

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO. 4082
TO BE ANSWERED ON 17th MARCH 2026**

Weak Functioning of Cooperative Institutions

4082. Shri Jia Ur Rahman:

Will the Minister of COOPERATION (सहकारिता मंत्री) be pleased to state:

- (a) whether the Government is aware of the weak functioning and limited outreach of cooperative institutions in Western Uttar Pradesh, particularly in agriculture, credit and dairy sectors;
- (b) if so, the details of the steps taken to strengthen cooperatives and enhance their role in the region;
- (c) whether similar issues are affecting cooperative societies across the country; and
- (d) if so, the details thereof along with the measures undertaken at the national level to revitalise and modernise the cooperative sector?

ANSWER

**THE MINISTER OF COOPERATION
सहकारिता मंत्री(SHRI AMIT SHAH)**

(a) to (d): The functioning and outreach of cooperative institutions in Western Uttar Pradesh reflect broader systemic challenges faced by cooperative societies in various parts of the country. In the past, several constraints have been observed such as the narrow functional scope of Primary Agricultural Credit Societies (PACS), limited professional management capacity, inadequate access to affordable institutional credit, and financial constraints for developing modern infrastructure.

The Ministry of Cooperation with vision of 'Sahkar se Samridhi' has undertaken more than 140 initiatives since its inception to create an enabling legal, economic and institutional framework to strengthen the cooperative movement at the grassroots level and transform cooperative enterprises into professionally managed, transparent, technology-enabled and vibrant economic

entities. In this regard, several targeted measures have been implemented to revitalize cooperatives in agriculture, credit, dairy and allied sectors across the country, including Western Uttar Pradesh, as detailed below:

- **Infrastructure Assistance:** National Cooperative Development Corporation (NCDC), a statutory body under the administrative control of the Ministry of Cooperation, provides financial assistance for cooperative development across a wide range of notified commodities and services. NCDC supports creation of agricultural and allied infrastructure, value chain development, and capacity building of cooperative institutions. As on 25.02.2026, NCDC has cumulatively disbursed ₹5,16,122.32 crore for the development of cooperative institutions across the country, out of which ₹7,749.08 crore has been disbursed in Uttar Pradesh. In Moradabad district, an Integrated Cooperative Development Project (ICDP) has also been implemented to provide credit and infrastructure support to cooperatives.
- **Diversification of PACS:** PACS across the country are being transformed into **Multi-Service Centres** with new model bye laws enabling them to undertake 25 additional economic activities besides credit disbursement to meet the diverse needs of rural communities. In districts such as Jhansi and Chandauli in Uttar Pradesh, PACS have been diversified to operate fertilizer centres under Pradhan Mantri Kisan Samridhhi Kendras (PMKSK) and generic medicine stores under Pradhan Mantri Bhartiya Janaushadhi Kendras (PMBJK).
- **Dairy Development:** Under the **White Revolution 2.0** initiative, new multipurpose dairy cooperative societies are being registered and strengthened to enhance milk procurement, improve market access for farmers, and reduce the role of unorganized intermediaries in the dairy value chain.
- **Revival and Strengthening of Cooperative Sugar Mills:** Cooperative sugar mills play an important role in the rural economy of several states including Western Uttar Pradesh where sugarcane cultivation is a major agricultural activity. However, a number of cooperative sugar mills across the country have faced operational and financial challenges leading to closure or sub-optimal functioning. The Ministry of Cooperation is working for revival of closed/sick Cooperative Sugar Mills (CSMs) in coordination with the concerned State Governments. The initiative aims to strengthen the cooperative sugar sector, enhance value addition and improve livelihood opportunities of farmers associated with sugarcane cultivation. Additionally, under a scheme for strengthening of cooperative sugar mills, over Rs.10,000 cr of financial assistance has been made available to cooperative sugar mills to support their expansion plans and meet their working capital needs
- **M-PACS and Universal Coverage:** A national plan has been launched to establish **2 lakh new multipurpose PACS, dairy and fishery cooperative societies** so that every uncovered Panchayat has at least one functional cooperative institution by the year 2028. Over 32,000 societies have already been established under the programme.

- **PACS Computerization:** A Centrally Sponsored Project with a total financial outlay of ₹2,925.39 crore is being implemented to computerize 63,000 functional PACS by onboarding them onto a common ERP-based national software. Under this project, till date Uttar Pradesh has received financial assistance of ₹67.10 crore for hardware procurement and deployment of ERP software at the PACS level.

- **Banking Reforms:** Measures have been taken to improve the flow of credit through cooperative banking institutions. District and State cooperative banks have been strengthened and **Sahakar Sarathi** has been established to provide new age shared technology services such as UPI and digital banking solutions to cooperative institutions.

- **New National Federations:** Three new national-level cooperative societies—National Cooperative Exports Limited (NCEL), National Cooperative Organics Limited (NCOL) and Bharatiya Beej Sahakari Samiti Limited (BBSSL)—have been established to enable primary cooperatives to access national and international markets for exports, organic products and quality seeds.

- **Governance and Accountability:** Institutional reforms such as the establishment of the **Cooperative Election Authority (CEA)** and the provision for a **Cooperative Ombudsman** have been introduced to ensure democratic functioning, transparency and effective grievance redressal in cooperative institutions.

These measures are aimed at strengthening cooperative institutions, expanding their outreach and enhancing their role in supporting farmers, rural livelihoods and local economic development across the country, including Western Uttar Pradesh.
