



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

**CO-OPERATION**

**POLICY NOTE  
2022–2023**

**DEMAND No : 12**

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**Minister for Co-operation**

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Government of Tamil Nadu  
2022

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## **INTRODUCTION**

Tamil Nadu is the pioneer state as far as the Cooperative movement is concerned. The first Cooperative Law of India, The Cooperative Credit Societies Act, 1904 was passed on 25<sup>th</sup> March 1904. And the first Co-operative Credit Society in India was started in Thirur, Thiruvallur District on 21<sup>st</sup> August 1904. The Co-operatives play a vital role in uplifting the poor and downtrodden people in the state. These have contributed significantly to the all round socio-economic development of the state.

The Co-operative Societies in Tamil Nadu that come under the Department of Co-operation, Food and Consumer Protection can be broadly classified into the following five categories.

- i. Co-operative Credit Societies
- ii. Co-operative Agricultural Producers Marketing Societies

- iii. Consumer Co-operative Societies
- iv. Special Purpose Co-operative Societies
- v. Co-operatives engaged in Co-operative Education, Training and Research.

The activities of these Co-operative Societies are detailed in the following Chapters.

## **CHAPTER – I**

### **COOPERATIVE CREDIT STRUCTURE**

In Tamil Nadu, Cooperatives with a wide network and extensive coverage play an important developmental role in enlarging the ambit of institutional credit by way of inculcating banking habits among the poor and those in remote areas.

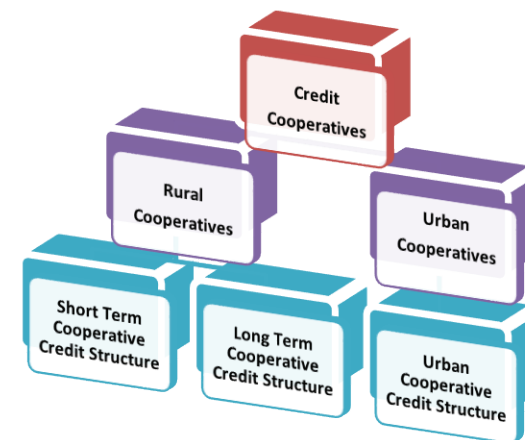
The Cooperative societies provide credit to the people, particularly in rural areas at reasonable interest rates thereby reducing the dependency of the farmers on informal credit and usurious rate of interest. Since most Cooperative societies are located in villages and spread across the State, geographically and culturally it is the most convenient institutional arrangement for availing the credit by farmers. Their role in rural financing continues to be important even today. At the same time their business in urban areas

also has increased phenomenally in recent years, mainly due to the efficient credit delivery by the cooperative credit institutions.

**1.2** In our State, Short Term Cooperative Credit Structure consists of Tamil Nadu State Apex Cooperative Bank, District Central Cooperative Banks and Primary Agricultural Cooperative Credit Societies. The Long Term Cooperative Credit Structure consists of Tamil Nadu Cooperative State Agriculture and Rural Development Bank and Primary Cooperative Agricultural and Rural Development Bank. Besides, there are Urban Cooperative Banks located in urban areas which cater to urban populace.

While Short Term and Long Term Cooperative Credit Structures provide loans for short term and long term agricultural activities and capital formation in agricultural sector, Urban Cooperative Banks provide credit facilities for the

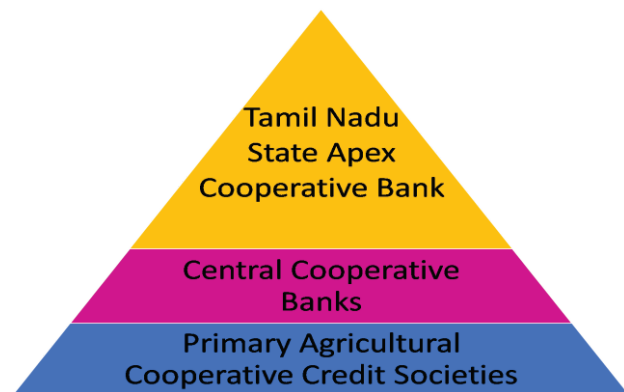
urban populace mainly for non-agricultural activities.



## **2. Short Term Cooperative Credit Structure**

The Short Term Cooperative Credit Structure comprises 4,451 Primary Agricultural Cooperative Credit Societies (PACCS) at Village level, 23 Central Cooperative Banks (CCBs) at the District level and the Tamil Nadu State Apex Cooperative Bank (TNSACB) at State level. They play a crucial role in purveying rural credit for agriculture and Non-agriculture sector.

The 3-tier Cooperative Credit Structure in Tamil Nadu fulfills the credit needs of the people in rural and urban areas covering various stakeholders viz., Farmers including Animal Husbandry farmers, Women, Petty traders, Persons with Disability, Widows/ Destitute women etc. The spatial spreads of the Credit Cooperatives have contributed in their own way towards achieving greater financial inclusion.

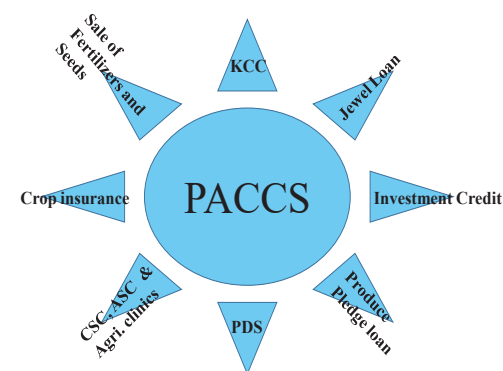


## 2.1 Primary Agricultural Cooperative Credit Societies

Primary Agricultural Cooperative Credit Society is an institutional set up that caters to the

economic needs of the members who reside / cultivate in the area of operation of the society. These societies pave the way for all people to become a member of the society without any discrimination. Since people of different sections who reside within the area of operation of the society are eligible to become members, they are brought together under a common organization which plays a vital role in the economic upliftment of rural people.

## Functions of Primary Agricultural Cooperative Credit Societies (PACCS)



In Tamil Nadu, 4,451 Primary Agricultural Cooperative Credit Societies are functioning. Their main objective is to provide Agricultural and Non-Agricultural credit in rural areas. Agricultural credit includes crop loans and loans for allied agricultural activities like purchase of farm machineries, micro irrigation, purchase of milch animals etc. Non-Agricultural credit includes loans for housing, income generating activities of Self Help Groups, loans to Petty traders and other non-farm sector loans. These societies undertake distribution and sale of agricultural inputs like fertilizers, seeds etc. These societies not only encourage farm mechanization by providing agricultural implements like tractor, power tiller etc., at low cost hiring to small and marginal farmers who cannot afford to own them individually but also reduce input cost to a great extent, thus paving the way for increasing the income of the farmers. These societies also provide custom-hiring facilities like combine

harvesters, straw balers, multi-grain threshers etc., to the farmers. The PACCS besides providing credit facilities to rural farmers also provide other kinds of loans such as loans for consumption expenditure on the pledge of jewels, loans to Self Help Groups, etc.

These societies also provide citizen centric services of Government to the people through Common Service Centres (CSC), especially Revenue Department services such as Income / community certificates, Nativity Certificate, Destitute widow certificate, First graduate certificate, Land records and Social Welfare Department's services. In addition, 23,814 full time Fair Price shops, 9,360 part time Fair Price shops and 16 Mobile Fair Price shops are being run by these Primary Agricultural Cooperative Credit Societies, thus creating a vast network of Public Distribution System.

The performance of Primary Agricultural Cooperative Credit Societies during the last five years is given below:

Amount (Rs. in crore)

<b>Year</b>	<b>Deposits</b>	<b>Loan Disbursement</b>
2017 – 18	6,606.17	17,784.88
2018 – 19	6,371.79	19,723.89
2019 – 20	6,657.61	22,746.86
2020 – 21	7,131.35	28,276.17
2021 – 22 (upto 28.02.2022)	7,505.00	15,590.04

## **2.2 Central Cooperative Banks**

A Central Co-operative Bank is a federation of primary societies covering specified area. There are 23 Central Cooperative Banks functioning in the State.

They extend credit and banking support to all affiliated Cooperatives such as Primary Agricultural Cooperative Credit Societies (PACCS), Consumer Cooperative Stores, Agricultural Producers Cooperative Marketing Societies, Cooperative Sugar Mills, Weavers Cooperative Societies, Employees Cooperative Thrift and Credit Societies, Cooperative Spinning Mills etc.

These banks raise resources through public deposits, borrowings and refinance from Tamil Nadu State Apex Cooperative Bank and NABARD. These banks have 910 branches which extend banking services directly to the public throughout the State. All the 23 Central Cooperative Banks are functioning in current year profit. All the



banks have obtained banking license from the Reserve Bank of India.

The performance of Central Cooperative Banks is given below

Amount (Rs. in crore)

Year	Members' Share Capital	State Government's Share	Reserves and Surplus	Deposits	Borrowings
2017 -18	1,308.93	68.32	3,480.12	27,693.41	4,885.59
2018 -19	1,434.38	65.20	3,591.96	28,792.35	6,324.87
2019 -20	1,489.00	70.04	3,724.30	30,316.00	8,478.87
2020 -21	1,677.04	62.56	3,980.93	31,922.52	6,401.35
2021-22 (upto 31.03.22)	1,824.70	62.56	4,089.02	35,786.11	11,676.94

Modern Banking Services are being provided on par with the Nationalised and Commercial Banks as follows:

- CORE Banking Solution (CBS) has been implemented.
- Fund Transfer Facilities – Real Time Gross Settlement (RTGS) / National Electronic Fund Transfer (NEFT)

- Mobile Banking Services
- SMS Alert facilities
- ATM facilities at 76 places.

Rupay debit cards are issued to the customers of the Central Cooperative Banks. The Rupay Kisan Credit Cards have also been issued to the loanee farmers of Primary Agricultural Cooperative Credit Societies to enable them to withdraw money whenever they want from any ATM. Micro ATM services are also provided to extend the banking services at the door steps of the customers.

### **2.3 Tamil Nadu State Apex Cooperative Bank (TNSACB)**

The State Cooperative bank is a federation of the Central Cooperative Banks and acts as the custodian of the Cooperative banking structure in the State. The Tamil Nadu State Apex Cooperative Bank was established in the year 1905. The

Tamil Nadu State Apex Cooperative Bank lends money to Central Cooperative Banks as well as to the Primary Cooperatives.

It raises funds through Public deposits, refinance from National Bank for Agriculture and Rural Development (NABARD) and loans from higher financing institutions like National Cooperative Development Corporation (NCDC). It also manages the surplus funds of the affiliated Cooperative Societies and provides expertise in funds management. Further, it renders direct banking services to the public through its 47 branches located in Chennai.

The Agricultural Cooperative Staff Training Institute (ACSTI) run by the Tamil Nadu State Apex Cooperative Bank conducts training programmes for capacity building of the staff of Central Cooperative Banks and Primary Agricultural Cooperative Credit Societies. 4,171 staff members were imparted training during the year 2021-22 upto 28.02.2022 on subjects like

credit appraisal, funds management, business development and Non Performing Assets management.

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

Amount (Rs. in crore)

Year	Members' Share Capital	State Government's Share	Reserves and Surplus	Deposits	Borrowings	Net Profit
2017-18	291.77	20.26	598.01	8,305.54	2,844.19	81.83
2018-19	308.23	20.26	608.11	8,384.60	3,222.90	81.87
2019 - 20	314.52	20.26	622.70	11,081.93	4,199.40	82.15
2020-21	363.56	20.26	960.77	10,679.41	9,567.30	147.78
2021-22 (upto 31.03.22)	530.10	20.26	1,027.09	12,708.28	13,569.33	229.50

To provide banking services on par with Nationalised and Commercial Banks, Tamil Nadu State Apex Cooperative Bank has implemented the following:

- CORE Banking Solution (CBS).
- Fund Transfer Facilities – Real Time Gross Settlement (RTGS), National Electronic Fund Transfer (NEFT) and Immediate Payment Services (IMPS)
- Internet banking services
- Mobile Banking Services
- SMS Alert facilities
- ATM facilities at 19 places in Greater Chennai Corporation
- Micro ATM facilities
- QR code scanner facilities

The Rupay Debit Cards are also being issued to the customers. These can be used in any ATM in India. The Tamil Nadu State Apex Cooperative Bank is also playing vital role in

guiding the Central Cooperative Banks in adopting modern banking practices.

The Tamil Nadu State Apex Cooperative Bank has been maintaining the Primary Cooperative Development Fund (PCDF) and Deposit Guarantee Fund (DGF). The Primary Cooperative Development Fund is created out of the contributions from the Central Cooperative Banks for the purpose of strengthening the Primary Agricultural Cooperative Credit Societies and to improve infrastructure facilities in Primary Agricultural Cooperative Credit Societies. As on 31.03.2022, a sum of Rs.47.12 crore is available in the Primary Cooperative Development Fund.

The Deposit Guarantee Fund is created out of contributions from the Tamil Nadu State Apex Cooperative Bank, Central Cooperative Banks and Primary Agricultural Cooperative Credit Societies. This fund is utilized for refunding the public

deposits mobilized by the Primary Agricultural Cooperative Credit Societies whenever the PACCS are unable to refund the depositors. The Deposit Guarantee Fund helps in restoring confidence of the public in the Cooperative institutions and in enhancing credibility of the Cooperative institutions. As on 31.03.2022, sum of Rs.338.19 crore is available in the Deposit Guarantee Fund.

## **2.4. Services rendered by the Cooperative Credit Societies**

### **(i) Crop Loan**

**“Farmers are the Linchpin of the world  
all others not farming, it does hold” –**

**(Kural 1032)**

PACCS mainly provide loans to farmers without any collateral security upto Rs.1.60 lakh and upto Rs.3.00 lakh on the security of a collateral. Efforts have been made to achieve inclusive growth by extending crop loans to new

farmers including Small Farmers, Marginal Farmers, Scheduled Caste and Scheduled Tribe farmers. For the first time, comprehensive guidelines have been issued at state level after discovering lot of violations in the disbursement of crop loans during the last few years. These guidelines will ensure that only genuine farmers avail the loan. These will also promote uniformity in sanction and disbursement of crop loans and eliminate divergent procedures being followed in various districts.

The Co-operatives in the State extend crop loan to the farmers at 7% interest rate. However, farmers are provided interest free Crop loan. i.e. no interest is charged upon the farmers who repay the Crop loan on or before the due date. To compensate the interest loss to the societies, the Government of Tamil Nadu provides 4% interest incentive in addition to the Government of India's 3% interest incentive to the farmers who repay

the crop loan on or before the due date. The Government of Tamil Nadu provides 2% interest subsidy to the Cooperatives over and above the interest subvention received from the Government of India for the disbursement of crop loans done out of their own funds.

Crop loan disbursement to the farmers have reached a milestone of Rs.10,000 crore during this year. Upto 31.03.2022, loan to the extent of Rs.10,292 crores was disbursed to 14,84,052 farmers. An amount of Rs.834.77 crore was disbursed to 1,45,109 SC/ST farmers. Further, Rs.7871.33 crore crop loan was disbursed to 11,82,198 Small and Marginal Farmers. To extend availability of credit to all farmers and to increase their coverage, 5,67,874 new farmers have been enrolled in the PACCS and out of which, crop loan to the tune of Rs.1730.81 crore was disbursed to 2,80,544 farmers.

## **(ii) Crop loan in Delta districts**

Crop loan to the tune of Rs.1496.90 crores was disbursed to 2,70,398 farmers in delta districts as on 31.03.2022. This is much higher than Rs.1,280.54 crores disbursed last year.

## **(iii) Extending loans to Animal Husbandry and allied activities under KCC Scheme**

KCC loans are also extended to animal husbandry and allied sectors to meet working capital needs of the farmers. This scheme ensures that interest free loans are provided to promptly repaying farmers. Loan to the tune of Rs.218.09 crore has been disbursed to 44,531 farmers upto 31.03.2022 under this scheme. This has greatly helped people who depend on animal husbandry activities to earn their livelihood.

#### **(iv) Loans to Joint Liability Groups (JLGs)**

Joint Liability Groups are formed comprising small and marginal farmers, tenant cultivators, share croppers and oral lessee who hitherto could not access credit from institutional sources. Through this arrangement farmers who do not own lands but cultivate crops have been enabled to get interest free loan.

During the year 2021-22 upto 28.02.2022, Crop loan of Rs.338.41 crore was disbursed to 11,746 Joint Liability Groups.

#### **(v) Investment Credit for Agricultural and allied activities**

With the objective of increasing the farmers income and promoting capital formation and to ensure a sustained growth in agriculture production the Cooperatives are encouraged to continue to extend credit for investment activities in agriculture such as micro irrigation, land

development, farm mechanization, Animal husbandry, Fisheries etc.

During the year 2021-22 upto 28.02.2022, Investment credit of Rs.97.98 crore was disbursed to 13,110 farmers.

#### **(vi) Produce Pledge Loan**

Produce Pledge loan is extended to the farmers on pledging their produce kept in godowns. Pledging of the produce enables the farmers to avail loan as well as helps store their produce during peak harvest season and sell the same at a more opportune time for remunerative prices. Produce Pledge loan acts as a hedge against farmers being paid unremunerative prices during glut in the peak harvest season.

During the year 2021-22 upto 28.02.2022, Produce Pledge loan of Rs.219.09 crore was disbursed to 6,293 beneficiaries.

### **(vii) Financial Assistance to Self Help Groups (SHG)**

The Cooperative Credit Institutions are encouraged to increase their lending to Self Help Groups and fulfill their credit needs. Access to institutional credit to women has helped greatly in reducing gender inequality and promoting women emancipation. Loan to the extent of Rs.580.92 crore was disbursed to 16,955 Self Help Groups during the year 2021-22 upto 28.02.2022.

Keeping in mind their excellent repayment track record, the credit limit for Self Help Group loan has been enhanced from Rs.10 lakhs to Rs.12 lakhs from the year 2021.

### **(viii) Loans to Differently Abled Persons**

As a measure to improve the standard of living of the differently abled persons, the Cooperative institutions are extending credit facilities for undertaking various economic and income generating activities. No interest is being charged from those who repay the loan promptly. Loans were extended to the tune of Rs.29.77 crore to 6,349 differently abled persons during the year 2021-22 upto 28.02.2022.

### **(ix) Micro Credit to Petty Traders**

To prevent the Petty traders from availing loans from the private money lenders at high interest rate and to bring the unbanked under the ambit of formal banking system, the Central Co-operative Banks and Urban Cooperative Banks provide micro credit at lower interest rate to Petty

traders for doing small business like selling of flowers, vegetables, fruits and running petty shops, costermongers etc. 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.

During the year 2021-22 upto 28.02.2022, an amount of Rs.218.10 crore was disbursed to 66,168 Petty Traders.

#### **(x) Loans to Widows and Destitute women at lower interest rate**

A special scheme to meet the credit needs of Widows and Destitute women who are left to the mercy of money lenders was brought in by this Government during 2021-22. During the year 2021-22 upto 11.03.2022, loans to the tune of Rs.4.36 crore has been disbursed to 2,436

Widows and Destitute women. This scheme will go a long way towards promoting women empowerment in the years to come.

#### **(xi) Women Entrepreneur Loan Scheme**

The Central Cooperative Banks and Urban Cooperative Banks are providing loans up to Rs.10 lakhs to women entrepreneurs to start small business activities. To support economic empowerment of women, an amount of Rs.34.32 crore was disbursed to 6,500 women entrepreneurs during the year 2021-22 upto 28.02.2022.

#### **(xii) Working Women Loan Scheme**

Under this scheme, the Central Cooperative Banks and Urban Cooperative Banks are providing consumer loans to working women earning monthly income. An amount of Rs.45.63 crore



was disbursed to 2,061 Working Women during the year 2021-22 upto 28.02.2022.

### **(xiii) Crop Insurance**

Pradhan Mantri Fasal Bima Yojana (PMFBY) is being implemented in the State since the year 2016 to provide financial support to the farmers suffering crop loss / damage arising out of unforeseen events and to stabilise their income. From Kharif-2020 season, the scheme is being implemented as Revamped Pradhan Mantri Fasal Bima Yojana (RPMFBY) with certain modifications.

During the year 2021-22 upto 28.02.2022, 3,25,265 farmers have been enrolled through cooperatives and an amount of Rs.32.21 crore has been collected as farmers' share of premium and remitted to the respective insurance companies. Upto 28.02.2022 a sum of Rs.6,047.63 crore has been disbursed to 28,47,800 farmers, who have insured their crops

from the year 2016-17 onwards through the cooperative institutions as compensation against yield loss.

### **(xiv) Common Service Centers**

Common Service Centers are functioning under Primary Agricultural Cooperative Credit Societies as well as other Cooperatives throughout Tamil Nadu with the main objective of providing government services to the public, especially the rural people. All services are provided in one place in a timely manner, which reduces the time and cost for public, seeking services in various government offices. At present, there are 4,412 Common Service Centers run by the Cooperatives in the State of which 450 are in urban and 3962 in rural areas. 186 services are being offered in Common Service Centers through e-sevai, e-district and Digi seva portals now. These e-services include Revenue

department services such as issue of Income certificate, Community certificate, Birth and Death Certificate, First Graduate Certificate, extract of land records etc. Social welfare department services and Registration Department services such as Encumbrance Certificate and Certified Copy, etc., are also being provided.

During the year 2021-2022 Upto 28.02.2022, 41,15,454 services have been offered by the Common Service Centers to the public and an income of Rs.14.49 crore generated.

### **3. Long Term Cooperative Credit Structure**

Long Term Cooperative Credit Structure comprises Tamil Nadu Cooperative State Agriculture and Rural Development Bank at the State level and 180 Primary Cooperative Agriculture and Rural Development Banks at Taluk / Block level.

### **3.1 Tamil Nadu Cooperative State Agriculture and Rural Development Bank**

As on 31.03.2022, the share capital of the Bank stood at Rs.51.55 crore and deposits have been mobilized to the tune of Rs.203.12 crore. During the year 2021-22 upto 31.03.2022, the bank has disbursed jewel loans to the tune of Rs.291.88 crore.

### **3.2 Primary Cooperative Agriculture and Rural Development Banks**

There are 180 Primary Cooperative Agriculture and Rural Development Banks functioning in the State. These banks are at present issuing jewel loans out of their own funds and by getting refinance from the Tamil Nadu Cooperative State Agriculture and Rural Development Bank. During the year 2021-22 upto

28.02.2022, jewel loans to the tune of Rs.609.64 crore has been disbursed.

#### **4. Urban Cooperative Credit Structure**

Urban Cooperative Credit Structure comprises the Tamil Nadu Cooperative Urban Bank Federation at State level and 128 Urban Cooperative Banks and 116 Urban Cooperative Credit Societies in the Urban and Semi urban areas.

##### **4.1 Tamil Nadu Cooperative Urban Banks Federation**

The Tamil Nadu Cooperative Urban Banks Federation has been functioning with the main objective of promoting the development of urban cooperative credit movement in the State and assisting the Urban Cooperative banks to fulfill the credit needs of the urban population. The Federation also assists the Urban Cooperative

Banks in matters relating to management, training to the staff members, and adoption of modern banking technologies by the banks. The Federation acts as guiding body for all urban cooperative banks in Tamil Nadu in matters of compliance with the Reserve Bank of India (RBI) guidelines. It also coordinates the implementation of CORE banking solutions in Urban Cooperative Banks.

The Federation maintains Urban Banks Development Fund constituted out of contributions from Urban Cooperative Banks. The Federation assists weak Urban Cooperative Banks to meet their Capital Adequacy Norms from this fund.

##### **4.2. Urban Cooperative Banks**

Urban Cooperative Banks are providing banking and credit facilities to the people residing in urban and semi urban areas. At present 128

Urban Cooperative Banks are 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 household needs of the members.

To provide modern banking services to the customers, CORE Banking solution has been implemented in Urban Cooperative Banks.

The deposit position in the Urban Cooperative banks as on 28.02.2022 is Rs.8,492.32 crore. These banks have disbursed loans to the tune of Rs.4,569.83 crore to 4,90,016 members during the year 2021-22 upto 28.02.2022. This includes loan to the tune of Rs.36.33 crore to 14,489 Petty traders in the urban areas. This has prevented many small

vendors from falling prey to money lenders, who charge exorbitant interest rates.

### **4.3 Urban Cooperative Credit Societies**

In Tamil Nadu, due to rapid urbanization, PACCS functioning in urban areas are facing dwindling share of income from agriculture related loans. Some of such societies have been converted into Urban Cooperative Credit Societies to continue to provide credit facilities to the members residing in the area of operation. There are 116 Urban Cooperative Credit Societies functioning in urban and semi urban areas. These societies mobilize deposits from the public and extend loans to small traders, artisans and persons belonging to middle income group for housing, business and other non farm sector activities.

The deposit position in the Urban Cooperative Credit Societies as on 28.02.2022 is

Rs.1,578.93 Crore. These banks have issued loans to the tune of Rs.1,010.21 crore to 1,31,315 members during the year 2021-22 upto 28.02.2022. Out of this, loans to the tune of Rs.3.55 crore have been given to Petty traders in the urban areas.

## **5. Employees Cooperative Thrift and Credit Societies**

The Employees Cooperative Thrift and Credit Societies play a major role to fulfill the credit needs of the employees of the State and Central Government, Government and private undertakings in a timely manner. There are 1,711 Employees Cooperative Thrift and Credit Societies functioning in Tamil Nadu. These societies lend at reasonable rate of interest to their members. The members share capital of these societies is Rs.1,886.85 crore and working capital is Rs.17,835.88 crore as on 28.02.2022. During

the year 2021-22, these societies have issued loans to the tune of Rs.7,487.30 crore to 3,31,349 members upto 28.02.2022.

## **6. Major Loan Waiver Schemes**

### **6.1 Crop Loan waiver 2021**

The Government of Tamil Nadu have waived the Crop loans of farmers which was outstanding as on 31.01.2021 in Cooperative institutions to the tune of Rs.12,110.74 crore.

In order to implement the Crop Loan Waiver 2021, the Government have released this year, an amount of Rs.4250.20 crore payable to the National Bank for Agriculture and Rural Development (NABARD) and Rs.553.75 crore towards interest on the outstanding waiver amount payable to the Cooperatives.

## **6.2 Jewel Loan waiver 2021**

The Hon'ble Chief Minister of Tamil Nadu has announced waiver of general Jewel loan up to 5 sovereigns on the floor of Legislative Assembly on 13.09.2021. To this effect, the Government Order was issued for waiver of general jewel loans upto 5 sovereigns (Total weight upto 40 grams) per family availed from the Cooperative institutions and outstanding as on 31.03.2021. Excluding certain ineligible categories and excluding partially / fully repaid outstanding loan amount till the date of issuance of Government Order i.e 01.11.2021 an amount to the tune of Rs.6000 crore (approximately) was waived. The Government have released Rs.1,215.58 crore towards waiver of general jewel loan during the year 2021-2022.

## **6.3 Self Help Group (SHG) Loan waiver 2021**

The Hon'ble Minister for Finance has announced the waiver of loans to Self Help Groups to the tune of Rs.2674.64 crore which were outstanding as on 31.03.2021 in cooperative institutions. This waiver scheme will benefit 1,17,617 women Self Help Groups who are unable to pay back their loans due to normal life being hit by Covid-19 Pandemic. Government have also released Rs.600 crore to Cooperatives during 2021-2022 as against the total waived amount towards first instalment.

As aforesaid, the Government have waived loans to the tune of Rs.20,785.38 crore which includes Crop loan waiver amounting to Rs.12,110.74 crore, Jewel loan waiver amounting to Rs.6,000 crore (approximately) and Self Help Group loan waiver amounting to Rs.2,674.64 crore (approximately). Despite these

three waiver schemes, the Cooperative institutions have managed to extend various kinds of loans / credits to the members through deposit and funds mobilization.

## **CHAPTER – II**

### **COOPERATIVE MARKETING SOCIETIES**

The Cooperative Marketing Societies function with the objective of facilitating the marketing of agricultural produce of its members at remunerative prices, distribution of farm inputs to them, provision of produce pledge loan for agricultural produce and undertaking processing and value addition of agricultural produce. These societies ensure that farmer's do not have to go for distress selling. Besides they also meet the credit needs of their members.

#### **2. Tamil Nadu Cooperative Marketing Federation (TANFED)**

The Tamil Nadu Cooperative Marketing Federation Ltd., (TANFED) commenced its business on 20.02.1959. Its area of operation is whole of Tamil Nadu. At present it is functioning

with 18 Regional offices. The main activities of TANFED are distribution of fertilizers and other inputs through Agricultural Producers Cooperative Marketing Society and PACCS.

A fertilizer mixing unit in Pamani near Mannargudi, Thiruvarur District was established in the year 1970 for production of granulated NPK fertilizer mixtures and marketed in the name "PAMANI". The Average production capacity is 150 tons/day. TANFED owns fertilizer mixture units at Madurai, Vellore, Trichy and Dindigul. Besides it also has 45 godowns with a total capacity of 36,140 MTs and 2 cold storage facilities in Chennai with a capacity of 3,460 MTs.

Tamil Nadu Cooperative Marketing Federation acts as an agent of National Agricultural Cooperative Marketing Federation (NAFED) for undertaking Price Support Scheme in Tamil Nadu. This Federation also operates 8 Petrol

and Diesel sales outlets in association with Indian Oil Corporation.

Steps are being taken to increase the share of Cooperatives in the sale of fertilizers from its present level of about 20%. TANFED has planned to venture into the production of Bio fertilizers, Bio pesticides, Micro nutrient mixtures, Neem oil cake and Neem powder. Further, Tamil Nadu Cooperative Marketing Federation has procured vermi-compost from Cooperative Sugar Mills and city compost from Greater Chennai Corporation for distribution to the farmers.

The Government have sanctioned a sum of Rs.130.00 crore as interest free ways and Means advance to TANFED for the year 2021-22 for purchasing and pre positioning of chemical fertilizers. The turnover for the year 2020-21 was Rs.809.23 crore. During 2021-22 upto



31.03.2022, the business turnover of Federation is to the tune of Rs.967.10 crore.

TANFED has also entered into joint venture with select APCMS for marketing of certain agricultural produce. Green gram from Udumalaipet and Dharapuram CMS, Horse gram from Udumalaipet and Sathyamangalam CMS, Red gram from Bhavani CMS, Black gram from Palani CMS, Karuppu Kavuni from Thirumayam CMS, paddy from Polur and Gingee CMS have been procured. So far Rs.56.43 lakhs worth of agricultural produce have been procured.

### **3. Thanjavur Cooperative Marketing Federation (TCMF)**

Thanjavur Cooperative Marketing Federation is the regional federation for the Agricultural Producers Cooperative Marketing Societies in the delta districts of Thanjavur, Tiruvarur, Mayiladuthurai and Nagapattinam. In addition to

distributing fertilizers and agricultural implements, the federation also issues jewel loan to its members. This Federation owns 11 Godowns with a total capacity of 6,600 MTs. The total business turnover of the Federation during 2020-21 was Rs.93.23 crore. During 2021-22 upto 28.02.22, the business turnover is Rs.104.90 crore.

### **4. Nilgiris Cooperative Marketing Society (NCMS)**

The Nilgiris Cooperative Marketing Society was started in year 1935, and its area of operation is Nilgiris district and areas under the Mettupalayam Municipality of Coimbatore district. The main objective of this society is marketing of Agricultural Produce of the farmers and tribals at competitive price along with distribution of agricultural inputs.

Nilgiris Co-operative Marketing Society is carrying out sales through 17 retail sales units with its Head Office at Udhagamandalam.

The Agricultural produce grown by the farmers such as Potatoes, hill vegetables and garlic are marketed through the marketing yards at Mettupalayam through daily auction. At Udhagamandalam Municipal Market, a Vegetable auction centre is functioning in order to help the small and marginal farmers. The Society has also been appointed as one of the distributors of Indian Oil Corporation Limited for distributing liquefied petroleum gas.

The Society has 2 marriage halls in Udhagamandalam and Kotagiri and owns 16 godowns with a total storage capacity of 14,575 MTs for storing of agricultural inputs and agricultural produce.

Nilgiris Cooperative Marketing Society also has a Fertilizer Mixture Manufacturing unit at Mettupalayam. It produces chemical fertilizers which are suitable for the crops grown in the Nilgiris. This society has been contributing to the overall well being of the tribal people in the Nilgiris.

The total business turnover of Nilgiris Cooperative Marketing Society during 2020-21 is Rs.98.62 crore and for the year 2021-22 upto 28.02.2022 it is Rs.78.91 crore.

## **5. Agricultural Producers Cooperative Marketing Societies (APCMS)**

The primary objective of Agricultural Producers Cooperative Marketing Societies is the marketing of agricultural produce and selling of fertilizers and other agricultural inputs to the farmers. These Societies provide infrastructural facilities like Auction Yards, Drying Yards and

Godowns to their farmer members to sell their produce at a remunerative price.

Agricultural Producers Cooperative Marketing Societies also run fair price shops for distribution of essential commodities under Public Distribution System. Most of the Marketing Societies act as lead Societies for movement of essential commodities from Tamil Nadu Civil Supplies Corporation godowns to the Fair Price Shops.

At present 112 Agricultural Producers Cooperative Marketing Societies are functioning in Tamil Nadu. During 2020-21 the business turnover of Agricultural Cooperative Producers Marketing Societies was Rs.2129.59 crore. The turnover for the year 2021-22 upto 28.02.2022 is Rs. 2089.69 crore.

## **5.1 Activities of Agricultural Producers Cooperative Marketing Societies (APCMS)**

### **(i) Sale of Agricultural Produce**

Infrastructural facilities such as auction and drying yards, warehousing and issue of produce pledge loan are provided by APCMS in order to facilitate the farmer members to sell their produce at a remunerative price in a transparent manner. The Agricultural Producers Cooperative Marketing Societies also engage in value addition and sale of agricultural produce.

During 2020-21, Rs.773.31 crore worth of agricultural produce was marketed. During the year 2021-22 (upto 28.02.2022) APCMS have marketed Rs. 826.91 crore worth of agricultural produce.

## **(ii) Linking of Credit with Marketing**

The borrowers of Primary Agricultural Cooperative Credit Societies are enrolled as members in Agricultural Producers Cooperative Marketing Societies and they are assisted in the sales of agricultural produce brought to the cooperative marketing society. This helps in recovering the dues of Primary Agricultural Cooperative Credit Societies and also assists the farmers in selling their produce at a remunerative price.

During 2020-21 Co-operative Marketing Societies have recovered loan amount of Rs.4.03 crore and for the year 2021-22 upto 28.02.2022 a loan amount of Rs.3.24 crore has been recovered.

## **(iii) Linking of Marketing with Consumer Cooperatives**

In order to enable the Cooperative Marketing Societies to procure the agricultural

produce from the farmers, process, and sell them to the Cooperative Wholesale Stores, there is a tie-up arrangement between the Cooperative Marketing Societies and Cooperative Wholesale Stores. By this arrangement Cooperative Wholesale Stores are able to supply quality products at a reasonable price and the farmers also get a good price.

During the year 2020-21, Cooperative Marketing Societies along with the Consumer Cooperatives have marketed Rs.90.08 crore worth of value added agricultural produce. During year 2021-22 upto 28.02.2022, Rs.73.61 crore worth of value added agricultural produce have been marketed.

## **(iv) Issue of Produce Pledge Loan**

Agricultural Producers Cooperative Marketing Societies issue produce pledge loan to the farmers to prevent distress sales of

agricultural produce during the harvest season, meet their urgent financial needs and store their produce and sell them at remunerative price during favourable market conditions. For the year 2021-22 (upto 28.02.2022) Marketing Societies have issued produce pledge loan to the tune of Rs.67.03 crore.

#### **(v) Sale of quality seeds**

In order to ensure distribution of quality seeds to the farmers, Agricultural Producers Cooperative Marketing Societies procure high quality seeds of Paddy, Pulses, Oil Seeds, Minor Millets and Vegetables and sell them to the farmers. During 2020-21, Cooperative Societies have sold quality seeds to the tune of Rs.5.02 crore. For the year 2021-22 upto 28.02.2022, Marketing Societies have sold quality seeds to the tune of Rs.4.28 crore.

#### **(vi) Distribution of Fertilizers**

With a view to increase agricultural production, Cooperative Societies distribute fertilizers to the farmers. Fertilizers are sold to the farmers as the kind component of crop loan or by way of cash sales. Tamil Nadu Cooperative Marketing Federation, Thanjavur Cooperative Marketing Federation and Nilgiris Cooperative Marketing Society are functioning as wholesalers of fertilizers for cooperatives. 20% of the total market share of fertilizers is being met by the Cooperatives. Steps are being taken to increase the market share further. During 2021-22 inspite of urea crisis all over the world 1,20,634 MTs of urea was supplied to the farmers during Rabi and Khariff seasons.

In order to promote organic and natural farming, Cooperatives have also ventured into production of bio fertilizers and neem cake.

TANFED has planned to procure 800 MTs of vermi-compost from Cooperative Sugar Mills and has tied up with Greater Chennai Corporation in the disbursement of 250 MTs of city compost for selling at a reasonable price (Rs.6/- per Kg) to the farmers all over Tamil Nadu.

During 2020-21, 4,86,830 MTs of fertilizers worth Rs.709.20 crore were distributed. During the year 2021-22 upto 28.02.2022, 4,85,908 MTs of fertilizer worth Rs.864.04 crore was distributed through these Cooperative Societies.

#### **(vii) Processing and Value addition to Agricultural Produce**

Many Agricultural Producers Cooperative Marketing Societies are having processing units like cotton ginning units, pulses processing units, chilly grinding units, oil (groundnut, gingelly and coconut) crushing units, rice mills, minor millets, masala items, turmeric, kumkum, pepper

processing units, coffee roasting units, cold pressed oil etc., to add value to these products so that the agricultural producers get a better price. Rice, Pulses, Turmeric Powder, varieties of Masala and edible oil items are manufactured and marketed by some Cooperative Marketing Societies under various brand names.

Thiruchengode Agricultural Producers Cooperative Marketing Society markets edible oil, rice, pulses and Masala products in the brand name of "Arthanareeshwara". Salem Agricultural Producers Cooperative Marketing Society sells in the brand name of "Amirtham", Perunthurai Agricultural Producers Cooperative Marketing Society in the brand name of "Pasumai" and Saidapet Cooperative Marketing Societies in the brand name of "Marutham".

Erode Agricultural Producers Cooperative Marketing Society markets turmeric, masala

products etc., in the brand name of “Mangalam”. This society is also doing online sales of turmeric, masala items and edible oils through its e-commerce website [www.mangalammasala.com](http://www.mangalammasala.com) and through its mobile app. Mangalammasala.com which is the first comprehensive online shopping website for value added products of Cooperatives. The society has entered into an agreement with IFFCO Kishan Sanchar limited for masala items sales throughout the country.

During the year 2020-21, the business turnover of these products was to the tune of Rs.17.09 crore. During 2021-22 upto 28.02.2022, the business turnover of these products is to the tune of Rs.34.06 crore.

#### **(viii) Extending godown facility in rural areas**

To safeguard the farmers from distress sale and storage loss of farm produce during peak harvest season, 3879 godowns with a capacity of

5,10,600 MTs have been constructed by the Primary Agricultural Cooperative Credit Societies and Agricultural Producers Cooperative Marketing Societies. It has undertaken construction of another 165 Godowns under Warehouse Infrastructure Fund Scheme out of which 156 have been completed.

During the year 2020-21, 7575 farmers have availed produce pledge loan of Rs.239.39 crore by pledging their agricultural produce. Further 6512 farmers utilized godowns on rent for storage of their agricultural produce worth Rs.216.31 crore. Tamil Nadu Civil Supplies Corporation is also utilizing these godowns for storing paddy. During the year 2021-22 upto 28.02.2022, 5010 farmers have availed produce pledge loan of Rs.147.26 crore and 6776 farmers utilized godowns on rent for storage worth Rs.130.89 crore.

To avail produce pledge loan at lesser rate of interest of 7% by the small and marginal

farmers, the godowns of societies which are having positive net worth are registered with the Warehouse Development Regulatory Authority (WDRA). Out of 1327 godowns identified as positive net worth godowns, 1027 godowns have been registered with WDRA.

**(ix) Direct Purchase Centres (DPC)**

Cooperative Societies have opened Direct Purchase Centres for procurement of paddy in non-delta districts to ensure procurement of paddy at the Minimum Support Price (MSP) to the farmers. In Kuruvai Season, 31 DPCs have been opened in 3 districts. 21124.830 MTs of paddy was procured for a total value of Rs.4084.35 lakh.

In Samba Season so far 31 DPCs have been opened in Madurai District. As on 24.03.2022, 28053.820 MTs of paddy has been procured for a total value of Rs.5804.81 lakh.

**CHAPTER – III**

**CONSUMER COOPERATIVES**

Consumer Cooperatives have a dual objective of providing quality consumer products at a reasonable rate while deterring the abnormal price rise of the commodities in the open market. They stabilize the price of the commodities thereby benefiting the public.

Consumer Cooperatives function in a three-tier structure. Tamil Nadu Consumers Cooperative Federation is at the Apex level, 39 District Consumer Cooperative Wholesale Stores function at secondary level, and 363 Cooperative Stores at the tertiary level.



## **2. Functional Status:-**

### **2.1 Tamil Nadu Consumers' Cooperative Federation (TNCCF)**

Tamil Nadu Consumers' Cooperative Federation (TNCCF) at the Apex level assists in purchase and supply of Fast Moving Consumer Goods (FMCG) to its member consumer cooperatives. The Federation also centrally procures several products, including TNPL paper and stationery materials in bulk and distribute them to Cooperative Wholesale Stores and Primary Cooperative Stores for their business. Tamil Nadu Consumers' Cooperative Federation runs two Petrol-Diesel Retail Outlets. In the year 2020-21, the Federation has achieved a total business turnover of Rs.4437.43 lakh. During the year 2021-22, the Federation has achieved a total business turnover of Rs.5709.10 lakh upto 31.03.2022.

### **2.2 District Consumer Cooperative Wholesale Stores**

Consumer Cooperative Wholesale Stores procure groceries, pulses, cereals and spices in bulk at a competitive price directly from the producing centers, manufacturers, Cooperative marketing societies, through Joint Purchase Committees and sell the same at a reasonable price to the consumers compared to the open market price.

In all 17 Super Markets, 48 Mini Super Markets, 61 Retail Stores, 55 Self Service Units, 129 Cooperative Medical Shops, 37 Farm Fresh Consumer Outlets, 27 Petrol and Diesel Retail Outlets, 31 LPG supply units and 82 Kerosene Bunks are being operated by the 39 District Consumer Cooperative Wholesale Stores.

In addition, the Consumer Cooperative Wholesale Stores also run 3377 Fair Price Shops thereby forming an indispensable part in the Public Distribution System. The Consumer Cooperative Wholesale Stores act as Lead Societies as well as Self Lifting Societies for the movement of essential Commodities from Tamil Nadu Civil Supplies Corporation godown to fair price shops.

### 2.3 Primary Cooperative Stores

The Primary cooperative stores functioning at the tertiary level run Fair Price Shops, Consumer Retail Outlets, like SSDs, mini SSDs, Petrol and Diesel bunks. They also run units like Flour Mill, Masala Grinding Unit and Sikakkai Grinding Units as part of their diversified business activity.

In Tamil Nadu, 363 Primary Cooperative Stores run 55 Cooperative Medical Shops, 18 Farm Fresh Consumer Outlets and 4 Petrol and Diesel Retail Outlets.

### 3. Sales Performance of Consumer Cooperatives

(Rs in Lakh)

S. No	Institution Type	Controlled commodities		Non-Controlled commodities		Total	
		2020-21	2021-22 (Feb-22)	2020-21	2021-22 (Feb-22)	2020-21	2021-22 (Feb-22)
1	Cooperative Wholesale Stores	611.88	783.71	1,014.40	955.99	1,626.28	1,739.70
2	Primary Cooperative Stores	109.97	145.28	277.96	263.21	387.93	408.49

### 4. New Cooperative Medical Shops

To expand the benefits of Cooperative Medical shops throughout the state, it was announced by the Hon'ble Minister for Cooperation that "300 new medical shops will be made operational at the rate of 60 per year in the

next 5 years". For the first time, these shops were designed to have a uniform colour, unique logo and name board design, which make them stand out among all other private pharmacies. Subsequently, 70 new Model Cooperative Medical Shops were inaugurated by Hon'ble Chief Minister of Tamil Nadu on 16.12.2021.

Medicines for the value of Rs.235.21 lakh has been sold through these 70 Cooperative medical shops till 31.03.2022. These 70 new Medical Shops along with the existing 305 Medical Shops put together are functioning effectively at present with the main aim of supplying quality medicines at an affordable price to the public with a discount as high as 20%. During the year 2021-22 Upto 31.03.2022, medicines to the tune of Rs.163.30 crore have been sold through these 375 medical shops.

#### **4.1 Centralized Procurement of Medicines (CPM)**

Earlier medicines were being purchased by the institutions from local dealers of the pharmaceutical companies as a standalone activity. As a result the quantum of indent given by the institutions was fragmented, and the Cooperative institutions had less bargaining power in getting better margin.

To overcome the same centralized procurement of medicines has been started wherein indents from the pharmacies are consolidated and orders placed directly to the pharmaceutical companies cutting down the intermediaries thus enabling additional margin to the cooperative institutions.

This system has been launched on pilot basis in 4 districts namely viz., Chennai, Kanchipuram, Chengalpet, Tiruvallur. It will be

implemented throughout the State in a Phased manner. Tamil Nadu Consumer Cooperative Federation functions as the Central Agency to Procure medicines centrally. They receive indent from all the cooperative medical shops and consolidate and place indent to the pharmaceutical manufacturing companies centrally. A software has been developed which auto-generates indent every month based on the sales of the last 3 months. This software also assists the Tamil Nadu Consumer Cooperative Federation in checking the expiry date of drugs. Thus the fast moving drugs can be procured and purchase of slow / non-moving drugs could be minimized, thereby cutting down on wasteful expenditure.

By implementation of centralized procurement of medicine, availability of branded drugs and branded generic medicines are ensured in all the 375 Cooperative Medical Shops.

## **5. Market Intervention Activities**

Consumer Cooperatives make intervention to control prices of essential items wherever required. When tomato price sky rocketed during the monsoon season in November 2021, Consumer Cooperatives took the market intervention activity and sold 150 MTs of tomato and 1100 MTs of vegetables for a value of Rs.4.00 crore to consumers through Farm Fresh Consumer Outlets (including mobile FFCOS). This helped in checking the price of tomato in open market, bringing it down from Rs.120-150 per Kg to Rs.40-50 per Kg in a short span.

**CHAPTER – IV**  
**SPECIAL PURPOSE COOPERATIVE**  
**INSTITUTIONS**

A few special purpose cooperative institutions like Large Sized Multipurpose Cooperative Societies (LAMPS) and Labour Contract Societies have been formed for special purposes. These Cooperative Societies give special services to specific groups of people.

**(i) Large Sized Multipurpose Cooperative Societies (LAMPS)**

To uplift the standard of living of tribals, 25 Large Sized Multipurpose Cooperative Societies are functioning in Tamil Nadu. 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 are the main objectives of these societies.

Every year Government provides Rs.90.00 lakh as Share Capital Assistance and subsidy for Medium Term Loan and Self Help Group Loan to the Large Sized Multipurpose Cooperative Societies, under Tribal Sub Plan Scheme.

Large Sized Multipurpose Cooperative Societies supply agricultural inputs, issue short term crop loans for cultivation, medium term loans for agricultural allied activities and also help in marketing of agricultural produce of its tribal members. During the year 2021-22 upto 31.03.2022, total business turnover of LAMPS was Rs.168.87 crore.

The Government has launched a new scheme called "Mechanism for marketing of Minor forest produce (MFP) through Minimum support

price (MSP) and development of value chain for MFP" in order to ensure fair returns to the forest dwellers for the produce collected by them from the forests. Funds amounting to Rs.305.30 lakh were sanctioned and disbursed to 20 Large Sized Multipurpose Cooperative Societies for procurement of Minor Forest Produce at minimum support price.

### **(ii) Labour Contract Cooperative Societies**

At present, in Tamil Nadu 56 Labour Contract Cooperative Societies are functioning with a total membership of 19,960. These societies ensure employment opportunities to their members through contract work.

### **(iii) Tudiyalur Cooperative Agricultural Services Ltd. (TUCAS)**

Tudiyalur Cooperative Agricultural Services Ltd., is a special type of Primary Agricultural Cooperative Society functioning at Tudiyalur in

Coimbatore District since 1955. It is supplying agricultural input to the farmers and is also involved in production and marketing of fertilizers, pesticides, seeds and agricultural implements. It issues crop loan, mortgage loan and jewel loan to its members. The fertilizer mixture manufactured by Tudiyalur Cooperative Agricultural Services Ltd., is marketed throughout Tamil Nadu under the brand name "Ashoka".

TUCAS provides crop loan, mortgage loan, jewel loan, personal loan, entrepreneur loan, petty traders loan for women and Adi Dravida Welfare loan to its members. TUCAS also undertakes supply of agricultural implements such as foliar spray, hand spray, battery operated spray, harrows, spade, pickaxe, plough etc., and water soluble pesticides and weedicides to the farmers along with production and distribution of certified paddy seeds. During the year 2020-21, seeds worth Rs.78.54 lakh, pesticides worth

Rs.181.60 lakh and agricultural implements worth Rs.25.23 lakh were sold. In the year 2021-22 upto 28.02.2022, seeds worth Rs.110.55 lakh, pesticides worth Rs.156.89 lakh and agricultural implements worth Rs.47.15 lakh have been sold to the farmers.

#### **(iv) Co-operative Printing Press**

To cater the Printing needs of cooperative institutions, at present 26 Cooperative Printing Presses are functioning in the districts with 11797 members with a paid-up share capital of Rs.2.70 crore. These Printing Presses take care of the printing requirements of nearby districts which do not have their own Cooperative Printing Press. They also take printing orders from Government, Quasi Government Organizations, Local Bodies and Private Agencies. These presses have achieved a business turnover of Rs.57.12 crore during the year 2020-21. During

the year 2021-22 upto 28.02.2022, the business turnover of Cooperative Printing Presses is to the tune of Rs.46.62 crore.

As most of the Cooperatives are computerized, steps are being taken to upgrade the facility for producing computer stationery and printed forms also in these presses.

**CHAPTER – V**  
**COOPERATIVES IN PUBLIC**  
**DISTRIBUTION SYSTEM**

Tamil Nadu is the only state in India implementing Universal Public Distribution System. Cooperative Societies play a vital role in running the Public Distribution System efficiently as 95.4% of the total Fair Price Shops in the state are run by them. 23,814 Full Time Shops and 9,360 Part-Time Shops are run by Cooperative Societies as on 28.02.2022.

Essential commodities from Tamil Nadu Civil Supplies Corporation godowns are lifted by 98 lead societies and 336 self lifting societies to supply to the Fair Price Shops attached to them.

**2. Cooperative Fair Price Shops**

**2.1** There are 33,174 Fair Price Shops serving 1,99,72,797 family card holders in the

State. PDS commodities, special PDS Commodities and non controlled commodities like Ooty Tea, Arasu Salt, etc., are sold in Fair Price Shops. In order to give a fillip to the palm growers of the State, good quality Palm Jaggery is also being sold from October 2021 through Fair Price Shops as per the announcement made in the Agriculture Budget 2021-2022. Special PDS commodities like Tur dal and Palmolein are also sold in the Fair Price Shops at subsidized rates offered by Government.

**2.2** There are 248 kerosene bunks run by the Cooperative Societies exclusively for distribution of kerosene to card holders.

**3. Mobile Fair Price Shops**

Mobile Fair Price Shops are functioning in hilly and remote areas. At present a total of 50 Mobile Fair Price Shops are functioning in tribal and remote areas throughout the State. This is to



ensure that the card holders get the essential commodities delivered to their hamlets by the sales person who negotiate difficult terrain and even carry loads on mules and ponies in many cases. Besides, a number of Mobile Fair Price Shops are also functioning in urban and rural areas to serve card holders whose habitations are far away from the PDS shops or are divided by natural barriers.

#### **4. Monitoring the Functioning of Fair Price shops**

End-to-End Computerisation of Public Distribution System has been introduced to facilitate the monitoring of PDS on real time basis. Each Fair Price shop has a Point of Sale (POS) device which captures every transaction in the supply chain from stock despatch from godowns till distribution to cardholders and the transactions are monitored through a web-based portal on real time basis. Nearly 97% of transactions are carried

out through biometric mode, thus curtailing bogus billing and pilferages.

### **5. Sale of other commodities**

#### **5.1 Sale of Ooty Tea**

The small tea growers in 'The Nilgiris' district are affected by fluctuations in tea prices. Their tea is purchased by INDCOSERVE (The Tamil Nadu Small Tea Growers' Industrial Cooperative Tea Factories' Federation Ltd.,) and is sold through Fair Price Shops, under the brand name of Ooty Tea to the general public. This helps in stabilizing prices and ensuring steady income to the small Tea growers to a larger extent. 1,842 MTs of Ooty Tea has been sold during 2021-22.

#### **5.2 Sale of Arasu Salt**

Iodised salt is procured from Tamil Nadu Salt Corporation and sold through the Fair Price

Shops run by the Cooperative Societies. 4,89,726 MTs of Salt has been sold from 2000-01 to 2021-2022 (28.02.2022) through Fair Price Shops. This helps in preventing iodine deficiency disorders amongst the common people.

### **5.3 Sale of Palm Jaggery**

Consequent on the budget announcement made during the Agriculture Budget 2021-22, Government have ordered for the sale of Palm Jaggery procured by Khadi and Village Industries Board through select Fair Price Shops. Palm Jaggery worth Rs.35.05 lakh has been sold from October 2021 to February 2022 through fair price shops run by the Cooperative Societies.

### **6. Sale of empty gunnies through e-auction in MSTC**

The details of the empty Jute gunnies are uploaded in the MSTC (Metal Scrap Trade

Corporation Ltd.,) portal and are sold through e-auction platform of MSTC. This ensures transparency as well as helps obtain better price for the gunnies. Till 28.02.2022 a total of 27,73,98,551 empty gunnies have been sold through the e-auction platform of MSTC

### **7. Opening of new Fair Price Shops**

A total of 121 fair price shops have been opened, including 14 full time fair price shops and 107 part-time fair price shops from May 2021 to February 2022 to meet the genuine need of the People.

### **8. Construction of new buildings for Fair Price Shops**

From May 2021 to February 2022, 36 own buildings have been constructed for 19 full time fair price shops and 17 part-time fair price shops.

For the construction of new Fair Price Shops, the Government have approved two type designs which reflect the dravidan architectural features.

- 1) Buildings with an area of 440 sq.ft for those shops with less than 500 cards at an estimate of Rs. 7.00 lakh and
- 2) Buildings with an area of 550 sq.ft for those shops with more than 500 cards at an estimate of Rs. 10.00 lakh.

Totally 6970 shops do not have their own buildings. In a phased manner it is planned to construct their own buildings. So far from May 2021 to March 2022, building construction for 120 shops has been taken up under various schemes.

## **9. Capacity building training to Fair Price Shop Sales person**

Consequent on the Budget Announcement 2021-2022, a one day training programme was conducted for 20,364 sales person of the fair price shops to develop a positive work culture, and delivery of better services to the card holders.

## **10. Government Subsidy to the Cooperatives for Public Distribution System**

Cooperative Societies are running fair price shops without any profit motive. PDS Commodities are supplied to family cardholders either free of cost or at a highly subsidized rate fixed by the government. In order to compensate the loss incurred if any in running the fair price shops, the government sanction subsidy. A sum of Rs.600.81 crore has been sanctioned towards Subsidy during the year 2021-22.

**CHAPTER – VI**  
**COOPERATIVE EDUCATION,  
RESEARCH AND TRAINING**

The Tamil Nadu Cooperative Union at the State level and 37 District Cooperative Unions at the district level mainly engage in capacity building of the staff and members of Cooperative Societies by imparting cooperative education and training. They also carry out the tasks of Publicity and Propaganda by organising Member Education Programmes, Exhibitions, Seminars, Conduct Speech Competition, Essay Writing Competition for the school and college students. Tamil Nadu Cooperative Union collects 3% of the net profit from Co-operative Societies towards Cooperative Research and Development Fund and 2% as Cooperative Education Fund. These funds are utilized for research on Cooperatives, education, training and propagation of information about the Cooperatives to the public.

**2. Institutes of Cooperative Management**

At present there are 22 Institutes of Cooperative Management in the State, which function as units of the Tamil Nadu Cooperative Union. These institutes offer Diploma in Cooperative Management Course in regular mode to the students and under distance education mode to the employees of the Cooperative Institutions. These institutes also conduct short duration courses for the benefit of Cooperative Department Officials and employees of Cooperative Societies. During the year 2021-22 in these 22 institutes, 9615 candidates were enrolled in Diploma in Cooperative Management course on regular basis.

**3. Technical Education**

The Tamil Nadu Cooperative Union runs 2 Cooperative Industrial Training Institutes, one

each at Burgur in Dharmapuri District and Pattukottai in Thanjavur District. Computer Operation Programming Assistant (COPA), Tailoring, Jewel Appraisal course, Electrician and Craftman Food Production (General) courses are offered in these Cooperative Industrial Training Institutes. During 2021-22, in the above two Industrial Training Institutes, a total of 227 candidates were enrolled.

Tamil Nadu Cooperative Union also runs one Cooperative Polytechnic College at Lalgudi in Trichy District. Diploma in Mechanical Engineering, Diploma in Computer Engineering and Diploma in Electrical and Electronics Engineering courses are offered in this College. During 2021-22, in these Diploma Courses 173 candidates were admitted.

#### **4. Higher Diploma Course and Short Duration courses in Cooperative Management**

National Council for Cooperative Training, New Delhi runs two institutes of Cooperative Management (ICM), one at Chennai and another one at Madurai. The Tamil Nadu Cooperative Union gives financial support to these Institutes. Higher Diploma Course in Cooperative Management and Master of Business Administration courses (MBA) are conducted in these institutions. These institutes conduct short duration courses for the Departmental and Cooperative institutions staff.

During the year 2021-22, Natesan Institute of Cooperative Management, Chennai conducted 40 short duration programmes and 1202 employees have undergone the training. Institute of Cooperative Management, Madurai also conducted 32 short duration programmes covering 1115 employees.

## **5. Cooperative Research in Universities**

In order to motivate students to take up research in Cooperation, the Tamil Nadu Cooperative Union has created corpus fund of Rs.5.00 lakh each in 6 Universities namely, Madras University, Madurai Kamarajar University, Bharathiar University, Annamalai University, Periyar University and Gandhi Gram Rural University. It is maintained by the Tamil Nadu Cooperative Union and interest earned on the deposit is utilized to give grant to the students doing research on Cooperation and related topics. So far, 25 research projects have been funded to the tune of Rs.21.25 lakh.

## **6. Utilization of Cooperative Research and Development Fund**

Tamil Nadu Cooperative Union maintains a fund in the name of Cooperative Research and Development Fund (CRDF). Cooperative societies

contribute 3% of their net profit towards this fund. Financial Assistance is provided from this fund for Cooperative Research in the form of grant and interest free loan to the cooperative institutions for their developmental activities.

## **7. Utilisation of Cooperative Education Fund**

Tamil Nadu Cooperative Union maintains a fund in the name of Cooperative Education Fund (CEF). Cooperative societies contribute 2% of their net profit towards this fund. This fund is utilized for Cooperative Education and Training, Propaganda and Publicity about Cooperatives. The fund is released only with the approval of CEF committee.

This fund is also utilized for conducting short term training programmes for the employees of Cooperative Societies and departmental staff, organizing member education programmes, Youth Camps and the All India Cooperative Week Celebrations.

**CHAPTER – VII**  
**INTEGRATED CO-OPERATIVE**  
**DEVELOPMENT PROJECT**

1. The Integrated Cooperative Development Project (ICDP) aims at improving the viability of cooperatives and thereby improving service delivery to members through fulfilling critical gaps in infrastructure available with the cooperatives, augmenting volume of business of the Cooperatives through margin money assistance and building capacity of the staff and members. The scheme covers all types of cooperatives.
2. National Cooperative Development Corporation (NCDC), in consultation with the State Government, identifies the districts for implementation of the project for a period of 5 years. This scheme has been implemented with the financial assistance of both NCDC and the State Government.

3. The funding for the project is covered by loan given by National Cooperative Development Corporation to the Government of Tamil Nadu which in turn extends the same to the Cooperative Societies in a combination of loan and share capital. 25% of subsidy from Government of India is also available for sub-projects dealing with agriculture marketing, processing and creation of infrastructures.
4. Godown, Office-building cum godown, accessories like Banking Counter, Electronic Weighing Machine, Computerization, Tractor with accessories, Harvester, Power Sprayer, Furniture & fixtures, Iron safe, Cash Box, Safe Deposit Locker, Note Counting Machine, Counterfeit Machine, Heavy Truck Machine are being provided under the project. In addition, margin money assistance is provided to the needy Primary Agricultural Cooperative Credit

Societies and District Central Cooperative Bank to improve their business.

5. Handloom sector cooperatives get assistance for formation of "Integrated Handloom Clusters". Assistance is provided for office building cum godown, computers, furniture, tools (loom) and accessories and margin money to augment their business.

6. Dairy sector is assisted for the formation of bulk chilling units under the concept of Rural Business Hub (RHB). Further, the accessories for Milk Collection Centre, like bulk cooler, milk can, lid, milk tester required for milk purchase, sales and preservation through chilling centre and margin money to augment business are also provided under the scheme.

7. Integrated Cooperative Development Project also provides financial assistance to Fisheries Cooperative Sector for purchase of items like

nylon net and aluminum vessels, construction of sales outlets and for provision of margin money to augment business.

8. Integrated Cooperative Development Project has been implemented and completed in 28 districts with an outlay of Rs.462.97 crore during the period from 1989 to 2017 as detailed below:-

(Rs. in lakh)

Sl. No.	Name of the District	Years of implementation	Outlay
1	Viruthunagar	1989-1995	840.86
2,3	Cuddalore - Villupuram	1992-1997	1,445.08
4,5	Coimbatore - Tiruppur	1995-2001	1,080.99
6,7	Dharmapuri - Krishnagiri	1995-2001	1,160.25
8	Tiruvannamalai	1996-2001	816.58
9	Kancheepuram	1998-2005	1,103.88
10	Ramanathapuram	2000-2004	664.04
11	Tiruchirappalli	2002-2008	1,216.97



Sl. No.	Name of the District	Years of implementation	Outlay
12	Thanjavur	2002-2008	1,091.59
13,14	Perambalur Ariyalur	2002-2008	926.62
15	Tiruvarur	2002-2008	1,222.44
16	Theni	2005-2011	978.17
17	Tuticorin	2005-2011	942.08
18	Salem	2009-2013	2,651.58
19	Erode	2009-2013	3,534.32
20	Madurai	2009-2013	2,376.45
21	Pudukottai	2009-2013	1,437.56
22	Dindigul	2010-2013	3,078.35
23	Sivagangai	2010-2014	2,738.69
24	Tirunelveli	2010-2014	4,201.07
25	Karur	2011-2016	2,541.02
26	Vellore	2011-2016	3,100.13
27	Nagapattinam	2011-2016	4,147.08
28	Nilgiris	2012-2017	2,974.43
<b>Total</b>			<b>46,297.19</b>

9. At present, Integrated Cooperative Development Project is being implemented in four districts during the extended period. The total project outlay is Rs.355.78 crore as detailed below:-

(Rs.in lakh)

Sl. No.	Name of the District	Years of implementation	Outlay
1	Namakkal	2016-2021	75.55
2	Tiruvallur	2016-2021	49.68
3	Kanniyakumari	2016-2021	58.37
4	Chennai	2017-2022	172.18

10. Orders were issued for Constitution of District Level Coordination Committee towards implementation of 2<sup>nd</sup> phase of Integrated Cooperative Development Project in 9 districts

viz., Virudhunagar, Ramanathapuram, Thiruppur, Krishnagiri, Dharmapuri, Kanchipuram, Thiruvannamalai, Cuddalore and Villupuram. Detailed Project Reports (DPR) for the above 9 districts have been prepared and submitted to National Cooperative Development Corporation through Tamil Nadu Government for approval.

11. The Public Distribution System plays a significant role in ensuring food security and providing necessary assistance to further sustainable Development of the poor, the downtrodden and the people living in vulnerable situation. The Universal Public Distribution System of Tamil Nadu addresses the two sustainable Goals i.e., Goal No.1. No poverty and Goal No.3. Good Health and Wellbeing.

## **CHAPTER – VIII COOPERATIVE ELECTION**

Tamil Nadu State Cooperative Societies Election Commission has been constituted for the conduct of election to the Cooperative Societies in the state by placing a new Section 33 A in the Tamil Nadu Cooperative Societies Act, 1983 through the Tamil Nadu Cooperative Societies (Fourth Amendment) Act, 2012. Under this Act, Tamil Nadu State Cooperative Societies Election Commissioner was appointed and started to function from 08.02.2013.

The Constitution (97<sup>th</sup> amendment) Act, 2011, provides for one member from the Scheduled Castes and two women members in the Elected Board of the Cooperative Societies.

In 2013, The Tamil Nadu Cooperative Societies Act has been amended for the empowerment of women and to guarantee social

justice by providing 18% reservation to Scheduled Castes and Scheduled Tribes and 30% reservation to women in the Board of Directors of the Cooperative Institutions.

Elections to the Cooperative Societies were conducted in the year 2013 for a total of 22,552 Cooperative Societies functioning under the control of Registrar of Cooperative Societies and 14 Functional Registrars in Tamil Nadu and 2,04,889 Board Members were elected.

On the verge of the expiry of tenure of 5 year period of the office of Board of Directors, the Tamil Nadu State Cooperative Societies Election Commission announced Election Programme in 2018 for the conduct of election in 4 phases to 18,805 Cooperative societies under the control of the Registrar of Cooperative Societies and 14 Functional Registrars. Elections were completed to 18,244 societies and 1,88,400 Board Members were elected and assumed office.

## **CONCLUSION**

The Cooperative movement has become a part and parcel of every day life of the people of Tamil Nadu and plays a prominent role in the welfare of the people, specially the weaker sections of the society. In the years to come this department, under the guidance of the Hon'ble Chief Minister would strive hard to further strengthen the cooperative movement in the State.

**I. Periasamy**  
**Minister for Co-operation**



**புபாசிட்டு கட்ட விண்ணப்பம்.**

புபாசிட்டு கட்ட விண்ணப்பம் கோவர்பேடிஸ் அர்பன் பாங்கி (லிட.) நெ. 381  
 கோவர்பேடிஸ் அர்பன் பாங்கிக்கு,  
 தயவு செய்து கீழ்க்கண்ட புபாசிட்டு கட்ட  
 விண்ணப்பம் கேட்டுக்கொள்கிறேன். இந்த புபாசிட்டு கட்ட  
 விண்ணப்பம் இனி ஏற்படும் நிபந்தனைகளுக்கும் உட்பட்டு நடந்து  
 கொள்ளுகிறேன்.

**காரணம்** புபாசிட்டு கட்ட  
 விண்ணப்பம் கேட்டுக்கொள்கிறேன். இந்த புபாசிட்டு கட்ட  
 விண்ணப்பம் இனி ஏற்படும் நிபந்தனைகளுக்கும் உட்பட்டு நடந்து  
 கொள்ளுகிறேன்.

**1. என் பெயர்** C. N. அண்ணாதுரை  
**2. தகவல் பெயர்** நடராஜன்  
**3. ஜாதி** -  
**4. மதம்** -  
**5. வயது** 55  
**6. தொழில்** சிப்கிராஃபி கிளர்ச்சி  
**7. விலாசம்** 54, அரட்டுவாடி தெரு.  
**8. ரெசிட் புபாசிட்டு கட்ட** மாதம்  
**9. பிச்சு** புபாசிட்டு கட்ட மாதம்  
**10. எனக்குப்பின் என் பார்வையை** அனுப்பும் வாராக பெயர்,  
 இதுபற்றி  
 என்னை  
**1. பெயர்** K. சாமிநாதன்  
 விலாசம் 35-ச. சிவசாமிநாதன்  
**2. பெயர்** S. Sankaranarayanan  
 விலாசம் 35-ச. சிவசாமிநாதன்  
 தேதி P.S. 1965  
 C.N. அண்ணாதுரை  
 C.N. அண்ணாதுரை  
 C.N. அண்ணாதுரை

பெருமளவு அச்சம், காந்தியம்.

Former Hon'ble Chief Minister Thiru. C.N. Annadurai had Current Account in Little Kancheepuram Cooperative Urban Bank in 1965



Hon'ble Chief Minister of Tamil Nadu Thiru. M.K.Stalin visited the K.Nattapatti Primary Agricultural Cooperative Credit Society on 2.10.2021 at Chellampatti Panchayat Union in Madurai district and reviewed its activities and also distributed crop loan cheque to the beneficiaries. On the occasion, Thiru.I.Periyasamy, Hon'ble Minister for Cooperation and others participated.



Hon'ble Chief Minister of Tamil Nadu Thiru. M.K.Stalin inaugurated 70 new Cooperative Medical Shops in 36 districts all over Tamil Nadu under Cooperative Department on 16.12.2021 through Video Conferencing from the Secretariat in Chennai.



Hon'ble Chief Minister of Tamil Nadu Thiru. M.K.Stalin declared open the new fair price shop in Pallavan Salai, Kolathur Constituency on 20.09.2021 in Chennai and distributed essential commodities to the family cardholders.



Hon'ble Minister for Cooperation Thiru. I. Periyasamy, visited the College of Jainee Health and Educational Charitable Trust where the proposed Cooperative Arts and Science College at Athur in Dindiugul district is to be temporarily functioned on 23.12.2021 and reiewed the available facilities.





Hon'ble Minister for Cooperation Thiru. I. Periyasamy distributed working capital loans under Cooperation Department to 358 beneficiaries at a function held on 25.01.2022 at Kannivadi First Stage Town Panchayat Community Hall in Dindigul District.



Hon'ble Minister for Cooperation Thiru. I. Periyasamy and Hon'ble Minister for Health Thiru. M. Subramanian distributed jewels and loan waiver certificates to the eligible 165 beneficiaries at a function held on 19.3.2022 at Saidapet in Chennai.



New Cooperative Medical Shop at Sekkanoorani in Madurai district.



Proposed Model design for the PDS Shop



Hon'ble Minister for Cooperation Thiru. I.Periyasamy reviewed the Seed Processing Machine of Thudiyalur Cooperative Agricultural Seva Centre (TUCAS) on 28.7.2021 in Coimbatore District. Thiru.A. Shanmuga Sundaram,I.A.S., Registrar of Cooperative Societies accompanied.



Hon'ble Minister for Cooperation Thiru. I. Periyasamy reviewed the Quality of Cooking Oil of Perundurai Agricultural Producers Cooperative Marketing Society on 28.7.2021 in Erode District. Thiru. A. Shanmuga Sundaram, I.A.S., Registrar of Cooperative Societies accompanied.



Sale of Tomatoes at lower price in TUCS Farm Fresh Consumer Outlet