

A Study of a Successful Rural Agricultural Co-operative Society in Tamil Nadu

by

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Introduction : Co-operative credit societies are considered as the most suitable institutional agencies that provide credit and other inputs to agriculturists. In Tamil Nadu, almost all the villages have been covered by Co-operative credit societies which serve the needs of the farmers in the rural areas. A study on the working of these societies however, reveals that while a few of the societies have been highly successful in achieving the objectives, many of them continue to function against several odds. It will therefore, be of great interest to study the working of a society that functions efficiently in serving the needs of the rural people on whose faith and confidence the success of the society depends. The Thudiyalur Co-operative Agricultural Services Ltd., is one of the rural co-operatives which has shown a steady progress in serving the interests of the farmers and its devoted service to the agriculturists in and around Thudiyalur in Coimbatore District has been well recognised both by the Government and the public.

The history of the society and its objectives: The society was registered on 29-4-1955 and started working on 5-5-1955 with a total number of 336 members with a paid-up share capital of just Rs. 28,000/-. The main objectives of the society are :

1. To issue short, medium and long-term loans to farmers.
2. To encourage thrift and saving among rural population and to tap rural deposits.
3. To supply inputs to agriculturists (including machinery, rentals etc.)

The services rendered by its first President Thiru Subbiah Gounder who went village by village in and around Thudiyalur to explain to the farmers the benefits of the co-operative societies had a great impact in the stabilization of this organisation at a time, when there was not much appreciation among the farmers on the role of co-operative societies in serving the rural population. During the first four years, under his leadership, the society attracted many farmers and agriculturists and there was a gradual appreciation of the usefulness of the society among the farming community.

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Thiru T. N. Palaniswamy, the Present President succeeded Thiru Subbiah Gounder as President of the society and having been its Vice-President since it started functioning, he was in a position to study the working of the society as well as the reactions of the farmers. He realised that the best way to make the society function as a viable unit was to cover all the needs of the actual tillers of the soil who are the usual victims of full exploitation by middlemen and money lenders. A Master's degree holder in economics as he is, the President was able to analyse critically the problems of the rural public and spent much of his time and thought to find out ways and means of making the society function effectively in serving the needs of the agriculturist. He also visited a number of places in U.S.A., U.K., etc. studied the various aspects of co-operation. His specialisation in International Co-operation in Wisconsin University together with his experience with the local problems of the farmers enabled him to bring about distinct improvement in the functioning of the society for the real benefit of the farmers.

Area of operation, membership, finance etc. The area of operation of this society extended to five miles radius in and around Thudiyalur village and covered thirteen revenue villages and their hamlets. A total number of fifteen credit societies are functioning within the area of operation of the society. Within a period of 15 years of its service, the total membership of the society rose from 336 to 6,580 and the paid-up share capital from Rs. 28,000/- to Rs. 6.5 lakhs.

The society's endeavour to encourage thrift and savings among the members of the rural areas has met with a good response and a sum of Rs. 15/- lakhs has been secured as deposits so far. The Coimbatore District Co-operative Central Bank has also given loan to the extent of Rs. 19.46 lakhs. The Canara Bank, Coimbatore is its financier at present and this is the first time a co-operative has been tagged on to a scheduled bank on an all India level. With regard to the building up of the reserve fund, the society had at the beginning only Rs. 244/- as reserve fund but it is now of the order of 4.5 lakhs by way of assets and reserves. The society issues loans on the pledge of immovable properties, jewels, and on the securities of the deposit held by members and others. Short-term loans on crops like cotton, banana etc., are also given. The maximum amount of loan issued to an individual is Rs. 10,000/- in the case of mortgage loans and Rs. 20,000/- for cultivation expenses in respect of crops coming under the intensive cultivation and seed multiplication schemes.

Service activities : Besides providing adequate finance to the farmers, the society also takes active part in the prompt supply of inputs like seeds, manures, pesticides and fungicides and implements needed by them. The society distributes annually about 20,000 kg. of cotton seeds. It also acts as

a wholesale agency for distributing straight fertilizers such as ammonium sulphate, urea, super, muriate of potash *etc.* During 1968-69, fertilizers worth rupees 13,72,126 were sold to its members and non-members. It also has a licence for mixing manures and 3000 tonnes of mixtures valued at 16 lakhs of rupees were handled in a year. Its brand of manure mixtures under the trade name "Asoka Brand" are popular and are sold to farmers through 60 co-operative societies working as agents. Besides stocking and selling pesticides and insecticides, the society helps the farmers in plant protection operations supplying sprayers and dusters on hire. It gives on hire 40 hand operated sprayers, 50 pedal sprayers, 3 canister sets and 100 dusters and collects hire charges at Re. 1.00 per day for hand operated sprayers, Rs. 0.50 per day for dusters and Rs. 7.00 per day for each canister set and Rs. 2.50 per hour for each power sprayer. An area of 2,500 acres is covered under pest control measures every year. The society also acts as retailer, for stocking spare parts worth Rs. 2/- lakhs. During 1969-70, the society sold insecticides worth rupees five lakhs at concessional rates and allowed a sum of Rs. 58,000/- as rebate to ryots. This amount was reimbursed by Government.

Participation in special schemes : The Indian cotton Mills Federation implemented a scheme for three years for stepping up cotton production in three selected villages within the area of the society and intensive plant protection measures were taken as per the technical advice of the Regional Cotton Officer and staff of the Federation. The society had also a scheme for raising cotton in an area of 2,000 acres with the nucleus seed supplied by the agricultural department. The seeds are distributed to members and the society provides loans to meet cultivation expenses and cost of inputs. The produce is to be lodged with the society for processing. After ginning, the seeds are handed over to the department and the lint disposed off through regulated markets. For the technical help and guidance in running the scheme, the Government have sanctioned the free services of an Agricultural Demonstrator, two fieldmen and two demonstration maistries. Government have also invested a sum of Rs. 45,000/- in the share of the society and sanctioned Rs. 26,250/- as loan and Rs. 8,150/- as subsidy for setting up a ginning factory and construction of godown. During the year 1968-69, the society produced 1,51,424 kg of kapas from member and supplied 58,500 kg. of seeds to the agricultural department.

Building facilities : The society owns four godowns, an office building, a show room, a modern workshop, a pesticide formulating unit with a modern laboratory, a cattle food unit *etc.* all constructed on a site of 32 cents donated by the late President Sri V. C. Subbiah Gounder. It has also purchased land measuring 1.29 acres and constructed a ginning factory, a cattle feed factory and two godowns on that land,

With the help of the subsidiary amount of Rs. 35,000/- sanctioned by Government and a loan of Rs. 2,05,000/- as loan under intensive cattle development project, the society has undertaken the production of balanced cattle feed and poultry feed

Administration, establishment, inspection, public relations etc. The management of the society is vested with the board of directors consisting of directors consisting of eleven members elected by the general body and one member nominated by Government. Of the eleven elected directors two are elected by deposit holders. The paid establishment of the society consists of one Secretary, one Assistant Secretary, one Works Manager, one superintendent, one Chief Chemist, one Lab-Chemist, one Agricultural Engineer, one Co-ordinator, one Public Relations Officer and 49 employees.

The responsibility for inspection rests mainly with the co-operative department. Financing bank also has the right to inspect the books of the society. The overall control of the society is vested with the Deputy Registrar of Co-operative societies, Coimbatore. The Extension Officer for Co-operation of the Perianaickenpalayam Panchayat Union is directly in charge of the bank and periodically visits and inspects the society.

A full-fledged public relations officer provided with audiovisual aids and other equipments is in charge of education-cum-entention work. Besides preparing publicity materials such as handouts, bulletins etc., he also arranges for conducting Cinema shows in villages in co-operation with Government Departments. Each village is now having registered young farmer association for gents and young farmer club for ladies and they evince keen interest in all the activities of the society. A second line of leadership is being developed in the villages and this will help in the further expansion of the activities of the society towards the realisation of its goals.

Summary: The Thudiyalur Co-operative Society has shown a steady progress. Within a period of fifteen years, it has also shown commendable leadership in the implementation of a number of schemes to benefit its members. Besides providing credit facilities to meet the needs for land reclamation measures, well digging, cost of inputs and cultivation expenses, the society has taken adequate steps to have their requirements supplied in time at a cheaper cost. With the co-operation of Government, the business, concerns and banks, the society has helped the farmers to cultivate crops like cotton on modern scientific lines and takes the responsibility for the disposal of the produce ensuring a reasonable price for the cultivators. Hiring out plant protection equipments and attending to the repairs of farm equipments have proved to be of immense benefit to the tiller of the soil. The manure mixing unit and the cattle-cum-poultry feed units are intended to

supply manures and livestock feeds at cheaper cost. The involvement of scheduled banks in the society as financier, is another unique feature in the development of the society which has helped to a great extent, in the expanding activity of the society. With the appointment of the public relationship officer, a mass programme of educating the farmers has been started and this helps in building up leadership in villages resulting in a greater appreciation, recognition and of the usefulness of the society to the rural population. Above all, it is the dynamic leadership of the President, his democratic approach combined with the keen interest of the Directors, organisers and members that have earned for it the reputation as one of the best rural co-operative societies in the entire State of Tamil Nadu.

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