu is providing share capital assistance to the Scheduled Caste/Scheduled Tribe members in the Co-operative Credit Institutions in the state. This helps in enhancing their borrowing capacity for availing more credit facilities from the Co-operative Institutions. During the year 2018-19, share capital assistance of Rs.20 lakh has been provided as interest free loan of

Rs.250/- each to 8,000 Scheduled Caste/Scheduled Tribe members of Primary Agricultural Co-operative Credit Societies.

(xi) Crop Insurance

New Crop Insurance Scheme namely "Pradhan Mantri Fasal Bima Yojana" (PMFBY), was introduced in 2016, to reduce agricultural distress and to promote farmers' welfare. Under the scheme, **8,08,393** farmers have been enrolled through Co-operatives during the year 2018-19 and a premium amount of Rs.**83.91** crore has been collected and remitted to respective insurance companies. A sum of Rs.**2,367.39** crore has been disbursed to farmers who insured their crops in the year 2016-17 and a sum of Rs.**959.72** crore has been disbursed to farmers who insured their crops in the year 2017-18, through the Co-operative institutions as compensation against yield loss.

(xii) Agro Service Centres

The utilization of machinery by small and marginal farmers has become inevitable in agricultural practice to increase the agricultural production and productivity. To help the farmers, in particular, the small and marginal farmers who are not able to reap the benefits of farm mechanization due to the lack of resources to own or to hire machineries for agricultural operations, Agro Service Centres have been established in 2,104 Primary Agricultural Co-operative Credit Societies. These centres provide farm machineries and implements to farmers at reasonable hire charges. The Government has provided 50% subsidy to the Co-operative Societies for the purchase of farm machineries and equipments, subject to maximum of Rs.20 lakh per society. Agro Service Centres have earned an income of **Rs.1.61** crore during the year 2018-19.

(xiii) Common Service Centres

Common Service Centres have been established in Primary Agricultural Co-operative Credit Societies, Primary Co-operative Agriculture and Rural Development Banks and other Co-operative institutions with a twin objective of providing a range of public services to the people living in rural and urban areas, through electronic mode in a timely and transparent manner and to supplement the income of the society. At present, there are **4,403** Common Service Centres run by Co-operatives in the State. These centres provide a variety of e-services to the people of Tamil Nadu through portals such as e-Sevai and Digital Seva. These e-services include Revenue Department services such as issue of Income certificate, Community certificate, extract of land records etc., Social welfare Department services and Registration Department services such as

Encumbrance Certificate and Certified Copy, etc. These Centres provide all these services to public in an integrated and hassle-free manner, under one roof. Through this the rural people can avail these services in their near by areas.

During the year 2018-19, **70,97,883** services have been offered by the Common Service Centres to the public and an income of Rs.**25.67** crore was earned by the Societies.

2.5. Strengthening of Infrastructure in the Co-operatives in the year 2018-19

(i) Construction of Own Building for the Co-operative Institutions

During 2018-19, the Hon'ble Chief Minister had announced on the floor of the Assembly that own buildings will be constructed for 117 Co-operative Institutions at an estimated cost of Rs.26.09 crore. Out of this, construction work is completed in one Primary Agricultural Co-operative Credit Society and the work in the

remaining institutions is under progress, construction work will be completed very soon.

(ii) Opening of New Branches of Co-operative Banks

To provide banking service to the customers in their nearby areas, Hon'ble Chief Minister had announced on the floor of the Assembly that, 14 new branches of 7 Central Co-operative Banks will be opened at an estimated cost of Rs.2.10 crore during the year 2018-19. So far, 10 new branches have been opened and the remaining branches will be opened shortly.

(iii) Modernisation

To provide better service to the customers and to give face lift to Co-operative Institutions during the year 2018-19, the Hon'ble Chief Minister announced on the floor of Assembly that 94 Co-operative Institutions will be modernised at an estimated cost of Rs.9.85 crore.

Accordingly, 62 Primary Agricultural Co-operative Credit Societies, one Central Co-operative Bank, two Urban Co-operative Banks, one Primary Co-operative Agriculture and Rural Development Bank have been modernised. Work in the remaining institutions is under progress.

(iv) Construction of Commercial complexes in the Co-operative Institutions

With a vision to increase income to the Co-operative Institutions, it was announced that shopping complexes will be constructed in 5 Primary Agricultural Co-operative Credit Societies at a cost of Rs. 1.50 crore and a community hall will be constructed in Thuraiyur Taluk Agricultural Producers Co-operative Marketing Society at a cost of Rs. 1.85 crore during the year 2018-19. Work is under progress in all the societies.

(v) Extension of Buildings of Co-operative Institutions

To improve the infrastructure facilities in the co-operative institutions, it was announced that the existing buildings of 14 Primary Agricultural Co-operative Credit Societies will be expanded at a total cost of Rs. 1.40 crore. Work is in progress in all the societies.

(vi) Installation of Solar Panels and Water Purifying Machines in Co-operative Institutions

To provide uninterrupted banking services and Purified water to the customers of the Co-operative Institutions, it was announced during the year 2018-19 that Solar panels in 133 Co-operative Institutions and Water Purifying Machines in 11 Co-operative Institutions will be installed at an estimated cost of Rs.7.67 Crore. Accordingly, Solar Panels have been installed in 88 Co-operative Institutions and Water Purifying Machines have been installed in 11 Co-operative

Institutions. Work is under progress in the remaining institutions.

(vii) Safety Measures

(a) CCTV Surveillance Cameras

Closed Circuit Television Cameras (CCTV) have been installed in 5317 Co-operative Institutions including Tamil Nadu State Apex Co-operative Bank, Central Co-operative Banks, Urban Co-operative Banks and Primary Agricultural Co-operative Credit Societies among others. These measures have strengthened security for the jewels and valuable records pledged by the Customers. The installation of CCTVs in all the remaining Co-operative Institutions is under progress.

(b) Safety Lockers and Iron Safe

To enhance the safety measures and infrastructure facilities in Co-operative institutions, during the year 2018-19, it was announced that Customer safety lockers in 10 Co-operative institutions, High tech safety lockers in 9 Co-operative institutions, Iron Safe in 13 Co-operative institutions will be installed at an estimated cost of Rs.98.44 lakh. Accordingly, Customer Safety Locker, High tech safety locker and Iron Safe was installed in all 32 Co-operative institutions.

3. Long Term Credit Structure

In Tamil Nadu, the Long Term Co-operative Credit Structure functions with the Tamil Nadu Co-operative State Agriculture and Rural Development Bank at the State level and 180 Primary Co-operative Agriculture and Rural Development Banks at Taluk / Block level. These

credit institutions cater to the Long Term Farm Sector and Non-Farm Sector credit needs of the Farmers/ General Public.

3.1. Tamil Nadu Co-operative State Agriculture and Rural Development Bank

As per the revised policy guidelines of National Bank for Agriculture Rural Development (NABARD), the Tamil Nadu Co-operative State Agriculture and Rural Development Bank is unable to get refinance from NABARD. To ensure continuous flow of credit, Tamil Nadu Co-operative State Agriculture and Rural Development Bank is funding Primary Co-operative Agriculture and Rural Development Bank from its own resources enabling these banks to continue their lending operations for minor irrigation, agriculture related activities and issue of jewel loans.

As on 31.03.2019, the share capital of the Bank stood at Rs.**41.20** crore and deposits at Rs.**161.25** crore.

3.2. Primary Co-operative Agriculture and Rural Development Banks

There are **180** Primary Co-operative Agriculture and Rural Development Banks functioning in the State. They disburse long term credit for proposals like minor irrigations, land development, farm mechanization, horticulture, animal husbandry and other activities. Due to non-availability of refinance from National Bank for Agriculture Rural Development, these banks primarily disburse jewel loans out of the available funds. During the year 2018-19, these banks issued jewel loan to the tune of **Rs.1,074.40 crore.**

3.3. One Time Settlement Scheme 2014

To facilitate the members of Primary Co-operative Agriculture and Rural Development Banks to repay their Non-Farm Sector overdue loans, the Government have issued orders in the year 2014 for One Time Settlement of Non Farm Sector loan outstanding as on 31.03.2014 in Primary Co-operative Agriculture and Rural Development Banks. The Scheme was extended upto 31.12.2019.

Under this scheme, upto 31.03.2019, **3024** farmers have paid the outstanding loan amount of Rs.**64.99** crore and a sum of Rs.**63.23** crore has been waived to these farmers.

4. Urban Co-operative Credit Institutions

Urban Co-operative Credit institutions in the State comprises the Tamil Nadu Co-operative Urban Bank Federation at State level, Urban Co-operative Banks and Urban Co-operative

Credit Societies in the Urban and semi urban areas.

4.1. Tamil Nadu Co-operative Urban Banks Federation

The Tamil Nadu Co-operative Urban Banks Federation has been functioning with the main object of promoting the urban Co-operative credit movement in the State. The Federation also assist the Urban Co-operative Banks in matters relating to management, training to the staff members and adoption of modern banking technologies.

4.2. Urban Co-operative Banks

Urban Co-operative Banks provide banking and credit facilities to people residing in urban and semi urban areas. At present, 128 Urban Co-operative Banks functioning in the State. These banks mobilize deposits from the public and extend credit facilities for various purposes

like housing, business and other non-farm sector activities, including Jewel loans to meet the urgent and domestic needs of the members. During **2018-19**, loans to the extent of **Rs.5,579.64** crore have been disbursed to **8,46,337** members. The deposit position in the Urban Co-operative banks as on 31.03.2019 is **Rs.7,847.89 crore**. During 2018-19, Urban Co-operative Banks have issued loans to the tune of Rs.**65.51** crore to **1,224** Joint Liability Groups of petty traders in the urban areas. This has prevented many small vendors from falling prey to money lenders, who charge exorbitant interest rates.

The Urban Co-operative Banks and their branches were already computerized. Now, to provide modern banking services to the customers, the Core Banking Solution is being implemented in all the Urban Co-operative Banks and the work will be completed shortly.

4.3. Urban Co-operative Credit Societies

In Tamil Nadu, **114** Urban Co-operative Credit Societies are functioning which provide credit facilities to urban and semi-urban population. These societies mobilize deposits from the public and extend credit to small traders, artisans and persons belonging to middle income group for purposes like housing, business and other non farm sector activities. During **2018-19**, loans to the extent of Rs.**1,381.39** crore have been issued to the members. The deposit position in the Urban Co-operative Credit Societies as on 31.03.2019 is Rs.**1,338.13** crore. The Urban Co-operative Credit Societies have also disbursed loans to the extent of Rs.**9.01 crore** to **144** Joint Liability Groups of petty traders in urban areas.

5. Employees Co-operative Thrift and Credit Societies

The Employees Co-operative Thrift and Credit Societies are functioning for fulfilling the credit needs of the employees of the State and Central Government, Government undertakings and private sector. At present **1,729** Employees Co-operative Thrift and Credit Societies are functioning in the State. Their main objectives are to cultivate the habit of savings among the members and to provide loans at a reasonable rate of interest. As on 31.03.2019, the share capital of these societies is **Rs.2,880.79** Crore and working capital is **Rs.17,213.29** Crore. During 2018-19, these societies issued loans to the members to the tune of **Rs.6,731.28** Crore.

6. Employees Welfare

(i) Pay hike to the employees of Co-operative Credit Institutions

The Government has been giving due priority to the welfare of employees working in the Co-operative institutions in the State. The Salaries of the **22,048** employees working in Tamil State Apex Co-operative Bank, Central Co-operative Banks, Primary Agricultural Co-operative Credit Societies, Tamil Nadu Co-operative State Agriculture and Rural Development Bank, Primary Co-operative Agriculture and Rural Development Banks, Urban Co-operative Banks, Urban Co-operative Credit Societies and Employees Co-operative Thrift and Credit Societies have been revised upto a maximum of 21% increase in wages with an additional Financial commitment of **Rs.143.72** crore per annum to these Co-operative Institutions.

7. National Level Awards

The following Co-operative Institutions received National level Awards for their best performance;

(i) **Tamil Nadu State Apex Cooperative Bank** received **Second prize** for **overall Best performance** under three tier structure for the year 2017-18 from National Federation of State Co-operative Banks (NAFSCOB).

(ii) **Muhilanvilai Primary Agricultural Co-operative Credit Society** in Kanyakumari District received **Third prize** for **Subash Yadav award for Best performing PACCS** for the year 2017-18 from National Federation of State Co-operative Banks (NAFSCOB).

(iii) **Veerappanpalayam Primary Agricultural Co-operative Credit**

Society in Erode District received **Third prize** at all India level for **Overall Best performance** for the year 2016-17 from National Federation of State Co-operative Banks (NAFSCOB).

(iv) **Agricultural Co-operative Staff Training Institute** (ACSTI) managed by Tamil Nadu State Apex Co-operative Bank received **Third prize** for **best performance** for the year 2016-17 from National Federation of State Co-operative Banks (NAFSCOB).

From 2011-12, 27 Co-operative institutions received awards for their best performance at National level.

CHAPTER - II

CO-OPERATIVE MARKETING SOCIETIES

1. Introduction

Agricultural Producers Co-operative Marketing Societies (APCMS) facilitate the farmers in the sale of their agricultural produce. It creates a trading Platform where the members and consumers / traders associate with each other directly thereby eliminating middlemen agent for the purpose of marketing of agricultural produce of farmer members at reasonable price. This creates favorable situation for both farmers and consumers. Marketing societies also distribute agricultural inputs, provide produce pledge loan for agricultural produce and undertake processing of the agricultural produce. They act as lead societies in the movement of essential commodities to

Fair Price Shops and also run Fair Price Shops and distribute essential commodities to the card holders under Public Distribution System. Across the State, 112 APCMS are functioning at Taluk and Block level.

1.2. Tamil Nadu Co-operative Marketing Federation (TANFED) is the State level apex institution for Agricultural Producers Co-operative Marketing Societies functioning in all the districts excluding Thanjavur, Tiruvarur, Nagapattinam and 'The Nilgiris'. Thanjavur Co-operative Marketing Federation (TCMF) is a Regional Federation for the Agricultural Producers Co-operative Marketing Societies functioning in the delta districts of Thanjavur, Tiruvarur and Nagapattinam. Nilgiris Co-operative Marketing Society caters to the needs of farmers in The Nilgiris District and Mettupalayam Municipality of Coimbatore district.

2. Tamil Nadu Co-operative Marketing Federation (TANFED)

Tamil Nadu Co-operative Marketing Federation started to function from 20.02.1959. It distributes agricultural inputs such as fertilizers, pesticides, seeds and agricultural implements through Agricultural Producers Co-operative Marketing Societies and Primary Agricultural Co-operative Credit Societies to the farmers at affordable price across the State.

2.1. During 2018-19, TANFED has distributed **3,57,540** MT of fertilizers worth **Rs.583.72 crore** and pesticides worth **Rs.15.42 crore**. Fertilizer mixing unit of TANFED at Pamini Village in Thiruvarur District, manufactures Pamini 17:17:17, a fertilizer which has good demand among farmers in many districts. During the year 2018-19, 15,067 MT of Pamini fertilizers were distributed worth of Rs.18.94 crore. In order to improve the performance, Pamini

fertilizer plant is being revamped at a cost of Rs.1.10 crore.

2.2 TANFED owns 41 godowns with a total capacity of 32,140 MT and 2 cold storage godowns one at Koyambedu Market Complex with a capacity of 2,500 MT and one at Basin Bridge with a capacity of 625 MT. TANFED gives guidance and commercial support for marketing the agricultural produce of farmers through joint venture with Co-operative Marketing Societies.

2.3 TANFED acts as an agent of National Agricultural Co-operative Marketing Federation (NAFED) for undertaking Price Support Scheme in Tamil Nadu, for the welfare of farmers.

2.4 TANFED distributes cattle feed to Aavin for onward distribution to milk producers. During 2017-18, TANFED has sold 33,270 MT of cattle feed worth Rs.60.58 crore and this has increased

to **45,418** MT worth **Rs. 82.67** crore in the year 2018-19.

2.5 TANFED is running 3 petrol and diesel dispensing units, each one at Koyambedu, Cuddalore and Tiruchirapalli and 1 petrol dispensing unit at Kodambakkam, in association with the Indian Oil Corporation. TANFED has sold Rs.21.75 crore worth of petrol and diesel in the year 2017-18 and has increased to **Rs.27.25** crore in the year 2018-19.

2.6 TANFED has earned a net profit of **Rs.8.01** crore during the year 2017-18.

3. Thanjavur Co-operative Marketing Federation (TCMF)

Thanjavur Co-operative Marketing Federation functions as a regional level federation for 12 Co-operative Marketing Societies in Thanjavur, Tiruvarur and Nagapattinam districts. This Federation

distributes fertilizers, seeds and agricultural implements. It also issues jewel loan to its members. It is also running a printing press. During 2018-19, the Federation has sold 40,301 MT of fertilizers worth Rs. 34.36 crore to the Co-operative Societies which is higher than 36,491 MT of fertilizers worth Rs.29.58 crore marketed during 2017-18. Total business turnover of TCMF has increased from Rs.76.27 crore in the year 2017-18 to **Rs.119.65** crore in 2018-19.

4. Nilgiris Co-operative Marketing Society (NCMS)

Nilgiris Co-operative Marketing Society functions with entire Nilgiris District and Mettupalayam Municipal area of Coimbatore District as its area of operation. It markets Potato, Cabbage, Carrot, Beetroot and Beans grown by farmers at remunerative prices and also distributes agricultural inputs for their

requirement. The Society owns a fertilizer mixture unit in Mettupalayam. This Society also runs LPG gas agency business. Total business turnover of the Society was Rs.69.80 crore in 2018-19.

5. Agricultural Producers Co-operative Marketing Societies (APCMS)

At present, 112 Agricultural Producers Co-operative Marketing Societies are functioning in Tamil Nadu, with the primary objective of marketing of agricultural produce and selling of fertilizers and other agricultural inputs. Most of the Agricultural Producers Co-operative Marketing Societies act as lead societies for moving essential commodities from the Tamil Nadu Civil Supplies Corporation godowns to the Fair Price Shops. They also run Fair Price Shops under the Public Distribution System. Total Business turn over of these Societies were **Rs.2,242.46** crore in 2018-19.

5.1 Functions of Agricultural Producers Co-operative Marketing Societies

(i) Marketing of Agricultural Produce

Co-operative Marketing Societies provide infrastructure facilities like auction yards, drying yards and godowns for marketing of agriculture produce of their members at a competitive price. Further, they disseminate market price information of agricultural produce to the farmers and provide a fair market for the agricultural produce. Some societies procure agriculture produce directly for further processing and value addition. During 2018-19, agricultural produce worth **Rs.897.52** crore was marketed by the APCMS.

(ii) Linking of Credit with Marketing

Cooperation among Co-operatives is the basis of linking of credit with marketing scheme. Marketing Societies in coordination with Primary Agricultural Co-operative Credit Societies market the agricultural produce of the farmer members at a competitive price and the amount thus received is adjusted against the loan obtained by the farmer members in the concerned Primary Agricultural Co-operative Credit Societies. By way of linking of credit with marketing, during 2017-18, Rs.3.28 crore has been adjusted against the loans by providing marketing facility to the borrowing members. This has increased to **Rs.3.49** crore in the year 2018-19.

(iii) Produce Pledge Loan

To prevent distress sale of agricultural produce during the post harvest season by the farmers and to meet their urgent financial

needs, Agricultural Producers Co-operative Marketing Societies provide storage facilities on rent and issue produce pledge loan to the farmers. During 2017-18, produce pledge loan to the tune of Rs.87.75 crore has been disbursed by the Agricultural Producers Co-operative Marketing Societies and has increased to **Rs.98.84** crore in the year 2018-19.

(iv) Disbursement of Jewel loan

To meet the urgent financial needs of farmer members, during the year 2018-19, Jewel loan amounting to **Rs.296.51** crore have been disbursed by Agricultural Producers Co-operative Marketing Societies.

(v) Sale of Quality Seeds

Availability of quality seeds is very essential for improving the quality and quantity of agricultural yield. The Co-operative Marketing Societies procure and sell quality seeds of

paddy, pulses, oil seeds, millets and vegetables, etc. to the farmers. During the year 2017-18, seeds worth Rs.5.07 crore were sold and have increased to **Rs.5.50** crore in the year 2018-19

(vi) Distribution of Fertilizers

To improve the agricultural production, Primary Agricultural Co-operative Credit Societies undertake cash sales of fertilizers to the farmers besides distributing fertilizer as a component of crop loan i.e. Urea, DAP, Potash etc., The Tamil Nadu Co-operative Marketing Federation, Thanjavur Co-operative Marketing Federation and Nilgiris Co-operative Marketing Society are functioning as fertilizer wholesalers for Co-operatives. During the year 2017-18, **3,85,732** MT of fertilizers worth Rs.492.26 crore were sold through the Co-operative outlets, of which 1,40,016 MT was the sale of Urea alone. During 2018-19, **4,06,922** MT of fertilizers worth Rs.**629.77** crore were sold through the

Co-operative outlets, of which, the sale of Urea alone was 1,44,802 MT.

5.2. Special schemes implemented by Agricultural Producers Co-operative Marketing Societies

(i) Installation of Solar Copra dryers

For the benefit of coconut growing farmers, 28 Solar Copra Dryers have been installed in 10 districts. These units help in converting coconuts into quality copra in a short duration at a minimum cost. During the year 2018-19, **4,12,030** coconuts were converted into copra.

(ii) Installation of Electronic Weigh Bridge

Electronic weighbridges at a total cost of Rs.1.42 crore have been installed at Perundurai, Bhavani, Usilampatti, Nilgiris, Thuraiyur, Paramakudi and Krishnagiri Agricultural Producers Co-operative Marketing Societies to

ensure accurate weighing of agricultural produce of farmers and traders. As a result, both farmers and traders in the above regions have benefitted.

(iii) Modernization of Auction Process

To ensure speedy and transparent auction of agri produce, auction process has been modernized by installation of customized software in Salem, Attur, Erode, Perundurai and Tiruchengode Agricultural Producers Co-operative Marketing Societies at a cost of Rs.43.35 lakh.

(iv) Construction of Drying Yards

Drying yards have been constructed in 11 Agricultural Producers Co-operative Marketing Societies namely Alangudi, Thirumayam, Aranthangi, Thirumangalam, Pennagaram, Kamudhi, Tenkasi, Avinashi, Udumalaipettai, Kallakurichi and Tiruchengode (Konganapuram

Branch) Agricultural Producers Co-operative Marketing Societies at a total cost of Rs.111.35 lakh during the years 2014-15 to 2016-17. These yards help farmers to dry and segregate their produce for better price realization.

(v) Renovation of Farmers Rest house and Provision of Road Facility

In Konganapuram branch of Tiruchengode Agricultural Producers Co-operative Marketing Society, shopping complex and Farmers rest house were renovated at a cost of Rs.17.75 lakh. Further, road facility has also been established in the above society at a cost of Rs.25.00 lakh to help farmers to bring their produce.

(vi) Installation of Seed Processing Unit

In order to supply quality seeds to the farmers, a seed processing unit has been installed in Tudiyalur Co-operative Agricultural

Services Ltd. at a cost of Rs.19.13 lakh, Kumbakonam Agricultural Producers Co-operative Marketing Society at a cost of Rs.10.00 lakh, Lalgudi Sivagnanam Agricultural Producers Co-operative Marketing Society at a cost of Rs.20.00 lakh and Vengur Primary Agricultural Co-operative Credit Society at a cost of Rs.20.00 lakh, during the years 2011-12 to 2017-18. During 2017-18, **298.52** MT of seeds have been processed and it has increased to **598.40** MT in the year 2018-19.

(vii) Processing and Value Addition of Agricultural Produce

Some of the Agricultural Producers Co-operative Marketing Societies have processing units like Ginning units, Pulses processing units, Chilly and Turmeric grinding units, Kumkum making units, Oil crushing units, Rice mills, Groundnut decorticator, Cotton Bale Pressing Units, Samai, Varagu, Tamarind

Processing Unit and Packing Units. At present, 63 processing units are functioning. These processing units add value to the farm produce and enable the producers in getting better price for their produce.

As a special initiative during the years 2014 to 2019, 37 processing units have been installed at a cost of Rs.405.31 lakh in 26 Agricultural Producers Co-operative Marketing Societies and 6 Large Sized Multi Purpose Co-operative Societies (LAMPS). During the year 2017-18, in the 37 processing units, agricultural produce to the tune of 941.82 MT was processed and it increased to **1,336.12 MT** during the year 2018-19. In all 63 processing units, during 2017-18, agricultural produce to the tune of 4,000.42 MT was processed and it increased to **4,443.26 MT** during the year 2018-19.

(viii) Installation of Fertilizer Mixing Unit

Nilgiris Co-operative Marketing Society has been manufacturing fertilizer mixture since 2008. To increase the production, a new fertilizer mixing unit has been installed at Mettupalayam branch of Nilgiris Co-operative Marketing Society at a cost of Rs.15.00 lakh during the year 2014-15. During the year 2018-19, **9,081** MT of fertilizer was sold by the Nilgiris Co-operative Marketing Society to the value of Rs.11.69 crore.

(ix) Installation of Solar Panel

Solar panels have been installed in Head Office and Self Service Centre in Tiruchengode Agricultural Producers Co-operative Marketing Society in the year 2016-17, at a cost of Rs.20.00 lakh and in Pattukottai Agricultural Producers Co-operative Marketing Society in the

year 2017-18 at a cost of Rs.7.00 lakh for reducing the electricity charges and to generate electricity in an eco friendly manner.

(x) e- Trading

To improve the services rendered to the farmers by Agricultural Producers Co-operative Marketing Societies, action has been initiated to market the agricultural produce of farmers through e-trading, thereby improving the business turnover in 8 Agricultural Producers Co-operative Marketing Societies namely Tiruchengode, Attur, Salem, Erode, Perundurai, Avinashi, Rasipuram and Nilgiris. The Department of Agricultural Marketing and Agri Business has been coordinating the implementation of e-trading in these societies at a total cost of Rs.35.62 crore, in the year 2017-18 with financial assistance from NABARD. Mobilization fund of Rs.5.76 crore has been released under this scheme.

(xi) Supply Chain Management

During the year 2017-18, Department of Agricultural Marketing and Agri Business in coordination with National Bank for Agriculture and Rural Development (NABARD) has identified 10 districts namely Krishnagiri, Dharmapuri, Coimbatore, Nilgiris, Thiruchirapalli, Dindigul, Ramanathapuram, Thoothukudi, Tirunelveli and Theni, where Collection Points are to be established under Supply Chain Management scheme for selling fruits, vegetables and other perishable agricultural produce. Process of establishing Main Markets in Palani and Kamuthi Agricultural Producers Co-operative Marketing Societies and Primary Processing Centre in Thuraiyur, Pennagaram and Nilgiris Agricultural Producers Co-operative Marketing Societies are in progress.

(xii) Extending Godown facility in rural areas

To avoid distress sale and storage loss of farm produce by the farmers during peak harvest season, it was felt that extending godown facility in rural areas was inevitable. Accordingly, Government had taken initiative to improve storage facility in rural areas by constructing **3,879** godowns with a capacity of **5,10,600** MT in PACCS and APCMS at a cost of **Rs.489.62** crore under the Rural Infrastructure Development Fund(RIDF) and Warehouse Infrastructure Fund(WIF) during the years 2011-2015. Construction of these godowns were completed and put into use.

By registering rural godowns with Warehousing Development and Regulatory Authority (WDRA), farmers can get the benefit of interest subvention. As per the revised norms of WDRA, registering of godowns with WDRA

through online is mandatory. Out of 1,322 positive networth godowns of Co-operative Societies, 1,303 godowns have applied for registration through online to WDRA. At present, 245 godowns are registered.

(xiii) Construction of Office Buildings

To improve the infrastructure facility of Agricultural Producers Co-operative Marketing Societies, new office buildings were constructed and old office buildings were renovated in 19 Agricultural Producers Co-operative Marketing Societies from 2014- 15 to 2017-18 at a cost of Rs.6.78 crore.

(xiv) Construction of Strong Room with Defender Door and Construction of Compound Wall

To ensure the safety of the jewels pledged by members, 40 Strong rooms with defender doors have been constructed during the years 2013-14 to 2015-16, at a total cost of

Rs.2.46 crore. For the safety of assets of Agricultural Producers Co-operative Marketing Societies, compound walls have been constructed in Thirumangalam, Vadipatti, Usilampatti, Peraiyur and Melur Agricultural Producers Co-operative Marketing Societies at a total cost of Rs.75.50 lakh, in the year 2015-16.

(xv) Purchase of Vehicles

For disbursement of controlled and non controlled commodities, two Vehicles have been purchased for Tiruchengode and Krishnagiri Agricultural Producers Co-operative Marketing Societies at a total cost of Rs.24.62 lakh and are in usage.

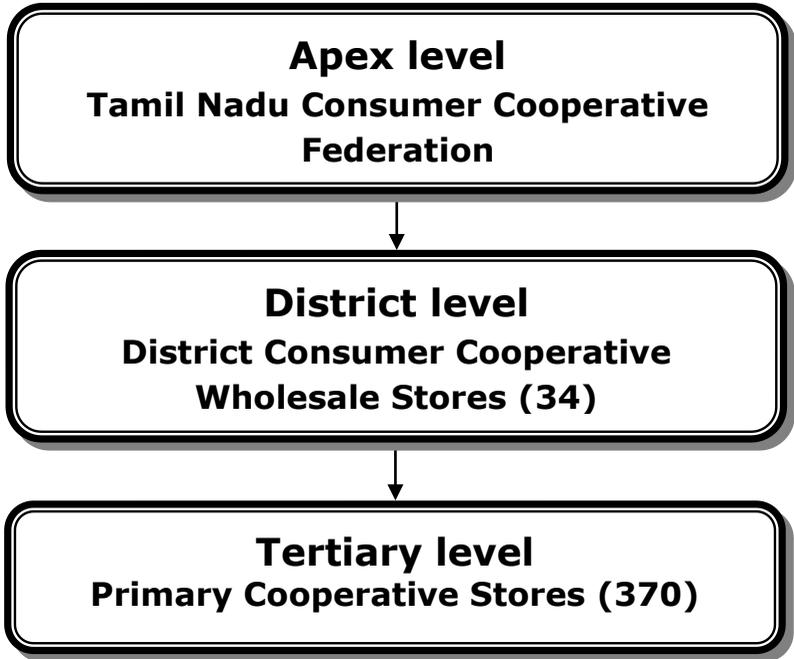
CHAPTER III

CONSUMER COOPERATIVES

1. Introduction

Consumer Cooperatives were formed with the primary objective of supplying quality products at reasonable price to the members and public. Consumer Cooperatives play a vital role in controlling the price rise through market intervention, thereby rendering services to the general public.

In Tamil Nadu, the Consumer Cooperatives are functioning in three tier structure.



2. Activities

2.1 Tamil Nadu Consumer Cooperative Federation (TNCCF)

The Tamil Nadu Consumer Cooperative Federation (TNCCF) is an apex organization for all Consumer Cooperatives in the State. The

prime objective of the TNCCF is to coordinate and facilitate the working of the affiliated societies by making bulk purchase and supplying the required Fast Moving Consumer Goods (FMCG). The Tamil Nadu Consumer Cooperative Federation also supplies stationeries and printing materials to the District Consumer Cooperative Wholesale Stores, Primary Cooperative Stores and Cooperative Printing Presses. The Federation also coordinates purchase of crackers for Cooperative Institutions.

2.2 District Consumer Cooperative Wholesale Stores

In Tamil Nadu, **34** District Consumer Cooperative Wholesale Stores are functioning. The District Consumer Cooperative Wholesale Stores operate **17** Super Markets, **48** Mini Super Markets, **61** Retail Stores, **54** Self Service Units, **77** Cooperative Medical Shops, **31** Amma Marundagams, **36** Farm Fresh Consumer

Outlets, **12** Petrol Bunks, **30** LPG supply units and **82** Kerosene Bunks throughout the State.

District Consumer Cooperative Wholesale Stores also play a vital role in the successful implementation of Public Distribution System by acting as lead societies in supplying the essential commodities to the Fair Price Shops.

2.3 Primary Cooperative Stores

In Tamil Nadu, **370** Primary Cooperative Stores are functioning. The Primary Cooperative Stores run **24** Cooperative Medical Shops, **26** Amma Marundhagams, **18** Farm Fresh Consumer Outlets and **3** Petrol Bunks.

3. Performance of Consumer Cooperatives

3.1 The Wholesale stores procure consumer goods in bulk directly from the production centres, manufacturing units and Cooperative Marketing Societies. Quality Non-Controlled

consumer goods are also procured through Joint Purchase Committees in bulk by following due procedure and sell them to the consumers at reasonable price.

During the year **2017-18**, the District Consumer Cooperative Wholesale Stores have sold controlled commodities to the tune of **Rs.730.85 crore** and it has **increased to Rs. 870.30 crore during 2018-19.**

During the year **2017-18**, the District Consumer Cooperative Wholesale Stores have sold non controlled commodities to the tune of **Rs.776.66 crore** and it has **increased to Rs. 921.20 crore during 2018-19.**

3.2 Primary cooperative stores function with the main objective of supplying essential consumer goods to the public at a reasonable price. They also run Fair Price Shops, Retail

Outlets, Petrol Bunks, Flour mill, Masala grinding unit and Sikakkai grinding unit.

During the year **2017-18**, Primary Cooperative Stores have sold controlled commodities worth **Rs.156.36 crore** and it has **increased to Rs.179.49 crore during the year 2018-19.**

Primary Cooperative Stores have sold non-controlled commodities to the tune of **Rs.277.55 crore** during the year **2018-19.**

4. Amma Marundhagam

The Government of Tamil Nadu have taken an initiative to sell quality medicines at affordable price to the public. Accordingly, Amma Marundhagams were opened in prime locations throughout the State.

At present, in Tamil Nadu **112** Amma Marundhagams and **172** Cooperative medical

Shops are functioning. Through these medical shops, medicines are being sold to the public with a maximum of **20%** discount and thereby the Cooperatives are rendering their services to the general public in saving their expenses towards the purchase of medicines.

During the year **2017-18**, medicines worth **Rs. 154.38 crore** have been sold through Amma Marundhagams and Cooperative Medical shops and it has increased to **Rs. 159.39 crore** during the year **2018-19**.

Upto **31.03.2019**, medicines to the value of **Rs. 797.15 crore** have been sold to consumers through these Amma Marundhagams and Cooperative Medicals.

4.1 Generic medicines are also being sold in medical shops run by Cooperative Institutions to provide quality medicines to the public at a lesser price. Cooperative Wholesale

Stores functioning in Chennai (TUCS, Park Town), Kancheepuram, Dharmapuri, Salem, Sivagangai, Tirunelveli, Thoothukudi, Vellore and Virudhunagar Regions and Primary Cooperative Stores viz., Nilgiris-Coonoor Nickelson, Uthiramerur and Nanganallur are selling Generic Medicines along with branded medicines. Steps are being taken to extend the sale of Generic Medicines throughout the State.

5. Farm Fresh Consumer Outlets

As a market intervention measure, Farm Fresh Consumer Outlets were opened in urban areas to help people to purchase quality vegetables at affordable price. Fresh vegetables are procured directly from the farmers without intermediaries at reasonable rate at their farm gates, on spot payment and are made available at these outlets. Under this scheme, Farm Fresh Consumer Outlets by linking the consumers and farmers directly.

At present, **79** Farm Fresh Consumer Outlets are functioning in the State, which includes **3** mobile Farm Fresh Consumer Outlets, **14** Farm Fresh Consumer Outlets run by Tamil Nadu Civil Supplies Corporation and **4** Farm Fresh Consumer Outlets in Tirichirappalli District which are opened during the month of November **2018**.

45,806 MTs of vegetables amounting to **Rs.133.21 crore** have been sold through Farm Fresh Consumer Outlets up to **23.06.2019**.

6. Market Intervention Activities

Whenever the price of essential commodities like Tur dal, Urad dal, Chillies, Tamarind, Rice, Gingely oil, Onion and potato witness a sudden increase in the open market, Cooperatives intervene the market so as to control the price rise by way of procuring the essential commodities from the places where they are abundantly available and are being sold

through Cooperative outlets at lower price than the market price by utilising State Price Stabilisation Fund.

6.1 State Price Stabilisation Fund

For market intervention activities by Cooperatives, a Price Stabilization Fund with a corpus of **Rs.100 crore** has been constituted by **Honourable Amma**. The period of operation of the Price Stabilisation Fund has been extended for the further period of three years from **1.11.2017 to 31.10.2020**.

So far, Government has sanctioned **Rs. 56.40** crore from the State Price Stabilisation fund for the following market intervention activities.

Rs.15.73 crore has been released to undertake market intervention activities at the time of rise in the price of essential commodities like Tur dal, Urad dal, round Chillies, Tamarind, Rice, Gingely oil in the market.

Chapter – IV

SPECIAL PURPOSE CO-OPERATIVE INSTITUTIONS

To uplift the farmers, tribals and downtrodden, Co-operatives have involved themselves in various fields. Co-operatives such as Labour Contract Co-operative Societies and Large Sized Multipurpose Co-operative Societies have been formed for special purposes. These Co-operative Societies serve the specific group of people having specific needs.

(i) Large Sized Multipurpose Co-operative Societies (LAMPS)

Large Sized Multipurpose Co-operative Societies (LAMPS) function with the objective of increasing farm productivity, enhancing employment opportunities, increasing income by providing integrated credit facilities and

distribution of essential commodities to the tribal and non tribal people living in hilly areas.

Large Sized Multipurpose Co-operative Societies also supply agricultural inputs, help in marketing of agricultural produce and run Super markets. At present, there are 22 Large Sized Multipurpose Co-operative Societies functioning in the State. The business turnover of these societies has increased from Rs.123.92 crore in the year 2017-18 to Rs.146.33 crore in 2018-19.

To improve the socio-economic status of the tribal people and to sell their produce at remunerative price, sale of Honey, Samai, Tamarind and Varagu under a common brand name was launched by the Hon'ble Chief Minister on **20.06.2013**.

Upto 31.05.2019, under this scheme, 11,718 Kg Honey, 45,613 Kg Samai, 92,766 Kg

Tamarind and 10,162 Kg Varagu have been marketed to a total value of Rs. 1.69 crore.

(ii) Labour Contract Co-operative Societies

With a view to securing employment opportunities to members through contract work and ensuring better livelihood, **45** Labour Contract Co-operative Societies are functioning in Tamil Nadu with a total membership of **23,068**.

(iii) Tudiyalur Co-operative Agricultural Services Ltd.

The Tudiyalur Co-operative Agricultural Services Ltd. (TUCAS) is functioning as a special type of Primary Agricultural Co-operative Institution located at Tudiyalur in Coimbatore District. Besides supplying agricultural inputs to the farmers, it is also involved in production and marketing of fertilizers, pesticides, seeds and

agricultural implements. It provides crop loan, mortgage loan and jewel loan to the members. In the year 2018-19, seeds worth Rs.73.92 lakh was sold and agricultural implements was sold to other Co-operative institutions to the extent of Rs.40.19 lakh.

The Tudiyalur Co-operative Agricultural Services Ltd. has declared a dividend of 20% of net profit to its members continuously for the past 8 years.

(iv) Co-operative Printing Press

At present 26 Co-operative printing presses are functioning in the State. They cater to the printing needs of Co-operative Societies, Government Offices, Local Bodies, Schools and private agencies in their area of operation. Total business turnover of these Co-operative printing presses has increased from Rs.56.95 crore in 2017-18 to Rs.58.39 crore during 2018-19.

Cooperative Printing presses functioning in 7 major cities namely Chennai, Vellore, Salem, Madurai, Tirunelveli, Coimbatore and Tiruchirappalli were modernized during 2012-13, in order to compete with private printing presses, at a total cost of Rs.3.68 crore and major printing works of Co-operative Societies, Government and quasi Government agencies are carried out qualitatively in these printing presses.

a) Construction of own building to Co-operative Printing Press

To improve the performance of the Co-operative printing presses functioning at Tiruvannamalai and Namakkal Districts, new own buildings were constructed at a cost of Rs.50 lakh each in the year 2013-14 and 2016-17 respectively and they are now functioning in the new buildings.

b) Modernization of Co-operative Printing Press during 2016-17 and 2017-18

Ramnad District (at Karaikudi) and Thanjavur District Co-operative printing presses were modernized at a cost of Rs.10.00 lakh and Rs.19.22 lakh respectively during the year 2016-17 to improve their functioning.

Similarly, during the year 2017-18, Virudhunagar, Salem, Cuddalore and Tiruvannamalai District Co-operative printing presses were also modernized at a cost of Rs. 74.58 lakh.

CHAPTER- V

**COOPERATIVES IN PUBLIC
DISTRIBUTION SYSTEM**

1. Introduction

1.1 The role of Public Distribution System is paramount in ensuring food security to all by implementing the National Food Security Act, 2013 in TamilNadu. The Cooperatives play a vital role in the effective implementation of Universal Public Distribution System in Tamil Nadu. The Cooperatives have built a wide distribution network in the State and run majority of the Fair Price Shops i.e. **32,924** as on 31.03.2019 as detailed below:

Sl. No.	Type of Cooperative Society	No. of fair price shops (31.03.2019)
1.	District Consumer Cooperative Wholesale Stores	3,361
2.	Cooperative Marketing Society	2,525

Sl. No.	Type of Cooperative Society	No. of fair price shops (31.03.2019)
3.	Primary Cooperative Stores	1,918
4.	Primary Agricultural Cooperative Credit Society	24,328
5.	Urban Cooperative Credit Society	470
6.	Large Area Multi-Purpose Cooperative Society	238
7.	Others	84
	Total	32,924

1.2 Movement of essential commodities i.e., Rice, Sugar and Wheat from the godowns of Tamil Nadu Civil Supplies Corporation to the Fair Price Shops is done by **96** lead societies i.e. **28** Consumer Cooperative Wholesale Stores, **56** Cooperative Marketing Societies, **10** Primary Cooperative Stores and **2** Primary Agricultural Cooperative Credit Societies. These lead societies lift Public Distribution System commodities to the Fair Price Shops run by **4,044** link societies. Apart from these, **325**

Cooperative Societies are acting as self lifting societies, which include **8** Cooperative Wholesale Stores, **31** Cooperative Marketing Societies, **149** Primary Cooperative Stores, **117** Primary Agricultural Cooperative Credit Societies, **7** Large Area Multi-Purpose Cooperative Societies, **8** Urban Cooperative Credit Societies and **5** other type of societies.

2. Cooperative Fair Price Shops

2.1 There are 32,924 Fair price Shops functioning statewide, for the distribution of essential commodities such as Rice, Sugar and Wheat to card holders and 258 kerosene bunks are run by the Cooperative Societies exclusively for distribution of kerosene to family card holders. **The Fair Price Shops sell Special PDS commodities like Tur dal and Palmolein at subsidized rates offered by Government of Tamilnadu.** Non-controlled commodities

such as Ooty Tea, Amma Salt are also sold at reasonable rate at these outlets.

3. Mobile Fair Price Shops

3.1 There are 43 mobile fair price shops functioning in hilly and remote rural areas with a view to supply essential commodities to the cardholders at their doorsteps and 2 mobile fair price shops are functioning in Chennai City. Through these 45 Mobile fair price shops, essential commodities are distributed to 37,708 card holders in 283 villages and 54 streets in Chennai district.

In Tiruppur District, a mobile Fair Price Shop which travels nearly 85 Km to distribute essential commodities to 156 and 259 family card holders in Mavadappu and Kulipatti villages, respectively.

In Trichy District, essential commodities are distributed to 48 tribal cardholders through a

mobile Fair Price Shop, who are residing in remote areas such as Chinna Pazhamalai and Periya Pazhamalai hilly villages, in Pachamalai area.

In Tiruvannamalai District, 1378 cardholders in 19 remote areas are getting essential commodities through a mobile Fair Price shop run by Jawadhu hills LAMP Cooperative Society.

In the year 2019, in Nilgiris District, three Mobile Fair Price Shops at Sundapatti, Kozhithurai and Araiurmattam were started functioning so as to distribute essential commodities to 249 family cardholders.

4. Sale of Empty Gunnies through e-auction in MSTC Ltd :

The Empty Gunnies collected in all the fair price shops functioning under the cooperatives were initially sold through the "District empty

gunny bags Sales Committee". But most of the empty gunnies remained unsold. Presently, the empty gunnies collected from all the fair price shops functioning under the cooperatives are pooled at the head quarters of concerned societies in each region. The details of the empty Jute gunnies are uploaded to the MSTC (Metal Scrap Trade Corporation Ltd.,) portal and the empty gunnies are sold through e-auction platform of MSTC (Metal Scrap Trade Corporation Ltd.,) in a transparent manner from September 2017. Till March 2019, a total of 11,13,01,344 empty gunnies have been sold through the e-auction platform of MSTC (Metal Scrap Trade Corporation Ltd.,)

5. Sale of Other Commodities

(i). Sale of Ooty Tea

To mitigate the hardships faced by the small tea growers, Ooty tea is being purchased

from the INDCOSERVE (The Tamilnadu Small Tea Growers' Industrial Cooperative Tea Factories' Federation Ltd.,)and sold through the Fair Price Shops run by the Cooperative Societies from the year **2001 by Hon'ble Amma, 14,725 MT** of Ooty Tea was sold from 2014-15 to 2018-19 through Fair Price Shops.

(ii) Sale of Amma Salt

Iodised salt, procured from Tamil Nadu Salt Corporation, is being sold through the Fair Price Shops run by the Cooperative Societies to protect the people from Iodine deficiency disorders. **26,420 MT** of Amma Salt was sold during 2018-19 through Fair Price Shops.

6. Construction of Fair Price Shop Buildings

The status of **32,924** Fair Price Shops run by the Cooperative Societies as on 31.03.2019 is

given below:-

Sl.No	Details	No. of Fair Price Shops
1	Own Building	3,294
2	Government Building	17,163
3	Rent Free Building	5,311
4	Rented Building	7,156
	Total	32,924

Action is being taken to construct own buildings for the Fair Price Shops through the funds allotted by M.L.A.,s and M.P.,s in a phased manner. 1940 new buildings for Fair Price Shops have been constructed in the last eight years and **91** new buildings for Fair Price Shops have been constructed in the year 2018-2019.

7. Government Subsidy to the Cooperatives for Public Distribution System

Fair Price Shops are run by the Cooperative Societies with a service motive. Public Distribution System commodities are supplied to the card holders either at no cost or at the rate fixed by the Government. In addition to the margin money being provided by TamilNadu Civil Supplies Corporation, to meet out the operational expenses, subsidy is being provided by the Government to compensate the losses incurred by the Cooperative Societies.

The Government has sanctioned a sum of Rs.**1883.73** crore as Subsidy from 2010-11 to 2017-18.

(Amount Rs.in Crore)

Sl.No	Financial Year	Subsidy sanctioned
1	2010-2011	150.00
2	2011-2012	150.00
3	2012-2013	120.00
4	2013-2014	120.00
5	2010-11 to 2013-14 (Subsidy arrears received in 4 instalments - Rs.102.9325x4)	411.73
6	2014-2015 (120+214.76)	334.76
7	2015-2016 (120.00+207.24)	327.24
8	2016-2017 (Advance)	120.00
9	2017-2018 (Advance)	150.00
	Total	1883.73

8. Amma Mini Cooperative Supermarket :

As a new initiative and for the benefit of the Family card holders and general public, as per the orders of **the Hon'ble Chief Minister of TamilNadu, Amma Mini Cooperative Supermarkets were opened in 103 fair price shops all over the State.** In selected Fair Price Shops in important cities, District head quarters, Taluk head quarters and in Municipal areas, Amma Mini Cooperative Supermarkets were opened with a view to facilitate the cardholders to get monthly requirement of Groceries, oils, cosmetics along with Public Distribution System commodities at a single point.

In Amma Mini Cooperative Supermarkets, **300 non-controlled products are being sold at 5% lesser than MRP.** Quality products are being sold to the consumers at a reasonable price and it is beneficial for the poor and

down-trodden as it enhances the purchasing power of the individual and to control the price of Commodities in the open market.

In all the Amma Mini Cooperative Super Markets, among other products, the Cooperative Products such as Mangalam Turmeric Powder, Masala Powders, Kumkum, etc., manufactured by Erode Agricultural Producers Cooperative Marketing Society, Arthanareeswara brand Rice, Urid Dhall, Gingelly, Groundnut and Coconut Oils manufactured by Tiruchengode Agricultural Producers Cooperative Marketing Society, Pasumai Brand Gingelly, and Coconut Oils manufactured by Perundurai Agricultural Producers Cooperative Marketing Society, Millets produced by LAMPS and produces produced by various Agricultural Producers Cooperative Marketing Societies such as, Cardamom, Pepper, Jaggery, Tamarind etc., are also available in these outlets for sales.

9. Sustainable Development Goals (SDG)

Tamil Nadu is the forerunner in implementing the Universal Public Distribution System in India. The Public Distribution System plays a major role in ensuring **Food Security** and for the **Sustainable Development** of poor, downtrodden and people in vulnerable situations. Food security in Tamil Nadu is ensured by distributing essential commodities and Special PDS commodities to all cardholders through 32,924 fair price shops. Moreover, in Tamil Nadu the rice is distributed at free of cost with effect from 17.05.2011, and wheat is distributed free of cost with effect from 02.02.2017 uninterruptedly to all the people to enable the poor people in Tamil Nadu to live without hunger.

Public Distribution System in Tamil Nadu has been functioning as “Universal Public Distribution System” and has been ensuring **Food Security** throughout the year and thus the Goal “**End Hunger**” has already been achieved.

As a welfare measure, the Government of Tamil Nadu has created a **Price Stabilisation Fund with a corpus of Rs.100 crore** in G.O.Ms.No.97 Cooperation, Food and Consumer Protection (H1) Department, dated 1.11.2011 and in G.O.Ms.No.112 Cooperation, Food and Consumer Protection (H1) Department, dated 3.7.2013 so as to carry out market intervention activities through Cooperative Institutions. Whenever the prices of essential commodities like Rice, Pulses, Tamarind, Oil, Chilly, Onion and Potato increases abnormally in the markets, Price Stabilisation Fund is utilized for procurement and to sell the same through Cooperative outlets so as to make the consumers to get the commodities at lesser price and to control the price hike in the market.

From the year 2011 to till date, the price of the essential commodities has been controlled by undertaking the market intervention activities by utilising the Price Stabilisation Fund, thus by ensuring Sustainable consumption.

CHAPTER-VI

CO-OPERATIVE EDUCATION, RESEARCH AND TRAINING

1. Introduction

Tamil Nadu Co-operative Union at the Apex level and 29 District Co-operative Unions at the district level primarily engage in capacity building of the staff and members of Co-operative Societies by imparting Co-operative education and training. Exhibitions, Seminars and Co-operative Week Celebrations are organized to sensitize people on basic tenets of Co-operative movement and to create public awareness. Tamil Nadu Co-operative Union collects a portion of the net profit from Co-operative Societies towards Co-operative Research and Development Fund and Co-operative Education Fund. These funds are utilized for research on Co-operatives,

education, training and dissemination of information about Co-operatives to the people.

2. Institutes of Co-operative Management

There are 20 Institutes of Co-operative Management in the State, which function as units of the Tamil Nadu Co-operative Union. These Institutes conduct short duration courses for the benefit of Co-operative department staff and employees of Co-operative Institutions. In addition to regular course, these Institutes also offer correspondence course of Diploma in Co-operative Management. During 2018-19, in these 20 Institutes, **1,881** candidates were admitted in Diploma in Co-operative Management Course on regular basis and **1,656** employees were admitted in the correspondence course of Diploma in Co-operative Management.

To develop catering craftsmanship, a certificate course namely “Craftsman Food Production (General)” course is offered by seven Institutes of Co-operative Management and two Industrial Training Institutes. So far, 772 candidates have been enrolled. Out of this, placement were provided for 436 candidates.

3. Technical Education

Tamil Nadu Co-operative Union runs two Co-operative Industrial Training Institutes, one each at Bargur and Pattukottai. It also runs one Co-operative Polytechnic College at Lalgudi in Tiruchirappalli District. The Co-operative Industrial Training Institutes offer courses in Computer Operation Programming Assistant (COPA), Tailoring, Jewel testing course, Electrician and Craftsman Food Production (General) courses. During 2018-19, in the above two Industrial Training Institutes, **273**

candidates were admitted. The Co-operative Polytechnic College at Lalgudi offers three courses, namely Diploma in Mechanical Engineering, Diploma in Computer Engineering and Diploma in Electrical and Electronics Engineering. During 2018-19, in these diploma courses **337** candidates were admitted.

4. Higher Diploma Course and Short duration courses in Co-operative Management

The Tamil Nadu Co-operative Union gives financial support to two Institutes of Co-operative Management (ICM), one at Chennai and the other at Madurai run by the National Council for Co-operative Training, New Delhi. In these Institutions, Higher Diploma Course in Co-operative Management and Master of Business Administration courses are conducted.

In these Institutes, short duration courses for the Departmental and Co-operative institutions staff are also conducted. During the year 2018-19, **75** short duration programmes were conducted by the Natesan Institute of Co-operative Management, Chennai and **2,159** employees have undergone the training.

Similarly, **38** short duration programmes were conducted by the Institute of Co-operative Management, Madurai during the year 2018-19 and **666** employees have undergone the training.

5. Co-operative Research in Universities

The Tamil Nadu Co-operative Union has created a corpus fund of **Rs. 5.00 lakh** each in Madras University, Madurai Kamarajar University, Bharathiar University, Annamalai University, Periyar University and Gandhigram

Rural Institute in order to encourage students to take up research in Co-operation. It is being maintained by the Tamil Nadu Co-operative Union and the interest earned on the deposit is utilized to give grant to the students doing research on Co-operation and related topics. So far, **25** research projects have been funded to the tune of Rs.21.25 lakh.

6. Utilisation of Co-operative Research and Development Fund

Co-operative Societies contribute 3% of their net profit towards Co-operative Research and Development Fund (CRDF) maintained by the Tamil Nadu Co-operative Union. Any withdrawal from this fund is done only after obtaining approval of the CRDF Committee. From Co-operative Research and Development Fund, financial assistance is provided for Co-operative Research in the form of grant and

interest free loan to the Co-operative institutions. From 2011-12 to 2018-19, a sum of **Rs. 55.09 crore** released as grant and a sum of **Rs.230.61 crore** released as interest free loan. The amount released from this fund has been utilized for construction of strong room with defender door, drying yards, purchasing of vehicles, solar copra dryers, solar panel, modernization of consumer self service units, modernization o Co-operative societies, construction of office buildings, purchase of packing machines, installation of weighing machines, installation of processing units, purchase of sugarcane harvesters, construction of Co-operative complex, purchase of pedal looms for weavers, etc.

7. Utilisation of Co-operative Education Fund

Co-operative Societies contribute 2% of their net profit towards Co-operative Education Fund

(CEF) maintained by the Tamil Nadu Co-operative Union. Amount from this fund is released based on the approval of the CEF Committee and utilized for Co-operative Education and Training, propaganda and publicity about Co-operatives. A sum of **Rs.56.09 crore** has been released as grant over a period of eight years from 2011-12 to 2018-19. This Fund is being utilized for conduct of short term training programmes for Co-operative Society employees and departmental staff, organizing Member Education Programmes, organizing youth camps and for All India Co-operative Week Celebrations.

CHAPTER – VII

INTEGRATED COOPERATIVE DEVELOPMENT PROJECT

1. The Integrated Cooperative Development Project (ICDP) is area based and specially designed for the Integrated Development of Cooperative Societies across various sectors within a district. This project is implemented with the financial assistance of the State Government and the National Cooperative Development Corporation (NCDC).

2. National Cooperative Development Corporation, in consultation with the State Government, identified districts for implementation of the project for a period of 5 years.

3. In Tamil Nadu, the Integrated Cooperative Development Project (ICDP) was introduced in the year 1989 and projects in 28 districts with a

total outlay of **Rs.467.90 crore** have already been completed.

4. The main objective of the scheme is to develop the infrastructural facilities required for the effective functioning of Cooperative societies in the project district in a focused manner.

5. The State Government, funds, the project with refinance arrangements from NCDC and the District Central Cooperative Bank (DCCB) is the Project implementing Agency (PIA) in the districts concerned. The funding of the project is covered by NCDC to Government of Tamil Nadu as Loan and from Government of Tamil Nadu to Cooperative societies in a combination of Loan and Share capital, 15% Subsidy from the NCDC is also available for the weaker section for Sub-projects dealing with Agriculture, Marketing, Processing and creation of Infrastructures like Godown, Office Building etc.

6. For effective implementation of the Integrated Cooperative Development Project

(ICDP) in Tamilnadu, the State Government has released Rs.461.97 crores from 2011-12 to 2018-19.

7. At present, the Integrated Cooperative Development Project is being implemented in the four districts, namely Namakkal, Thiruvallur, Kanyakumari and Chennai of **Rs.168.86 Crore.**

8. In the First phase, Integrated Cooperative Development Project has been implemented in 32 Districts Presently, Government has sanctioned implementation of Integrated Cooperative Development Project in 9 Districts for the Second phase and Preparatory work is in process.

CHAPTER – VIII

CO-OPERATIVE ELECTION

In Tamil Nadu, elections to the Cooperative Societies were conducted in the year 2013 after a gap of fourteen years. The Government of Tamil Nadu has inserted a new section 33-A in the Tamil Nadu Cooperative Societies Act, 1983 by Tamil Nadu Cooperative Societies (Fourth Amendment) Act, 2012, which provides for constitution of the Tamil Nadu State Cooperative Societies Election Commission for the conduct of elections to the Cooperative Societies in Tamil Nadu. Tamil Nadu State Cooperative Societies Election Commissioner was appointed and the Commission has started its function from 08.02.2013.

The Constitution (97th amendment) Act, 2011, provides that in the elected board, there shall be one member from the Scheduled Caste

and two Women Members. To ensure social justice, as per the order of the **Hon'ble Chief Minister Amma**, the Tamil Nadu Cooperative Societies Act has been amended in the year 2013 to provide 18% reservation to Scheduled Caste and Scheduled Tribe and 30% reservation to Women in the Board of Directors of the Cooperative Institutions. During 2013, elections were conducted for 22,552 Cooperative Societies and 2,04,889 Board Members were elected.

On the eve of the expiry of the 5 year period of office of the boards elected during the year 2013, the Tamil Nadu State Cooperative Societies Election Commission has announced election programme, for the conduct of election to Cooperative Societies. As per the programme, elections were conducted under the control of the Registrar of Cooperative Societies and 14 Functional Registrars for 18,468 Primary Cooperative Societies (other than Cooperative

Marketing Societies) in 4 stages in Phase I, 197 Societies in Phase II, 82 Societies in Phase III. Of that, in 17,557 societies in Phase I, 185 societies in Phase II and 62 Societies in Phase III, elections were completed and elected board assumed office.

The Tamil Nadu State Cooperative Societies Election Commission will announce, election programme for 911 Societies in Phase I, 12 Societies in Phase II and 20 Societies in Phase III which have been stopped for various reasons.

Election programme for 58 societies falling in Phase IV and one society (Tamil Nadu Cooperative Union) falling in Phase V is to be announced by the Tamil Nadu State Cooperative Societies Election Commission.

CONCLUSION

In Tamil Nadu Cooperative movement is working with the aim of development of all classes of people in all respect. It continues to function for the progress and development of all people, especially the poor and downtrodden, through democratically elected boards of management.

The Co-operative institutions in Tamil Nadu are functioning successfully under the governance of **Hon'ble Chief Minister** towards fulfilling the view of Hon'ble Amma's 'Vision 2023'.

Sellur K. Raju
Minister for Co-operation