



**CO-OPERATION, FOOD AND
CONSUMER PROTECTION DEPARTMENT**

CO-OPERATION

**POLICY NOTE
2018–2019**

DEMAND No : 12

SELLUR K. RAJU
Minister for Co-operation

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Government of Tamil Nadu
2018

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PREAMBLE

1. Tamil Nadu is a forerunner 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 which helps in 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 15% 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. Introduction

1.1. The Co-operative credit structure is a major credit delivery system with a vast network covering the entire state. It caters to the credit needs of the people at an affordable interest rate. Rural people have more access to these Co-operative Credit Institutions for their credit requirements.

1.2. The Co-operative credit structure in the State provides both short term credit and long term credit. Short Term Co-operative Credit Structure consists of Tamil Nadu State Apex Co-operative Bank at State level, Central Co-operative Banks at intermediate level and Primary Agricultural Co-operative Credit Societies at village level. Long Term Co-operative Credit Structure consists of State

Agriculture and Rural Development Bank at the State level and Primary Co-operative Agriculture and Rural Development Banks at Taluk / Block level. Urban Co-operative Credit institutions include Urban Co-operative Banks and Urban Co-operative Credit Societies. They provide various banking services to the middle and lower middle class people in urban / semi-urban areas. Employees' Co-operative Thrift and Credit societies cater to the credit needs of employees of Central and State Governments, Government Undertakings and Private Organizations.

2. Short Term Co-operative Credit Structure

Short Term Co-operative Credit Structure consists of Tamil Nadu State Apex Co-operative Bank at State level, 23 Central Co-operative Banks at intermediate level and 4,462 Primary Agricultural Co-operative Credit Societies at village level.

2.1 Primary Agricultural Co-operative Credit Societies (PACCS)

(i) There are 4,462 Primary Agricultural Co-operative Credit Societies functioning in the State. Their main objective is to provide agricultural and non-agricultural credit in rural areas. Agricultural Credit includes crop loan and loans for allied agricultural purposes like purchase of farm machineries, micro irrigation, milch animals etc. Non Agricultural credit includes loan for housing, income generating activities of Self Help Groups and Non-Farm sectors. Distribution and sale of Agricultural inputs like fertilizers, seeds and small agricultural implements have also been taken up by the Co-operative Societies.

(ii) The comparative position of loans and deposits of the Primary Agricultural Co-operative

Credit Societies during the last five years is given below: -

Amount (Rs. in Crore)

Details	2013-14	2014-15	2015-16	2016-17	2017-18
Deposits	5995.49	5987.72	6874.66	7352.64	6606.17
Loan Disbursement	20989.51	20326.63	19409.52	15403.51	17784.88

2.2. Central Co-operative Banks

There are 23 Central Co-operative Banks functioning in the State. These banks mobilise resources through public deposits, borrowings and refinance from Tamil Nadu State Apex Co-operative Bank. They extend credit and banking support to all the affiliated Co-operatives such as Primary Agricultural Co-operative Credit Societies (PACCS), Consumer Co-operatives, Agricultural Producers' Co-operative Marketing Societies, Co-operative Sugar Mills, Weavers Co-operative Societies, Employees' Co-operative Thrift and Credit

Societies, Co-operative Spinning Mills etc. These banks have 848 branches located mostly at block and taluk headquarters. They also extend banking services directly to the public through their branches.

All the 23 Central Co-operative Banks have been granted Banking license by the Reserve Bank of India. The comparative performance of Central Co-operative Banks during the last five years is given below: -

Amount (Rs. in Crore)

Sl. No	Details	2013-14	2014-15	2015-16	2016-17	2017-18 *
1	Members Share Capital	973.37	1052.70	1,248.49	1,252.23	1,303.07
2	State Government's Share	70.45	63.70	63.70	67.94	67.40
3	Reserves and Surplus	2,941.57	3,351.33	3,537.67	3,460.53	3,579.56
4	Deposits	21,309.87	22,748.33	25,667.74	28,343.91	27,748.63
5	Borrowings	5,750.20	5,609.60	5,043.30	4,340.41	4,842.30

* Tentative

The Central Co-operative Banks play a vital role in developing the business of their

affiliates (i.e.,) Primary Agricultural Co-operative Credit Societies, Agricultural Producers Co-operative Marketing Societies and Consumer Co-operatives. Loans given to many such primary societies have been restructured and rescheduled to reduce the interest burden so as to help them to improve their business and financial position.

To provide modern banking services to the customers of Central Co-operative Banks, Core Banking Solution (CBS) has been implemented in all the Central Co-operative Banks, which enables electronic transfer of funds anywhere in India through RTGS / NEFT. From March 2017, CCBs provide SMS alert facility to their customers. As a landmark achievement in the history of Co-operative banking in the State, 50 ATMs were established by the Central Co-operative Banks across the State. Rupay Debit cards are issued to the customers of the

Central Co-operative Banks and Rupay KCC cards are issued to the loanee farmers of PACCS. 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 246 staff members attended these trainings during the year 2017-18.

2.3 Tamil Nadu State Apex Co-operative Bank (TNSACB)

The Tamil Nadu State Apex Co-operative Bank is the federation of all the Central Co-operative Banks functioning in the State. The Tamil Nadu State Apex Co-operative Bank extends banking services to the public through 47 branches located in Chennai. It plays a major role in formulating the credit policy for the Co-operative credit institutions in the State. It mobilizes resources through public deposits,

refinance from National Bank for Agriculture and Rural Development (NABARD) and loans from other financial institutions like National Co-operative Development Corporation (NCDC). It provides refinance to all the Central Co-operative Banks to issue crop loans to farmers through Primary Agricultural Co-operative Credit Societies by availing refinance from NABARD. Further, it provides finance to the needy Central Co-operative Banks for other lending purposes. The Apex Bank manages the surplus funds of the Co-operative Societies and also provides expertise on funds management to the Co-operative Institutions. It helps in capacity building of staff of the Central Co-operative Banks and Primary Agricultural Co-operative Credit Societies, by providing training to them through Agricultural Co-operative Staff Training Institute (ACSTI) run by it.

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

Amount (Rs. in crore)

Sl. No	Details	2013-14	2014-15	2015-16	2016-17	2017-18*
1	Members' Share Capital	269.33	282.44	287.30	291.77	291.77
2	State Government's Share	20.26	20.26	20.26	20.26	20.26
3	Reserves and Surplus	797.66	827.21	855.63	778.66	793.75
4	Deposits	9,617.40	7,767.79	8,927.93	11,240.46	8,271.86
5	Borrowings	2,652.93	3,309.24	3,037.81	2,455.26	2,847.67
6	Net Profit	32.21	41.38	43.31	43.70	132.81

* Tentative

Core Banking Solution (CBS) has been implemented in Tamil Nadu State Apex Co-operative Bank. It provides ATM (Automated Teller Machines) services to its customers at ten places in Chennai city. ATM Rupay Debit cards

are issued to the customers of TNSC Bank and these cards can be used in any ATM in India on par with that of other commercial banks. The Bank is also equipped with facilities for transferring funds electronically anywhere in India through Real Time Gross Settlement (RTGS) and National Electronic Funds Transfer System (NEFT). Other banking services like mobile banking, SMS Alerts, Immediate payment service (IMPS) facilities have been provided to the customers of the Tamil Nadu State Apex Co-operative Bank.

The Tamil Nadu State Apex Co-operative Bank manages the **“Primary Co-operative Development Fund”** and **“Deposit Guarantee Fund”**. The Primary Co-operative Development Fund is created out of the contribution of the Central Co-operative Banks and it is being utilized to strengthen the infrastructural facilities of the Co-operative institutions. 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 Societies. It is utilized to repay the public deposits mobilized by the defaulting Primary Agricultural Co-operative Credit Societies. **The Deposit Guarantee Fund helps in restoring confidence of the public in the Co-operative institutions and in enhancing credibility of the Co-operative institutions. As on 31.03.2018, a sum of Rs.33.56 crore is available in the Primary Co-operative Development Fund and Rs. 205.22 crore is available in the Deposit Guarantee Fund.**

2.4. Services rendered

(i) Crop Loan

Crop loan is the most important component of agricultural credit extended by

Primary Agricultural Co-operative Credit Societies. Efforts have been made to achieve inclusiveness in crop loan disbursement by extending loans to new farmers including farmers belonging to SC/ST category. The Government considers that timely availability of low cost credit is essential to maintain agricultural production cycle and to increase the income of the farmers. Accordingly, interest rate on crop loans extended by the Co-operative societies has been reduced from 9% to 7%. The State Government reimburses the loss of 2% interest to the Co-operatives over and above the interest subvention received from the Government of India. In addition, no interest is charged on crop loan from the farmers who repay it within the due date.

Crop loans to the extent of Rs.6,220.27 crore was disbursed to 10,63,821 farmers during the year 2017-18. During 2016-17, crop loan of

Rs.4,227.98 crore was issued to 7,62,772 farmers. Out of the above, crop loans to the extent of Rs.556.61 crore was disbursed to 1,12,739 SC/ST farmers during the year 2017-18. Interest subsidy to Co-operatives is provided by the Government and no interest is charged by the Co-operatives to the farmers who repay promptly. In order to achieve the Sustainable Development Goal, this Government allocates Rs.200 crore as interest subsidy and interest incentive to the farmers.

(ii) Loans to Joint Liability Groups (JLGs)

There are 40,000 Joint Liability Groups (JLGs) in the State comprising small and marginal farmers, agricultural tenants, cultivators and sharecroppers. Agricultural credit is provided to JLGs for promoting financial inclusion. This scheme has facilitated joint purchase of seeds, fertilizers, adoption of technology and mechanization through joint

agricultural operations. Crop loans to the extent of Rs.360.28 crore was disbursed to 13,865 JLGs during the year 2017-18 as against the loan amount of Rs.323.20 crore issued to 8,871 JLGs during 2016-17. **Investment credit to the extent of Rs.35.11 crore was issued to 1,649 JLGs during the year 2017-18** as against the loan amount of Rs.16.76 crore issued to 311 JLGs during the year 2016-17.

(iii) Investment credit for Agricultural and Allied activities

Investment credit in agriculture is encouraged to bring about capital formation and asset creation to ensure sustained growth in agricultural production and productivity. To achieve this, Co-operative Societies have been extending Credit for investment activities such as Farm mechanization, land development etc. During 2017-18, the investment credit disbursement to farmers increased to Rs.365.01 crore from Rs.172.74 crore issued

during 2016-17. Disbursement of investment credit to SC/ST farmers **increased to Rs.39.80 crore** from Rs.11.44 crore issued during the year 2016-17.

(iv) Produce Pledge Loan

Produce pledge loan is extended to farmers to meet their immediate financial needs on pledging their produce kept in godowns owned by the Co-operative Societies. This helps small and marginal farmers in holding their stocks during peak harvest season when the price is not remunerative and selling at a later date when the price is lucrative. Produce Pledge loans issued by Primary Agricultural Co-operative Credit Societies have **increased to Rs.218.33 crore during 2017-18** from Rs.198.08 crore issued during the year 2016-17.

(v) Micro Credit Loans to Petty Traders

The Central Co-operative Banks and Urban Co-operative Banks are implementing this

unique scheme. Under the scheme, loan amount up to Rs.25,000/- is provided without any security for doing small business like selling of flowers, vegetables, fruits and running petty shops. Loans issued to petty traders have **increased to Rs.254.02 crore during 2017-18** from Rs.177.51 crore issued during the year 2016-17.

(vi) Assistance to Self-Help Groups (SHG)

The Co-operative Credit Institutions are encouraged to extend credit to Self-Help Groups to fulfill their credit needs. Loans issued to SHGs have **increased to Rs.810.95 crore during 2017-18** from Rs.525.99 crore issued during the year 2016-17.

(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. Loans issued to Women Entrepreneurs have **increased to Rs.79.60 crore during 2017-18** from Rs.50.23 crore issued during the year 2016-17.

(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 drawing monthly salary. Loans issued to Working Women have **increased to Rs.92.64 crore during 2017-18** from Rs.48.94 crore during the year 2016-17.

(ix) Loans to Differently Abled Persons

As a measure to improve the standard of living of the differently abled persons, the Co-operative societies have extended credit facilities to differently abled persons for undertaking various income generating

activities. From the year 2011-12, no interest is being charged from those who repay the loan promptly. Loans issued to Differently Abled Persons have **increased to Rs.42.79 crore during 2017-18** from Rs.22.80 crore during the year 2016-17.

(x) Crop Insurance

Under the New Crop Insurance Scheme "Pradhan Mantri Fasal Bima Yojana" (PMFBY) during the year 2017-18, crop insurance compensation amount of Rs.2,207.07 crore was disbursed to 7,42,410 farmers by the Co-operative Societies. Further 8,57,302 farmers were covered under this scheme and insurance premium of Rs.81.53 crore was remitted to the insurance Companies by the Co-operative institutions.

(xi) Drought Relief

Due to the failure of the North East Monsoon, the Government declared all the

districts in the State as drought affected during 2016-17 and ordered that the Crop loans availed by the farmers from the Co-operative and Commercial Banks will be converted into Medium Term loans. Government extended the period for conversion of Short Term loans into Medium term loan up to 31.12.2017. Under this scheme Short Term loan amount of Rs.250.88 crore availed by 82,455 farmers was converted in to Medium Term loan.

(xii) Agri Clinics

Agri-Clinics have been established in the Primary Agricultural Co-operative Credit Societies to provide services such as soil testing, water testing and consultancy to the farmers. 190 Agri-Clinic have been established, each at a cost of Rs.6 lakh, with assistance from Primary Co-operative Development Fund and National Agricultural Development Programme on 50:50 sharing pattern.

(xiii) Agro Service Centres

To increase the productivity in agriculture and to overcome the shortage of agricultural labour during peak agricultural seasons,, 2,104 Agro Service Centres have been established in Primary Agricultural Co-operative Credit Societies to provide farm machineries and implements at reasonable rentals. The farmers, particularly small / marginal farmers who are not able to avail the benefit of mechanization, can utilize this facility and improve their farm production and productivity. These Agro Service Centres provide machineries like mini tractors, power tillers, paddy transplanters etc. on hire basis. The Government has provided 50% subsidy to the Co-operative societies for the purchase of farm equipments, subject to a maximum of Rs. 20 lakh per society. During 2017-18, the Co-operative Societies have earned Rs. 1.84 crore as rental charges.

(xiv) Common Service Centres

Common Service Centres act as the front end for delivery of services to citizens by the Government. The Services rendered by the private agencies and Social Welfare Department are also added to the basket of services rendered by these Centres. Some of the e-Services, provided at these centres include issue of Community / Income Certificates, Birth/Death Certificates, Patta / Chitta, benefits under E.V.R Maniammai Ninaivu Marriage Assistance Scheme, electricity bills and insurance premium payments, mobile recharge, digital photograph, e-ticketing, etc. The Co-operative Institutions have established 4,407 Common Service Centres to provide a range of e-services. These centres have offered 76,17,521 services to people in rural and urban areas and thereby earned an income of Rs.28.39 crore during the year 2017-18.

2.5 Strengthening of Infrastructure in the Co-operatives in the year 2017-18

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

To achieve the goal of providing own buildings to all the Co-operative institutions, during 2017-18, the Hon'ble Chief Minister had announced on the floor of the Legislative Assembly that new buildings will be constructed for 115 Co-operative Institutions at an estimated cost of Rs.23.80 crore. Construction work of these buildings is under progress.

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

To provide banking services to the customers of the Co-operative Banks in the nearby areas, during 2017-18, the Hon'ble Chief Minister had announced on the floor of the assembly that 15 new branches will be opened in 2 Central Co-operative Banks at an estimated cost of Rs.2.25 crore. Further, the Hon'ble

Minister for Co-operation had announced that 3 new branches will be opened in Salem Central Co-operative Bank at a cost of Rs.45 lakhs. Work has been completed in 4 branches and the work in the remaining 14 branches will be completed very soon.

(iii) Modernization of Co-operative Banks

To give facelift to the Co-operative institutions and to earn goodwill of the customers, during 2017-18 the Hon'ble Chief Minister announced on the floor of the assembly that 27 Co-operative Institutions will be modernized at an estimated cost of Rs.3.40 crore. Work has been completed in 2 Institutions and the work in the remaining Institutions is under progress.

(iv) Safety Measures

(a) CCTV Surveillance Cameras

To strengthen the safety and security in the Co-operative Institutions, CCTV surveillance

cameras have been installed in 4,160 Co-operative institutions. Further, it is proposed to install CCTVs in all the remaining Co-operative institutions very soon and all Primary Agricultural Co-operative Credit Societies will be under CCTV surveillance.

b) Strong Room with defender door

To enhance safety measures and infrastructure facilities in Co-operative institutions, during 2017-18, the Hon'ble Minister for Co-operation announced that upgraded jewel safe, customer safety lockers, Defender Doors, strong room with Defender Door and strong room will be installed in 62 Co-operative institutions at an estimated cost of Rs.253.42 lakhs. The work has been completed in 54 Co-operative institutions and the work in the remaining institutions will be completed very soon.

3. Long Term Credit Structure

Long term Co-operative Credit Structure consists of 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 rural people.

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

Tamil Nadu Co-operative State Agriculture and Rural Development Bank could not get refinance from NABARD due to NABARD's revised policy, which affected its normal lending operations. However, Tamil Nadu Co-operative State Agriculture and Rural Development Bank has been funding Primary Co-operative Agriculture and Rural Development Banks from

out of its own resources enabling these banks to continue their lending operations. As on date, the share capital of the Bank is Rs.41.06 crore and total deposit is Rs.158.27 crore. The Tamil Nadu Co-operative State Agriculture and Rural Development Bank through its branches issued jewel loans to the tune of Rs. 241.00 crore during the year 2017–18.

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 provide long term credit for purposes like minor irrigation, land development, farm mechanisation, horticulture, animal husbandry and other activities. Due to non-availability of refinance from NABARD, these Banks primarily disburse jewel loans out of the available own funds. These banks issued jewel

loans to the tune of Rs. 986.77 crore during the year 2017–18.

4. Urban Co-operative Credit Institutions

Urban Co-operative Credit Structure consists of Urban Co-operative Banks and Urban Co-operative Credit Societies.

4.1. Urban Co-operative Banks

In Tamil Nadu, 128 Urban Co-operative Banks are functioning, which provide banking services and credit facilities to the people living in urban and semi-urban areas. These banks 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. Loans issued by the Urban Co-operative Banks have increased to Rs.5,577.13 crore during 2017-18 from Rs.5,391.72 crore during 2016-17. The deposit

position in the Urban Co-operative banks as on 31.03.2018 is Rs.7,897.50 crore. In 2017-18, Urban Co-operative Banks have issued loans to the tune of Rs.65.18 crore to 1,370 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.

To improve operational efficiency and to provide better services to the customers, the Core Banking Solution is being implemented in all the Urban Co-operative Banks and this work will be completed shortly.

4.2. Urban Co-operative Credit Societies

Urban Co-operative Credit Societies provide credit facilities to urban and semi-urban population. As of now, 103 Urban Co-operative Credit Societies are functioning in the State. They 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. Loans issued by Urban Co-operative Credit Societies have increased to Rs.1,208.07 crore during 2017-18 from Rs.1,100.94 crore during 2016-17. The deposit position in the Urban Co-operative Credit Societies is Rs.1,286.07 crore as on 31.03.2018. The Urban Co-operative Credit Societies disbursed loans to the extent of Rs.17.39 crore to 479 Joint Liability Groups of petty traders in urban areas during 2017-2018.

5. Employees Co-operative Thrift and Credit Societies

There are 1,727 Employees Co-operative Thrift and Credit Societies in the State. The main objective of these societies is to inculcate the habit of savings among the employees of Central and State Government, Government Undertakings and Private Organizations and to

provide them with loans at reasonable rate of interest. These societies have a share capital of Rs.2,140.07 crore and working capital of Rs.13,214.88 crore as on 31.03.2018. These societies have disbursed Rs.6,500.36 crore as loan to their members in the year 2017-18.

CHAPTER - II

CO-OPERATIVE MARKETING SOCIETIES

1. Introduction

Agricultural Producers Co-operative Marketing Societies (APCMS) play a vital role in marketing Agricultural Produce. It creates an environment where the members and consumers / traders associate with each other directly, thereby eliminating middlemen/agent for the purpose of marketing of agricultural produce of members at reasonable price. This gives rise to a win - win situation for both farmers and consumers. In addition to this, marketing societies distribute inputs and advance loan on the pledge of agricultural produce and undertake processing of the agricultural produce. Further, they act as lead societies in the movement of essential commodities to Fair Price Shops and

also run Fair Price Shops. 112 APCMS function in the State at Taluk and Block level.

1.2 TamilNadu Co-operative Marketing Federation (**TANFED**) is the apex institution for Agricultural Producers Co-operative Marketing Societies in all the districts excluding Thanjavur, Tiruvarur, Nagapattinam and Nilgiris. Thanjavur Co-operative Marketing Federation 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 commenced functioning on 20.02.1959. It distributes agricultural inputs

such as seeds, fertilizers, pesticides and agricultural implements through Agricultural Producers Co-operative Marketing Societies and Primary Agricultural Co-operative Credit Societies to the farmers.

2.1. During 2017-18, TANFED has distributed 3,32,057 MT of Fertilizers worth Rs.442.60 crore and pesticides worth Rs.11.25 crore. The Fertilizer mixing unit at Pamini in Thiruvarur District, wholly owned by TANFED, manufactures Pamini 17:17:17, a fertilizer which has good demand in many districts. 6,701 MT of Pamini Fertilizers worth Rs.12.29 crore has been manufactured and distributed in the year 2016-17. This has been **increased to 8,512 MT worth Rs.15.42 crore in the year 2017-18.**

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 extends commercial support for marketing the agricultural produce of farmers through joint venture with Co-operative Marketing Societies. During 2017-18, agricultural produce worth Rs.61.83 crore have been marketed by Federation.

2.3 TANFED acts as an agent of National Agricultural Co-operative Marketing Federation (NAFED) for undertaking price support scheme in Tamil Nadu.

2.4 TANFED distributes cattle feed to Aavin for onward distribution to milk producers. During 2017-18, TANFED has sold 33,270.100 MT of cattle feed worth Rs.60.58 crore.

2.5 TANFED is running a petrol and diesel dispensing unit at Koyambedu and a petrol dispensing unit at Kodambakkam in association with Indian Oil Corporation. TANFED

have sold Rs.21.75 crore worth petrol and diesel in the year 2017-18.

3. Thanjavur Co-operative Marketing Federation (TCMF)

Thanjavur Co-operative Marketing Federation functions as a regional federation for 12 Co-operative marketing societies in Thanjavur, Tiruvarur and Nagapattinam districts. This Federation sells fertilizers, seeds and agricultural implements. It also issues jewel loan to its members. It is also running a printing press. The Federation owns 12 godowns with a total capacity of 7,200 MT. During 2017-18, the Federation has sold 36,491 MT of fertilizers worth Rs.29.58 crore to the Co-operative Societies. It is well above the marketed value of 36,219 MT of fertilizers worth Rs.26.49 crore in the year 2016-17. Total business turnover of TCMF has been **increased from Rs.66.05 crore in the year 2016-17 to Rs.76.27 crore in 2017-18.**

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 has been increased from Rs.72.12 crore in the year 2016-17 to Rs.75.12 crore in 2017-18.

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

In Tamil Nadu, 112 Agricultural Producers Co-operative Marketing Societies are functioning with the primary objective of marketing of agricultural produce and selling of fertilizers and

other agricultural inputs. Most of the marketing societies act as lead societies for moving essential commodities from the Tamil Nadu Civil Supplies Corporation godown to the Fair Price Shops. They also manage Fair Price Shops under the Public Distribution System. Total business turn over of these societies has **increased from Rs.2,183.07 crore in the year 2016-17 to Rs.2,293.36 crore in 2017-18.**

5.1 Activities 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 to sell the produce of their members at a competitive price. Further, they disseminate market price information of agriculture produce to the farmers and provide a market for the agriculture produce. Some societies procure agriculture produce directly for

further processing and value addition. Marketing of Agricultural Produce during 2016-17 was Rs.886.91 crore and has **increased to Rs.929.06 crore during 2017-18.**

(ii) Linking of Credit with Marketing

Under this 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 Primary Agricultural Co-operative Credit Societies. During 2016–17, loan of Rs.2.99 crore was adjusted by providing marketing facility to the borrowing members. This has been **increased to Rs.3.28 crore in the year 2017-18.**

(iii) Produce Pledge Loan

To prevent distress sale of agricultural produce during the harvest season by the

farmers and to arrange for their urgent financial needs, the Agricultural Producers Co-operative Marketing Societies provide storage facilities on rent and disburse produce pledge loan upto 80% of the market value of the produce pledged. 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.

(iv) Disbursement of Jewel loan

To cater to the urgent financial needs of farmer members, jewel loan amounting to Rs.300.47 crore has been disbursed during 2017–18, by the 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 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.

(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 like Urea, DAP, Potash etc. as a component of crop loan. 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. 3,47,693 MT of fertilizers worth Rs.437.37 crore were sold through the Co-operative outlets in the year 2016-17, of which 1,32,764.350 MT was the sale of Urea alone. 3,85,732 MT of fertilizers worth Rs.492.26 crore were sold through the

Co-operative outlets in the year 2017-18, of which, the sale of Urea alone was 1,40,016 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. 7,91,490 coconuts were converted into copra during the year 2017-18.

(ii) Installation of Electronic Weigh bridge

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

(iii) Modernization of Auction Process

For conducting speedy and transparent auction in Agricultural Producers Co-operative Marketing Societies, auction process has been modernized by installation of customized software in Salem, Attur, Erode, Perundurai and Thiruchengode 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 Thiruchengode (Konganapuram Branch) Agricultural Producers Co-operative Marketing Societies at a total cost of Rs.111.35 lakh between 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 Thiruchengode 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 Limited at a cost of Rs.19.13 lakh and in Kumbakonam Agricultural Producers Co-operative Marketing Society at a cost of Rs.10.00 lakh. During 2017-18, a quantity of 298.520 MT of seeds have been processed.

(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. These processing units add value to the farm produce and enable the producers in getting better price for their produce.

As a special initiative between the years 2014 and 2017, 19 processing units have been installed at a cost of Rs.195.84 lakh in 17 Agricultural Primary Co-operative Marketing Societies and Large Sized Multi Purpose Co-operative Societies (LAMPS). 941.824 MT of Agricultural Produce was processed in the year 2017-18. This is a significant increase from the processed value of 501.986 MT in the year 2016-17.

(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 2017-18, fertilizer mixture of 16,808.500 MT was manufactured and sold for the value of Rs.21.43 crore.

(ix) Installation of Solar Panel

Solar panels have been installed in Head Office and Self Service Centre in Thiruchengode Agricultural Producers Co-operative Marketing Society in the year 2016-17, at a cost of Rs.20.00 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 Thiruchengode, Attur, Salem, Erode, Perundurai, Avinashi, Rasipuram and Nilgiris. The Department of Agricultural Marketing and Agri

Business has coordinated 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.

(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, Nilgiri, Thiruchirapalli, Dindigul, Ramanathapuram, Tuticorin, Tirunelveli and Theni where Collection Points are to be established under Supply Chain Management Scheme for selling fruits, vegetables and other perishable agricultural produce. Action has been taken to establish 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.

(xii) Extension and Expansion of Godown facilities in Rural Areas

As a special initiative to improve storage facility in rural areas the Government has taken consistent effort to construct 3,876 godowns in Primary Agricultural Co-operative Credit Societies / Agricultural Producers Co-operative Marketing Societies with financial assistance from NABARD under the Rural Infrastructure Development Fund and Warehouse Infrastructure Fund. Out of these, 3,858 godowns have been completed and construction of 18 godowns are in advanced stages.

(xiii) Construction of Office Buildings

In order to enhance the services rendered to members of Agricultural Producers Co-operative Marketing Societies, new office buildings were constructed in Tiruvannamalai,

Polur, Chengam, Karamadai, Mettupalayam, Tirumangalam, Peraiyur, Vadipatti, Theni (Head Office and Periyakulam branch), Kaveripattinam, Krishnagiri and Thiruchengode during the years 2014-15 to 2016-17, at a total cost of Rs.3.69 crore. Further, Office Buildings have been renovated in Thiruchengode (Head Office, Konganapuram Branch and Mallasamudram Branch) and Pattukottai APCMS during the years 2016-17 and 2017-18, at a total cost of Rs.25.25 lakh.

(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.2.47 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 Thiruchengode and Krishnagiri Agricultural Producers Co-operative Marketing Societies at a total cost of Rs.24.62 lakh.

CHAPTER - III

CONSUMER CO-OPERATIVES

1. Introduction

In Tamil Nadu, Consumer Co-operatives are functioning with a three tier structure with the Tamil Nadu Consumers' Co-operative Federation at the apex level, 34 Consumer Co-operative Wholesale Stores at the district level and 370 Primary Co-operative Stores at the field level. The main objective of these Consumer Co-operatives is to supply essential consumer goods to the public at a reasonable price and thus help in controlling prices.

2. Activities

2.1. The Tamil Nadu Consumers' Co-operative Federation is an apex organization for all District Consumer Co-operative Wholesale Stores, Primary Co-operative Stores and acts as

a coordinating agency for procurement of select consumer goods for all the affiliated Co-operative Stores.

2.2. The District Consumer Co-operative Wholesale Stores runs 17 Super Markets, 61 Self Service Units, 48 Mini Super Markets, 61 Retail Outlets, 53 Farm Fresh Consumer Outlets, 86 Co-operative Medical Shops, 31 Amma Marundagam, 7 Petrol Bunks, 29 L.P.G. supply units and 82 Kerosene Bunks.

2.3. Similarly, Primary Co-operative Stores run 25 Co-operative Medical Shops, 24 Amma Marundhagam, 14 Farm Fresh Consumer Outlets and 3 Petrol bunks.

3. Performance

Quality consumer goods are sourced directly from the Co-operative Marketing Societies, production centres and manufacturing units at very reasonable rates. These are made

available at outlets managed by the Consumer Co-operatives for sale at a reasonable price.

Since Co-operative Wholesale stores are directly sourcing goods from Co-operative Marketing Societies, production centres and manufacturing units and selling at a reasonable price to the consumers and it eliminates middle men. By this direct purchase and selling Co-operative Marketing Societies and Consumers are benefited.

During the year 2017-18, all the Consumer Co-operatives put together have sold various commodities to the tune of Rs.2,905.14 crore.

4. Amma Marundhagam

To provide medicines at a reasonable rate the scheme of Amma Marundhagam was started in 2014-15. At present 111 Amma Marundhagam are functioning in all 32 districts. Apart from Amma Marundhagam, 180

Co-operative medical shops are also operating. These outlets are offering medicines at a discount upto 15% on the retail price to the consumers. During 2017-18 medicines worth Rs.154.38 crore have been sold through the Co-operative Medical Shops and Amma Marundhagam.

5. Farm Fresh Consumer Outlets

As a market intervention measure and to provide quality vegetables to consumers at reasonable prices, Farm Fresh Consumer Outlets have been opened in urban areas by the Co-operatives. Fresh vegetables are sourced directly from the farmers at reasonable rates at their farm gates on spot payment and are made available at these outlets.

Under this scheme, Farm Fresh Consumer Outlets eliminate intermediaries by linking the consumers and farmers directly.

Presently, 76 Farm Fresh Consumer Outlets including 3 Mobile Outlets are functioning across the State. 32 varieties of quality vegetables are sold through these Farm Fresh Consumer Outlets at reasonable prices.

35,435 MTs of Vegetables to the tune of Rs.103.15 crore have been sold to the consumers from 20.06.2013 to 21.06.2018.

Chapter – IV

SPECIAL PURPOSE CO-OPERATIVE INSTITUTIONS

Towards fulfilling the primary motive of uplifting the farmers, tribals and downtrodden, Co-operatives have involved themselves in various fields. Co-operatives such as Labour Contract Societies, Printing Presses and Large Sized Multipurpose Co-operative Societies have been formed for special purposes. These societies serve the specific class of people with 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 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.92.26 crore in the year 2016-17 to Rs.123.92 crore in 2017-18.**

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 31.03.2018, under this scheme, 10,971.500 Kg Honey, 37,337.500 Kg Samai,

77258.00 Kg Tamarind and 10,162.00 Kg Varagu with a total worth of Rs.1,33,36,023 have been marketed .

(ii) The Tudiyalur Co-operative Agricultural Services (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 2017-18, seeds worth Rs.1.26 crore was sold and agricultural implements was sold to other Co-operative institutions to the extent of Rs.44.42 lakh.

(iii) 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 22,442.

(iv) Co-operative Printing Press

Co-operative printing presses function in 26 districts of Tamil Nadu and take care of the printing requirements of Co-operative institutions in the district as well as nearby districts which do not have their own Co-operative Printing Press. Apart from Co-operative Societies, printing orders of Government offices, Local Bodies, Schools and private agencies in the service area are undertaken. Printing works worth Rs.51.60 crore were undertaken during 2016-17. This has been **increased to Rs.56.95 crore in 2017-18.**

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

To improve the performance of the Co-operative Printing Press at Tiruvannamalai

and Namakkal Districts, permission was accorded to construct own building at a cost of Rs.50 lakh each in the year 2014 and 2017 respectively. The construction work of Tiruvannamalai Co-operative Printing Press has been completed and the Press has commenced its operations in the new building. In respect of Namakkal printing press, the construction work has been completed.

(b) Modernization of Co-operative Printing Press

In order to compete with private printing presses, initially 7 Co-operative printing presses functioning in major cities such as Chennai, Vellore, Salem, Madurai, Tirunelveli, Coimbatore and Tiruchirappalli were modernized during the year 2013-14 at a total cost of Rs.3.68 crore. Due to modernization, major printing works of Co-operative societies, Government and quasi

Government agencies are carried out and good quality is maintained.

On the same analogy, during the year 2016-17 Ramnad District Co-operative Printing Press (at Karaikudi) and Thanjavur District Co-operative Printing Press were modernised at a cost of Rs.10.00 lakh and Rs.19.22 lakh respectively. The modernization works have been completed.

During 2017-18, Virudhunagar, Salem, Cuddalore and Tiruvannamalai District Co-operative printing presses have been proposed to be modernized at a cost of Rs.12.45 lakh, Rs.9.13 lakh, Rs.30.00 lakh and Rs.23.00 lakh respectively. The modernization works are in progress and will be completed soon.

CHAPTER- V

CO-OPERATIVES IN PUBLIC DISTRIBUTION SYSTEM

1. Introduction

1.1. The role of Public Distribution System is paramount in ensuring food security to all. The Co-operatives in Tamil Nadu play a vital role in the effective implementation of Universal Public Distribution System. The Co-operatives have built a wide distribution network in the State and run majority of the Fair Price Shops i.e. 32,827 fair price shops as detailed below.

Sl. No.	Type of Co-operative Society	No. of fair price shops (31.5.2018)
1.	PACCS	24,354
2.	Dist. Co-op. Consumer Wholesale Store	3,272
3.	Co-op. Marketing Society	2,511
4.	Primary Stores	1,909
5.	Urban Co-op. Society	440
6.	LAMPs	240
7.	Others	101
	Total	32,827

Universal Public Distribution System play a vital role in ensuring food security to all and for Sustainable Development of poor and downtrodden. To ensure food security, Government of Tamil Nadu is taking all efforts and is releasing subsidy to the fair price shops to meet their operating expenses.

1.2. Movement of essential commodities from the godowns of Tamil Nadu Civil Supplies Corporation to the Fair Price Shops is done by 96 lead societies i.e. 28 Consumer Co-operative Wholesale Stores, 56 Co-operative Marketing Societies, 10 Primary Co-operative Stores and 2 Primary Agricultural Co-operative Credit Societies. These lead societies lift commodities to the Fair Price Shops run by 4,178 link societies. Apart from these, 326 Co-operative Societies are acting as self lifting societies, which include 8 Co-operative Wholesale Stores, 31 Co-operative Marketing Societies,

149 Primary Co-operative Stores, 118 Primary Agricultural Co-operative Credit Societies, 7 LAMP Societies, 7 Urban Credit Societies and 6 other type of societies.

2. Fair Price Shops

2.1. Besides running Fair price Shops, 258 kerosene bunkers are run by the Co-operative Societies exclusively for distribution of kerosene to family card holders. The Fair Price Shops sell Special PDS commodities like Tur dal and Palmolein oil at highly subsidized rates. Non-controlled commodities such as Ooty Tea, Amma Salt are also sold at reasonable rates at these outlets.

3. Mobile Fair Price Shops

3.1. In order to distribute essential commodities to the people in hilly and inaccessible areas, Mobile Fair Price Shops are run by Co-operative Institutions. There are

40 Mobile Fair Price Shops functioning in hilly and inaccessible areas and 2 Mobile Fair Price Shops are functioning in Chennai city.

4. 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 and sold through the Fair Price Shops run by the Co-operative Societies from the year 2001. From 2014-15 to 2017-18, Ooty Tea was sold to the extent of 11,874 MTs 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 Co-operative Societies to protect the people from Iodine deficiency

disorders. During 2017-18 26,399 MTs of Amma Salt was sold through Fair Price Shops.

5. Construction of Fair Price Shop Buildings

The status of 32,827 Fair Price Shops run by the Co-operative Societies is given below: -

Sl. No.	Details	No. of Fair Price Shops (31.05.2018)
1.	Own Building	3,205
2.	Government Building	16,827
3.	Rent Free Building	5,499
4.	Rented Building	7,296
	Total	32,827

1838 new buildings for Fair Price Shops have been constructed in the last seven years. Efforts are being taken to acquire government vacant land for constructing own building for all the Fair Price Shops running in rental building in a phased manner by utilizing all available sources of funds like Hon'ble MLA CDS, Hon'ble MP LADS, Rural development fund etc.

6. Government Subsidy to the Co-operatives for Public Distribution System

Fair Price Shops are run by the Co-operative Societies with a service motive. Subsidy is being provided by the Government to compensate the losses incurred by the Co-operative Societies. The Government has sanctioned a sum of Rs.1,423.56 crore as subsidy from 2010-11 to 2016-17 and the details are given below:

(Amount Rs. in Crore)

Sl. No	Financial Year	Subsidy sanctioned
1.	2010-11	150.00
2.	2011-12	150.00
3.	2012-13	120.00
4.	2013-14	120.00
5.	Subsidy arrears (2010-11 to 2013-14)	308.80
6.	2014-15	334.76
7.	2015-16	120.00
8.	2016-17	120.00
	Total	1,423.56

Financial provision of Rs.460.17 crore has been made in the Budget Estimate for the year 2018-19 towards the subsidy and arrears of subsidy.

CHAPTER-VI

CO-OPERATIVE EDUCATION, RESEARCH AND TRAINING

1. Introduction

Tamil Nadu Co-operative Union at State 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. These Institutes offer Diploma in Co-operative Management under distance education mode for the benefit of employees of the Co-operative Institutions. During 2017-18, in these 20 Institutes, 1,391 candidates were admitted for studying Diploma in Co-operative Management Course on regular basis and 1,164 candidates were admitted to 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, 460 candidates have been enrolled. Out of this placement were provided for 381 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 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 2017-18, in Industrial Training Institutes, 293 candidates were

admitted. The Co-operative Polytechnic at Lalgudi offers three courses, namely, Diploma in Mechanical Engineering, Diploma in Computer Engineering and Diploma in Electrical and Electronics Engineering. During 2017-18, in these diploma courses 370 candidates were admitted.

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

The Tamil Nadu Co-operative Union supports 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 is conducted. Short duration courses for the Departmental and Co-operative institutions' staff are also conducted. 6,910 employees have undergone short duration training in 2017-18. These two

institutes also offer Master of Business Administration Course.

79 short duration programmes were conducted by Natesan Institute of Co-operative Management during the year 2017-18, and 2,616 employees have undergone short duration trainings.

5. Co-operative Research in Universities

The Tamil Nadu Co-operative Union has created a corpus fund of Rs.5 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 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, 21 research projects have been funded.

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 Tamil Nadu Co-operative Union. Any withdrawal from this fund is done only after obtaining approval of the CRDF Committee. From Co-operative Research Development Fund, financial assistance is provided for Co-operative Research in the form of grant, whereas interest free loan is provided for Co-operative Development. From 2011-12 to 2017-18, a sum of Rs.52.67 crore was released as grant and a sum of Rs.160.22 crore was released as interest free loan. The amount released from this fund has been utilized for construction of strong room with defender door, Office Building, drying yards, purchasing of vehicles, solar copra dryers, solar panel, modernization of consumer self service units, modernization and

computerization of banks, 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.49.62 crore has been released as grant over a period of six years from 2011-12 to 2017-18. This Fund is being utilized for conduct of short term

training programmes for Co-operative Society employees and departmental staff, organizing Member Education Programmes and Special Member Education Programme in districts, organizing youth camps and for all India Co-operative Week Celebrations. In order to sensitize statutory aspects, training programme have been conducted in three phases for all the Deputy Registrars of the Department.

Chapter – VII

Integrated Co-operative Development Project

1. The Integrated Co-operative Development Project (ICDP) is an area based project evolved by National Co-operative Development Corporation (NCDC) for development and strengthening of Co-operatives of various types with required infrastructure, share capital, margin money etc. NCDC, in consultation with the State Government, identifies the districts for implementation of ICDP for a period of 5 years.

2. The State Government funds the project with refinance arrangements from NCDC. District Central Co-operative Banks (DCCB) are the Project implementing Agency (PIA) in the districts concerned. The following is the funding pattern:-

Sl. No	Activity	From NCD to State Government (in%)			From State Government to Co-operatives (In%)			
		Loan	Subsidy	Total	Loan	Share Capital	Subsidy	Total
1.	Civil works, plant & machinery and infrastructure etc.	100	-	100	50	50	-	100
2.	Margin money to societies / Share Capital to Co-operatives	100	-	100	-	100	-	100
3.	Man Power Development & Training and Incentives	-	50	50	-	-	100	100
4.	Managerial Assistance to PIA (concerned District Central Co-operative Bank) and monitoring cell etc.	-	50	50	-	-	100	100

3. ICDP was introduced in the year 1989 in Tamil Nadu. The projects in 28 districts with a total outlay of Rs.462.97 Crore have already been completed. At present the projects are under implementation in 4 districts namely, Namakkal, Thiruvallur, Kanyakumari and Chennai with the total outlay of Rs.355.78 Crore.

CHAPTER-VIII

CO-OPERATIVE ELECTION

In Tamil Nadu, elections to the Co-operative 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 Co-operative Societies Act, 1983 by Tamil Nadu Co-operative Societies (Fourth Amendment) Act, 2012, which provides for constitution of the Tamil Nadu State Co-operative Societies Election Commissioner was appointed. The Commission for the conduct of elections to the Co-operative Societies in Tamil Nadu. 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, the Tamil Nadu Co-operative 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 Co-operative Institutions. During 2013, elections were conducted for 22,552 Co-operative Societies and 2,04,889 Board of Members were elected.

The Tamil Nadu State Co-operative Societies Election Commission has announced election programme on 5.3.2018, for the conduct of election to Primary Co-operative Societies (other than Agricultural Producers Co-operative Marketing Societies) in 4 stages in Phase I. As per the programme, elections were conducted for 18,435 Primary Co-operative Societies under the control of the Registrar of Co-operative Societies and 14 Functional Registrars from 12.3.2018 to 7.5.2018. Elections were conducted in Phase 1, Stage 1, and elected

Board of Members assumed charge. Election process for stage 2, 3 and 4 will be continued based on the judgment to be delivered by the Hon'ble High Court of Madras as directed by Hon'ble Supreme Court of India.

CONCLUSION

Co-operative movement in Tamil Nadu has been transformed into a powerful people movement by satisfying the requirement of farmers, Consumers and the public. In the fast changing technological environment Co-operative institutions are also adapting to the technological changes on par with other institutions.

Co-operatives in TamilNadu are working towards the vision of the Government, in ensuring **“elimination of Poverty”** on the basis of Co-operation is the prosperity of the Nation.

CO-OPERATION - NATION'S PROSPERITY

Sellur K.Raju
Minister for Co-operation