

CHAPTER - VAnalysis of data of selected villages -

This chapter sets out the broad features of the selected villages. For a proper understanding of the working of the crop loan system it is necessary to obtain a picture of the villages in which cooperatives have been deploying the crop loan system. The earlier part of the chapter, therefore, provides the main economic data of the villages such as land use, crops, irrigation, occupational structure, etc. The working of the credit cooperatives in the selected villages is taken up for examination later. The concluding portion is concerned with the examination of the marketing cooperatives and their working. The basis for the study has been the field survey. The chapter thus is the product of an investigation of actual conditions prevailing in the villages under study.

Features:

The ten villages selected for intensive study taken together give a representative cross-section of the local conditions of the entire district. As is well-known, one of the basic necessities of economic growth is the availability of transport and communications. In this respect almost all the villages under study have adequate transport facilities. For one thing, the average distance between the villages and the

nearest railway stations is about 4 to 5 miles and in no case does it exceed 11 miles. Again, with the solitary exception of one single village, all the villages are served by a fairly efficient state transport service. Even the village which is not on the state transport route, is not more than two miles from the nearest state transport bus stop. Then again all the selected villages are connected with their respective marketing centres by fairly good roads. It is true that a few of the selected villages are not easily accessible during the monsoon. As a further indication of communicational facilities, one could point to the permanent post offices that all the ten villages have. Equally significant are the educational facilities that have been made available in each of these villages.

Population:

The size of population in the selected villages has relevance in understanding the agrarian problems that confront them. Table 1 brings out these features and presents relevant data.

Table - 1

Area and population in selected villages, 1966

Village	Area in acres	Number of families	Population		Scheduled castes	Scheduled tribes
			Total	Male	Female	
Puna	1,811	5,70	3,069	1,556	1,513	292 920
Sevani	2,113	391	2,084	1,037	1,047	110 859
Masama	1,698	201	1,173	580	593	120 177
Sonsak	284	164	873	435	438	31 220
Gangadhara	626	202	1,107	530	577	61 362
Vanesa	2,900	361	1,802	929	873	47 845
Kos	1,819	345	2,193	1,098	1,095	83 1,522
Borakhadi	3,462	380	2,460	1,233	1,227	- 2,410
Ghantoli	3,118	307	1,953	1,025	928	17 1,897
Ghodchit	100	93	576	317	259	5 564
Average for ten villages	1,793	301	11,729	874	855	77 977

The average population of the ten villages was 1729. This means that some of the selected villages had a relatively large population. Of the ten villages, one had population exceeding 3000, three had more than 2000 but less than 3000, four villages had more than 1000 but again less than 2000 and the remaining two villages had less than 1000.

A village has 301 families on an average. This together with the population gives an average size of the family for the selected villages of six persons, which is on the high side. A striking feature is the proportion of scheduled castes and tribes to the total. This works out at about 57 per cent of the population.

Caste composition:

The caste composition in our country has a bearing on the development of a region. The caste determines the status of the individual, the opportunities available to him as well as his work habit and enterprise. The working of cooperative institutions is influenced by the caste composition of the area served by them. It is with these considerations in mind that the following table of the castewise distribution of the villages is set down.

Table - 2

Caste composition, 1966

Village	Patidar	Koli	Rajputs	Harijans	Muslims	(In per cent)		
						Tribals (Chaudha- ris, Dhodiya etc.)	Others	Total
Puna	55.69	7.26	2.42	6.05	-	28.58	-	100
Sevani	38.36	-	25.57	10.24	-	21.73	4.10	100
Vanesa	53.96	-	7.19	1.08	-	25.19	12.58	100
Gangadhara	35.71	-	-	-	-	64.29	-	100
Masama	3.47	68.75	2.43	8.68	-	12.50	4.17	100
Sonsak	71.32	8.91	-	1.93	-	15.50	2.34	100
Kos	-	-	4.80	5.10	-	90.10	-	100
Borakhadi	-	-	-	-	0.57	85.86	0.57	100
Ghantoli	-	-	-	-	-	100.00	-	100
Ghodchit	-	-	-	-	-	98.93	1.07	100

An analysis of the caste composition of these families reveals the dominance of Patidars as a single major caste in five out of the ten villages. The other important caste is the tribals such as Choudharis, Dhodiyas, Dublas, etc. Harijans, Rajputs and Kolis are also found scattered but in a sizeable number.

The proportion of work-force for all the selected villages works out at 48 per cent and the dependents constitute 52 per cent. They show a much higher proportion when compared with the distribution of working population in the country (43 per cent) the state (41 per cent) and the district (43 per cent).

Literacy:

As mentioned earlier, all the selected villages are well served with educational facilities. All of them have primary schools and a few have even nursery schools. Three villages have their own secondary schools; two villages have similar facilities within two miles and five have them beyond two miles. The extent of literacy in the selected villages could be judged from table 3.

Table - 3 Literacy in the selected villages, 1966

Village	Percentage of literacy		
	Total	Males	Females
Puna	43.60	64.35	35.65
Sevani	45.34	61.27	38.73
Masama	47.57	64.16	35.84
Sonsak	44.21	63.73	36.27
Gangadhara	51.21	58.02	41.98
Vanesa	34.35	62.20	37.80
Kos	30.18	70.09	29.91
Borakhadi	18.98	67.45	32.55
Ghantoli	17.20	74.70	25.30
Ghodchit	13.71	81.01	18.99
Total	34.58	64.66	35.34

The percentage of literacy in the selected villages works out at about 35. The percentage of literacy is much higher amongst males than females. Literacy again is higher in the agriculturally prosperous regions than the backward areas.

The table below gives a comparative picture of literacy in the ten villages, the district, the state and the country as a whole.

Table - 4 Extent of literacy, 1961

Item	Literacy percentage
Selected villages	34.58
Surat district	35.45
Gujarat state	30.50
India	24.00

The figures highlight the achievement of education and thus place the selected villages in a more favourable position compared to most other parts of the country.

Occupations:

The data regarding the occupational classification showing the pattern of employment in the selected villages are presented in the following table.

Table - 5

Occupational classification in
the selected villages, 1966.

(In per cent)				
Village	Occupations			Total
	Agricu- lture	Agricu- ltural labour	Others	
Puna	53	34	13	100
Sevani	41	49	10	100
Vanesa	50	27	23	100
Gangadhara	18	35	47	100
Masama	47	28	25	100
Sonsak	50	17	33	100
Borakhadi	90	9	1	100
Ghantoli	61	38	1	100
Ghodchit	85	11	4	100
Kos	62	36	2	100
Average for 10 villages	56	30	14	100

If we take the average of all the ten villages, we find that agriculture supports nearly 86 per cent of the rural families in the selected villages either as land owners or as agricultural labourers, reflecting an excessive dependence and greater pressure on it. In some villages, however, the picture is not that dismal. In Gangadhara, Sonsak, Masama and Vanesa, for example, there are other occupations which provide employment. Some of the work-force in these villages is engaged in industries at Surat, some have taken to diamond-cutting and others

have jobs in the nearby city or town. Such a varied pattern of occupations in the villages, naturally lightens the burden on agriculture, creates additional income for farm activities and thus considerably augments family finance of the agriculturists.

Land utilization:

The details of land utilization in the selected villages are given in the following table.

Table - 6 Land utilization in the selected villages, 1965-66

Village	Total geogr- aphical area (acres)	Forests	Land put to non-ag- ricul- tural use	Culti- vable waste	Perman- ent pa- stures & grazing lands	Current fallow area	Net sown area	Area sown more than once	(percentage to total geographical area)	
									Gross cropped area	Area irriga- ted
Puna	1,811	-	1.36	2.15	7.80	-	88.69	4.74	93.43	59.97
Sevani	2,116	-	2.37	-	16.03	5.80	75.80	-	75.80	33.32
Vanesa	2,899	-	1.38	-	4.60	-	94.02	-	94.02	20.60
Gangadhara	2,556	-	0.34	1.55	18.01	2.65	77.45	4.10	81.55	14.63
Masama	1,698	-	0.65	1.87	3.03	Neg.	94.45	4.45	98.88	8.83
Sonsak	284	-	3.12	0.14	39.63	-	57.11	21.81	78.92	1.26
Kos	1,819	2.26	1.13	1.87	10.03	3.88	80.83	1.35	82.18	1.49
Borakhadi	3,462	-	0.21	4.87	5.34	-	89.58	-	89.58	-
Ghantoli	3,118	2.98	0.29	2.48	5.92	3.50	84.83	10.82	95.65	10.82
Ghodchit	950	14.63	0.97	2.66	5.85	3.25	72.64	3.68	76.32	1.68
									176	

The proportion of net area sown to the total area was as high as 94 per cent in Vanesa and Masama and as low as 57 per cent in Sonsak. In the remaining villages also more than three fourths of the land is cultivated. Even more significant is the fact that current fallows are negligible in some villages and noticeably low in others. The reason for this is to be found in the scarcity of cultivable land leading to an intensive system of crop rotation leaving little of land as fallow. Then again, there are no forests worth the name in seven villages; in the case of the other two their proportion is low. Forests are sizeable only in one village. The proportion of irrigated land was very high in Puna which has also the advantage of proximity to Surat. Irrigation facilities are ample in Puna, Sevani and Vanesa, which are served by the Kakrapar canal. Ghantoli also benefits to an extent from the canal irrigation. The area does not exclusively rely on canal irrigation, but has an ample supplementary source of water in well irrigation. These irrigation facilities have contributed to the making of a remunerative crop pattern and a commercially viable agriculture in the villages under review.

Crop pattern:

The details of crop pattern in the selected villages are indicated in the table 7 for the year 1965-66.

Table - 7

Crop pattern, 1965-66

Village	(Percentage to total area sown)											
	Inferior cereals	Superior cereals	Pulses	Sugar-cane	Plantains	Fruits & vegetables	Grass lands	Food crops	Cotton on	Ground-nut	Total non-food crops	Total
Puna	11.41	1.93	-	1.08	67.22	4.85	-	86.19	9.35	4.46	13.81	100
Sevani	0.12	19.72	-	30.68	6.80	11.09	-	68.41	25.60	5.99	31.59	100
Vanesa	-	10.31	-	17.50	30.68	-	-	58.49	41.51	-	41.51	100
Gangadhara	8.03	14.74	-	-	8.16	11.56	17.94	60.43	39.57	-	39.57	100
Masama	28.22	4.71	-	-	-	2.39	-	35.32	58.43	6.25	64.68	100
Sonsak	37.18	3.72	9.63	-	-	2.50	-	53.03	40.00	6.97	46.97	100
Kos	24.95	43.12	-	-	-	-	-	68.07	19.36	12.57	31.93	100
Borakhadi	24.43	12.03	9.86	-	-	-	-	46.32	41.16	12.52	53.68	100
Ghantoli	25.22	34.00	-	-	-	-	-	59.22	40.78	-	40.78	100
Ghodchit	35.47	36.53	-	-	-	-	-	72.00	16.38	11.62	28.00	100

Food crops predominate in farming in the selected villages. There is considerable variety in food crop cultivation. In Puna, Sevani, Vanesa and Gangadhara cash crops occupy the major portion of the net area sown. The cash crops include plaintains, sugarcane and paddy. Here the last item is included under 'superior cereals'. Next in importance are cotton and groundnut among the non-food crops, grown mainly in Masama, Sonsak, Vanesa, Gangadhara and Borakhadi. The preponderance of various cash crops in the region helped developing single-crop marketing cooperatives. Among food-crops again, there are crops like jowar, included in the category of 'inferior cereals' and extensively grown in Sonsak, Masama, Ghodchit, Ghantoli and Kos. A noticeably high proportion of 'superior cereals' in Kos, Ghodchit and Ghantoli is on account of the inclusion of subsistence crops like low quality paddy in the category. Within the possible alternatives, thus, the farmer of the region has adopted a variegated crop pattern securing both subsistence and higher returns with the available technology.

Land holdings:

Table 8 sets out details of cultivated holdings.

Table - 8 Percentage distribution of cultivators by size of land holdings, 1965-66

Size group (Acres)	Puna	Sevani	Vanesa	Ganga- dhara	Masama	Sonsak	Kos	Bora- khadi	Ghan- toli	Ghod- chit
Upto 5	44.03	41.26	20.44	42.34	50.00	92.00	68.97	61.36	67.96	56.84
5.1 to 10	28.44	29.61	32.70	31.98	23.26	7.00	24.14	20.45	24.03	18.95
10.1 to 20	19.72	21.36	34.60	22.97	13.19	1.00	4.98	10.95	6.08	15.79
20.1 to 50	7.81	7.28	10.90	2.71	12.85	-	1.91	7.02	1.93	8.42
50.1 and above	-	0.49	1.36	-	0.70	-	-	0.22	-	-
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

In almost all the villages more than 70 per cent of the cultivators have holdings below 10 acres. The percentage of cultivators owning less than 10 acres was as high as 99 in Sonsak. In Kos and Ghantoli it was about 93 and 92 per cent respectively. Only Vanesa has 53 per cent of the cultivators having less than 10 acres. As against this, the percentage of cultivators owning about 20 acres was small. Only four villages had holdings about 50 acres. Depressing though these figures are, they have to be taken with a degree of scepticism. It is well-known that large-sized cultivators find it advantageous to show a smaller holding on revenue records to circumvent legislation on tenancy and ceiling on land holdings. And yet in any scheme of crop loan, the presence of this diminutive farm structure will have to be reckoned with.

Agricultural implements and machinery:

Table 9 gives statistics about agricultural implements and machinery in the selected villages.

The cultivators of the villages generally follow traditional methods of cultivation and make use of indigenous implements. However, in three villages, modern implements and machinery are also in vogue. It would appear that in the villages where there are many Patidar agriculturists there are trends to go in for improved implements and machinery. It so happens, however, that the use of improved technology has been largely confined to areas growing more remunerative crops and enjoying favourable agricultural conditions. It is the progressive farmers of the villages who have spearheaded the adoption of advanced technology and superior methods of modern agriculture. In spite of all this, the average cultivator continues to operate with his traditional wooden plough and a pair of bullocks.

Livestock:

Table 10 provides data about the livestock at two points of time based on the quinquennial livestock census. It not only throws light on the availability of plough cattle but also indicates their pressure on the land resources of the villages under study.

Table - 10

Livestock in selected villages, 1961-66

Name of villages	Bullocks		Peren- tage change between 1961-66	Cows&Buffaloes		Peren- tage change between 1961-66	Sheep and goats		Perfen- tage change between 1961-66	Hens & chickens	
	1961	1966		1961	1966		1961	1966		1961	1966
Puna	325 (14.91)	188 (7.31)	-42.15	220 (10.13)	169 (5.78)	- 23.18	120 (7.62)	162 (9.68)	35.00	261 (5.11)	350 (5.34)
Sevani	230 (10.55)	211 (8.21)	- 8.26	164 (7.55)	232 (7.93)	41.46	291 (18.49)	317 (18.94)	8.93	95 (1.86)	113 (1.73)
Vanesa	188 (8.26)	245 (9.53)	30.32	387 (17.82)	445 (15.22)	14.99	224 (14.23)	163 (9.74)	- 27.23	534 (10.46)	610 (9.31)
Gangadhara.	33 (1.51)	40 (1.56)	21.21	53 (2.44)	44 (1.50)	- 16.98	129 (8.20)	14 (0.84)	- 89.15	-	66 (1.01)
Masama	139 (6.38)	158 (6.15)	13.67	240 (11.05)	295 (10.09)	22.92	79 (5.02)	26 (1.55)	- 67.07	138 (2.70)	149 (2.27)
Sonsak	123 (5.64)	112 (4.36)	- 8.94	198 (9.12)	312 (10.67)	57.58	86 (5.46)	73 (4.36)	- 15.12	123 (2.41)	135 (2.06)
Kos	- (N.A.)	379 (14.74)	-	- (17.34)	507 (17.34)	-	N.A.	438 (26.16)	-	-	626 (9.56)
Borakhadi	449 (20.60)	485 (18.86)	8.02	483 (22.24)	448 (15.32)	- 7.25	202 (12.83)	91 (5.44)	- 54.95	2048 (40.10)	2062 (31.48)
Ghantoli	535 (24.54)	598 (23.14)	11.21	326 (15.00)	371 (12.69)	13.80	377 (23.95)	324 (19.35)	- 14.06	1607 (31.47)	2138 (32.64)
Ghodchit	158 (7.25)	158 (6.14)	Nil	101 (4.65)	101 (3.46)	Nil	66 (4.20)	66 (3.94)	Nil	301 (5.89)	301 (4.60)
Total	2180 (100)	2571 (100)	17.94	2172 (100)	2924 (100)	34.62	1574 (100)	1674 (100)	8.35	5107 (100)	6550 (100)

The draught power declined in Puna, Sevani and Sonsak, while in the remaining villages it registered a rise. The number of cows and buffaloes also declined in Puna, Gangadhara and Borakhadi as against an overall increase of about 35 per cent in the selected villages. The number of sheep and goats also registered a similar rise in a few of them, while it also went down in the rest. It is difficult to draw any meaningful conclusion from such varying trends in the different villages.

The ten villages thus give a representative picture of agriculture and farming community of the district. The conditions are not much dissimilar to those obtaining elsewhere. The pockets of intensive and diversified agriculture are located in the sprawling unirrigated one-crop cultivation expanse. The contrast between different social strata is also glaring. The advanced and progressive farmers stand out against a large number of tribal peasants and landless labourers. The achievements of some thus are overshadowed by the failures of many. This obtains in the district selected for intensive work, showing and explaining at the same time that the details of variety are concealed by the apparent eye-catching progressive parts and the failure of the IADP programme to produce expected results.

The institutions that serve these areas have likewise to reckon with these circumstances and either carry these features

or combat them to the utmost to be successful. The later study will show how both these are probable and to what extent the task overwhelms the efforts.

Primary Credit Societies

Our study of the farm economy and structure of the ten villages shows that they are representative of some of the best as also the worst features of the region. This is brought out by our examination of the geographical conditions of the villages, their special features such as occupation, crop pattern, literacy, land holdings, etc. It is against this background of the variegated pattern of the villages that we should now turn to a study of the working of selected primary credit and marketing societies functioning in these villages. For convenience, we shall divide our discussion into two parts: the first part will deal with the primary credit societies at the village level and the second with the working of cooperative marketing and processing institutions whose area of operations cover several villages. Both these parts taken together go to make up the representative picture of the cooperative credit and marketing structure of the district, and provide lessons of experience and achievements. The statistical data in the present and the subsequent section have been supplied by the cooperative institutions from their records.

Location:

The location of the selected villages in the talukas, their crop conditions in each and the type of cooperative institution serving them are indicated in the table below.:

Table - 11 Villages, crops and types of cooperatives

Village	Taluka	Type of cooperative institutions serving	Main crops
1 Puna	Choryasi	Credit and marketing	} Plantains, Vegetables and Fruits
2 Sevani	Kamrej	Credit and marketing	
3 Gangadha	Palsana	Marketing	} Sugarcane, plantains and mangoes
4 Vanesa	Palsana	Credit and marketing	
5 Masama	Olpad	Credit and marketing	} Cotton and jowar with progressive farm communities
6 Sonsak	Olpad	Credit and marketing	
7 Borakh- adi	Vyara	Credit	} Cotton and jowar with less progr- essive farm communities
8 Kos	Mahuva	Credit	
9 Ghantoli	Mandvi	Credit	} Tribals with subsistence agriculture
10 Ghodchit	Songadh	Credit	

Of the ten villages selected for the study not all were served by the credit cooperatives. Of these, while nine villages were served by the credit cooperatives, one was exclusively served by the marketing cooperative. Further, of these nine primary cooperatives, five were service cooperatives and four were multipurpose societies. The primary societies offer a picture of the typical cooperative credit structure of the entire district. The agricultural and crop conditions and the

composition of the farm communities between them provide the canvass of the working of the credit primaries. Not all of these, however, are of long standing. This is shown in the table that follows.

Table - 12 Standing of village primaries, 1966

Standing (years)	Number of societies	Per cent
1 - 5	-	-
5 - 10	4	44.40
10 - 15	1	11.20
15 - 20	2	22.20
Above 20	2	22.20
Total	9	100.00

No society was registered during the year 1961-66. As many as 44 per cent of them have been working for 5-10 years, while five societies or 56 per cent have had a life of more than ten years. Thus a large number of the cooperatives show a fairly long standing. It can be inferred that they have taken roots.

Operational area:

Two of the nine societies were single village societies and the remaining were group societies. In the latter group one society served two villages, two societies catered to three villages each, four societies each covered four to eight villages. Thus, there is considerable variety in the size and coverage of the societies. The other conspicuous feature of the region was the functioning simultaneously of a number of village primary institutions and marketing cooperatives, resulting in a certain amount of overlapping of functions and even membership. This was thrown into bold relief in those instances in which the marketing and processing societies undertook supply of production finance, including provision of seeds, fertilizers and other farm inputs and undertook the sale of produce at the same time. One consequence of this phenomenon has been the drawal of finance from several institutions through multiple membership.

Activities:

The basic unit in the short term credit structure is the primary cooperative society. It is natural therefore, that their activities should be confined to credit operations. For example, of our nine primaries, seven were engaged in providing credit. The remaining two did not undertake this activity.

The features of their working are interesting. In the society at Sevani the entire credit requirements are met in kind and no cash transactions were involved. This is unusual compared to the general run of things and gratifying. Equally praiseworthy is the fact that the society has achieved such financial stability, as to be able to do without outside financial support provided by the central financing agency. The societies at Borakhadi and Ghodchit provided loans under the Package Programme, that is both in cash and in kind. The other four societies at Masama, Kos, Ghantoli and Sonsak extended finance in cash. In addition, all the societies undertook distribution of seeds, fertilizers, insecticides as well as necessities of life. Two of the selected societies maintained implements for the use of members on payment. A novel scheme being tried out by the society at Borakhadi was the provision of consumption finance in the form of foodgrains (Khavati) usually supplied in July-August to tide over the lean period.* The loan was returnable with 25 per cent interest in kind. The same society had also branched out into other areas of activity such as production of Khadi and providing loans to the cultivators for instalment payment under the Tenancy Act. Out of nine primaries, only three societies, those at Sevani, Borakhadi and Ghodchit seem to have taken to the marketing of agricultural produce of members on agency basis. The principal commodities handled

* Report of Crop Loan Evaluation Committee, Part-I, p.53-54

were cotton, groundnut, paddy and vegetables. The value of goods marketed by the society at Sevani was Rs. 1.55 lakhs, by Borakhadi Rs. 0.79 lakhs and by Ghodchit Rs. 0.07 lakhs. It is true that the value of the goods is not very impressive in all the three but neither is it too insignificant particularly in Sevani and even Borakhadi. It is certainly nominal in the case of Ghodchit. How then do we explain the comparative absence of marketing activity on the part of the primaries? What could be the reasons behind this persistent pattern under which marketing activity has been relegated to the background? One obvious explanation is the lack of an enlightened and vigorous leadership which could develop a strong enough organisational structure on business lines. Single crop marketing cooperatives have often been accused of not allowing the credit cooperatives to undertake such varied activities. If this were true one would expect that in those villages where there are no competing marketing cooperatives, for example, in Kos, Borakhadi, Ghantoli and Ghodchit the primaries should be able to take up this function and at the same time establish strong enough links with the marketing cooperatives as envisaged in the orthodox pattern of crop loan system. This, however, is precisely what we do not find happening in the villages under study. And we are driven to conclude that the presence of a marketing society does not in itself vitiate the healthy growth of the primary

credit cooperatives in the same place. Our conclusion gets further support from the experience of Sevani where both types were flourishing in a spirit of healthy rivalry. It is not for nothing that the Sevani service Cooperative has been able to carve out a place for itself in the marketing of the farmers' produce.

Membership:

The trend in membership in the selected cooperatives during the period 1961-65 is revealed from the data presented in the table below.:

Table - 13

Membership of the primary cooperatives, 1961-65

Sr No	Village	1961-62	1962-63	1963-64	1964-65	Percentage increase(+) or decrease (-) in mem- bership in 1964-65 over 1961-62
1	Puna service cooperative society	-	71	166	241	+ 239
2	Sevani service cooperative	218	236	258	332	+ 52
3	Masama service cooperative	144	146	148	150	+ 4
4	Kos service cooperative	160	158	140	160	-
5	Borakhadi service cooperative	470	462	468	475	+ 1
6	Ghantoli multipurpose cooperative	149	150	153	158	+ 6
7	Ghodchit multipurpose cooperative	178	211	231	258	+ 45
8	Sonsak multipurpose cooperative	131	124	122	122	- 7
9	Vanesa multipurpose cooperative	201	205	209	226	+ 12

In 1964-65 there was only one society with a membership of less than 100; four of them had between 100 and 200 members; three had membership ranging from 200 to 300 and there were two institutions which could claim an enrolment of 300 members and only one society carried a membership of about 500. Membership was high in Sevani and Borakhadi where the societies had undertaken not only the supply of credit but had also provided facilities for disposal of produce and undertook other social activities as well. Some non-credit functions such as supply of seed, manures and other essential inputs were also undertaken by both these societies. A glance at the above table would reveal the phenomenal increase in membership of the Puna society during 1961-65. What is even more significant is the fact that the society does not provide credit nor does it market members' produce. It is possible that the reason behind the popularity of the society in spite of its limited service it rendered to the members might be its almost exclusive preoccupation with the procurement and distribution of such controlled or essential commodities such as manures, fertilizers, insecticides, agricultural implements, etc. In Kos the membership seems to have been stagnant, whereas in the remaining one, Sonsak, there was a fall. This was due to local social squabbles and had little to do with its working.

Composition:

Table 14 presents cooperative membership by castes.

Table - 14 Membership composition by castes, 1965-66

Name of village	CASTE					Total
	Patidar	Koli	Rajputs	Harijans	Tribals	
Puna	43	43	11	3	-	100
Sevani	79	-	10	5	1	100
Masama	7	74	4	9	1	100
Kos	-	-	5	3	10	100
Sonsak	70	5	3	7	6	100
Borakhadi	4	-	-	-	3	100
Ghantoli	1	-	2	1	4	100
Ghodchit	-	-	-	-	100	100
Vanesa	78	2	6	5	-	100

Patidars appear to dominate membership in four out of nine societies; in one village Masama, Kolis predominate. Kolis are also in good numbers in Puna sharing equally with Patidars. In Kos, Borakhadi, Ghodchit and Ghontoli tribals such as Dhodias, Chaudharis or Gamits were in majority. In Ghodchit the entire membership consisted of them.

Financial position:

Data about financial working of the selected societies for the period 1961-65 are provided in Annexure - I. They are summarised in tables 15, 16, 17 that follow.

Table - 15 Percentage increase (+) decrease (-) in financial resources of the
societies, 1961-65

Sr No	Name of the society	Increase (+) decrease (-) during 1961-62 to 1964-65				
		Share capital	Reserve fund	Other funds	Owned funds	Deposits Working capital
1	Puna service cooperative society	+ 287	+ 437	+ 600	+ 424	+ 7365 + 1406
2	Sevani service cooperative society	+ 78	+ 91	+ 202	+ 139	+ 140 + 96
3	Masama service cooperative society	+ 5	+ 13	+ 40	+ 22	+ 427 + 38
4	Sonsak group multipurpose cooperative society	- 9	+ 2	+ 145	+ 42	+ 52 + 75
5	Vanesa pised multipurpose cooperative society	+ 65	+ 20	-	+ 50	+ 152 + 45
6	Kos service cooperative society	+ 141	+ 4	+ 46	+ 88	- 27 + 9
7	Borakhadi service cooperative society	+ 2	+ 40	+ 156	+ 55	+ 93 + 16
8	Ghantoli group multipurpose cooperative society	+ 28	+ 1	+ 1	+ 22	- + 13
9	Ghodchit group multipurpose cooperative society	+ 92	+ 13	+ 66	+ 66	- + 104

One outstanding feature is the increase in owned funds of all the societies. This certainly is a redeeming feature of the movement. The increase in owned resources had been highest in the Puna society. The record of the Sevani society in this regard is also equally encouraging. The working capital of the Puna society registered a striking growth. Similar expansion in the working capital is noticeable but to a lesser extent, in Ghodchit, Sevani, Sonsak and Vanesa, which have in turn undertaken varied activities like distribution of controlled articles through fair-price shops, farm inputs and necessities of life. This confirms our earlier observation that a village with a fairly well-developed and commercialised agriculture can also sustain more than one strong and viable cooperative institutions. In the matter of deposits again which is a sure index of the faith of the people in an institution, Puna society has an impressive record.

Resource composition:

A detailed breakdown of the working capital for the selected societies is attempted in table 16.

Table - 16

Owned funds, deposits and borrowings, 1961-65

Village	Owned funds to working capital (%)			Deposits to working capital (%)			Borrowings to working capital (%)		
	1961	1962	1963	1964	1961	1962	1963	1964	1965
Puna	-	18.72	8.19	7.50	-	5.04	23.15	19.80	-
Sevani	27.91	34.37	22.67	34.02	44.66	50.87	42.77	54.68	27.43
Masama	54.50	62.02	52.20	48.17	4.71	11.10	15.70	17.89	40.79
Kos	34.76	58.67	60.65	57.96	65.24	41.33	39.35	42.04	-
Borakhadi	33.62	49.44	44.07	44.74	10.41	15.26	13.40	17.24	55.97
Ghantoli	16.67	16.94	14.24	17.96	-	-	-	-	83.33
Ghodchit	28.52	24.64	28.99	23.23	0.64	-	-	-	70.84
Sonsak	45.05	40.08	39.50	43.48	54.95	59.92	60.50	56.52	-
Vanasa	21.05	10.52	12.52	21.79	16.58	6.20	7.71	28.81	62.37
									83.28
									79.77
									49.40

The figures bring out that there are variations among different societies regarding proportion of owned funds and deposits in the working capital. The proportion of owned funds declined in Puna, Masama, Ghodchit and Sonsak during 1961-65, whereas it rose in Sevani, Kos, Borakhadi and Ghantoli. Deposits constituting an important item rose in all except in the societies at Kos and Ghodchit. Ghantoli society did not have any deposits at all. The proportion of deposits in Sevani and Sonsak was striking. It is necessary to mention here the device hit upon by the Sevani society under which members are required to deposit compulsorily two per cent of the amount of the value of goods brought for sale. This reflects the habit of thrift and an attitude of self-help and mutual help among members. These features from the beginning have been considered as important cooperative qualities. Both owned funds and deposits together show the element of self-reliance of the cooperatives and members, reducing their dependence on outside funds. A low proportion of borrowings in 1964-65 in Sevani bears testimony to this. Such a proportion of borrowings is quite high in Ghantoli, Ghodchit, Puna, Vanesa and Borakhadi. It is true that this trend of heavy reliance on borrowings is noticeable in the country as a whole which also seems to be reflected in the primaries referred to earlier.

It would be useful to examine the spread of the benefits over the members. This can be seen in table 17 which provides information regarding the average share capital, deposits, owned funds and working capital per member.

Table - 17 Cooperative funds per member in selected primary credit societies, 1961-65

Name of Society	Share capital			Deposits				
	1961 -62	1962 -63	1963 -64	1964 -65	1961 -62	1962 -63	1963 -64	1964 -65
Puna	-	36.76	46.98	41.86	-	10.16	144.28	154.04
Sevani	50.45	58.26	58.33	58.96	229.26	305.55	413.00	361.64
Masama	85.03	85.61	85.81	85.70	26.78	58.94	102.47	135.38
Kos	37.00	85.31	101.25	89.21	118.33	78.44	86.25	86.08
Borakhadi	62.45	64.77	63.12	63.09	44.64	56.79	61.89	85.04
Ghantoli	26.48	26.36	27.09	31.93	-	-	-	-
Ghodchit	30.53	39.19	36.06	40.37	1.12	-	-	-
Sonsak	55.31	54.87	54.54	46.87	302.54	397.75	421.13	493.12
Vanesa	20.70	21.76	24.21	30.31	24.38	18.78	21.77	54.54

Table - 17 (Contd.)

Name of society	Total owned funds			Working capital		
	1961 -62	1962 -63	1963 -64	1961 -62	1962 -63	1963 -64
Puna	-	37.76	51.06	-	201.69	623.33
Sevani	143.28	206.45	218.81	513.31	600.64	965.46
Masama	279.23	304.26	360.30	569.27	530.95	652.85
Kos	70.03	120.51	125.76	181.36	189.81	219.20
Borakhadi	144.25	183.93	203.53	429.04	372.07	461.87
Ghantoli	33.73	33.57	34.15	202.30	198.17	239.73
Ghodchit	49.81	55.47	54.83	174.71	225.12	189.16
Sonsak	248.10	265.95	274.94	550.64	663.70	696.07
Vanesa	30.95	31.87	35.36	147.03	302.97	282.37

The share capital per member registered a rise in six societies during 1961-65; it was stagnant in two others and declined in respect of one. Deposits per member were significant in four societies at Puna, Sevani, Masama and Sonsak. Deposits per member were not substantial in three and in other two they were non-existent. Owned funds per member formed a substantial proportion in five institutions where the rise over 1961-65 was also conspicuous. In the remaining four societies both the amount of owned funds and increase in them was modest. The working capital per member was significantly high in respect of two, (Sonsak and Puna) modest in four others (Masama, Sevani, Borakhadi and Ghodchit) and distinctly low in the rest. Practically all the societies selected for study, thus showed signs of financial self-reliance through a build-up of owned funds and deposits. And yet, the region shares with other part of the country, the characteristic feature of the movement, viz. heavy reliance on borrowed funds for their activities.

Loans:

Not all the primary credit societies selected for our study finance their members. Only seven credit cooperatives out of nine under study supplied credit to their members. The society-wise disbursement of funds and advances under it is shown in table 18.

Table - 18

Name of primary credit societies	Advances			Recoveries				
	1961 -62	1962 -63	1963 -64	1964 -65	1961 -62	1962 -63	1963 -64	1964 -65
Sevani	3668	45265	78967	89460	14478	14616	45628	79718
Borakhadi	62529	87513	97048	86891	75649	116207	83819	96576
Ghantoli	7894	3463	4937	14876	6245	5230	7627	13600
Sonsak	18828	33101	34477	37642	25471	36342	33720	38508
Kos	51626	63112	69502	40086	42664	62432	39965	51173
Masama	41925	37795	44037	19412	38915	44995	43287	18015
Ghodchit	30558	27579	27455	28552	16692	14208	16041	18061

Table - 18 (contd.)

Name of primary credit societies	Outstandings			Overdues		
	1961 -62	1962 -63	1963 -64	1964 -65	1961 -62	1963 -64
Sevani	3825	34473	67813	77556	Nil	Nil
Borakhadi	14679	29752	14024	N.A	Nil	14024
Ghantoli	9802	8036	5344	6644	9802	6644
Sonsak	39557	36316	37074	36208	24122	11721
Kos	50142	34370	59807	46270	Nil	Nil
Masama	51125	43925	44675	46072	Nil	Nil
Ghodchit	13867	27217	19316	29807	13867	29807

Apparently, advances rose significantly in Sevani, Borakhadi, Ghantoli and Sonsak during 1961-65. They shot up by 237 per cent in Sevani, 140 per cent in Borakhadi, 169 per cent in Ghantoli and 200 per cent in Sonsak. As against this, in Kos, Masama and Ghodchit advances show a marked decline during the period. It is true of course that all the advances, strictly speaking, are provided for seasonal agricultural operation. But it is not unlikely that in actual practice the funds might have been diverted to non-productive use. This happens when loans are made in cash. This is substantiated by the comparative absence of overdues in the case of Sevani, where significantly enough, loans were given in kind. As none of the other societies insists on loan drawals in kind, it is only natural that, as indicated earlier, the cash disbursement of loans gets diverted into consumption and overdues inevitably accumulate which jeopardize the financial stability of the society and the movement. It is easy to see why under the Package Programme finance was prescribed to be given partly in cash and partly in kind. If only its implementation could have been matched its pragmatic prescription, the situation in our selected societies with regard to overdues would have been infinitely better. As can be seen from the table below No.19 cash continues to form the major share of the loan assistance under the Package Programme.

Table - 19 Proportion of cash and kind loans, 1964-65

Society	Cash component	Kind	Total
Sevani	Nil	100	100
Masama	88	12	100
Kos	87	13	100
Ghantoli	81	19	100
Sonsak	79	21	100
Ghodchit	82	18	100
Borakhadi	81	19	100

Only Sevani provides entire loan assistance in kind. In other societies proportion of kind loan exceeds 21 per cent. In most of them kind loan part varies between 12 to 19 per cent. It would thus appear that bulk of financial assistance is provided in cash which runs counter to the loan policy accepted under the Package Programme. We can also infer that the principles of loan policy were utterly violated in actual practice.

Mention here must be made of a unique practice that the Sevani society has established. For providing loans it does not go outside. The deposits accumulated over the years together with owned funds constitute a reservoir of extensive

funds which enable the society to manage its loan without having recourse to the central financing agency. This almost total self-reliance of the society is an exemplary achievement and well worth emulating. As already referred to, this welcome feature is further fortified by the device of a compulsory levy of two per cent on produce brought for sale and to be treated as deposit as with the society. This is in the nature of compulsory saving. While the financial base of a society is extremely vital, no amount of economic power can take the place of an enlightened and alert leadership in the cooperative movement. The truth of this observation is borne out by the experience of the Sevani society which has had dedicated leadership at the helm of affairs for a long time.

One of the essential functions of the primary society is to raise funds to advance loans to its members. This it does under the rules or bye-laws of the society which stipulate the borrowing limits. The latter, inter alia, is a multiple of owned funds. There is a feeling that the borrowing limits should be further liberalised so as to bring within its purview a wider membership and to meet the increasing demands of members more fully. There is nothing inherently objectionable in such a policy of liberalisation if it could be ensured that the existing borrowing limits are fully utilised and that no overdues accumulate later. The table

below provides relevant information regarding the admissible limits for the selected primaries and the actual sanctions and drawals against them. They will highlight self-reliance and outside dependence for working funds.

Table - 20 Borrowing limits, loans sanctioned and their utilisation, 1964-65

Society	Borrowing limits (per cent)	Loans sanctioned (Per cent)	Loans drawn (percent)
Borakhadi	100	11	7
Sonsak	100	Nil	Nil
Sevani	100	Nil	Nil
Ghantoli	100	37	29
Ghodchit	100	53	26
Masama	100	57	27
Kos	100	86	81

Sonsak and Sevani seem to have managed without outside borrowings. They are almost completely self-reliant about working funds. In the case of Borakhadi and Ghantoli the loans sanctioned were less than half of the admissible limits and the actual drawals were even smaller than the levels sanctioned. In Masama and Ghodchit we have utilisation to the extent of 27 and 26 per cent respectively against their sanctioned admissible limits of over 50 per cent. The experience of Kos, where utilisation is about as large as

the loans sanctioned would appear to be an exception. Curiously enough this is paradoxical because of increasing demands for funds against which there is underutilisation of borrowing capacity. There could be a variety of reasons for this phenomenon of underutilization of funds. One explanation could be a weak base of the primaries which does not permit availing of the facilities. It could also be ascribed to certain constraints built into the system. One of these could be the non-repayment of outstandings. The mounting overdues could be an added factor. A third reason may be the stipulation requiring loans to be made in kind. A still another cause could be the nature of landed security insisted upon from members by the societies as an additional cover. It is also likely that some societies are further deterred in their advance making by such factors as dilatory processes, higher rates of interest and untimely sanction. Even if these constraints in the flow of resources are removed, the situation will not improve because of the difficulties presented by the demand for loans. As is well-known, the demand for credit would depend on the cost of credit and the marginal efficiency of capital. It is, of course, true that the cost of credit can be reduced and the marginal efficiency of capital enhanced through agricultural technology. But a more serious deterrent is the willingness to borrow liberally on account of uncertainty of returns as a result of it. These constraints tantamount to a kind of capital rationing and result in under-absorption of funds.

Audit classification:

The operational efficiency of a society and its financial health are revealed by the annual audit. The volume of business, financial soundness, efficient management and cooperative vitality are the factors on which the societies are classified. The audit classification of the selected primary societies is given below.:-

Table - 21 Audit classifications, 1961-65

Audit class	Year			
	1961-62	1962-63	1963-64	1964-65
A	2	3	3	6
B	6	5	6	3
C	-	-	-	-
Total	8	8	9	9

The audit classification reflects the financial working. The table points out the increase in 'A' type societies and decline in the 'B' type primaries during 1961-65. There are no C and D categories among the societies studied. This is encouraging. It takes on an added significance in the context of the simultaneous existence of successful processing and marketing cooperatives functioning in these villages,

which also extend finance to farmers and take a share in the business of credit societies. The continued successful co-existence of such varied cooperative institutions in close proximity to each other seem to provide a model which might have few parallels elsewhere.

Management pattern:

The success of a primary credit society largely depends upon the quality of management. It would, therefore, be useful to briefly examine the management pattern of the selected societies.

The classification of committee members on the basis of land holdings is given in table 22.

Table - 22 Classification of members by land holdings, 1966

Village	Acres				Total
	1-10	10-25	25-50	50 and above	
Puna	2	4	4	1	11
Sevani	3	5	1	2	11
Masama	4	4	2	1	11
Sonsak	1	3	2	1	7
Vanasa	2	5	4	2	13
Kos	2	7	-	-	9
Borakhadi	5	6	-	-	11
Ghantoli	4	4	1	-	9
Ghodchit	4	5	-	-	9

The managing committee of these societies comprise of seven to thirteen members. Only one of the nine has thirteen members; four had eleven each; three had nine member committees while one had only seven members on that body. The land holdings of the committee members varied from society to society. Small farmers owning lands upto 10 acres were represented on the executive of all the village cooperatives. Significantly, however, medium farmers having land between 10-25 acres predominated. In five societies members owning lands above 50 acres were on the roll. The membership is thus drawn from a cross-section of the peasantry. This ensures sympathetic consideration of the requirements of all types of farmer-members and their representation on the management command loyalty and confidence of the members which is essential for the societies.

An analysis of the distribution of committee members in different categories of castes is presented in table 23.

Table - 23 Castes of committee members of the primaries, 1966

Village	Castes					Total
	Patidars	Kolis	Rajputs	Tribals	Others	
Puna	11	-	-	-	-	11
Sevani	9	-	2	-	-	11
Masama	1	7	1	1	1	11
Sonsak	6	-	-	-	1	7
Vanasa	13	-	-	-	-	13
Kos	-	-	2	7	-	9
Borakhadi	-	-	-	11	-	11
Ghantoli	1	-	-	8	-	9
Ghodchit	-	-	-	8	1	9

A probe into the caste composition would reveal that in six societies Patidars were represented, of which in four of them they predominated; in one of them there was a majority of Kolis; Rajputs were also represented in three of them while tribals stand prominently in four. It can be inferred that the office-bearers of all the primaries were homogeneous and therefore the working of these primaries would not be ridden with tension through caste differences.

It would be relevant to know the standing of executive members of the credit cooperatives. Table 24 below attempts to provide the necessary information.

Table - 24 Standing of committee members of the primaries, 1966

Village	Less than 1 year	1 to 3 years	3 to 5 years	5 and above	Total
Puna	-	4	3	4	11
Sevani	2	1	6	2	11
Masama	3	2	3	3	11
Sonsak	-	1	2	4	7
Vanesa	1	3	5	4	13
Kos	-	2	4	3	9
Borakhadi	-	2	3	6	11
Ghantoli	-	1	2	6	9
Ghodchit	1	4	3	1	9

A good deal of experience of committee members is available in practically all the primaries. The continued tenure of a substantial number in quite a few cases ranging from 5-20 years is the sure sign of not only confidence reposed by the members in their ability but such a phenomenon would lend a certain amount of continuity and stability in their working. But the figures also signify that the office-bearers are not restricting new entrants also on the management by monopolising and concentrating membership in a certain number but are slowly bringing up new persons. This is confirmed by figures shown in the first two columns.

More interesting probably is the study of the educational background of the committee members. Relevant data is shown in table 25.

Table - 25 Education of committee members, 1966

Village	Illit- eracy	Primary	Secon- dary	Higher	Total
Puna	-	3	6	2	11
Sevani	-	7	2	2	11
Masama	-	8	2	1	11
Sonsak	-	4	2	1	7
Vanesa	-	6	4	3	13
Kos	-	9	-	--	9
Borakhadi	-	10	1	-	11
Ghantoli	2	5	-	2	9
Ghodchit	1	8	-	-	9

Majority of the committee members studied upto the seventh standard of the primary school. In more prosperous villages like Puna, Vanesa and Sevani we find persons on the committee having higher educational background. It is significant that in Ghantoli society two persons formed a part of this category. It again in Ghantoli and Ghodchit only that we find illiterate persons represented on the committee. But the lack of education has not been by itself a handicap in the management.

After all it is the business ability and skill together with enthusiasm for work and devotion to the cause that would provide good management to the cooperatives. The data provided above bears ample testimony to the satisfactory management pattern in this behalf.

Marketing Cooperatives

Having reviewed the primary credit cooperatives and their working in selected villages, we will now direct our attention to the examination of another vital segment of the cooperative structure, viz., the marketing institutions serving these villages.

In the ten selected villages under study there were 11 marketing institutions handling different crops. Of these, Masama, Sonsak, Vanesa and Sevani had three or four types of marketing cooperatives. There were cases in which the same village had more than one society of the same type resulting in a certain amount of overlapping of their jurisdictions. But these are long standing and have indicated their viability over a period of time. The table below sets out the age composition of the selected marketing cooperatives.

Table - 26 Life of marketing cooperatives, 1966

Age group (in years)	Number of societies	Percentage
Less than 15	1	9.09
15 - 20	2	18.18
20 - 25	2	18.18
25 - 40	4	36.37
Above 40	2	18.18
Total	11	100.00

A large number of marketing cooperatives have enjoyed long lease of life. Two of them had a life span of more than forty years. This works out at 18 per cent of the total selected societies. Of these the society at Sonsak is a pioneering institution. As many as 73 per cent of the selected marketing cooperatives have had a life of more than two decades. All these details go to establish the vital role which these institutions have been playing for a long time in the economic life of the community.

Area:

The area of operation of various marketing cooperatives can be judged from the data furnished in the table given below.:

Table - 27

Villages and area covered by marketing institutions, 1966

Society	Coverage		Name of the selected village served
	Villages	Area in sq.miles	
<u>I Cotton sale & ginning & pressing societies:</u>			
1 The Nanavarachha group cooperative cotton sale society	37	10	Puna
2 Talad group cooperative cotton sale society	20	7	Masama, Sonsak
3 Sonsak group cooperative cotton sale society	29	8	Masama, Sonsak
4 The Khedut cooperative ginning and pressing society (Baben)	85	10	Vanesa, Gangadhara & Sevani
5 The Khedut cooperative ginning and pressing society (Vyara)	Vyara& Songadh talukas		Borakhadi, Ghodchit
<u>II Fruits & Vegetables and milk societies:</u>			
1 The Puna - Khumbharia group cooperative Fruits & vegetable growers' society	7	10	Puna
2 Nutan Bagayat Khedut cooperative society	41	10	Vanesa, Gangadhara
3 Sardar Bagayat cooperative society	110	15	Vanesa, Gangadhara
4 Takarma group cooperative milk & vegetable cooperative society limited	25	12	Masama, Sonsak
<u>III Sugarcane</u>			
1 The Khedut cooperative sugar producers' society	171	-	Vanesa, Gangadhara, Sevani.
<u>IV Processing</u>			
1 Olpad group cooperative tur & groundnut sale society	182	15	Masama, Sonsak
			222

Evidently the marketing institutions have an extensive area of operation. Such a vast expanse secures the economies of scale, and they cater to the needs of far-flung villages and their people. The overall impact of such an organised body of marketing cooperatives on the rural community cannot but be sizeable in terms of higher returns provided to the producer.

Functions:

All the marketing societies under study undertake marketing of agricultural commodities. A few societies undertake both processing and marketing. The table below furnishes data regarding the same.

Table - 28

Crops handled by marketing cooperatives, 1966

Name of the society	Crop sold	Village served
The Nana Varachha group cooperative cotton sale society	Cotton & cotton seed.	Puna
Talad group cooperative cotton sale society	Cotton & cotton seed.	Masama, Sonsak
Sonsak group cooperative cotton sale society	Cotton & cotton seed.	Masama, Sonsak
The Khedut cooperative ginning & pressing society (Baben)	Cotton & cotton seed and paddy	Vanasa, Gangadhara, Sevani
The Khedut cooperative ginning & pressing society, Vyara	Cotton, cotton seed, paddy & groundnut	Borakhadi, Ghodchit
The Puna Khumbharia group cooperative fruits & Vegetable growers' society	Plantains and vegetables	Puna
Takarma group cooperative milk & vegetable sales society	Milk & vegetables	Masama, Sonsak
Nutan Bagayat cooperative society	Plantains & paddy	Gangadhara, Vanasa
Sardar Bagayat cooperative society	Plantains & mango	Gangadhara, Vanasa
The Khedut cooperative sugar producers' society	Sugarcane	Vanasa, Gangadhara, Sevani
Olpad group cooperative tur & groundnut sale society	Tur (pulse) and groundnut	Masama, Sonsak

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Out of 10 villages, 8 were served by one or the other marketing cooperative. In Masama and Sonsak more than one cotton sale societies are at work. That is partly because of historical development, loyalty to certain group leadership and party factions. More than one society handled plantains in the Palsana taluka. It is really commendable that the cooperatives in the district undertake marketing of perishable commodities such as milk, vegetables, plantains, mangoes and other fruits. It is also creditable that some of the marketing societies could undertake export of plantains and earn valuable foreign exchange. The culmination of the cooperative marketing of fruits and vegetables is the organisation of Sardar Bagayat Shipping Society and Gujarat State Cooperative Fruits and Vegetables Marketing Federation at Bardoli.

Membership:

A corollary to the extensive area covered by the marketing cooperatives is their large membership. The table below presents the data relating to the trend of membership of the marketing cooperatives during 1961-65. It is only to facilitate discussion that they have been put under four broad categories.

Table - 29

Membership of marketing cooperatives, 1961-65

Category	Number of socie- ties	Average member- ship in 1964-65	1961-62	1962-63	1963-64	1964-65	Percentage increase in 1965 over 1961
I Cotton sale and ginning pressing cooperatives	5	1674	8161	8247	8312	8371	3
II Fruits & vegetables and milk producers' societies	4	922	2980	3095	3479	3691	24
III Sugar producers' cooperative society	1	2359	2218	2259	2323	2359	6
IV Other processing societies	1	4391	2958	3521	4083	4391	48

Membership rose more significantly in the second and the fourth categories of societies than the first and the third. This could be explained by saturation reached by the latter by 1961. In the third category of institutions the absence of rise in membership is due to restriction on new entrants. Extension of canal irrigation and assured water supply from the Kakrapar canal to more and more villages explain the changing crop pattern and the consequent wider coverage in the second and the fourth categories of institutions. The average membership in all the four groups of societies is very large.

Financial resources:

The financial standing of the marketing cooperatives under study is an indication to their sound functioning. The financial resources of these cooperatives by years is provided in Annexure - II at the end of the chapter. A detailed analysis of relevant points is attempted with the help of tables 30, 31 and 32.

Table - 30 Percentage change in finances of marketing societies, 1961-65

Group of the society	Increase (+) decrease (-) during 1961-62 to 1964-65			
	Share capital	Reserve fund	Other funds	Deposits Other borrowing Working
I Cotton sale and ginning pressing societies	4.31	19.05	13.79	- 5.80 36.92 1.10
II Fruits and vegetables and milk cooperative societies	69.34	37.29	181.81	128.42 293.60 151.41
III Sugar producers' cooperative society	11.29	5500.00	83.94	10.89 - - 11.32
IV Other processing society	60.66	80.00	80.30	78.31 - 77.35

In all the societies comprising the four groups there has been a rise in share capital and reserves. A steep rise in resources is noticeable in the fruits and vegetable growers' and groundnut and pulse processing societies. There has been a tremendous rise in reserves of the sugar producers' cooperative at Bardoli and of the groundnut and pulse processing society at Jahangirpura. The other category of funds have also risen but the improvement has been sharper in the second group. There has been a slight fall in the saving deposits of cotton-sale societies during the period. This might partly be due to the withdrawal of deposits and partly due to the uncertain policy of the government regarding the credit-cum-marketing activities of these cooperatives. This however, has not prevented the members from bringing larger volume of produce for disposal to the societies. Such a large volume of turnover in its turn helped the societies to build up fixed deposits shown under 'Other borrowings', which in their turn can be linked with the quantity brought in for sale. This has ensured their continued independence from outside borrowings.

There has been a similar rise in 'Other borrowings' in the case of fruits and vegetables' cooperatives whose working capital consequently registered a proportionate rise. The fall in the working capital of the sugar producers' cooperative is due to the initial central cooperative bank loan and

the loan of the Industrial Finance Corporation which are reflected in 'Other borrowings' (Annexure- II) in the first few years but which disappear from the data relating to subsequent years. The rising trend of owned funds and working capital of all the marketing cooperatives, except sugar producers' society is indicative of the financial strength of these societies.

Resource composition:

The financial resources of the cooperatives consist of owned funds, deposits and other borrowings. The financial viability, however, as showed by larger working fund would not reflect the overall financial stability of an institution. It is the owned funds of a cooperative institution which provide a stable financial base on which the super-structure of working funds rests. It would, therefore, be useful to examine the composition of working capital of the marketing cooperatives. Table 31 presents data regarding the same.

Table - 31

Composition of working capital of marketing societies, 1961-65

Category of the society	Owned funds (%)			Deposits (%)			Other borrowings (%)					
	1961 -62	1962 -63	1963 -64	1964 -65	1961 -62	1962 -63	1963 -64	1964 -65	1961 -62	1962 -63	1963 -64	1964 -65
Cotton sale and ginning pressing societies	31.24	32.46	31.61	33.94	64.06	61.74	65.09	59.69	4.70	5.80	3.30	6.37
Fruits, milk and vegetable coope- rative societies	35.55	44.27	40.16	31.80	49.79	44.27	49.08	45.24	14.66	11.46	10.76	22.96
Sugar producers* cooperative society	49.33	64.13	84.91	85.26	11.15	14.37	15.09	14.74	39.52	21.50	-	-
Other processing	24.46	20.79	20.75	24.05	75.54	79.21	79.25	75.95	-	-	-	-

Owned funds of the sugar producers' cooperative rose phenomenally during 1961-65. They formed a significant part of the working capital largely because of increased reserves built up over these years. Such has also been the case with regard to the cotton sale and groundnut processing societies. The size of deposits of groundnut and fruits and vegetables societies continued to increase. These reflect the financial health and overall working stability of the societies.

The extent and depth of the impact of marketing cooperatives on the membership of the selected villages can be observed from the information provided in the following table.

Table - 32 Financial position per member in marketing societies, 1961-65

Category of the societies	Share capital (Rs.)			Reserve fund (Rs.)				
	1961-62	1962-63	1963-64	1964-65	1961-62	1962-63	1963-64	1964-65
Cotton & ginning and processing societies	82.41	82.37	84.29	83.64	18.03	19.00	19.90	21.91
Fruits, milk and vegetable societies	45.91	63.67	64.87	62.86	19.91	20.69	20.21	21.90
Sugar producers' cooperative society	2001.35	1976.98	2121.83	2094.11	2.70	2.66	70.75	142.43
Other processing society	20.52	19.35	20.48	22.26	3.50	3.59	3.66	4.12

Table - 32 (contd.)

Category of the societies	Other fund (Rs.)			Deposits (Rs.)				
	1961-62	1962-63	1963-64	1964-65	1961-62	1962-63	1963-64	1964-65
Cotton & ginning and processing societies	73.73	74.82	73.55	81.77	357.26	347.28	365.80	328.22
Fruits, milk and vegetable societies	74.14	116.60	134.87	169.45	196.01	200.84	268.78	361.31
Sugar producers' cooperative society	2257.44	2483.40	3446.41	3904.20	963.03	1000.00	1002.15	1061.89
Other processing societies	44.69	54.50	50.20	54.18	212.09	295.27	284.24	254.70

Table - 32 (contd.)

Category of the societies	Other borrowings (Rs.)			Working capital (Rs.)		
	1961-62	1962-63	1963-64	1964-65	1961-62	1962-63
Cotton & ginning and processing societies	26.25	32.62	18.52	34.96	557.69	556.11
Fruits, milk and vegetable societies	57.63	51.91	58.94	183.39	393.59	453.72
Sugar producers' cooperative society	3413.89	1496.24	-	-	8638.48	6959.27
Other processing societies	-	-	-	-	280.80	372.71
					6643.13	7202.63
					358.58	335.26

The most important feature is the impressive size of the share capital, reserves and working funds per member. This rapid progress under various heads is the result of favourable agronomic conditions, the nature and volume of crops handled, business accuman evinced by cooperative workers and the built-in device of compulsory deposits which swelled resources. The overall effect of all these was that the volume of turnover went up.

Audit classification:

The audit classification of the marketing cooperatives is both an indication to their working and soundness. The table below provides information regarding the audit classification of these societies.

Table - 33 Audit classification, 1964-65

Type	Audit category			Total
	A	B	C	
I Cotton sale and ginning pressing societies	4	1	-	5
II Fruits and vegetable growers and milk societies	3	1	-	4
III Sugar producers' cooperative society	1	-	-	1
IV Groundnut and tur processing society	1	-	-	1

Of the 11 marketing cooperatives, 9 forming 81 per cent of them fall in the 'A' audit class which is very satisfactory by all standards. The classification also reveals the financial stability and the high business standards insisted upon in their working. Only two societies were placed in 'B' class by the audit. Significantly enough, none of them had an audit record below 'B' type. The entire performance seems to be highly encouraging.

We shall now examine in detail the working of each category of the marketing cooperatives.

Cotton marketing societies:

Cotton sale societies occupy a most important place among the marketing cooperatives in the district. They came into existence at a time when Government encouragement, sponsorship or direction were not available in great measure. They were the result of the local initiative of the cotton-growers of Olpad. These institutions have been able to evolve a remarkable machinery which takes care of a variety of functions. Their activities extend from the supply of production finance to the marketing of the produce together with processing, such as ginning and pressing. The basis for the production finance is the production requirement of the crop and is guaranteed by a bare pro-note. Land does not form part of the security. The societies do not appear to

have followed any firm basis to determine the scales of finance per acre of land under the crop. The scales vary from society to society and seem to be arrived at by experience and evolution. A built-in device of mobilising deposit funds through a certain compulsory levy linked to the volume of produce brought for sale makes for self-reliance through self-financing. Dependence on external borrowing is thus kept to the minimum and recoveries are also ensured. Table - 34 provides the necessary evidence for these observations.

Table - 34

Working of selected cotton sale societies, 1961-65

Society	Number of members			Cotton brought for sale (in quintals)			
	1961- 62	1962- 63	1963- 64	1964- 65	1961- 62	1962- 63	1963- 64
1 Sonsak	1245	1266	1273	1303	11390	20513	16904
2 Talad	1100	1124	1158	1171	4087	5558	5697
3 Nanavarachha	783	799	810	820	7891	12715	10290
							7156

Table - 34 (Contd.)

Society	Price distributed(per Quintal)				Saving deposits(Rs. in lakhs)				Fixed deposits(Rs. in lakhs)			
	1961-62	1962-63	1963-64	1964-65	1961-62	1962-63	1963-64	1964-65	1961-62	1962-63	1963-64	1964-65
1 Sonsak	133	141	149	163	0.64	0.64	0.58	0.96	4.00	4.00	5.99	5.38
2 Talad	133	133	145	163	1.69	2.10	1.68	1.84	2.89	3.49	4.05	4.08
3 Nanavarachha	139	139	146	162	0.20	0.20	0.31	0.34	1.11	1.11	1.02	1.23

Over the years the membership, the volume of sale and the price realised from the sale of cotton have grown or improved. Both the fixed and saving deposits similarly registered a rise over these years. All these facts signify the contribution of these cooperatives in the economic life of the members constituting them. They are also a pointer to the efficaciousness of the institutions by securing annually higher and higher returns.

Their role in the economic life of the membership could also be judged from its contribution in the field of loans provided. This is shown in table - 35.

Table - 35 Finance by cotton sale societies, 1961-65

		(Rs. in lakhs)									
		Production loan					Marketing Finance				
Cotton sale & ginning pressing societies		1961- 62	1962- 63	1963- 64	1964- 65	1961- 62	1962- 63	1963- 64	1964- 65		
1	2	3	4	5	6	7	8	9	10		
1	Talad group cooperative cotton sale societies	3.09	3.15	3.74	4.35	7.84	14.54	11.28	7.22		
2	Nanavarachha group cooperative cotton sale society	0.61	0.61	0.61	0.39	1.76	3.12	4.44	1.91		
3	Sonsak group cooperative cotton sale society	2.78	2.24	2.24	2.78	15.33	29.10	25.33	18.82		
4	Khedut cooperative ginning & pressing society Ltd(Baben)	1.45	1.22	0.94	0.84	15.03	29.65	31.20	28.13		
5	Khedut cooperative ginning Limited, Vyara	-	-	-	-	-	-	-	-		
Total		7.93	7.22	7.53	8.36	39.96	76.41	72.25	56.08		

Table - 35 (Contd.)

		(Rs. in lakhs)											
		Total advance			Recoveries			Outstandings					
		1961	1962	1963	1964	1961	1962	1963	1964	1961	1962	1963	1964
		-62	-63	-64	-65	-62	-63	-64	-65	-62	-63	-64	-65
1		11	12	13	14	15	16	17	18	19	20	21	22
1		10.93	17.69	15.02	11.57	10.93	17.69	15.02	11.57	-	-	-	-
2		2.37	3.73	5.05	2.30	2.37	3.73	5.05	2.30	-	-	-	-
3		18.11	31.34	27.57	21.60	15.33	29.10	25.18	18.53	2.78	2.24	2.39	3.07
4		16.48	30.87	32.14	28.97	1.45	1.22	0.94	0.84	-	-	-	-
5		-	-	-	-	-	-	-	-	-	-	-	-
Total		47.89	83.63	79.78	64.44	30.08	51.74	46.19	33.24	2.78	2.24	2.39	3.07

The figures bring out the increasing volume of financial assistance provided to the members by these institutions. The rise is much more noticeable in respect of part payment of advance price as compared to the production finance supplied by them. The recovery performance is very encouraging in all the societies, except the one at Sonsak, where also the proportion of outstanding is not sizeable.

It would be useful to examine the scales of loan assistance for production finance provided. The table that follows provides this information.

Table - 36 Scales of finance by cotton
sale societies, 1961-65

Name of society	Scale per acre (In Rs.)
1. Sonsak Group Cooperative Cotton Sale Society	40
2. Talad Group Cooperative Cotton Sale Society	40
3. Nanavarachha Group Cooperative Cotton Sale Society	45
4. Khedut Cooperative Ginning and Pressing Society (Baben)	50

It would be observed that the quantum of finance varies with the societies. These variations cannot be explained on the ground of the prevailing cost structure but have evidently been arrived at over time and might even carry a measure of arbitrariness. The scale of finance thus does not appear to be based on the cost of production or any other scientific norm. Decisions on this appear to be on an ad hoc basis; and yet they have proved their efficacy over time. No major error appears to have crept into the working of the arrangement.

Fruits and vegetables cooperatives:

Next in importance to cotton sale societies are the fruits and vegetables marketing societies. Under this head, the institutions studied were Sardar Bagayat Cooperative Society (Bardoli), Nutan Bagayat Cooperative Society (Gangadhara), Puna Kumbharia Fruits and Vegetable Growers' Marketing Society and Takarma Group Milk and Vegetable Sales Society.

Sardar Bagayat society came up as early as 1946 to arrest the exploitation of plantain growers. Starting with 185 members and a sale turnover of Rs. 4.81 lakhs in 1946 it reached the figure of about 1400 members and sales worth Rs. 39 lakhs in 1964-65 and covered 125 villages. Over the period 1946-47 to 1964-65 this society sold plantains worth Rs. 3.47 crores. The realisation value of plantains

which was Rs. 1.75 to Rs. 2 per 20 Kgs in 1946 recorded the figure of Rs. 4.36 in 1964-65. It had a share capital of Rs. 1.17 lakhs, reserve fund of Rs. 0.32 lakhs and a building fund of Rs. 1.31 lakhs. During 1964-65 alone it could help earn foreign exchange to the tune of Rs. 17.25 lakhs. The institution has also done benevolent work by donating funds for the hospital building at Bardoli. While undertaking all these, the interests of plantain growers have been preserved all along. They are provided production finance upto Rs. 500 per acre exclusively in kind. Another society, Nutan Bagayat came into existence in 1952. It also undertakes sale of plantain but has recently branched out into processing and sale of paddy. A noteworthy feature of the cooperative is its practice of not charging any commission for the marketing service it renders. Both these institutions also collect fixed deposits on the basis of the volume of produce brought for sale. It is claimed that 95 per cent of the price realised for the sales is passed on to the plantain-growers. Monthly settlement of accounts ensures a continuous flow of income to members and frees them from the need to borrow in lean periods. The societies at Puna and at Erthan (Takarma society) have also undertaken sale of such perishable commodities. A comparative idea of their activities is given in table 37. The other two tables 38 and 39 are intended to give a synoptic picture of their working.

Table - 37

Advances and recoveries of marketing societies, 1961-65

II Fruits, vegetables and milk society	Production loan			Marketing finance			
	1961 -62	1962 -63	1963 -64	1964 -65	1961 -62	1962 -63	1963 -64 1964 -65
6 Puna vegetables group society	0.62	1.72	1.25	1.08	-	-	-
7 Takarna group vegetable & milk cooperative society	2.29	2.12	2.15	2.30	-	-	-
8 Nutan Bagayat Khedut cooperative society	0.85	0.31	-	-	1.19	2.42	3.96 5.33
9 Sardar Bagayat cooperative society	2.12	3.34	5.18	5.89	-	-	-
Total	5.88	7.49	8.85	9.27	1.19	2.42	3.96 5.33

Table - 37 (Contd.)

	Total advance				Recoveries				Outstandings			
	1961 -62	1962 -63	1963 -64	1964 -65	1961 -62	1962 -63	1963 -64	1964 -65	1961 -62	1962 -63	1963 -64	1964 -65
(6)	0.62	1.72	1.25	1.08	0.62	1.72	1.25	1.08	-	-	-	-
(7)	2.29	2.12	2.15	2.30	1.09	1.01	1.12	0.97	1.20	1.10	1.03	1.33
(8)	2.04	2.73	3.96	5.33	2.04	2.73	3.96	5.33	-	-	-	-
(9)	2.12	3.34	5.18	5.89	2.12	3.34	5.18	5.89	-	-	-	-
Total	7.07	9.91	12.54	14.60	5.87	8.80	11.51	13.27	1.20	1.10	1.03	1.33

Table - 38

Volume handled, value realisation and commission charges
by fruits and vegetables growers' cooperatives, 1961-65.

Name of society	Quantity brought for sale (in lakh quintals)				Value realised for sale (in Rs. for 100 kgs)				Commission charges per Rs. 100			
	1961 -62	1962 -63	1963 -64	1964 -65	1961 -62	1962 -63	1963 -64	1964 -65	1961 -62	1962 -63	1963 -64	1964 -65
Puna Kumbharia fruits & vegetables growers' coopera- tive society	1.71	1.89	2.39	2.39	1.54	1.76	1.76	2.29	1.00	1.00	0.90	0.80
Sardar Bagayat cooperative society	1.26	1.24	1.48	1.77	1.44	1.73	1.71	2.18	3.00	3.00	2.25	2.00
Nutan Bagayat cooperative society	0.36	0.39	0.67	0.83	1.87	1.85	1.90	2.12	-----	No commission	-----	-----
Takarma group cooperative milk & vegetables coopera- tive societies- (a) Milk*	7.29	8.16	7.62	7.86	0.64	0.63	0.72	0.82	-----	-----	-----	-----
(b) Vegetables	0.42	0.47	0.42	0.38	3.10	3.00	3.30	4.20	-----	-----	-----	-----

* in lakh litres

Table - 39

Scale of finance, 1964-65

Society	Scale per acre	Remarks
Puna-Kumbharia group cooperative fruits & vegetable growers' society	Rs. 500	Cash
Sardar Bagayat cooperative society	Rs. 500	Kind
Nutan Bagayat cooperative society	Rs. 500 - 650	Cash and kind
Takarma group cooperative society vegetable sales society	Rs.1,000	Cash

It would be seen that advances in all the four societies registered a steady rise over the years 1961-65. The last year, particularly showed a more significant rise in both the societies of plantains. Recovery record of all of them is also satisfactory. Only the society at Takarma has some outstandings. Such a high proportion of lendings combined with assured recoveries are encouraging enough, and are holding useful lessons to other cooperatives. In addition, they also indicate the nature of integration between credit and marketing.

Table 38 presents data regarding the volume of sales handled by all these societies. The principal commodities handled by them are plantains, vegetables and milk. The volume of sales in plantains and milk increased while in vegetables it declined during 1963-65. An increasingly higher turnover, apart from an assured supply to the institution is an indication of the loyalty and confidence of their members. Interestingly enough, unit sale value over the years has also shown a satisfactory performance. The figures also reveal variations in prices and commission charges from society to society for handling plantains. Puna marketing society gives the highest sale value but if the commission charge is taken into account, the superiority of providing higher returns in Nutan Bagayat society would be clearly established. Another advantageous feature of Puna society is its proximity to the Surat market which will give them the advantage of price variations

to a greater extent. If we look at it this way, the performance of Nutan Bagayat society seems to be outstanding.

Table 39 brings out the scales of production finance for the respective crops. While Puna society has entire cash loans, Sardar Bagayat provides only kind loans, while Nutan Bagayat gives both cash and kind. The scale of loan assistance in Nutan Bagayat is higher than any other and brings out a flexibility of loan assistance provided according to the type of farmer and his requirement.

Sugar producers' cooperative society:

Of all the agricultural crops, sugarcane is one which has to be processed before its marketing. The growing demand for sugar in the country prompted the government during the First Five Year Plan period to frame a new policy under which positive encouragement was given to cooperatives for the processing of sugarcane on cooperative basis. The response of the sugarcane growers was quick and commendable, particularly in areas of assured water supply through canal irrigation. In Bardoli, the availability of Kakrapar canal water altered the crop-pattern in the command area switching over to sugarcane cultivation. The first society was registered in 1955. Initially it started with a share capital of Rs. 20 lakhs of which half was shared by the government. It started with an installed capacity of crushing 1,000 tons a day. Though the society had

a number of difficulties in the initial stages, it has since then gained from strength to strength.

At the end of 1964-65, the society had a share capital worth Rs. 49.40 lakhs, of which Rs. 20 lakhs were provided by the government. The reserves registered a rise from Rs. 0.06 lakhs in 1961-62 to Rs. 3.36 lakhs in 1964-65. The society has a command area of 171 villages and has extended its activities upto the Puna village in Choryasi taluka about 12 miles away. The organisation also provides extension advice to the cultivators regarding the use of right type of seeds and provision of manures and fertilizers which are all adjusted as kind loans against crops processed and marketed through it and which does not exceed Rs.1,000 per acre. The institution also makes available on a nominal payment insecticides and pesticides to combat crop diseases. The technical advice is rendered through a monthly Gujarati bulletin and which educates the cultivators into scientific cultivation of sugarcane to ensure higher recovery of sugar. The society also arranges crop competition to encourage higher yields per acre. The factory has also a scheme to give 25 per cent subsidy and loan assistance to the members for the purchase of sprayers and pumps. One interesting feature of its working is its drawing up of a time table for the cutting of sugarcane and transporting it to the factory at a uniform rate from the entire command area. The institution has also introduced recently a scheme for improvement of roads

connecting the villages growing sugarcane with the factory. The working of the cooperative sugar factory is revealed by the statistics that follow:

Table - 40 Working of cooperative sugar producers' society, 1961-65

Year	Sugarcane crushed (in lakh tons)	Sugar bags produced (No. in lakhs)	Recovery percent- age	Average yield of sugarcane per acre (in tons)
1961-62	1.40	1.45	10.37	29.2
1962-63	1.50	1.48	9.88	35.5
1963-64	1.42	1.52	10.63	37.5
1964-65	1.06	1.09	10.17	35.5

The quantity of sugarcane crushed increased initially but fell during 1963-65. Nevertheless as compared to its crushing of 0.25 lakhs in 1956-57, the progress is noteworthy. It reached its peak in 1962-63. Eventhough the crushing during 1963-64 was less the number of sugar-bags increased. This is because of higher recovery percentage during the year. The year 1963-64 marked the highest figure of recovery in the history of its working. This signifies the efficacious methods of agricultural extension and improvement of the crop. It is

also significant that this year registered the highest average yield achieved. Only 1964-65 was a bad year for sugarcane, which reflects itself in lower crushing and lesser number of sugar bags through the lowest points of recovery percentage and low yields per acre. A noteworthy feature to be mentioned is that society has no problem of availability of sugarcane.

The society gives financial assistance to grow sugarcane to its members. The quantum of such loan assistance and its recovery are reflected in the following table. (Table - 41).

Table - 41 Finance by sugar producers' cooperative, 1961-65

III Sugar Cooperative Society	Production loan			Marketing finance		
	1961 -62	1962 -63	1963 -64	1964 -65	1961 -62	1962 -63
					1963 -64	1964 -65
10 Sugar cooperative society Khedut cooperative society, Bardoli	10.99	10.39	8.47	5.95	-	-
Total	10.99	10.39	8.47	5.95	-	-

Table - 41 (Contd.)

	Total advance			Recoveries			Outstandings		
	1961 -62	1962 -63	1963 -64	1964 -65	1961 -62	1962 -63	1963 -64	1964 -65	1965
10	10.99	10.39	8.47	5.95	10-99	10-39	8-47	5-95	-
Total	10.99	10.39	8.47	5.95	10.99	10.39	8.47	5.95	-

The quantum of loan rose and yet the recovery had not been adversely affected. It is significant that there are no outstandings. Financial assistance coupled with the canal irrigation has made sugarcane growing popular and paying. This also secures the marketable surplus and consequently a natural link is established between credit, marketing and processing.

The figures in table 42 below provides information regarding the demand for sugarcane cultivation and the sanctions accorded by the society.

Table - 42 Demand for and sanction of area for sugarcane cultivation by the members, 1961-64

Year	Members' demand (in acres)	Area sanctioned by the factory (in acres)	Percentage of sanction to demand
1961-62	4,000	1,950	48
1962-63	5,400	1,500	27
1963-64	5,000	700	14

The figure show how members are eager to extend sugarcane cultivation but the factory had to curb the enthusiasm by sanctioning smaller acreage on account of limitations of its

capacity. Members could grow over only 14 per cent of the area of land for which they sought sanction in 1963-64. Rise in yield per acre of sugarcane partly contribute to restricting the land under sugarcane. Such sanctions of sugarcane cultivation are however not given arbitrarily but have been related to the shareholding of the members. Table 43 below gives the data of sanctions provided by the society for sugarcane cultivation on the basis of shares held.

Table - 43 Sanctions of sugarcane cultivation
based on share-holding, 1961-64

Year	Crop area sanctioned per share (in acres)
1961-62	1.15
1962-63	1.15
1963-64	0.60

It would be seen that the area sanctioned for share had to be curtailed in 1963-64 by the society, as compared to its previous years. As stated above, higher yield per acre of sugarcane is one of the reasons why the factory curtailed the area of sugarcane per share. As against this, the demand for sugarcane cultivation is catching up so high that the cultivators show their willingness to pay as high a premium

of Rs. 1,500 privately for a share of the original value of Rs. 500. The main reason for not expanding the share capital base and restricting members by the organisation is its limited crushing capacity which compels it to put an embargo on new entrants.

Groundnut and tur marketing and processing society:

The performance of the Jahangirpura society in the category is noteworthy. This society covers Masama and Sonsak, two of our selected villages. The society was started in 1933 and it set up an oil mill in 1956. This had a considerable impact on the cultivators of groundnut and tur of the region. A clear indication of its progress during the last few years would be available from the figures shown in table 44.

Table - 44

Working of groundnut and tur marketing
and processing society, 1961-65

Item	1961-62	1962-63	1963-64	1964-65
Number of members	2,907	3,512	4,083	4,391
Groundnut processed (in quintals)	17,934	26,243	23,270	14,253
Tur processed (in quintals)	6,419	4,961	8,239	10,040
Price realised (a)Tur (in Rs. per quintal)	46.05	60.00	85.00	97.50
(b)Gnut	65.40	60.00	70.00	76.00
Fixed deposits (Rs. in lakhs)	5.31	8.94	9.56	8.68
Savings deposit (Rs. in lakhs)	0.79	1.20	1.64	2.13
Current deposit (Rs. in lakhs)	0.18	0.25	0.41	0.37

The working results are highly satisfactory. The increase in membership during 1961-65 is significant. The quantity of tur processed went up sizeably, while its groundnut turnover has been uneven. But the farmer's price of both the products has been improving over time. The society also deducts a percentage of price members realised by way of compulsory deposits. Such a deduction not only strengthens the financial resources of the institution internally, but it also in the process, creates a binding force and an increasingly abiding

interest and loyalty towards the institution by the members. Loans provided by the society for producing the two crops are shown in table 45.

Table - 45 Advances and recovery of the other processing society, 1961-65

IV	Other processing society	Production loan			Marketing finance		
		1961 -62	1962 -63	1963 -64	1961 -62	1962 -63	1963 -64 -65
	The Olpad group coope- rative tur and ground- nut sale society	2.97	3.41	4.00	5.30	12-47	14.64 12.24 13.37

Table - 45 (contd.)

Total advance				Recovery				Outstandings			
1961	1962	1963	1964	1961	1962	1963	1964	1961	1962	1963	1964
-62	-63	-64	-65	-62	-63	-64	-65	-62	-63	-64	-65
15.44	18.05	16.24	18.67	12.46	14.59	7.89	6.78	2.98	3.46	8.35	11.89

Both the production finance and part advance payment of price of the crop have registered a rise during the year 1961-65. The total volume of finance made available for the cultivation of tur (pulse) and groundnut would certainly have a salutary effect. The recovery record was positively good upto 1962-63, but has since deteriorated. This has stepped up the amount of outstandings during the period under review. The only relieving feature is the sizeable proportion of members' deposits accumulated over a period together with higher price realisation by the farmers for both the crops.

Management pattern:

It would be useful to examine the management pattern of the different marketing cooperatives. The table that follows attempts classification of the committee members by the land holdings.

Table - 46

Distribution of managing committee members by land holdings, 1966

	Society	Size group (in acres)				Total
		1-10	10-20	20-50	50 & above	
1	Talad group cooperative cotton sale society	3	7	4	2	16
2	Nanavarachha group cotton society	4	6	4	1	15
3	Sonsak group cotton sale society	2	5	5	3	15
4	Khedut cooperative ginning & pressing society, Baben	1	1	10	5	17
5	Khedut cooperative gin, Vyara	3	5	2	2	12
6	Puna Kumbharia fruits & vegetables	-	8	5	2	15
7	Takarna, vegetables and milk society	6	10	3	-	19
8	Sardar Bagayat cooperative society, Bardoli	1	5	6	4	16
9	Nutan Bagayat cooperative society, Gangadhara	4	7	3	3	17
10	Khedut cooperative sugar society, Bardoli	-	-	3	8	11
11	The Olpad Fur and groundnut sale cooperative society	-	1	7	13	21

The size of committee of the marketing cooperatives range from 11 to 21. The reason why such a large number of members sit on the managing committee could be the desire to make it as fully representative of the varied interests and sections of the community as possible. In most of the societies the middle farmers with landholdings of 10-20 acres predominate in the management. This however, does not keep out representatives of small farmers. They also find representation in all the societies except the one at Puna and the cooperative sugar factory at Bardoli. In the latter the management is in the hands of only big cultivators.

Another basis of the study of the office bearers of the marketing cooperatives is their classification by castes. The table below provides relevant information.

Table - 47 Frequency distribution of membership of management committee of marketing societies by caste

	Society	Patidars	Kolis	Rajputs	Others	Total
1	Talad group cooperative cotton sale society	11	2	1	2	16
2	Nanavarachha group cotton society	12	-	2	1	15
3	Sonsak group cotton sale society	9	2	2	2	15
4	Khedut cooperative ginning pressing society, Baben	15	-	-	2	17
5	Khedut cooperative gin, Vyara	-	1	-	11	12
6	Puna Kumbharia fruits & vegetables society	15	-	-	-	15
7	Takarna vegetables & milk society	10	7	2	--	19
8	Sardar Bagayat cooperative society, Bardoli	13	-	-	3	16
9	Nutan Bagayat cooperative society, Gangadhara	15	-	-	2	17
10	Khedut cooperative sugar society, Bardoli	11	-	-	-	11
11	The Olpad tuver and groundnut sale cooperative society	7	10	1	3	21
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In most of the societies Patidars stand out prominently. In fact, in Puna and Bardoli societies all the members are Patidars; in Khedut ginning and pressing society at Baben and Nutan Bagayat cooperative, they are represented to the extent of 88 per cent of the total. In Sardar Bagayat and Nanavarachha societies, Patidars constitute about 81 per cent of the management. Kolis constitute a sizeable number in Takarma and Olpad societies. Rajputs are also in the run, though they do not form such a large number in the area. Such a pattern of representation clearly reflects the caste structure of the rural population of the area. It also provides at the same time with the kind of leadership through a dominant caste which can take the whole community by the resourcefulness and capacity for enterprise towards a better deal in life.

A review of the working of the various marketing cooperatives shows the useful role they have been playing in the region in improving price realised by the farmers and augmenting farm incomes. The societies not only undertake marketing but have also followed up their activities with processing. The supply of production finance is an added feature, as an important adjunct of activities and perhaps it strengthens the other functions in turn. The considerable success with which these multifarious responsibilities have been fulfilled is due largely to the strong and dedicated leadership which for over five decades guided the fortunes of the movement in the region.

Without this, it is doubtful if the spectrum of activities undertaken by them could have been half as varied and impressive as it has been.

This phenomenon of marketing institution extending its ambit to production finance and banking activity has touched off a lively controversy. Should not a marketing society, it is asked, confine itself to only marketing of the members' produce instead of transgressing into such hazardous and uncertain areas as finance and even banking? On the other hand, it is relevant to ask whether marketing cooperatives and for that matter all others, can become more and more viable and useful without making their working comprehensive and pervading of functions and people.

Our study shows that the integration of marketing and finance has given a great fillip to their work and attracted to them many farmers who would not have been drawn in for the marketing facility alone.

Favourable agronomic conditions and the predominant cash crop economy are no doubt a boost to them in their functional layout and widespread loyalties. An approach to finance from marketing end can also be a variation of the crop-loan system, wherein credit requirements are also provided with crops as the basis. The large size of the marketing institutions earn economies of scale and secure for the institutions and farmers

a stable base. The societies have also been able to accumulate large deposits though with an element of compulsion. This, however, could not have been possible without the confidence of the members in them. That there are no overdues and volume of marketable surplus is mounting, are a further evidence of the efficacy of the arrangement. Insistence on two distinct primary credit and marketing societies to cater to the two functions separately and then attempts integration would need large effort of coordination which appears to naturally emerge from this argument. We are leaving aside the questions of cost of service and management and problem of organisation and leadership, which will create problems of their own. The duplication of arrangements for weighing, storage, maintenance of staff, etc. are factors that would add to the burden. One of the advantages of the present pattern that came to light during investigations was that the distant location of a marketing cooperation from a village, not only helped to maintain financial secrets of the members but also to impart a degree of immunity from local factionalism and pressures.

One pertinent question that arises in this context is whether it is necessary to have two separate organisations for supply of credit and marketing for bringing about a link between credit and marketing; or alternatively it can be ensured through one institution providing both the services at the same time. The principle of two institutions having organic link was soundly

conceived, theoretically speaking, and would have been a useful model to follow if the pattern worked effectively and efficiently. Actually, under the scheme credit was provided by one institution, on the basis of crop requirements but its marketing in the most advantageous manner was decided by another agency, whose operational efficiency and care has still not been unassailably established. It is from this standpoint that a serious rethinking is necessary on the concept of crop loan through one agency at the marketing end providing cheap, prompt and adequate credit and also looking after the sale of produce in the same institution would or would not connote finance oriented to production. Almost the entire produce of the members is handled by the marketing societies and even though the credit amount does not constitute a charge on land, recoveries have never posed a serious problem.

In fact the splendid and effective working of these societies tested through three to four decades, provide a singular and significant pattern of crop loan and inescapably pose the question whether we should not accept it as a valid and legitimate pattern in its own right. Unless we are doctrinaire in our approach, there is no reason why we should not adjust our thinking in this regard to the proven and fruitful experience of the region under study.

Summing up:

The villages selected for intensive study are from the same district. And yet they represent a variety of socio-economic conditions and shades of agricultural achievements. There are highly progressive villages with enlightened farmers and highly efficient commercialised agriculture side by side with backward and tribal villages and agriculture and subsistence farmers. The assumption of homogeneity at the district level for developmental approach thus turns out to be a myth. Cooperative institutions like all other institutions intended to operate in the villages succeed or fail according to their canvass of operations. The working of the nine primary credit and eleven marketing societies in the villages provide evidence of the above relationship. As a matter of fact, cooperatives have flourished among flourishing agricultural conditions and progressive farmers. Leadership too played its part. Similarly, both the credit and marketing societies have prospered where agriculture is progressive providing business for both the categories of institutions. Credit institutions have succeeded more where they have undertaken activities other than credit. This might appear to strengthen the case for omnibus cooperative institutions but does not provide encouraging signs for credit institutions as exclusive functionaries. There appears to be enough leadership of homogeneous character to run both the set of institutions. Only the credit societies being at the village

level would probably pervade more deeply and intensively the life and living of the village people, whereas the marketing societies as covering wider areas might be able to be more specialised and single-purpose and would therefore cater to certain specific needs of the farmers. Both appear to work in a complementary manner, the credit primary supplementing the work of the marketing society and vice-versa. Both of them have grown and become strong. Probably there is enough of sustenance for both from the occupation and people they seek to serve. It is, therefore, in the context of these findings that we have to think of the place and functions for both the categories of the cooperative societies, as in the situation given in the villages both the institutions even with overlapping of functions and jurisdictions are growing from strength to strength and are found to be indispensable to the farming communities who are devoted to them.

It is not true that in this district all credit cooperatives are purely for crop loan finance. Some of them do combine functions other than credit. They are thus multipurpose in effect. It is therefore not within the integrated credit policy to ask marketing societies to curtail finance so that the work could be handled by the credit cooperatives. It would be tantamount to handing over the credit function from one multipurpose to another institution and therefore would not serve the ends of straightening out the crop loan system or the integrated credit scheme. The conversion of credit societies into service societies

takes them nearer to the pattern of marketing and processing societies and away from credit cooperatives. Thus it is better to wait and watch the working of cooperative movement multi-directionally rather than hasten to manouvre or end which might lead to more overlapping than functional specialisation.

The more relevant question, however, is of the efficacy and effectiveness of the crop loan system which is the theme of our analysis. Both the institutions appear to extend production finance at two different ends and the tests for both to provide accommodation is to be found in the nature and extent of the commodities sold through or under their aegis. Both appear to succeed in their own way but in respect of quite a few credit cooperatives serving backward tracts overdue or outstandings have mounted but there has been no default or failure to square up the accounts at the end of the year in the case of marketing societies. There might be double finance, but there does not emerge the phenomenon of over-finance under the two existing arrangements. There is similarly no institutional acrimony or rivalry coming to the surface and marring the face of the cooperative structure. In spite of these trends one would like to look at the functioning of these institutions a little more closely to find out under what system cooperative finance is related adequately to the needs of agriculture and which of the two arrangements provide scope for close watching of the activities of the members and which automatically generate processes

for relating the needs of finance with the capacity to repay. The study of the credit primaries and the marketing societies which cater to the disposal of crops of a group of villages or farmers from them and also provide accommodation for the interim period till the crops are harvested and sold seem to point to one very important conclusion. Between the credit primaries and the marketing societies the techniques and procedures evolved by the latter tend to translate more faithfully the policies of the crop-loan system, though it will not be prudent to assert that the credit societies have completely lost the case or given up the effort in desperation. Perhaps for the cooperative credit primaries the process is slow and evolutionary and in the situation where large areas of agriculture are unremunerative and need assistance of a rehabilitational character, it will be some time before they have struck the right course and equipped themselves to execute the policy much more effectively than they are able to do at present.

ANNEXURE - I

Financial position of selected primary credit societies, 1961-65

	Name of the primary credit society	Share capital Rs.			Reserve fund			Other funds		
		1961 -62	1962 -63	1963 -64	1961 -62	1962 -63	1963 -64	1961 -62	1962 -63	1963 -64
1	Puna	-	2610	7800	10090	-	71	313	790	-
2	Sevani	11000	13750	15050	19575	5345	7606	8903	10180	14891
3	Masama	12245	12500	12700	12855	13484	14113	14398	15281	18948
4	Kos	5920	13480	14175	14275	3226	3226	3239	3344	939
5	Borakhadi	29350	29929	29540	29970	22595	25262	28911	31615	16853
6	Ghantoli	3945	3955	4145	5045	695	695	695	699	386
7	Ghodchit	5435	8270	8330	10415	2558	2562	2888	2897	874
8	Sonsak	7245	6805	6655	6610	15549	15575	15745	15928	9708
9	Vanesa	4160	4460	5060	6850	2062	2075	2331	2473	-

Annexure - I (Contd.)

Name of the primary credit society	Total owned funds				Deposits				Working capital			
	1961 -62	1962 -63	1963 -64	1964 -65	1961 -62	1962 -63	1963 -64	1964 -65	1961 -62	1962 -63	1963 -64	1964 -65
1 Puna	-	2681	8477	14059	-	722	23951	37125	-	38337	280839	577268
2 Sevani	31236	48723	56454	74677	49979	72111	106553	120065	111902	141753	249091	219551
3 Masama	44677	48074	50442	54667	3857	8606	15167	20308	81975	77518	96622	113490
4 Kos	10085	17595	18613	18988	18933	12395	12075	13773	29018	29990	30688	32761
5 Borakhadi	67798	84977	95255	104807	20983	26239	28965	40393	201647	171897	216153	234255
6 Ghantholi	5026	5036	5226	6134	-	-	-	-	30143	29726	36680	34136
7 Ghodchit	8876	11706	12668	14762	200	-	-	-	31098	47500	43695	63538
8 Sonsak	32502	32978	33543	46289	39633	49322	51378	60161	72135	82300	84921	106450
9 Vanesa	6222	6535	7391	9323	4900	3850	4550	12327	29554	62108	59015	42785

ANNEXURE - II

Financial position of marketing cooperatives

Name of society	No. of societies	(Rs. in lakhs)											
		Share capital			Reserve funds			Other funds					
		1961-62	1962-63	1963-64	1961-62	1962-63	1963-64	1961-62	1962-63	1963-64	1961-62	1962-63	1963-64
Cotton sale & ginning processing societies	5	6.73	6.79	7.01	7.02	1.47	1.57	1.65	1.75	6.02	6.70	6.11	6.85
Fruits & vegetables and milk cooperative society	4	1.37	1.97	2.26	2.32	0.59	0.64	0.70	0.81	2.21	3.61	4.69	6.25
Sugar producers' cooperative society	1	44.39	44.66	49.29	49.40	0.06	0.06	1.69	3.36	50.07	56.10	80.06	92.10
Other processing society	1	0.61	0.68	0.84	0.98	0.10	0.13	0.15	0.18	1.32	1.92	2.05	2.38

Annexure - II (Contd.)

Name of society	Deposits			Other Borrowings			Working capital		
	1961-62	1962-63	1963-64	1961-62	1962-63	1963-64	1961-62	1962-63	1963-64
Cotton sale and ginning processing societies	29.16	28.64	30.41	27.47	2.14	2.69	1.54	2.93	2.93
Fruits & vegetables and milk cooperative society	5.84	6.22	9.35	13.34	1.72	1.61	2.05	6.77	11.73
Sugar producers' cooperative society	21.36	22.59	23.28	25.05	75.72	33.80	-	-	191.60
Other processing societies	6.27	10.40	11.61	11.13	-	-	-	-	8.30
									13.13
									14.65
									14.72