



GROWTH AND STRUCTURE OF PRIMARY AGRICULTURE CO-OPERATIVE SOCIETY (PACS) IN HARYANA AND INDIA

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ABSTRACT

Primary agriculture credit societies mean a co-operative society. Primary Agriculture Co-operative Societies (PACS) are also known as “Mini Banks” or “Rural Credit Banks”. They provide short-term and medium-term loan to its members and the farmers. Primary Agricultural Co-operative Societies are provide agricultural credit to farmers, agricultural inputs like seeds, fertilizers, pesticides and provide facilities for marketing of agricultural produce. The study found that the deposits, borrowing, total loan issued, total loan outstanding and overdues has increased of the Primary Agriculture Co-operative Societies in India and Haryana during the period from 2003-04 to 2015-16. But the number of PACS, membership and number of borrowers has decreased in India and Haryana during the study period. The analysis of data shows that total loan issued of Primary Agriculture Co-operative Societies so we can say, PACS playing a significant role in rural development and agricultural credit.

Keywords: Loan issued, overdues and agriculture credit.

Introduction

Primary agriculture credit societies mean a co-operative society. Primary Agriculture Co-operative Societies (PACS) are also known as “Mini Banks” or “Rural Credit Banks”. Primary Agricultural Credit Societies are the foundation of the co-operative credit structure in India. The first Primary Agriculture Co-operative Societies was organized in India in 1904.

They are providing credit to the farmers and its members for the purchase of cattle, fertilizers, pesticides, etc.

Three Tier Systems

The short-term credit not exceeds 15 month and medium term credit range 15 month to 5 year.

State Co-operative Banks (SCBs): They operate at the apex level in the state.

District Central Co-operative Banks (DCCBs): They operate at the District levels.

Primary Agriculture Co-operative Societies (PACS): They operate at the village or grass-root level.

Objectives of Primary Agriculture Co-operative Societies (PACS):

1. Borrowing funds from members as well as others to be utilized in giving loans to the members for productive purposes and purchasing and owning implements, machinery or cattle for renting it to the member.
2. Acting as the agent for the joint supply of agricultural, domestic and other requirements of the members, and of the joint sale of produce.

Objective of the Study

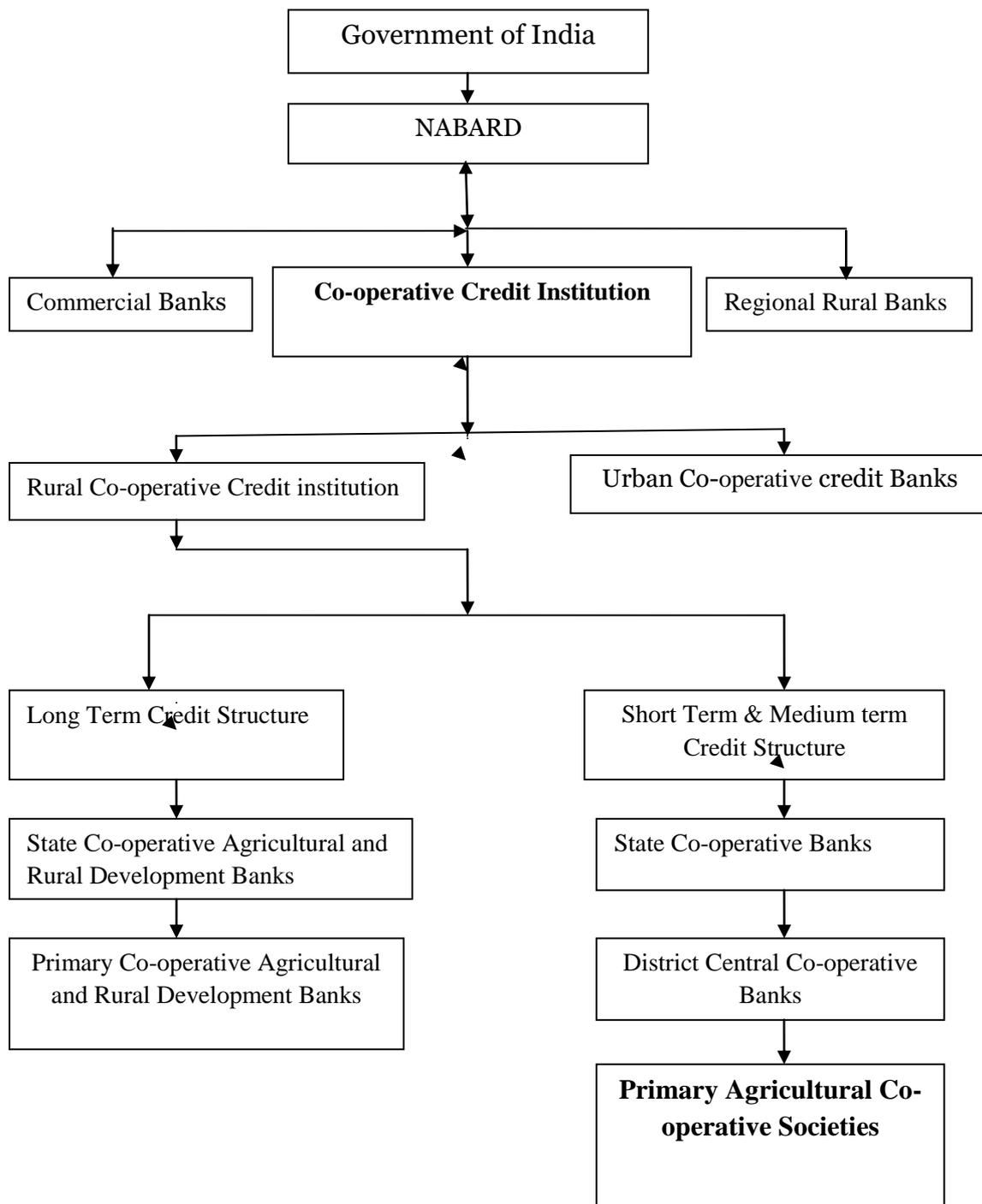
1. To analyze the structure of PACS in India and Haryana.
2. To analyze progress and Performance of Primary Agriculture Cooperative Societies in India and Haryana.
3. To analyze the loan issued and outstanding of PACS in India and Haryana.
4. To analyze the overdues of PACS in India and Haryana.

Research Methodology

To fulfill the objective the secondary data have been used and collected information from Primary Agriculture Co-operative Societies (PACS) during the years from 2003-04 to 2015-16. To analyze the data, Compound Annual Growth Rate (CAGR) and percentage growth have been used.

Flow Chart no. 1

Structure of Agriculture Credit system in India



Findings of the study

No. of PACS

Table-1

(No. of PACS)

Year	INDIA		HARYANA	
	No. of PACS	Growth Rate (%)	No. of PACS	Growth Rate (%)
2003-04	105735	-	2423	-
2004-05	108779	2.87	2443	0.82
2005-06	106394	-2.19	2441	-0.08
2006-07	93224	-12.37	571	-76.60
2007-08	94950	1.85	616	-7.88
2008-09	95633	0.71	620	0.64
2009-10	94647	-1.03	628	1.29
2010-11	93413	-1.30	646	2.86
2011-12	92432	-1.05	640	-0.92
2012-13	93488	1.14	656	2.5
2013-14	93042	-0.47	657	0.15
2014-15	97289	4.56	663	0.91
2015-16	93367	-4.03	711	7.23
CAGR	-0.95		-9.00	

Source: Performance of Primary Agriculture Credit Societies for Various years.

Table 1 indicates the number of primary agriculture co-operative societies have decreased from 105735 in 2003-04 to 97289 in 2014-15 in India. The compound annual growth rate of it accounts for -0.95 percent per annum. The highest growth rate of no. of PACS has 4.56 per cent during the period 2014-15. Table also indicate the number of primary agriculture co-operative societies have decreased from 2423 in 2004-05 to 711 in 2014-15 in Haryana. The compound annual growth rate of it accounts for -9.00 percent per annum. The highest growth rate of no. of PACS has 7.23 per cent during the period 2015-16 in Haryana.

NO. of Members PACS

Table-2

(in 000)

Year	INDIA		HARYANA	
	Total Membership	Growth Rate (%)	Total Membership	Growth Rate (%)
2003-04	135411	-	2624	-
2004-05	127406	-5.91	2658	1.29
2005-06	125197	-11.50	2748	3.38
2006-07	125792	-3.66	2838	3.27
2007-08	131530	0.90	2868	1.05
2008-09	132350	-4.13	2925	1.98
2009-10	126419	34.3	2970	1.58
2010-11	121225	-4.10	2985	0.50
2011-12	113596	-6.29	3015	1.00
2012-13	127467.79	22.69	3612	19.80
2013-14	130119.00	-6.64	3605	-0.19
2014-15	121087.81	-6.94	3710	2.91
2015-16	127321.84	5.14	3695	-0.40
CAGR	-0.47		2.66	

Source: Performance of Primary Agriculture Credit Societies for Various years.

Table 2 indicates the number of members of primary agriculture co-operative societies has decreased from 135411 in 2003-04 to 127321.84 in 2015-16 in India. The compound annual growth rate of it accounts for -0.47 percent per annum during the study period. The highest growth rate of no. of membership of PACS has 22.69 per cent during the period 2012-13. Table also shows the number of members of primary agriculture co-operative societies has increased from 2624 in 2003-04 to 3695 in 2015-16 in Haryana. The compound annual growth rate of it accounts for 2.66 percent per annum during the study period. The highest growth rate of no. of membership of PACS has 19.80 per cent during the period 2012-13 in Haryana.

Total Deposits of PACS

Table-3

(Rs. In Lakhs)

Year	INDIA		HARYANA	
	Total Deposits of PACS	Growth Rate (%)	Total Deposits of PACS	Growth Rate (%)
2003-04	1814253	-	22012	-
2004-05	1897604	4.59	26998	22.65
2005-06	1956119	3.08	31961	18.38
2006-07	2348407	20.05	29848	-6.61
2007-08	2544926	8.36	30459	2.04
2008-09	2624538	3.12	31114	2.15
2009-10	3528606	34.44	37065	19.26
2010-11	3723815	3.53	50118	35.21
2011-12	5025278	34.94	53168	6.08
2012-13	6287416	25.11	57963	9.01
2013-14	8189409	30.25	56461	-2.59
2014-15	8461632	3.32	49718	-1.50
2015-16	10106547	19.43	50476	1.52
CAGR	14.12		6.59	

Source: Performance of Primary Agriculture Credit Societies for Various years.

Table 3 indicate the deposits of primary agriculture co-operative societies have increased from Rs. 1814253 Lakhs in 2003-04 to Rs. 10106547 Lakhs in 2015-16 in India. The compound annual growth rate of it accounts for 14.12 percent per annum during the study period. The highest growth rate of total deposits of PACS has 34.94 per cent during the period 2011-12. Table also shows the deposits of primary agriculture co-operative societies have increased from Rs. 22012 Lakhs in 2003-04 to Rs. 50476 Lakhs in 2015-16 in Haryana. The compound annual growth rate of it accounts for 6.59 percent per annum during the study period. The highest growth rate of total deposits of PACS has 35.21 per cent during the period 2010-11 in Haryana.

Total Borrowings of PACS

Table-4

(Rs. In Lakhs)

Year	INDIA		HARYANA	
	Borrowings of PACS	Growth Rate (%)	Borrowings of PACS	Growth Rate (%)
2003-04	3425718	-	278311	-
2004-05	4024949	17.49	331080	18.96
2005-06	4101760	1.90	391210	18.16
2006-07	4371449	6.57	423020	8.13
2007-08	4784797	9.47	400263	-5.37
2008-09	4893844	2.27	434008	8.43
2009-10	5176389	5.57	448529	3.34
2010-11	5400009	4.31	493651	10.05
2011-12	8883556	64.50	559331	13.30
2012-13	11565823	29.85	632192	13.02
2013-14	9583580	-17.13	690163	9.16
2014-15	9998011	4.32	749417	8.58
2015-16	11269029	12.71	813396	14.23
CAGR	9.59		8.59	

Source: Performance of Primary Agriculture Credit Societies for Various years.

Table 4 indicates the borrowings of primary agriculture co-operative societies have increased from Rs. 3425718 Lakhs in 2003-04 to Rs. 11269029 Lakhs in 2015-15 in India. The compound annual growth rate of it accounts for 9.59 percent per annum during the study period. The highest growth rate of borrowing of PACS has 64.50 per cent during the period 2011-12. Table also indicates the borrowings of primary agriculture co-operative societies have increased from Rs. 278311 Lakhs in 2003-04 to Rs. 813396 Lakhs in 2015-16 in Haryana. The compound annual growth rate of it accounts for 8.59 percent per annum during the study period. The highest growth rate of borrowing of PACS has 18.96 per cent during the period 2004-05 in Haryana.

No. of Borrowers PACS

Table-5

(In Thousands)

Year	INDIA		HARYANA	
	No. of Borrowers PACS	Growth Rate (%)	No. of Borrowers PACS	Growth Rate (%)
2003-04	51265	-	1801	-
2004-05	45070	-12.08	1073	-40.42
2005-06	46076	-3.79	1737	-61.88
2006-07	47910	-18.73	1760	-1.32
2007-08	79408	1.46	1791	-1.76
2008-09	46219	-1.25	1674	-6.53
2009-10	59800	29.38	1687	-0.77
2010-11	52388	-12.39	1785	-5.80
2011-12	44886	-14.32	1181	-33.83
2012-13	49532	- 4.01	1979	67.56
2013-14	48081	11.60	1871	-5.45
2014-15	49857	3.69	1225	-34.52
2015-16	46214	-7.30	1672	36.48
CAGR	-0.79		-0.57	

Source: Performance of Primary Agriculture Credit Societies for Various years.

Table 5 indicates the borrowers of primary agriculture co-operative societies have decreased from 51265 thousand in 2004-05 to 46214 thousand in 2015-16 in India. The compound annual growth rate of it accounts for -0.79 percent per annum during the study period. The highest growth rate of borrowers of PACS has 29.38 per cent during the period 2009-10. Table also shows the borrowers of primary agriculture co-operative societies have decreased from 1801 thousand in 2003-04 to 1672 thousand in 2015-16 in Haryana. The compound annual growth rate of it accounts for -0.57 percent per annum during the study period. The highest growth rate of borrowers of PACS has 67.56 per cent during the period 2012-13 in Haryana.

Total Loan and Advanced Issued of PACS

Table-6

(Rs. In Lakhs)

Year	INDIA		HARYANA	
	Total loan and Advanced issued	Growth Rate (%)	Total loan and Advanced issued	Growth Rate (%)
2003-04	3511924	-	336087.68	-
2004-05	3921172	11.65	412536.73	22.74
2005-06	4291965	9.45	475956.29	15.37
2006-07	4961275	15.59	473634.43	-0.48
2007-08	5764248	16.18	488756.73	3.19
2008-09	5878674	1.98	301110.29	-38.39
2009-10	7493753	27.47	431664.36	43.35
2010-11	9130382	21.83	513567.89	18.97
2011-12	10730023	17.51	608332.96	18.45
2012-13	16190916	50.59	702268.22	15.44
2013-14	17141956	5.87	748345.76	6.56
2014-15	15905029	-7.21	807592.45	7.91
2015-16	18082350	13.68	889056.71	10.08
CAGR	13.43		7.77	

Source: Performance of Primary Agriculture Credit Societies for Various years.

Table 6 indicates that the total loan and advanced issued by primary agriculture co-operative societies has increased from Rs. 3511924 Lakhs in 2003-04 to Rs. 18082350 Lakhs in 2014-15 in India. The compound annual growth rate of it accounts for 13.43 percent per annum during the study period. The highest growth rate of total loan and advanced issued of PACS has 50.89 per cent during the period 2012-13. Table also shows the total loan and advanced issued by primary agriculture co-operative societies has increased from Rs. 336087.68 Lakhs in 2003-04 to Rs. 889056.71 Lakhs in 2015-16 in Haryana. The compound annual growth rate of it accounts for 7.77 percent per annum during the study period. The highest growth rate of total loan and advanced issued of PACS has 43.35 per cent during the period 2009-10 in Haryana.

Loan Outstanding of PACS

Total-7

(Rs. In Laks)

Year	INDIA		HARYANA	
	Total Loan Outstanding of PACS	Growth Rate (%)	Total Loan Outstanding of PACS	Growth Rate (%)
2003-04	4387282	-	292985.85	-
2004-05	4878546	11.19	324569.93	10.78
2005-06	5177856	6.13	387741.26	19.46
2006-07	5862015	13.21	423486.16	9.21
2007-08	6566638	12.02	445725.44	5.25
2008-09	6404424	-2.47	432695.68	-2.92
2009-10	7647983	19.41	483279.50	1.69
2010-11	8776794	14.75	527964.15	9.24
2011-12	9124321	3.95	620771.26	17.57
2012-13	13939871	52.77	723489.33	16.54
2013-14	13005386	-6.70	774069.96	6.99
2014-15	14722557	13.20	949771.46	22.69
2015-16	15848725	7.64	1117618.23	17.67
CAGR	10.38		11.84	

Source: Performance of Primary Agriculture Credit Societies for Various years.

Table 7 indicates that the total loan outstanding by primary agriculture co-operative societies has increased from Rs. 4387282 Lakhs in 2003-04 to Rs. 15848725 Lakhs in 2015-16 in India. The compound annual growth rate of it accounts for 10.38 percent per annum during the study period. The highest growth rate of total loan outstanding of PACS has 52.77 per cent during the period 2012-13. Table also shows the total loan outstanding by primary agriculture co-operative societies has increased from Rs. 292985.85 Lakhs in 2003-04 to Rs. 1117618.23 Lakhs in 2015-16 in Haryana. The compound annual growth rate of it accounts for 11.84 percent per annum during the study period. The highest growth rate of total loan outstanding of PACS has 22.69 per cent during the period 2014-15 in Haryana.

Overdues of PACS

Table-8

(Rs. In Lakhs)

Year	INDIA		HARYANA	
	Overdues of PACS	Growth Rate (%)	Overdues of PACS	Growth Rate (%)
2003-04	1629517	-	100714.02	-
2004-05	1605223	-1.49	100067.91	-0.64
2005-06	1546623	-3.55	142327.84	42.23
2006-07	1575291	1.85	172288.63	21.05
2007-08	2400348	52.37	205387.17	19.21
2008-09	3793654	58.04	235845.64	14.82
2009-10	3952401	4.18	242770.91	2.93
2010-11	2269760	-42.57	246044.61	1.34
2011-12	2430359	7.07	263893.82	7.25
2012-13	3829563	57.57	267161.34	1.23
2013-14	2963194	-22.62	319812.64	19.70
2014-15	3579059	20.78	299908.13	-6.22
2015-16	2988913	-16.48	285579.73	-4.77
CAGR	4.77		9.07	

Source: Performance of Primary Agriculture Credit Societies for Various years.

The table 8 shows that the total overdues of PACS have increased from Rs. 1629517 lakhs in 2003-04 to Rs. 2988913 lakhs in 2015-16 in India. The compound annual growth rate of total overdues is about 4.77 per cent per annum during the study period. The highest growth rate of overdues of PACS has 58.04 per cent in 2008-09. The table also shows that the total overdues of PACS have increasing trend during the study period. Total overdues of PACS have increased from Rs. 100714.02 lakhs in 2003-04 to Rs. 285579.73 lakhs in 2015-16 in Haryana. The compound annual growth rate of total overdues is about 9.07 per cent per annum during the study period. The highest growth rate of overdues of PACS has 42.23 per cent in 2005-06.

Conclusion

The study found that the deposits, borrowing, total loan issued, total loan outstanding and overdues has increased of the Primary Agriculture Co-operative Societies in India and Haryana during the period from 2003-04 to 2015-16. But the number of PACS, membership and number of borrowers has decreased in India and Haryana during the study period. The analysis of data shows that the Primary Agriculture Co-operative playing a significant role in agricultural credit and rural development.

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