

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
STARRED QUESTION NO. 38
TO BE ANSWERED ON 23rd July, 2025

Expansion of PACS

38#. Shri Deepak Prakash:

Will the Minister of COOPERATION be pleased to state:

- (a) whether Government has any plan to ensure the establishment of a Primary Agricultural Cooperative Credit Societies (PACSs) in every Panchayat by the year 2029;
- (b) the various activities that have been integrated with PACS and the manner in which this integration has enhanced the financial stability of PACS and their relevance to rural communities;
- (c) whether Government propose to provide any financial or technical assistance to ensure successful implementation of these initiatives at the ground level; and
- (d) if so, the details thereof

ANSWER

MINISTER OF COOPERATION
(SHRI AMIT SHAH)

(a) to (d): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (D) IN RESPECT OF
RAJYA SABHA STARRED QUESTION NO. 38 FOR REPLY ON 23RD JULY, 2025
ASKED BY SHRI DEEPAK PRAKASH REGARDING EXPANSION OF PACS.**

(a): Yes, Sir. The Government on 15.2.2023, approved the Plan for strengthening cooperative movement in the country and deepening its reach up to the grassroots. The Plan entails establishment of 2 lakh new multipurpose PACS (M-PACS), Dairy, Fishery Cooperative Societies covering all the Panchayats/ villages in the country in five years, through convergence of various existing GOI schemes, including Dairy Infrastructure Development Fund (DIDF), National Programme for Dairy Development (NPDD), PM Matsya Sampada Yojana (PMMSY), etc, with the support of National Bank for Agricultural and Rural Development (NABARD), National Dairy Development Board (NDDB), National Fisheries Development Board (NFDB) and State Governments.

(b) to (d): GoI has taken several other initiatives to strengthen and enhance the financial sustainability of cooperative societies including PACS across the country. These include the following:

- **Model Bye-Laws for PACS making them multipurpose, multidimensional and transparent entities:** In order to diversify the economic activities of PACS to make them multipurpose economic entities, Model Byelaws have been prepared by the Ministry, enabling PACS to undertake more than 25 business activities, including dairy, fishery, setting up godowns, procurement of foodgrains, fertilizers, seeds, LPG/CNG/Petrol/Diesel distributorship, short-term & long-term credit, custom hiring centers, Fair Price Shops (FPS), community irrigation, Common Service Centre, etc. So far, 32 States/ UTs have adopted Model Bye-laws or their existing bye-laws are in line with Model Bye-laws.
- **Strengthening of PACS through Computerization:** In order to strengthen PACS, project for Computerization of functional PACS was approved with a total financial outlay of ₹2,516 Crore which has been increased to ₹2,925.39 crores by the Government of India, which entails bringing all functional PACS in the Country onto a common ERP based national software, linking them with NABARD through StCBs and DCCBs. This initiative helps in improving the operational efficiency of PACS, ensuring speedy disbursal of loans, lowering of transaction costs, increasing transparency and increasing farmers' trustworthiness in PACS operations. So far, a total of 73,492 PACS from 31 States/ UTs have been sanctioned under the project. A total of 59,920 PACS have been onboarded on ERP Software and hardware has been procured by 30 States/UTs.
- **Establishing New Multipurpose PACS/ Dairy/ Fishery Cooperatives** in covering all the Panchayats: The Government has approved the plan to establish new multipurpose PACS/dairy/fisheries cooperatives, aiming to cover all panchayats and villages in the country in five years. This initiative is supported by NABARD, NDDB, NFDB and State/UT Governments. As per National Cooperative Database, a total of 22,606 new PACS, Dairy and Fishery Cooperative Societies have been registered as on 30.06.2025 across the country since the approval of the plan on 15.2.2023.

- **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 existing schemes of Government of India (GOI), including Agricultural Infrastructure Fund (AIF), Agricultural Marketing Infrastructure (AMI), Sub-Mission on Agricultural Mechanization (SMAM), Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME), etc. Under the pilot project of the plan, construction of godowns in 11 PACS of 11 States has been completed.
- **PACS as Common Service Centers (CSCs)** to deliver more than 300 e-services such as banking, insurance, electricity bill payments, health services, legal services, etc. to rural citizens; etc. So far, 47,918 PACS have started functioning as CSC.
- **PACS as Pradhan Mantri Kisan Samriddhi Kendras (PMKSK)** providing fertilizers, pesticides and various other agri inputs to farmers under one roof. So far, 36,592 PACS have been upgraded into PMKSKs.
- **PACS as Pradhan Mantri Bhartiya Janaushadhi Kendras (PMBJK)** to ensure availability of quality generic medicines to rural citizens at affordable prices. So far, 762 PACS have got Store Codes from PMBI and are ready to function as PMBJK.
- **PACS made eligible 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.
- **PACS given permission to convert bulk consumer petrol pumps into retail outlets:** The existing bulk consumer licensee PACS have been given a one-time option by Oil Marketing Companies to convert into retail outlets. As per information shared by OMCs, 117 wholesale consumer pump licensee PACS from 5 States have given consent for conversion into Retail Outlets, out of which 59 PACS have been commissioned by the OMCs.
- **PACS made eligible for LPG Distributorship for diversifying its activities:** Government has now allowed PACS to apply for LPG Distributorships. This will give PACS an option to increase their economic activities and diversify their income stream.
- PACS have been made eligible to carry out **Operations & Maintenance (O&M) of piped water supply schemes** in rural areas. As per information received from States/ UTs, 539 PACS have been identified/ selected by 8 States/ UTs to provide O&M services at Panchayat/ Village level.
- **Formation of new Farmer Producer Organizations (FPOs) by PACS:** Against the additional target of 1,100 FPOs allocated to NCDC by Department of Agriculture & Farmers Welfare, GoI, it has registered 1,117 FPOs in Cooperative Sector through PACS. This enables cooperative sector in general, and PACS in particular, to generate alternative sources of revenues for their members, thus transforming themselves into viable, dynamic and financially sustainable economic entities.

These initiatives help not only in diversifying the business activities of PACS but also in increase the income of farmer members associated with them, thus helping in giving an impetus to the rural economy of the country.

Further, the initiatives are being implemented by utilizing the approved outlays of existing schemes of Government of India which are being converged at PACS level. For efficient delivery of the services being provided by PACS, specific trainings are also being provided to them by the agencies concerned.
