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# Cooperatives in Maharashtra: Role in Agricultural, Industrial and Employment Generation

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## Abstract

Since long time cooperatives are working effectively in India. But the large numbers of cooperatives are in Maharashtra and still they are working continuously in sectors of agriculture, industries, finance and more. Agriculture is the important sector in many of the developing countries and cooperatives helping agricultural sector in many ways like in marketing, credit, processing and employment generation. There are many of cooperatives successfully working in India like IFFCO, KRIBHCO, AMUL, etc. who provides number of benefits to the farmers by increased crop productivity and finally through the cooperatives getting profits by efficient marketing of their produce.

## Introduction

Cooperation is based on the slogan 'BinaSahkar, NahiUddhar' which means, there is no development without cooperation. Cooperation is when many people voluntarily united as human beings in the role of equality for their own upliftment, H. Calvert said. The motto of cooperation is 'Each for All and All for Each', where each member has one vote for electing the board of directors. Maharashtra state has established on the day 1<sup>st</sup> of May, 1960. Cooperative sector have played major role in giving shape and direction to the development. It is said to be 70% of cooperatives of overall country are integrated in Maharashtra. Cooperatives are performing well in the sectors of finance, industries, agriculture and development in the state which strengthening the growth of state.

## Cooperative Movement in Maharashtra

India's first sugar factory was established at Pravaranagar, District Ahmednagar through the efforts of Vitthalrao Vikhe Patil. Kolhapur district farmers' weavers cooperative society established the first weaving mill in India at Ichalkaranji. The largest filter capacity farmers' cooperative sugar factory in the country was set up in Sangli. Sangli, Satara, Kolhapur and Ahmednagar districts were leading in the field of cooperation. 1,65,789 cooperative societies in sugar industry, dairy, agricultural credit, civil credit, handloom, weaving, housing, consumer stores, dairy business, agricultural production buying and selling, poultry, animal husbandry, silk industry, leather industry, land development etc. were working. The number of member of these organizations was about four crores and thirteen lakh. Out of the total available information, more than 27% of the total cooperative societies in the country have about 15%, between 25-30 % share capital and a quarter of working capital is in Maharashtra. The cooperative sector

accounted for more than 12% of the total employment in the state. In Maharashtra, the cooperative sector has seen an increase in job creation. Although the share of cooperative sector in the total employment generation is 0.92%, it is seen that cooperation has gained momentum due to this sector.

#### ***Cooperatives Related to Agriculture in Maharashtra***

- MAHAMANGO
- MAHAGRAPES
- MAHABANANA
- MAHAORANGE
- MAHAANAR

### **Role of Cooperatives in Development of Maharashtra**

**M**aharashtra's contribution to the country in the field of cooperation is significant. This sector has worked to liberate the farmers from the system exploitation of moneylenders. Cooperation is a good option to move towards prosperity. So even today it still survives today. The system which was initially limited to agricultural credit as an alternative to the exploitative system of lending continued to expand as a movement. In later times it spread rapidly in areas such as agro-processing, marketing, rural industries, consumer stores etc. Non-agricultural primary credit unions also grew. This made possible social and economic transformation in Maharashtra.

Maharashtra is woven with a web of cooperation. There are 2.18 lakh cooperative societies in the state and half of the state's population belongs to them. Apart from this, there is a large level of indirect benefits of cooperation. Out of 2.18 lakh institutions, 10% are credit to agriculture while 11% are Non-agricultural credit. The remaining 79% organizations are working in various fields like marketing, manufacturing, upstream irrigation, water supply, transportation, social etc. This makes it clear that the cooperative sector is all encompassing. Naturally, there are cooperative societies in the every village of the state and they have become a part of daily life there. Also she tries to weigh herself on the basis of merits; she does not feel that she has lost weight due to social justice and commitment.

The cooperative movement in Maharashtra is a symbol of people's initiative. By organizing them and raising capital, there has been an efforts to bring economic and social work together. This has helped in increasing production and creating employment. This movement has led to significant progress in agriculture, milk, fisheries, agro-processing, storage, sales, marketing, credit, banking and housing. The total share capital and working capital of all the cooperative societies in the state is around Rs. 2.57 lakh crores. At present, it maintains the level of 1.28 lakh deposits, which shows the confidence

of the people of Maharashtra in these cooperative societies. The good and bad experiences are not in any field today, but the belief in this movement built by the common man against all these backgrounds is definitely worth noting. The economy of rural Maharashtra is agricultural. In the last 50 years, the number of primary agricultural credit unions providing loans to agricultural has gone up to Rs. 21,000.00. The state's cooperative bank, 31 district central banks and agricultural credit unions have a three tiers system, which accounts for 70 to 75% of the annual credit in the state. The villagers like it more than any other lending institution. The great success of the cooperative credit system comes against the backdrop of the apparent apathy of private and nationalized commercial banks in the field of agriculture. However these institutions can function efficiently only when the help of nature and at the right price for agricultural commodities. These two factors are the impediment to the movement of these cooperative credit societies. However, in this situation, these institutions maintain their commitment to provide loans to farmers are also at a loss. Out of 175 sugar mills in the state, 141 are cooperative sugar mills. It has the capacity to crush 4 to 5 lakh tonnes of sugarcane per year during the crushing season. Factories in the state can grind about 800 lakh tonnes of sugarcane in a season. Through sugarcane payments, farmers can earn around Rs. 10,000-12,000 crores every year. 10 to 30 thousand farmers supply sugarcane to each factory according to its capacity. Over one and half lakh employees and 8 to 10 lakh labourers get the job of transporting sugarcane. The state government gets Rs. 2,500 crores annually and the central government gets Rs. 1,500 crores from this industry. In the last 50 years, revenue of around Rs. 70,000 crores has been given to the state and central governments. Global sugar production is expected to reach 160 million tonnes this year, of this, India is estimated to produce 131 million tonnes, out of that Maharashtra's share will be 90 lakh tonnes. Naturally the biggest contributor will be the cooperative factories. Cooperation thus contributes to the success of sugar production. Similar to sugar factories, there are 73 workshops in the state, of which 63 are in the cooperative sector. 8 chemical projects are also working. Going even further, a power generation project owned by farmers is being realized in Maharashtra through cooperation. This is something the cooperative movement is proud of. 21 projects have been started and its installed power generation capacity is 236 MW (2,36,000 units) per hour. Another 20 projects are under construction, which will add another 412 MW. Apart from cooperatives industries, the agro-processing cooperative societies in the state include cotton spinning and bale making, spinning mills, handloom and machine spinning societies, dairy societies and milk unions and fisheries societies. The number of these organizations is 48,000 and its membership is over 67 lakh. Millions of farmers and agricultural labourers are the beneficiaries of the dairy business. There are 31,000 cooperative milk societies and 106 milk unions in the state.

Ahmednagar district alone produces worth of 600 crores of milk annually. In rural Maharashtra, this business is helping to increase the purchasing power of farmers and landless agricultural labourers.

The cooperative movement has also contributed to Non-agricultural credit in the state. There are 553 civic cooperative banks, 16,000 civic cooperative credit societies working in the state. It has 24 million members and deposits of Rs. 60,000 crores. There are 101 cooperative industrial estates in the state and 7000 industrial units are working in them. About 11 lakh 25 thousand workers are getting employment in it. This is the contribution of the cooperative sector in the development work. Like other systems, cooperation has some flaws. However, it is not appropriate to defame the cooperation by pointing the finger at those faults. It is in the interest of cooperation to overcome these shortcomings. Introspection, code of conduct, change and improvements are now inevitable in every field. I am confident that Maharashtra will not lag behind in that.

### Future Prospects of Cooperatives in Agriculture

Agricultural cooperatives can engage rural youth in agriculture by providing them on farm as well as off the farm/ non-farm activities as it's to be proved an efficient mechanism for providing employment opportunities. Agricultural cooperatives can help farmers by overcoming specific challenges facing by farmers at their farm. Major class of youth is unemployed because of tough competition

in business world. These youth have that much of talent, skills to survive in this competition but increasing human resources and decreased employment opportunities keeps them away from utilizing their real talent. So, agricultural cooperatives have that much of potential to engage them in agriculture and give them a chance to utilize their own talent and this will also increase level of agriculture and rural youth in same way.

### Conclusion

Above discussion shows that the cooperative sector in Maharashtra is playing major role in agriculture, agricultural credit, industrial development and also in employment generation in rural as well as urban areas. It helping farmers in raising their crops, helping to marketing their production and also provides employment to the workers in different ways.

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