

CHAPTER - II

REGIONAL BACKGROUND OF THE DISTRICT

A background of rural life and living in the district would lend a proper perspective to the discussion of the working of reorganised agricultural credit. It will also help to ascertain how natural conditions and economic factors influence the working of cooperative institutions. This chapter is thus intended to give an outline of the salient features and the physical and economic characteristics of the district. These cover location, soil, rainfall, land use, crops and occupational pattern. A brief review of the working of cooperatives of the district is also given at the end.

Location and Size:

Surat is one of the nineteen districts of Gujarat and is located in the south of the state. For administrative convenience it was divided in 1964 into two districts - Surat and Bulsar. The district is bordered by Broach in the north, Dhulia of the Maharashtra state in the east, Bulsar in the south and the Arabian sea in the west. It has 13 talukas, 7 towns and about 1300 villages. The district forms a plain broken by a few hills and plateau giving it a variety in landscape and land use. The rivers, the forests and the

plains with considerable wealth of vegetation all over weave a picturesque scenery, affecting significantly agriculture and the life of the people.

Soil:

The soil of the district is black, gorat and besar. In general, however, the northern part of the plain of alluvial belts and tidal flats is rich. The quality of the soil deteriorates sea-wards and towards the hills in the interior in the east. Three main belts run parallel to the coast. Near the sea there is a barren stretch of sand-drift and salty marsh; to its east lies the rich, intensively cultivated plain. Further up, poor land rises gradually and mingles with hills and forests.¹ The principal crops of the districts are jowar, cotton, paddy, plantain sugarcane, mangoes and fruits and vegetables. Forests yield mainly bamboo and teak.

Climate:

The district is situated in the torrid zone, but the climate is not very hot, particularly in areas situated near the sea. Winter is pleasant through out the district. The eastern parts have extremes of winter and summer. The climate is equable for the remaining areas. The Tapi, Mindhola and Kim are the three major rivers of the district. The

1. Gazetteer of India, Surat district, 1962 p.3

south-west monsoon sets in about the end of June in the district. About 95 per cent of the annual rainfall is received between June and September. A few late showers in October help superior variety of paddy as well as the cultivation of rabi crops. The rainfall in the district varies from about 90 centimeters in Mangrol taluka to about 130 centimeters in Mahuva and Palsana talukas. Rainfall is heavier in the areas nearer forests. It gradually decreases as one moves from south to north.

Population:

According to the Census of 1961, Surat district had a population of 13.14 lakhs. The total area of the district is 2849 square miles. This gives a density of 461 persons per square mile, as against 290 for the state as a whole. Both in the total population and density, the Choryasi taluka ranks first with its population of 4.55 lakhs, over 221.8 square miles giving an average density of 2053 persons to the square mile. Bardoli ranks second with 619 persons followed by Valod taluka with 548 and Palsana with 540 persons a mile. As against this Uchhal has an average density of 144 and Songadh 173 persons per square mile. The table below gives the composition of population together with area and density for each taluka of the district.

Table - 1 Divisions, area and population, 1961

Taluka	Total popul- ation	Rural	Urban	(Population in lakhs)	
				Area in square miles	Density per square mile
Olpad	0.79	0.79	-	252.1	315
Mangrol	0.95	0.95	-	385.2	248
Kamrej	0.63	0.56	0.07	146.6	429
Choryasi	4.55	1.38	3.17	221.8	2053
Palsana	0.42	0.42	-	77.4	540
Mandvi	0.94	0.85	0.09	276.2	340
Songadh	0.77	0.77	-	445.1	173
Vyara	1.19	1.04	0.15	315.6	377
Bardoli	0.91	0.79	0.12	146.4	619
Valod	0.43	0.43	-	78.1	548
Mahuva	0.66	0.66	-	133.7	490
Nizar	0.59	0.59	-	151.9	387
Uchhal	0.32	0.32	-	218.5	144
Surat district	13.14	9.60	3.54	2848.6	461

The table 2 gives the villages by population.

Table - 2 Talukas, Villages and Population, 1961

Taluka	Total vill-ages	Less than 200	200-499	500-999	1000-1999	2000-4999	5000 and above
Olpad	102	4	35	46	12	3	2
Mangrol	150	26	63	33	23	4	1
Kamrej	69	8	16	27	13	5	-
Choryasi	111	14	23	31	21	18	4
Palsana	49	4	10	23	9	3	-
Mandvi	133	28	35	49	18	3	-
Songadh	181	53	75	40	12	1	-
Vyara	147	24	42	48	27	6	-
Bardoli	81	8	21	31	14	6	1
Valod	40	4	7	15	10	3	1
Mahuva	68	6	13	24	18	7	-
Nizar	85	13	29	30	9	4	-
Uchhal	64	15	25	19	4	1	-
Total	1280	207	394	416	190	64	9

(Source : Census of India, 1961, Vol.V Part II-A p.138-139)

There are 1280 villages in the district, out of which 601 villages or 47 per cent have a population below 500 and 1017 villages or 80 per cent have a population below 1000. The

remaining 263 villages have a population exceeding 1000. The small villages predominate in the district. This is the normal pattern in the state and the country.

Occupational classification:

Of the total population, 78 per cent is rural and 22 per cent Urban. 44 per cent of the population is of working age giving an unproductive population of 56 per cent. The working and non-working population by talukas is presented below.:-

Table - 3 Talukawise percentage of workers and non-workers in Surat district, 1961

Taluka	Working (per cent)	Non-working (per cent)
Olpad	42	58
Mangrol	48	52
Kamrej	44	56
Choryasi	34	66
Palsana	45	55
Mandvi	53	47
Songadh	56	44
Vyara	49	51
Bardoli	44	56
Valod	49	51
Mahuva	51	49
Nizar	52	48
Uchhal	51	49
Surat	44	56

It is significant that the proportion of work-force is comparatively lower in progressive agricultural regions and is higher in subsistence areas. Songadh ranks first in this regard, followed by Mandvi, Nizar and other areas which are relatively backward. This, however, could be essentially a social phenomenon as the custom of everyone working among the backward classes may inflate work-force without providing clue of much economic significance. Agriculture in these parts is extensive and land poor in fertility.

The distribution of population according to means of livelihood is given in Table - 4.

Table - 4Livelihood Classification, 1961

Category		Number of persons (in lakhs)	Percentage to total population
I	Total workers	5.76	43.84
	i) Cultivators	2.20	16.74
	ii) Agricultural labourers	1.78	13.55
	iii) Mining, quarrying, live- stock raising	0.07	0.53
	iv) Household industry	0.31	2.36
	v) Manufacturing other than household industry	0.50	3.81
	vi) Construction	0.08	0.61
	vii) Trade and commerce	0.25	1.90
	viii) Transport, storage and communications	0.09	0.69
	ix) Other services	0.48	3.65
II	Non-workers	7.38	56.16
	Total I + II	13.14	100.00

(Source : Census of India, Gujarat Vol.V Part II-A,p.316)

The ratio of working and dependent population for the country is 43:57 and 41:59 for Gujarat. For Surat it works out at 44:56. There are only marginal variations in the pattern.

Agriculture is the predominant occupation, providing livelihood to 66 per cent of the work-force.

Other features:

Table 5 gives data about literacy, sex-ratio and scheduled tribes in the district.

Table - 5 Literacy, sex-ratio and scheduled tribes, 1961

Taluka	Literacy (per cent)	Ratio of females to 1000 males	Scheduled tribes (per cent)
Olpad	42.10	1,029	21.54
Mangrol	26.30	964	66.09
Kamrej	40.72	1,020	36.26
Choryasi	50.98	935	13.50
Palsana	38.77	1,018	42.52
Mandvi	22.36	967	76.23
Songadh	10.87	947	92.88
Vyara	20.28	963	87.36
Bardoli	35.53	995	50.01
Valod	29.91	995	70.89
Mahuva	31.90	1,004	77.81
Nizar	19.75	1,008	71.49
Uchhal	7.71	966	96.18
Surat	35.45	991	47.79

{ Sources : (1) Surat District Census Handbook, 1961, p.19)
(2) Census of India 1961, Vol.V Part I-A, p.342 }

As against 30.5 and 24 per cent of literacy in the state and the country respectively the district average of 35 per cent is quite high. The sex-ratio is higher in the district as compared to 940 of the state and 941 of the country. A special feature of the district is the relatively large proportion of scheduled tribes. This tribal population is concentrated in the economically backward regions that girdle the eastern boundry of the district. The low literacy in some talukas is on account of predominance of scheduled tribes in their population.

Land use:

Table 6 provides data of land utilisation in the talukas of the district.

Table - 6

Land Utilisation in Surat, 1964-65

Sr Name of No taluka	Total geogra- phical area Area (In lakh acres)	Forest Per cent	Barren & uncu- ltiva- ble land	Land put to non- agricu- ltural use	Culti- vable waste	Perma- nent pastu- re and grazing land	Land under miscell- aneous tree crops & groves	(Percentage)		
								Curra- nt fallo- ws	Other fallo- ws	Net area sown
1 Bardoli	0.94	100	-	4.66	0.91	0.04	7.21	0.70	1.40	85.08
2 Choryasi	1.41	100	1.50	23.41	1.56	0.14	5.74	0.81	2.23	64.62
3 Kamrej	0.94	100	-	7.53	2.42	-	3.74	0.62	1.18	84.51
4 Mangrol	1.92	100	5.62	0.73	1.01	0.81	11.63	0.45	0.86	78.40
5 Mandvi	1.79	100	23.51	8.56	1.78	2.09	0.49	0.81	2.25	60.52
6 Mahuva	0.88	100	7.28	4.71	2.66	0.99	4.01	0.65	1.44	77.73
7 Nizar	0.93	100	1.74	4.47	1.61	-	8.47	0.45	0.45	82.81
8 Olpad	1.70	100	-	22.27	3.18	0.18	8.48	0.35	0.81	64.61
9 Palsana	0.50	100	-	5.34	2.81	-	2.18	0.23	1.84	87.60
10 Songadh	1.83	100	27.76	3.71	0.69	1.34	6.70	1.68	1.34	55.34
11 Uchhal	0.53	100	12.99	4.60	2.45	2.00	5.30	0.84	1.29	70.53
12 Valod	0.50	100	0.92	2.25	2.22	0.08	5.81	0.70	0.57	87.45
13 Vyara	2.00	100	27.37	2.97	3.06	0.06	2.22	0.53	0.73	60.36
Surat Dist.	15.87	100	11.10	7.96	1.95	0.65	5.73	0.71	1.27	70.02

(Source : Season and Crop Reports of the Gujarat State)

Out of a total geographical area of 15.87 lakh acres, 11.12 lakh acres or about 70 per cent constitute net area sown. The net sown area for the country is 40 per cent of the geographical area. The proportion for Gujarat is 52 per cent. About 8 per cent of the total geographical area of the district is barren and uncultivable, while some 11 per cent of the area in the district is covered by forests. The four talukas of Songadh, Vyara, Mandvi and Uchhal account for as much as 92 per cent of forests of the district. Permanent pastures and grazing lands account for about 6 per cent of the total area. Thus, there is limited scope for extension of cultivation. Practically all the land available for cultivation is already under plough.

Crops:

The cropping pattern of a region is largely conditioned by the soil-climate complex. The farmer in the district has been able to evolve a profitable crop pattern within available farm technology and soils. The crops grown in the district are given in the table that follows.:-

Table - 7

Percentage distribution of area under crops, 1964-65

Taluka	Rice	Wheat	Jowar	Bajri	Inferi- or cereals	Pulses	Total food	Sugar- cane	Condi- ments	Fruits &Vege- tables
1	2	3	4	5	6	7	8	9	10	11
Bardoli	14.88	1.78	10.83	0.01	0.03	13.05	40.59	4.40	0.07	2.93
Choryasi	2.33	2.06	22.02	1.54	0.08	4.04	32.07	0.36	0.64	8.48
Kamrej	5.26	1.28	11.50	0.19	-	5.27	23.50	3.10	0.17	7.04
Mangrol	12.67	1.14	22.94	0.01	8.50	1.53	46.79	0.01	0.05	0.24
Mandvi	15.02	0.97	24.84	-	3.28	10.16	54.27	0.04	0.06	0.46
Mahuva	14.72	0.75	17.33	-	0.17	11.22	44.19	1.69	0.09	1.06
Nigar	6.09	18.05	33.37	0.51	1.12	10.73	69.87	0.17	5.35	0.21
Olpad	2.76	6.25	18.64	1.63	-	4.46	33.74	0.03	0.13	0.94
Palsana	6.97	3.29	12.41	-	-	7.37	30.04	4.22	0.05	11.85
Songadh	21.92	0.85	14.40	-	16.98	15.79	69.94	0.05	0.01	0.14
Uchhal	23.89	0.49	18.84	0.22	15.45	15.48	74.37	0.01	0.19	0.16
Valod	17.24	0.23	18.41	-	0.09	12.70	48.67	0.72	0.08	0.44
Vyara	21.86	0.63	16.31	-	4.60	13.53	56.93	0.50	0.11	0.44
District	12.67	2.81	19.01	0.33	4.08	9.04	47.94	0.98	0.49	2.20

(Source : Season and Crop Reports of the Gujarat State)

Table - 7 (contd.)

Taluka	Total food-crops 12	Cotton 13	Other fibres 14	Ground -Nut 15	Other oil seeds 16	Tobacco 17	Fodder 18	Total non-food 19	Gross cropped area (in acres) 20
Bardoli	47.98	26.07	0.16	3.64	0.78	0.03	21.34	52.02	91479 (100)
Choryasi	41.55	30.74	0.01	3.80	0.32	0.01	23.57	58.45	92848 (100)
Kamrej	33.81	38.10	0.03	8.70	0.57	0.02	18.77	66.19	83093 (100)
Mangrol	47.09	29.37	0.04	9.79	0.85	0.01	12.85	52.91	152948 (100)
Mandvi	54.83	22.83	0.25	8.85	0.46	0.02	12.76	45.17	118885 (100)
Mahuva	47.03	20.88	0.44	9.56	0.44	0.04	21.61	52.97	76305 (100)
Nizar	75.60	4.68	0.11	17.43	2.10	-	0.08	24.40	80076 (100)
Olpad	34.84	46.54	-	4.92	0.35	0.03	13.32	65.16	111084 (100)
Palsana	46.16	26.49	0.02	6.49	0.50	0.02	20.32	53.84	47594 (100)
Songadh	70.14	10.46	0.22	6.66	1.96	-	10.56	29.86	105667 (100)
Uchhal	74.73	20.36	0.48	1.33	0.64	-	2.46	25.27	39241 (100)
Valod	49.91	24.52	0.24	8.36	0.54	-	16.43	50.09	48724 (100)
Vyara	57.98	17.50	0.21	11.13	1.27	-	11.91	42.02	129211 (100)
District	51.61	24.95	0.15	8.10	0.87	0.01	14.31	48.39	1177155 (100)

Cereals predominate the cropping pattern of the district. The principal food crops are jowar and rice. All over the district but more particularly in backward areas inhabited by tribal population jowar is the main crop grown mixed with other inferior millets like banti, bavta, kodri and nagli which are raised for self-consumption. Because of the pattern of life and living as well as scale of values production in the tribal areas continues to be oriented to meeting the domestic food requirements. In these situations not only methods of production are traditional but tradition determines the crops, their quality and quantum. In tribal areas, therefore, the pattern of both production and consumption tends to be rigid. The command area of Kakrapar covering Choryasi, Kamrej, Bardoli and Palsana talukas, however, can generally be described as a belt of cash-crop cultivation where together with superior cereals, sugarcane, fruits and vegetables are extensively grown. Cotton and groundnut are the main non-food crops compassing about 33 per cent of the total sown area. The progressive agricultural regions have well developed cooperative financing institutions which not only provide finance for raising crops but also arrange for disposal of the produce. Thus only agriculturally stable areas appear to sustain strong cooperative organisations. As against this, backward areas have relatively less developed agriculture and have weak cooperative institutions.

Irrigation:

The major sources of irrigation in the district are government canals, tanks and wells. The total irrigated area from all these sources was 90,813 acres which constitutes 8 per cent of net area sown. The figures below give sources of irrigation in the district. The major sources of irrigation is canals followed by wells.

Table - 8 Sources of Irrigation, 1964-65

Source	Net Irri- gated area (in acres)	Per cent to total irriga- ted area
Government canals	65,446	72
Tanks	5,800	6
Wells	19,215	21
Others	352	1
Total	90,813	100

{ Source : Season and Crop Reports of the Gujarat State, }
1964-65.

The extent of irrigation by sources in different talukas of the district is presented in table - 9.

Table - 9 Irrigated area by talukas, 1964-65

(In acres)						
Taluka	Gover- nment canals	Tanks	Wells	Others	Total	Percentage to net irrigated area
Bardoli	11,452	30	1,104	-	12,586	13.85
Choryasi	8,661	116	5,115	-	13,892	15.29
Kamrej	11,931	97	1,537	-	13,565	14.93
Mangrol	850	190	828	-	1,868	2.06
Mandvi	8,368	822	777	-	9,967	10.98
Mahuva	2,991	3,200	1,371	37	7,599	8.37
Nizar	-	755	3,634	-	4,389	4.84
Olpad	3,905	315	403	-	4,623	5.09
Palsana	13,005	20	2,940	295	16,260	17.91
Songadh	855	-	177	20	1,052	1.16
Uchhal	-	-	328	-	328	0.36
Valod	-	230	580	-	810	0.89
Vyara	3,428	25	421	-	3,874	4.27
Total	65,446	5,800	19,215	352	90,813	100.00

{ Source : Season and Crop Reports of the Gujarat State, }
1964-65

The area under irrigation in Gujarat is about 6 per cent as against 18 per cent of net area sown in the country. As against this, the area under irrigation in Surat is 8 per cent. Among the talukas Palsana has 18 per cent irrigated area, followed by Choryasi and Kamrej with 15 per cent and Bardoli with 14 respectively. One is struck by the fact that so far serious attempts at water management have been conspicuous by their absence. No efforts have been made to harness the water resources of the rivers south of Tapi such as Purna, Ambica, Auranga, etc. Even the Tapi has not been harnessed with any measure of urgency to provide against devastating floods recurring at regular intervals, the last two being in 1959 and 1968. The impression gathered is that flood control has not been properly woven into the total programme of development. These regions are heavy rainfall zones. There is, therefore, an immense scope for profitably harnessing water resources for hydro-power generation and industrial use and which can also enable garden cultivation.

To check the floods in the river Tapi, the former Government of Bombay through the Central Water Irrigation and Navigation Commission made an effort to take the river and utilise the water resources. As a result, in the first stage a dam was put across the river at Kakrapar, 48 miles upstream. This comprises a masonry pick-up weir across the river, commanding

a gross area of 8.5 lakh acres. But the important part of flood control measure will be through a multipurpose project at Ukai by constructing a reservoir, which will provide firm storage to the Kakrapar canal system. The Ukai dam has also the potentialities for the generation of cheap and economical hydro-electric power of 1,10,000 Kw. at 60 per cent load. The occurrence of recent floods not only underlines the need for a speedy completion of the Ukai project but also emphasises the need for investigation of potentiality for a series of dams to store flood waters. One would also notice that rivers of Gujarat in general and Tapi in particular are getting silted rapidly which not only makes them difficult to irrigate and navigate but also they expose the areas to floods. As a measure^{of} flood control, heavy dredging initially and on moderate scale on a continuing basis later seems to be necessary. If this is not done, it is likely that the ports along the coast might become unserviceable in course of time by the silts deposited by the rivers. Mere embankments along the two banks of the major rivers would not help, unless accompanied by dredging. Dredging, besides, would also add to the usefulness of the rivers for river transport. In this context, the technical feasibility of dredging of Tapi river at strategic points also needs to be closely examined.

Tenures and land holdings:

A study of land utilization and crop pattern would not be complete without an assessment of the problems of tenures and land holdings. The size of agricultural holdings together with the nature of cultivation and crops help assess the extent to which the time and resources of the farmers are being optimally utilized.

In Surat the most prevalent form of tenure is the ryotwari system which accounted for 95 per cent of the total land. The problem of tenancy cultivation arises in the ryotwari areas also when the landowner lets out land to some one else for cultivation. Tenancy cultivation probably arose because of unequal distribution of the ownership of land, or transfer on account of land passing to non-cultivating creditors or because of migration of persons to cities for better opportunities. These tenants were required to pay high rents and also rendered a variety of personal services, in addition to being tenant-at-will and also liable to arbitrary evictions. The Bombay Land Revenue Code (1879) proved inadequate to ensure security of tenure or even for fixation of rent. The Bombay Tenancy Act of 1939 was applied to Surat in 1946. The Act has since undergone a series of changes with the Bombay Tenancy and Agricultural Lands (Amendment) Act, 1957, as its final outcome. This Act decreed that as from 1st April 1957 all tenants in cultivating possession of leased land are deemed to have purchased the land at price in a multiple of

land revenue. Enquiries into the working of the tenancy legislation revealed that progress was unsatisfactory.²

Considerable progress has been made to straighten out the tenurial defects that prevailed formerly; but in the second stage of land reforms the pace has been so fast as to make it difficult for the ordinary peasant to assimilate and absorb the changing hues of land reforms. The measure of success of crop loan system would be conditioned by the nature of the field of its operation and the background in which it has to function. One has also to accept that a better rural canvass will provide a more suitable background for the functioning of crop loan system. It is also true that a structurally straightened economy would multiply gains for the rural credit structure. The problem of tenancy cultivation even in an indirect manner has a great relevance to the functioning of the credit system and has to be noted while studying the working of the scheme.

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- 2 (1) Desai, M.B. - "Report on an inquiry into the working of the Bombay Tenancy and Agricultural Lands Act, 1948 in Gujarat."
- (2) Dandekar, V.M. and Khudanpur, G.J. - "Working of Bombay Tenancy Act 1948".
- (3) Kolhatkar, V.Y. and Mahabal, S.B. - "An inquiry into the effects of the working of the Tenancy Legislation in the Baroda district of Bombay state." (1958).

The pattern of land holdings in Surat is given below.:

Table - 10

Land holdings, 1965

Size group (in acres)	Number of cultivators	Percent	Area(in acres)	Percent
1 / 5	70,137	52.44	1,71,323	15.74
5 / 15	43,804	32.75	4,09,933	37.67
15 / 25	13,485	10.08	2,55,508	23.48
25 / 80	6,135	4.58	2,20,606	20.27
80 and above	205	0.15	30,979	2.84
Total	1,33,766	100.00	10,88,349	100.00

{ Source : District Development Officer, Surat }
 { District Panchayat Office. }

The above table indicates the pattern of enterprise in cultivation. Agriculturists owning land upto 5 acres are 52 per cent and occupy only 16 per cent of the land. The holders owning land between 5 and 15 acres were 33 per cent of the total and they among them covered 38 per cent of the area. Big cultivators owning land above 25 acres, were 5 per cent of the total, but had 23 per cent of the land. The average holding worked^{out} to 8.1 acres.

Agricultural Machinery and Implements:

The agricultural implements used in Surat district are ploughs, harrows, seed drills, water lifts and hoes. Tractors are coming in vogue recently. New machines connoting advancement of technology are also being popularised as a result of community development and package programmes. Table 11 furnishes data about agricultural implements and machinery in the district. The use of farm implements in the district at different stages can be judged from table 12 given thereafter.

Table - 11

Agricultural Implements and machinery, 1964-65

Sr No	Name of Taluka	Wooden plough	Iron plough	Tractors	Oil engines	Electric pumps	Carts		Other implements
							with rubber tyre	without rubber tyre	
1	Bardoli	5.60	13.04	10.72	8.86	5.85	4.09	7.65	5.88
2	Choryasi	6.06	10.35	23.05	7.72	51.69	40.85	7.62	10.98
3	Kamrej	4.75	9.98	16.56	14.80	8.15	8.58	6.15	6.88
4	Mangrol	12.05	9.34	13.96	4.75	0.95	5.68	11.56	7.04
5	Mandvi	10.96	2.86	1.29	0.57	7.48	3.06	9.20	10.52
6	Mahuva	7.17	16.09	1.94	8.19	8.73	2.30	7.48	7.96
7	Nizar	6.50	3.67	8.77	19.13	0.67	6.52	6.85	10.76
8	Olpad	6.22	3.23	7.47	6.18	2.20	14.89	8.53	9.07
9	Palsana	2.59	13.00	5.85	5.99	11.40	3.00	3.84	5.34
10	Songadh	13.37	1.58	0.32	1.91	-	2.74	9.63	5.90
11	Uchhal	6.23	1.20	-	1.96	-	0.31	4.49	1.96
12	Valod	3.72	4.36	3.89	8.05	2.78	5.62	4.10	4.82
13	Vyara	14.78	11.30	6.18	11.89	0.10	2.36	12.89	12.89
Surat dist.		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

(Source : Livestock Census of the Gujarat State)

Table - 12 Implements and Machinery, 1961-66

Item	1961	1966	Percentage increase
Wooden ploughs (in thousand)	83.59	85.49	2.27
Iron ploughs (in thousand)	2.56	6.72	162.50
Oil engines (in thousand)	2.01	2.09	3.98
Electric pumps	536	1043	94.58
Persian wheel	155	223	43.87

The electric pumps are also being increasingly used on a large scale. The data clearly highlight technological change in agriculture in the district.

Livestock:

Cattle wealth constitutes an important item of the rural economy. The status of an individual in rural areas is still judged by the land and cattle wealth he possesses. Cows and buffaloes are mainly kept for breeding and milk production. The data about livestock is presented in the following table.

Table - 13

Distribution of Livestock in Surat District, 1966

Sr No	Name of taluka	Total livestock	Total cattle	Bullocks	Milch cattle	Sheep and goats	Of which milch	Other animals
1	Bardoli	7.20	7.28	5.96	9.26	7.29	8.58	8.12
2	Choryasi	10.45	9.13	5.77	19.96	13.92	16.33	34.26
3	Kamrej	5.98	5.06	4.35	6.88	10.07	7.55	7.41
4	Mangrol	10.50	10.89	12.08	8.24	8.93	8.23	10.22
5	Mandvi	10.39	10.94	11.92	6.73	8.81	8.52	12.55
6	Mahuva	6.31	6.93	6.16	7.01	4.70	5.69	1.71
7	Nizar	5.89	5.90	6.71	4.48	5.22	5.28	15.40
8	Olpad	7.28	7.02	5.97	9.83	9.09	6.58	2.72
9	Palsana	3.18	3.04	2.65	4.51	3.53	3.93	0.83
10	Songadh	10.98	10.98	13.23	8.58	9.47	10.17	1.30
11	Uchhal	4.66	4.52	5.91	2.38	4.76	3.97	0.71
12	Valod	3.76	4.03	4.01	2.88	3.21	3.45	0.81
13	Vyara	13.42	14.28	15.28	9.26	11.00	11.72	3.96
Surat dist.		100.00	100.00	100.00	100.00	100.00	100.00	100.00

(Source : Livestock Census of the Gujarat State)

Agriculture and rural life in the district are thus varied. The social conditions are equally variegated. Cooperation thus has uneven grounds to function. These features might have largely prevailed even in the country. The performance of the movement has to be judged in its proper context to apportion the blame appropriately for failures and to enthuse the work elsewhere where it has shown favourable results. No study of the district economy would be complete without knowing the working of its financial institutions and the circumstances of their functioning. The agencies that are engaged in providing agricultural finance in the district are cooperative institutions, private traders and money-lenders. An attempt has been made here to examine broadly the working of cooperative credit institutions alone.

Cooperative institutions:

Cooperative institutions in Surat were formed right from the inception of the credit movement in the country in 1904. The first cooperative credit society of the former Surat district was started on 23rd May, 1906 in Degam of the Chikhli taluka. Another cooperative was established in Mandvi in August, 1906. Two more were organised in the next year, one at Pardi and the other in Choryasi. All the earlier societies were on the Raiffeisen model. More societies sprang up in different talukas as years rolled on. Cooperative institutions

of all types grew up and gradually produced a diversified cooperative pattern. The right type of atmosphere and able leadership provided a fillip to growth. The people of the district in general are responsive to mutuality of action. The nature of the people and their cooperative spirit also considerably helped all-sided development of cooperation. While examining the progress of the cooperatives of the district it has to be remembered that the statistics of these institutions before 1st June, 1964 and thereafter are not strictly comparable, as the figures of former Surat district before 1964 comprised of both Surat and Bulsar, whereas the position thereafter pertains only to the newly constituted Surat district.

The table below gives data of the progress of cooperatives in the district.

Table - 14Progress of Cooperatives, 1961-62

Item	1961-62	1962-63	1963-64	1964-65	1965-66
Number of societies	1473	1512	940	986	954
Membership (In lakhs)	2.83	2.83	2.04	2.21	1.89
Share capital Rs. (in lakhs)	284.79	311.46	274.43	306.22	332.05
Deposits Rs. (in lakhs)	831.75	982.64	616.79	961.61	1007.50
Loans advanced Rs. (in lakhs)	685.16	804.16	601.24	701.22	682.88
Working capital Rs. (in lakhs)	2645.73	2056.63	1998.64	1889.31	2239.83

(Source : Records of District Registrar of Cooperative Societies, Surat)

(Note : Information for 1961-62 and 1962-63 pertains to areas of Surat and Bulsar, whereas for 1963-66, it is for Surat district alone.)

Inspite of bifurcation of the district, membership per society rose from 192 to 223 during 1961-65 leading to coverage of higher proportion of rural population and depth of the cooperatives. The average went down in 1965-66 to 190. Share capital per society and membership similarly registered a rise from Rs. 19,334 to Rs. 34,806 and Rs. 101 to Rs. 183 respectively during the period. Likewise, deposits per society and per

member rose from Rs. 0.56 lakhs to Rs. 1.06 lakhs and Rs. 294 to Rs. 557 respectively during the period under review. In 1961-62, loans advanced per society and working capital per society were Rs. 0.47 lakhs and Rs. 1.80 lakhs, which moved upto Rs. 0.72 lakhs and Rs. 2.35 lakhs respectively, in 1965-66. It would be evident that working capital per member rose from Rs. 935 to Rs. 1,238 over the period. This was inspite of the fact that the cooperatives covered marginal farmers on a large scale and the spread of resources was consequently thin.

Another significant feature revealed by the examination of the working of credit cooperatives in Gujarat was that agricultural credit societies advanced a sum of Rs. 9.77 per acre of gross cropped area. This average is far exceeded in Broach with Rs. 47, Baroda with Rs. 18, Sabarkantha Rs. 10 and for Banaskantha and for Surat it was Rs. 5 per acre of gross cropped area. This is because of well developed marketing cooperatives which to some extent have throttled the growth of primary credit cooperatives. A deeper analysis further brings out that in Surat itself, the average is exceeded in talukas of Mangrol, Vyara, Mahuva and Nizar, which are relatively less developed agricultural regions. It is also because better placed agricultural regions have well developed marketing cooperatives and therefore they have less concentration on primary credit cooperatives.

As elsewhere, in Surat also rural credit cooperatives predominate. The table below provides data regarding primary credit cooperative institutions.

Table - 15 Agricultural credit cooperatives, 1961-65

Item	(Rupees in lakhs)			
	1961-62	1962-63	1963-64	1964-65
Number of societies	640	658	402	419
Membership (in lakhs)	1.09	1.16	1.18	0.62
Share capital Rs.	44.00	47.64	53.23	33.06
Reserves and other funds Rs.	41.49	45.88	53.28	31.12
Advance Rs.	98.81	123.83	148.21	119.64
Recovery Rs.	96.21	119.77	125.26	101.20
Outstanding Rs.	115.24	127.17	151.38	119.11
Overdues Rs.	52.92	43.60	41.25	23.67
Percentage of overdues to outstanding	46	34	27	20
Percentage of kind loan drawn	24	30	29	19

(Source : Records of District Registrar of Cooperative Societies, Surat)

The figures in the table point to all-round growth. It is noteworthy that the proportion of kind loan has gone down during

1961-65. The declining proportions of overdues over the period under review point to the basic soundness of the movement. This is further reinforced by the audit classification in table 16 given below.:-

Table - 16 Audit Classification of credit cooperatives, 1961-66

Year	Total	Classification				Unaudited
		A	B	C	D	
1961-62	640	123	215	175	98	29
1962-63	658	112	293	192	27	34
1963-64	402	73	210	87	12	20
1964-65	419	41	76	203	69	30
1965-66	419	82	124	163	44	6

The audit classification reflects the working and management of the societies. The financial soundness would be reflected through such classification indicating the business efficiency as well as vitality and soundness of the organisation. The number and percentage of A and B type societies rose from 55 to 71 per cent of the total during 1961-64, which fell to 29 per cent in 1964-65 but the same further rose to 49 per cent in 1965-66. The societies in C and D class similarly declined

from 43 to 26 per cent of the total during the first three years which again rose to 67 per cent in 1964-65 and declined to 50 per cent in 1965-66. The fluctuating character of the audit classification does not reveal conclusively the nature and type of organisation. It is difficult to pass any final judgement on the quality of credit cooperatives but there are signs of healthy development, but they also point to the weak spots which need to be revitalised. Unaudited societies represented 1 per cent in 1965-66.

Central Financing Agency:

The central cooperative bank of Surat started work in 1909 almost along with the establishment of the primary credit institutions. It has since grown from strength to strength and its success permeates the working of all cooperatives under its wing and care. The progress made by the bank can be judged from the figures presented in table 17.

Table - 17 Working results of Surat District Central Cooperative Bank, Surat
1909-1965

Item	1909-10	1920-21	1943-44	1962-63	1964-65
Membership (Total)	82	373	2089	5474	4663
(a) Individuals	82	265	1857	4496	3620
(b) Societies	-	108	282	978	1043
Share capital (Rs. in lakhs)	0.06	0.56	3.54	27.95	32.62
Reserves (Rs. in lakhs)	N	0.10	2.27	11.08	12.70
Deposits (Rs. in lakhs)	0.12	2.12	72.89	480.21	511.34
Working capital (Rs. in lakhs)	0.18	2.80	78.70	545.26	597.17
Advance to cooperatives (Rs. in lakhs)	0.02	1.46	56.81	95.37	133.82
Recovery from cooperatives (Rs. in lakhs)	0.01	1.35	48.90	105.45	172.00
Outstanding (Rs. in lakhs)	0.15	2.17	10.61	63.24	103.46
Overdues to outstandings(Percent)	Nil	15	N.A.	31.50	21
Advances to individuals (Rs. in lakhs)	0.12	0.16	4.67	50.00	66.12
Recovery from individuals (Rs. in lakhs)	-	0.16	4.40	54.84	67.20
Proportion of funds retained in cooperative fold to working	83	77	14	11	17

N = Negligible

Individual members dwindled and the institutional members swelled. The Bank's share capital, reserves, and working capital all grew steadily. The rise in deposits has been prolific, constituting about 85 per cent of the working capital. One would concede that advances to cooperatives have not risen as fast as the deposits. The Surat Central Bank has now no equal in the state and might probably rank among the best central financing agencies in the country for its strides in commercial finance. The liberalised loan policy is reflected in the rising advances. Only the recovery position is an adverse feature of the otherwise bright picture.

In pursuance of the decision to set up intensive agricultural development programme in Surat from 1-4-62 a recent development in the sphere of district loan policy was to provide liberalised credit to reach all farmers for programmes of agricultural development. The central financing agency of the district has been geared to fulfil these tasks. The object of the programme was to provide a packet of finance and other inputs more liberally so that improved agricultural practices could be adopted. The loan policy of the Surat district central bank was adjusted to translate this programme into action. The table attached (Table - 18) incorporates details of circulars issued from time to time. The scales of finance recommended by the Field-Workers' Conference are all incorporated in the decision. A careful analysis of rates prescribed

from time to time by the Conference reveals that as against the object of supplying full credit for production requirements the approach has been to change lending rates on an ad-hoc basis. Under this programme it was assumed that the loans would be provided on the basis of production needs of each crop. This presupposed availability of the data of cost of cultivation of various crops, keeping in view the cost of seeds, fertilisers, pesticides etc. in various parts of the district. Looked at from this standpoint, the loan policy of the Surat District Cooperative Bank would appear to have changed arbitrarily and without any systematic basis. Circulars issued from time to time also indicate that package loan was largely determined by the repayment capacity of the borrower and in cases where loans were not repaid defaulters were not provided loans subsequently.

Table - 18

Statement showing the rate of advance per acre cropwise, 1959-65

Circular No. & date	C R O P										Pulses		Plantains		Vegetable		Remarks			
	Cotton		G. Nut		Paddy		Wheat		Jowar		1st	2nd	1st	2nd	1st	2nd				
	li-ling	po-ling	li-ling	po-ling	li-ling	po-ling	li-ling	po-ling	li-ling	po-ling	crif	op	alm-ent	inst	alm-ent	irrigated		irrigated		
17-2-1959	60	40	80	60	60	40	100	75	100	60	40	50	40	30	40	25	250	Upto 200	75	1) Choryasi, Kamrej, Palsana, Bardoli
									to 125											2) Olpad, Mangrol, Mahuva, Valod
																				3) Songadh, Mandvi, Vyara

Note : Amount prescribed above in no case has to exceed 50% of the value of produce marketed. Conditions imposed are: (1) Marketing is compulsory; (2) Finance in two instalments, i.e. 2/3 before monsoon, 1/3 after the harvest; (3) Compulsory deposit upto 1 or 2 per cent of the produce pooled.

22 of
1-5-61

Detailed instructions about loans policy were sent. Declaration under Section 24 AA of B.C.S. Act to create charge on land, and again the value of which should be 3 to 4 times the loan applied for. Entry in record of rights - 1/10 of the share should be held. Package finance both in cash and kind - pooling of produce for joint sale.

Circular No.
and date

R E M A R K S

3 of 6-8-62	66% manures, 33% seeds insecticides in cash
3 of 8-1-63/ 16-1-63/ 14-2-63/	Measures for recovery of overdues. First instalment upto 80% in kind, then 20% First instalment of cash loans, second one after the kind loan is drawn.
26 of 4-3-63	No ordinary loan, only package finance.
40 of 8-6-63	Overdue recovery measures
21 of 4-2-64	Recovery loans concessions given.
36 of 5-6-64	1st instalment 50% cash, +kind+balance 50% cash
21 of 5-3-65	For 1965-66 after the use of two-thirds of manures, second instalment should be given.
29 of 15-6-65	For sugarcane Rs.400 + Rs.300 cash. Not to insist on kind drawal because fertilizers were not provided.

It is also mentioned that package loan is to be determined by the repayment capacity. No loans are to be given to defaulters.

Marketing:

The traditional system of agricultural marketing has proved to be operationally inefficient and functionally unjust. Improvement in agricultural marketing and processing with a view to provide a square deal to the producer is a potent means for the development of rural economy as well as for increasing returns from agriculture. The best deal in this behalf seems to be offered to the farmers by cooperative marketing organisation. The importance and significance of cooperative marketing have been stressed by various commissions and committees in view of its success in other parts of the world.

Marketing cooperative also forms an important link in the integrated scheme of rural credit. Under this the credit societies will be affiliated to marketing societies which will arrange to sell the produce and also recover dues of credit societies. It is on account of its vital role that efforts have been made to develop cooperative marketing. The progress and working of marketing cooperatives in the district have to be examined in the overall context of our country, in most parts of which cooperative marketing has lagged far behind cooperative credit. In spite of serious efforts made in the past the progress in the field has not been satisfactory. The Rural Credit Follow-up Surveys mentioned that marketing

cooperatives account for less than 5 per cent of the total value of produce sold by the farmers. It is against this background of relatively less developed organisation in other parts of the country that we should review its working in Surat.

The first Cooperative Societies Act of 1904 did not provide for non-credit organisations. They could be started after 1912. The MacLagan Committee (1914) strongly advocated the starting of such institutions to bring about a balanced development of cooperatives. Of all the non-credit societies organised in Surat district, the most outstanding is the cotton sale society.

Cotton Marketing Societies:

The initial attempt at cooperative marketing of cotton was made in 1919 by the cotton growers of Sonsak village of the Olpad taluka, who formed an unregistered association for the joint sale of cotton. These farmers had realised how they were being exploited in the marketing of cotton by the dealers and merchants. They could get much better returns through cooperative sales as compared to other producers in the neighbouring areas. Recognising the advantages realised by a few, other farmers from the same village and neighbouring villages also slowly joined the association which was formally registered in May, 1921 as a cooperative cotton sale society. More and

more such societies came to be organised in Olpad and Choryasi talukas for compact groups of villages. This, to some extent, brought about overlapping of functions and activities resulting in competition among the cooperative marketing societies serving the same villages. The element of healthy competition among individuals and institutions in the face of private trade ensured smooth working of marketing cooperatives. A federation of cotton sale cooperatives, now known as "Daxin Gujarat Sahkari Cotton Marketing Union" was set up in 1930. These cotton sale societies and a few individuals started a cooperative ginning factory in 1925 and erected another pressing society in 1934. The primary cotton sale societies have mostly been organised and developed by the cultivators themselves. The main object of these institutions has been to advance production loans to the members and to pool their cotton for disposal. The societies distribute average prices to farmers based on those realised from the produce sold, after deducting all handling, processing and other charges. The commission charge varies from Re. 1 to 2 per Bhar which is equivalent to 960 pounds. They also undertake work of distribution of quality seeds under the guidance of Government officials.

Cooperative ginning and pressing societies gin and press the cotton of their members. Some of the ginning and pressing societies are converting themselves into agricultural produce

processing and marketing societies. The Daxin Gujarat Sahkari Cotton Marketing Union is a federation of such cooperatives. The efficiency of the working of the union can be judged from the figures that follow. The number of member institutions increased from 11 in 1931 to 86 in 1960. Of the total production of cotton during the period, as much as 53 per cent was sold through the union. What is equally significant is that some cotton was also sold to the Union. In the year 1963-64 cotton sale societies handled about 71 per cent of the produce marketed; they ginned 70 per cent and pressed 74 per cent of cotton. The total sales by cooperatives both affiliated and others worked out at 66 per cent of the crop in 1960. The culmination to this active movement of cooperativization was reached when in 1964 a cooperative spinning mill for the manufacture of yarn was established in Surat.³

The success of the cotton sale societies became widely known and naturally led to the formation of other societies, viz. the groundnut and pulse processing units. The banana and vegetable growers of the district were also encouraged to organise marketing society for their crops. Similar sale societies sprang up over years, to market milk supply and for processing of sugarcane and paddy. In the case of banana, for example, the estimated production was about Rs. 1 crore. Some

3. Records of the District Registrar of Cooperative Societies, Surat

95 per cent is sold on cooperative basis. Cooperative milk supply covers upto 60 per cent of the produce. 50 per cent of groundnut crop is also processed on cooperative basis. One is equally struck by the remarkable achievement of Surat District Purchase and Sale Union with vegetables and mangoes in ensuring higher returns to their producers. It is against this background that we have to study the working of crop loan system in the selected villages.⁴

Conclusion:

The socio-economic conditions of the district play a part in the shape and size of cooperation and their turnover including crop loaning. The district has both favourable and unfavourable features, though the former probably assert their impact more sharply. Surat has progressive agriculturists, but it has also a large chunk of backward areas, agriculture and farmers. The district has a variety of climate and rainfall and its agriculture has both stable and vulnerable areas and farmers. Extensive cultivation predominates but cash crops and intensive farming in certain areas provide a major break in the pattern. Then again, forests are sizable but their quality and exploitation leave a good deal to be desired.

4. Records of the District Registrar of Cooperative Societies, Surat

Cooperation, thus, has uneven ground to traverse. It is true that these features have prevailed in other parts of the country. The performance of the movement has to be judged in the context of these circumstances and conditions. The district is cooperatively well-developed and has had sustained and devoted leadership in the cooperative institutions and other fields. The movement is broad-based and diversified. In its turn it lends diversification to village-based occupations through the boost it administers to them. Cooperative milk, fruits and vegetables marketing are instances in point. All the circumstances, social, human and material provide a fertile soil for cooperative experimentation towards evolving patterns suited to a variety of circumstances and requirements.