

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
UNSTARRED QUESTION NO. 161
ANSWERED ON 27/11/2024

Strengthening of Primary Cooperative Societies

161 Shri Rajib Bhattacharjee:
Shri Brij Lal:
Shri Babubhai Jesangbhai Desai:
Shri Ghanshyam Tiwari:
Shri Mithlesh Kumar:

Will the Minister of COOPERATION be pleased to state:

- (a) the steps taken by the Ministry towards strengthening of primary cooperative societies through computerisation; and
- (b) other steps taken by the Ministry towards primary cooperative societies thereof?

ANSWER

THE MINISTER OF COOPERATION
(SHRI AMIT SHAH)

(a): In order to strengthen of Primary Agricultural Cooperative Societies (PACS) through computerization, Government of India is implementing the Project for Computerization of functional PACS with a total financial outlay of ₹2,516 Crore, which entails bringing all the functional PACS onto an ERP (Enterprise Resource Planning) based common national software, linking them with National Bank for Agriculture and Rural Development (NABARD) through State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs). So far, proposals for computerization of 67,930 PACS from 30 States/ UTs have been sanctioned, for which Rs. 699.89 Cr. has been released as GoI share to the States/UTs concerned and Rs. 165.92 Crore to NABARD as implementing agency.

Computerization of PACS project aims to provide a comprehensive ERP solution for entailing more than 25 economic activities prescribed under the Model Bye-Laws for PACS covering various modules such as financial services for short, medium & long term loans, procurement operations, Public Distribution Shops (PDS) operations, business planning, borrowings, asset management, etc.

The ERP (Enterprise Resource Planning) based common national software brings about efficiency in PACS performance through Common Accounting System (CAS) and Management Information System (MIS). Further, governance and transparency in PACS also improves, leading to speedy disbursement of loans, lowering of transaction cost, reduction in imbalances in payments, seamless accounting with DCCBs and StCBs. It enhances trustworthiness in the working of PACS among farmers, thus contributing towards realizing the vision of “Sahakar se Samridhi”.

(b): In addition to the above, to strengthen the Primary Agricultural Cooperative Societies (PACS) in the country, Ministry of Cooperation has taken various other initiatives, such as:

- 1. Model Bye-Laws for PACS making them multipurpose, multidimensional and transparent entities:** Government, in consultation with all the stakeholders, including States/ UTs, National Level Federations, State Cooperative Banks (StCBs), District Central Cooperative Banks (DCCBs), etc., has prepared and circulated Model Byelaws for PACS to all the States/ UTs, which enable PACS to undertake more than 25 business activities, improve governance, transparency and accountability in their operations. Provisions have also been made to make the membership of PACS more inclusive and broad-based, giving adequate representation to women and Scheduled Castes/Schedules Tribes.
- 2. Establishing New Multipurpose PACS/ Dairy/ Fishery Cooperatives in uncovered Panchayats:** The plan for establishing new multipurpose PACS or primary dairy/ fisheries cooperatives covering all the Panchayats/ villages in the next five years, with support of National Bank for Agriculture and Rural Development (NABARD), National Dairy Development Board (NDDB), National Fisheries Development Board (NFDB), National Cooperative Development Corporation (NCDC) and other National level Federations has been approved by the Government.
- 3. World's Largest Decentralized Grain Storage Plan in Cooperative sector:** Government has approved a plan to create warehouses, custom hiring centers, primary processing units and other agri infrastructure for grain storage at PACS level, through convergence of various Government of India schemes, including Agriculture Infrastructure Fund (AIF), Agricultural Marketing Infrastructure (AMI), Sub-Mission on Agricultural Mechanization (SMAM), Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME), etc. This aims at reducing wastage of food grains and transportation costs, enable farmers to realize better prices for their produce and meet various agricultural needs at the PACS level itself.
- 4. PACS as Common Service Centers (CSCs) for better access to e-services:** An MoU has been signed between Ministry of Cooperation, MeitY, NABARD and CSC e-Governance Services India Limited for providing more than 300 e-services such as banking, insurance, Aadhar enrolment/ updation, health services, PAN card and IRCTC/ Bus/ Air ticket, etc. through PACS.
- 5. PACS given priority for Retail Petrol/ Diesel outlets:** Government has allowed PACS to be included in the Combined Category 2 (CC2) for allotment of retail petrol/ diesel outlets.
- 6. PACS given permission to convert bulk consumer petrol pumps into retail outlets:** Based on the discussions with the Ministry of Petroleum and Natural Gas, guidelines have been issued to convert the existing bulk consumer licensee PACS into retail outlets for increasing the profit of PACS and generate employment opportunities in rural areas.
- 7. PACS eligible for LPG Distributorship for diversifying its activities:** Government has now allowed PACS to apply for LPG Distributorships. This gives PACS an option to increase their economic activities and create new employment opportunities in rural areas.

- 8. PACS as PM Bharatiya Jan Aushadhi Kendra for improving access to generic medicines at rural level:** Government is promoting PACS to operate Pradhan Mantri Bhartiya Janaushadhi Kendras which aims at providing additional income source to them and ease the access to generic medicines for rural citizens.
- 9. PACS as Pradhan Mantri Kisan Samriddhi Kendras (PMKSK):** Government is promoting PACS to operate PMKSK for ensuring easy accessibility of fertilizer & related services to farmers in the country.
- 10. Micro-ATMs to Bank Mitra Cooperative Societies for providing doorstep financial services:** Dairy and Fisheries cooperative societies can be made Bank Mitras of DCCBs and StCBs. To ensure their ease of doing business, transparency and financial inclusion, Micro-ATMs are also being given to these Bank Mitra Co-operative Societies with support from NABARD to provide 'Door-step Financial Services'. SoP for nationwide implementation has also been launched.
- 11. Convergence of PM-KUSUM at PACS level:** Farmers associated with PACS can adopt solar agricultural water pumps and install photovoltaic modules in their farms.
- 12. PACS to carry out O&M of rural piped water supply schemes (PWS):** In order to utilize the deep reach of PACS in rural areas, on the initiative of the Ministry of Cooperation, Ministry of Jal Shakti has made PACS as eligible agencies to carry out the Operations & Maintenance (O&M) of PWS in rural areas.
