

---

---

**CHAPTER THREE**

---

---

**NON-BANKING OPERATIONS :**

**ROLE OF THE BANK IN AGRICULTURAL DEVELOPMENT**

- I. IRRIGATION SCHEMES
- II. TRACTOR SERVICES
- III. PAISA FUND FERTILISERS
- IV. PROCESSING OF AGRICULTURAL PRODUCE
- V. MARKETING OF AGRICULTURAL AND CONSUMERS GOODS
- VI. DEVELOPMENT PROJECT FOR AFFECTED FARMERS AND FARMERS TRAINING.

!! CHAPTER - III !!

NON-BANKING OPERATIONS : ROLE OF THE BANK IN AGRICULTURAL  
DEVELOPMENT

INTRODUCTION :

"Agriculture is the largest and most important sector of the Indian economy. More than 70 percent of the people depend upon agriculture and about 80 percent live on it in villages."<sup>1</sup> The development of Indian economy depends upon the development of agriculture. Agriculture is also the main occupation of people of Hupari and other villages. The development of Hupari and its surrounding villages is determined by the development of agriculture. Realising this the Bank has been trying to assist agricultural development with the help of various schemes.

I. IRRIGATION SCHEMES :

The Bank had started three irrigation schemes. Presently, it runs two major schemes. From 1980, these are managed by a committee of 23 members. The managing director of the Bank is an ex-officio member of the Committee. Previously each scheme was managed by a separate committee. The schemes are as follows:

- 1) Hupari Lift Irrigation Scheme.
- 2) Shri Ganesh Lift Irrigation Scheme.
- 3) Gat Pani Purvatha Yojana.

1) HUPARI LIFT IRRIGATION SCHEME :

This scheme, known as "Hupari Jackwell" was started by the Government of Maharashtra in March 1959 and was transferred to the Bank on 7th April 1970<sup>2</sup> for Rs. 1,84,000. The Bank paid Rs. 1,55,084 in 1970, to the Government. Out of this, the amount of Rs. 41,700<sup>3</sup> was from the deposits of the members and the rest was Government loan. The members of this scheme are 191; out of whom 137 are marginal farmers possessing 211 acres of land. The scheme irrigates land from Hupari and Rendal. The command area of the scheme consists of 500 acres. It has permission to irrigate 300 acres of perennial crop of sugarcane. The S.F.D.A. had given in 1977-78 a grant of Rs. 40,000 for the construction of 10250 feet of new pipe line.<sup>4</sup>

The following table gives yearwise irrigated area coming under this scheme.

TABLE NO. 3.1

HUFARI LIFT IRRIGATION SCHEME : IRRIGATED AREA IN ACRES, CROPWISE  
( 1969-70 to 1984-85)

Year	Sugarcane Crop Acres	Rabbi Crop Acres	Kharip Crop Acres	Total Crop. Acres.
1969 - 70	220	-	100	320
1970 - 71	260	70	120	450
1971 -72	260	94	138	492
1972 - 73	273	76	173	522
1973 - 74	256	69	165	490
1974 - 75	245	76	141	462
1975 - 76	184	120	133	437
1976 - 77	156	94	148	398
1977 - 78	237	74	149	460
1978 - 79	135	46	119	300
1979 - 80	128	37	85	250
1980 - 81	188	30	85	303
1981 - 82	167	26	55	248
1982 - 83	154	24	76	254
1983 - 84	116	42	74	232
1984 - 85	110	57	83	250
<b>Total</b>	<b>3089</b>	<b>935</b>	<b>1844</b>	<b>5868</b>

Source : Annual Reports of the Bank.

The above table indicates that the area under sugarcane had gone down from 220 acres in 1969-70, to 109 acres and 33 gunthas in 1984-85. The maximum area of sugarcane irrigated was 273 acres in 1972-73. The Irrigated area under rabbi crop had also not increased. The irrigated area under kharip crop had decreased from 1973-74. On an average the scheme irrigated 366 acres per year from 1970 to 1985.

The reasons for decline in the irrigated area were shortage of river water, power cut, rationing of water and construction of individual irrigation schemes.

Upto 1984 the Bank was taking deposits from the members at the rate of Rs. 520 per acre. However, on account of increasing maintenance cost the deposit was raised to Rs. 1,000 in 1984-85. In addition to above, the irrigation charges were also collected.

These deposits and water charges were being used for the repayments of loans, repairs, extension and maintenance of the scheme.

The following table gives the details of irrigation charges from 1969-70 to 1984-85.

TABLE NO. 3.2

HUPARI LIFT IRRIGATION SCHEME : IRRIGATION CHARGES PER ACRE,  
CROPWISE \$ 1969-70 to 1984-85).

Year	Sugarcane	Rabbi Crops		Kharip Crops	
		I Crops (Rs.)	II Crops (Rs.)	I Crops (Rs.)	II Crops (Rs.)
1969 - 70	400	13	19.50	31	46.50
1970 - 71	400	13	19.50	31	46.50
1971 - 72	400	13	19.50	31	46.50
1972 - 73	400	13	19.50	31	46.50
1973 - 74	400	13	19.50	31	46.50
1974 - 75	400	13	19.50	31	46.50
1975 - 76	400	13	19.50	31	46.50
1976 - 77	704	60	75	120	150.00
1977 - 78	720	60	75	120	150.00
1978 - 79	720	60	75	120	150.00
1979 - 80	720	60	75	120	150.00
1980 - 81	720	60	75	120	150.00
1981 - 82	720	60	75	120	150.00
1982 - 83	720	60	75	120	150.00
1983 - 84	720	60	75	120	150.00
1984 - 85	720	60	75	120	150.00

Source : Annual Reports of the Bank.

The above table shows that the irrigation rates were constant from 1969-70 to 1975-76. They were increased in 1976-77. But they were constant since then. The rates were charged as per the Government rates. The rates given in the above table were applicable to depositor members only.

The following table gives information regarding income, expenditure and profit of the scheme from 1969-70 to 1984-85.

TABLE NO. 3.3

HUPARI LIFT IRRIGATION SCHEME: INCOME, EXPENDITURE, PROFIT & REBATE  
( 1969-70 to 1984-85)

Year	Income (Rs.)	Expenditure (Rs.)	Profit (Rs.)	Rebate (Rs.)
1969-70	11100	10976	124	418
1970-71	81902	81806	96	2350
1971-72	85163	85044	119	4709
1972-73	52914	52908	6	6289
1973-74	14096	12282	1814	25943
1974-75	136548	133434	3114	26458
1975-76	110576	110537	39	20650
1976-77	152104	149441	2663	31168
1977-78	202237	180188	22049	60196
1978-79	148556	147669	887	24679
1979-80	148244	163446	- 15202	17221
1980-81	198828	198003	825	22426
1981-82	169673	170130	- 457	11626
1982-83	155998	154124	- 5674	-
1983-84	129138	129886	- 8263	-
1984-85	116588	117536	- 948	-

- Loss

Source : Annual Reports of the Bank.

The above table indicates that the income of the unit increased every year upto 1977-78. From 1978-79, however, income decreased. The expenditure on the scheme was increasing. In 1977-78 it was Rs. 180188 because of purchase of an electric motor of 40 H.P. In 1980-81 the expenditure was highest because of rise in maintenance charges. The table shows that the scheme was making moderate profit. In 1977-78 the scheme earned highest profit of Rs. 22049. From 1979-80 it was facing losses. The Bank was giving higher rebates to the members whenever, possible. In 1977-78 the Bank distributed Rs. 60196 as rebates.

On the whole, the scheme was doing good work. Since it is service motivated cooperative unit, its success should not be judged in terms of profits and losses. The year 1984-85 was the landmark in the history of the scheme, for it repaid the Government loan entirely.

2. SHRI GANESH LIFT IRRIGATION SCHEME :

Shri Ganesh lift irrigation scheme popularly known as, Shri Ganesh Pani Furvatha Yojana, was the second irrigation scheme started by the Bank. The work of the scheme was undertaken in 1973 and was completed in 1976.<sup>5</sup>

This scheme was financed by the Land Development Bank, The Kolhapur District Central Cooperative Bank and the Government of Maharashtra under its Employment guarantee



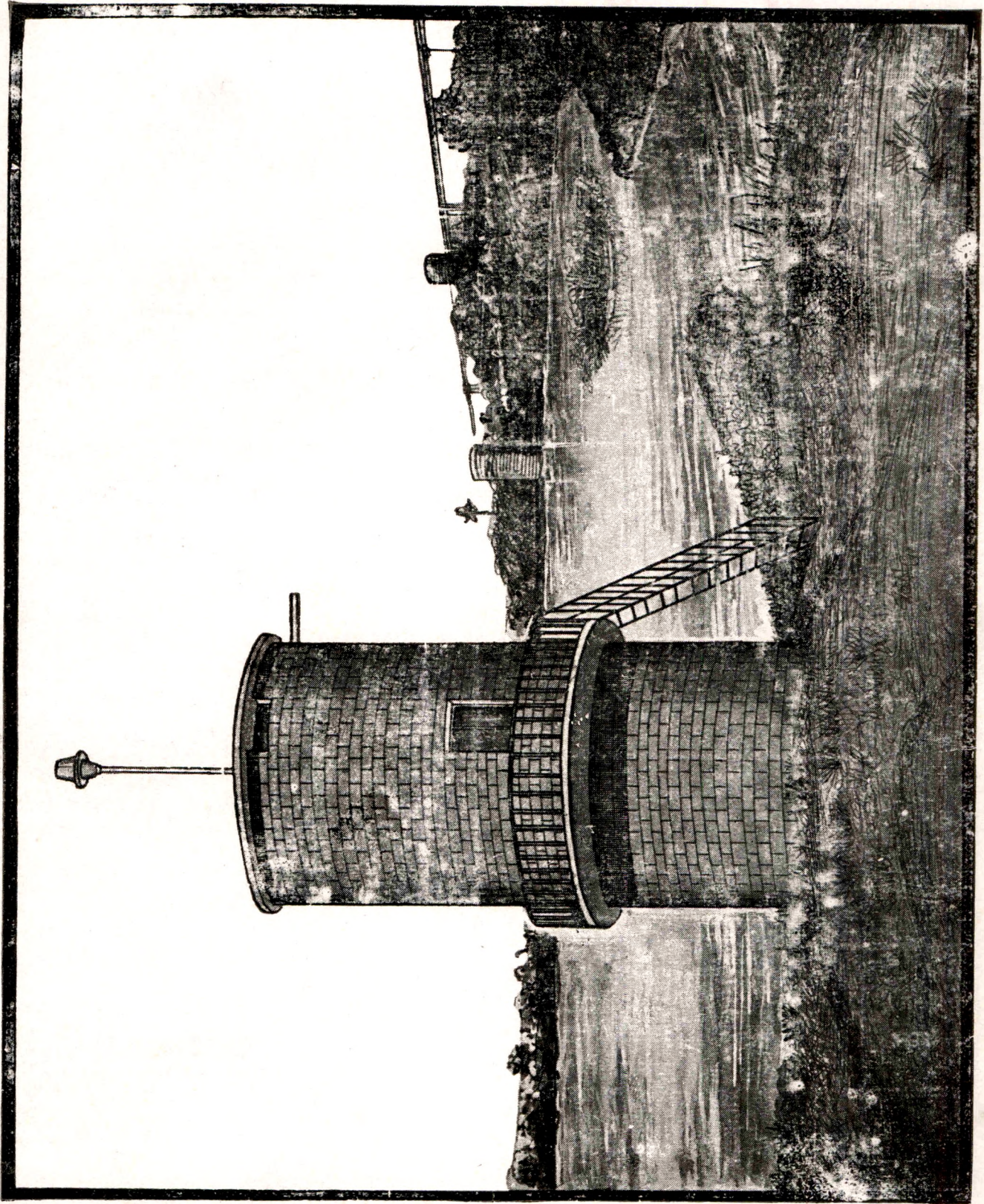


PHOTO NO. 3  
SHRI GANESH LIFT IRRIGATION SCHEME CONSTRUCTED IN 1976.

261

scheme. The Government provided Rs. 82,000 for this scheme. Rs. 52640 were, given by S.F.D.A.<sup>6</sup> as subsidy for 282 marginal farmers. The contribution made by the members was Rs. 10,000. The major amount on this scheme was spent by Shri Paisa Fund Bank. The timely construction of the scheme was due to keen interest of the Bank.

The total number of members of this scheme, is 533 out of whom 282 are marginal farmers holding 448 acres of land. Hupari, Talandge and Pattan Kodoli get benefit of the scheme. The scheme has permission to irrigate 1200 acres of land. The main objective of this scheme is to irrigate Kharip crops. However, it provides irrigation for rabbi and sugarcane also. In order to meet the irrigation needs of the area improvements were being made in the scheme from time to time. However, the scheme was not able to cover the command area.

The following table shows yearwise and cropwise irrigated area.

TABLE NO. 3.4

SHRI GANESH LIFT IRRIGATION SCHEME : IRRIGATED AREA IN ACRES,  
CROPWISE ( 1973-74 to 1984-85).

Year	Sugarcane	Kharip Crops	Rabbi Crops	Total Crops
1973 - 74	-	-	125	125
1974 - 75	-	979	460	1439
1975 - 76	-	439	465	904
1976 - 77	-	851	391	842
1977 - 78	-	380	296	676
1978 - 79	282	192	92	566
1979 - 80	340	173	106	619
1980 - 81	398	171	95	664
1981 - 82	298	108	202	608
1982 - 83	321	202	119	642
1983 - 84	251	172	139	562
1984 - 85	232	174	187	593
<b>Total</b>	<b>2122</b>	<b>3441</b>	<b>2677</b>	<b>8240</b>

Source : Annual Reports of the Bank.

The above table indicates that the area under sugarcane fluctuated between 232 and 398 acres. The acreage of irrigated kharip crops, had declined from 979 acres in 1974-75 to 173 acres in 1984-85. In case of Rabbi crops also, the acreage covered fluctuated <sup>year</sup> after year.

It is, further found that except in 1974-75 when the area irrigated was 1439 acres, of land. It was not possible to irrigate the land to the fullest possible extent (The permission being for 1200 acres).

The scheme could not provide more irrigation facilities because of the shortage of water, power cut, and restriction on the lifting of water from the river. The Bank was collecting deposit of Rs. 1,000 per acre from the members. Irrigation was not supplied to kharip and rabbi crops without deposits. In case of sugarcane it was also supplied to non depositors by taking higher irrigation charges.

The following table gives the details of irrigation charges from 1973-74 to 1984-85.

TABLE NO.3.5

SHRI GANESH LIFT IRRIGATION SCHEME: IRRIGATION CHARGES PER  
ACRES CROPWISE ( 1973-74 to 1984-85)

Year	Sugarcane Crops		Kharip Crops		Rabbi Crops	
	* Depositor (Rs.)	Non Depositor (Rs.)	I Crop (Rs.)	II Crop (Rs.)	I Crop (Rs.)	II Crop (Rs.)
1973 - 74	-	-	-	-	150	-
1974 - 75	-	-	100	-	100	-
1975 - 76	-	-	100	-	150	-
1976 - '77	-	-	140	-	180	-
1977 - 78	-	-	100	-	180	-
1978 - 79	-	-	100	-	120	-
1979 - 80	400	1000	60	75	120	-
1980 - 81	400	1000	60	75	120	-
1981 - 82	400	1000	60	75	120	150
1982 - 83	400	1000	60	75	120	150
1983 - 84	400	1000	60	75	120	150
1984 - 85	600	1200	60	75	120	150

Note : Deposit of Rs. 1000 per acre.

Source : Annual Reports of the Bank.

The table shows that the irrigation charges for sugarcane crop were constant upto 1983-84. Different rates were charged for depositors and non depositors e.g. they were Rs. 600 and

Rs. 1200 for depositors and non depositors, respectively. In case of kharip and rabbi crops classification was made as first crop and the second crop, and different rates of irrigation were charged for them. The Bank was encouraging savings by charging lower rates to the depositors.

The following table gives information regarding income, expenditure and profit of the scheme from 1973-74 to 1984-85.

TABLE NO. 3.6

SHRI GANESH LIFT IRRIGATION SCHEME : INCOME, EXPENDITURE AND PROFIT  
(1973-74 to 1984-85)

Year	Income Rs.	Expenditure Rs.	Profit. Rs.
1973 - 74	131645	130068	1577
1974 - 75	271177	271090	87
1975 - 76	235081	275897	- 40816
1976 - 77	363273	359142	4131
1977 - 78	396882	332896	63986
1978 - 79	359245	349091	10154
1979 - 80	356115	374542	- 18427
1980 - 81	364305	338365	25940
1981 - 82	252682	297536	- 44854
1982 - 83	286107	285123	984
1983 - 84	265670	259228	6442
1984 - 85	262579	240268	22311

Source : Annual Reports of the Bank.

The above table reveals that the scheme was financially sound. It incurred losses three times in 1975-76, 1979-80 and 1981-82. In 1975-76 the loss was due to reduction in the area under irrigation which was the result of favourable mansoons. In 1979-80 the maintenance cost had increased and hence, there was loss of Rs. 18426. In 1981-82 area under sugarcane was reduced which caused loss of Rs. 44853. The scheme had repaid government loan completely within the period of 8 years. The scheme did not pay rebates to its members.

This scheme has assured crops, it has increased the agricultural production and also generated employment.

3. GAT WELL IRRIGATION: ( GAT PANI PURVATHA YOJANA ):

The Third irrigation scheme started by the Bank was a minor scheme. The irrigation well of Shri. B.Y.Gat was purchased by the Bank for Rs. 27,000 in 1973.<sup>7</sup> It was on this well the scheme was constructed. The members of this scheme are 13 marginal farmers holding 22 acres. S.F.D.A. had given subsidy of Rs. 15,783, to the scheme in 1977-78 for development of the scheme.<sup>8</sup>

The following table shows yearwise and cropwise irrigated area.

TABLE No. 3.7

GAT WELL IRRIGATION SCHEME: IRRIGATED AREA IN ACRES CROPWISE  
( 1974-75 to 1979-80)

Year	Sugarcane Crops Acre	Kharip Crops Acre	Rabbi Crops Acres	Total Crops Acre.
1974 - 75	10	6	6	22
1975 - 76	12	5	7	24
1976 - 77	11	9	4	24
1977 - 78	11	9	1	21
1978 - 79	11	3	3	17
1979 - 80	11	5	4	20
Total	66	37	25	128

Source :Annual Reports of the Bank.

The table shows that the area under irrigation was constant. On an average the scheme was irrigating 20 acres of land per year.

The following table gives the details of irrigation charges from 1975-76 to 1979-80.



TABLE NO. 3.8

GAT WELL IRRIGATION SCHEME : IRRIGATION CHARGES PER ACRE, CROPWISE  
( 1975-76 to 1979-80)

Year	Sugarcane per acre (Rs.)	Kharip per acre (Rs.)	Rabbi per acre (Rs.)
1975 - 76	600	160	160
1976 - 77	600	160	160
1977 - 78	800	160	160
1978 - 79	800	60	120
1989 - 80	800	60	120

Source : Annual Reports of the Bank and unit Records.

The table indicates that the irrigation rates in case of sugarcane were constant for the first two years. They were increased in 1977-78. In case of kharip and rabbi crops equal rates were charged upto 1978. From 1978 they were reduced. However, the rate of kharip crop was reduced by Rs. 100.

The following table gives information regarding income, expenditure and profit of the scheme from 1973-74 to 1979-80.

TABLE NO. 3.9

GAT WELL IRRIGATION SCHEME : INCOME, EXPENDITURE, PROFIT AND  
REBATE ( 1973-74 to 1979-80)

Year	Income (Rs.)	Expenditure (Rs.)	Profit (Rs.)	Rebate (Rs.)
1973 - 74	3046	2888	158	-
1974 - 75	8046	3768	4278	-
1975 - 76	11532	11470	62	2778
1976 - 77	11514	11545	- 31*	400
1977 - 78	13354	11428	1926	270
1978 - 79	12481	15580	- 3099*	-
1979 - 80	14506	13383	1123	1725

\* Note : Loss.

Source : Annual Reports, (2) Unit profit and loss account.

The above table indicates that the income and expenditure were almost constant. The scheme was in loss only twice. In 1976-77 losses were due to installation of a new pumpset. In 1978-79 the loss was caused by the reduction in the total area under irrigation.

The Gat Irrigation scheme was a model example of a community minor irrigation scheme.

The scheme was transferred to Shri Mahavir Sahakari Pani Purvatha, Hupari in 1979-80.<sup>9</sup>

The above review of three irrigation schemes initiated, started and managed by the Bank shows, that the schemes were playing important role in the development of agriculture. On an average, these schemes irrigated 1074 acres of land. They have brought quantitative and qualitative changes in agricultural production. Cropping pattern has changed. An assured water supply has spelt prosperity, Created employment, enhanced incomes, and increased savings. Moreover, these schemes have strengthened the spirit of cooperation and mutual help among members.

## II. TRACTOR SERVICES :

The purchase of tractor in 1961 was an important step taken by the Bank to improve the cultivation of land. The tractor was used by the farmers for ploughing and land levelling.

The Bank was giving concession in tractor charges to the members keeping deposits at the rate of Rs. 5 per acre in case of ploughing and Rs 5 per hour in case of land levelling. The deposit collected from the members amounted to Rs. 34742 in 1965-66. The tractor was sold to a local cooperative in 1970 so as to make tractor services regularly available to the farmers.

III. PAISA FUND FERTILISERS :

Organisation of fertiliser section is another important measure undertaken by the Bank for agricultural development. The Bank secured licence in 1961 from the Government to manufacture Mixed fertilisers. The production was started from 1st May 1961.<sup>10</sup> The fertiliser produced by the Bank is called, "Paisa Fund Mishra Khat" (Paisa Fund Mixed Fertiliser). The fertiliser plant is located at Hupari in the godown of the Bank. The production is carried on under the guidance and supervision of the expert. From the very beginning paisa Fund Fertilisers are known for their quality and standard not only in Hupari area, but also all over the district of Kolhapur.

Initially, the fertiliser section was managed by the committee of 5 members. At present the management of the section is with a committee of 9 members. One of the members is the managing director of the Bank.

The manufacturing of Paisa Fund Fertiliser was undertaken by the Bank with the following objectives.<sup>11</sup>

- 1) To supply fertiliser of good quality at lowest prices.
- 2) To improve the fertility of land.
- 3) To increase the agricultural production
- 4) To increase the income of farmers.

The fertilisers are sold to the farmers and cooperative societies. In the past, the Bank was giving incentives to buyers, so as to increase the sale of fertilisers. The members keeping deposits of Rs. 200 were given concession in the price of fertilisers at the rate of Rs. 10 per tonne. In addition to this interest was also paid on the deposits. Similarly, concession of Rs. 10 per tonne was also given to the members using their own gunny bags to carry the fertilisers.<sup>12</sup> The fertilisers were also supplied to the farmers as crop loans. The cooperative societies were given concessions too. The fertiliser section even sells fertilisers of other companies.

The study of yearwise production is important from many angles. The following table shows yearwise production of fertilisers from 1965-66 to 1984-85.

TABLE NO. 3.10

PAISA FUND FERTILISER : PRODUCTION (1965-66 to 1984-85).

Year	Quantity Produced ( In Tonnes)	Year	Quantity Produced(In Tonnes.
1965 - 66	1306	1975 - 76	965
1966 - 67	1759	1976 - 77	1035
1967 - 68	2098	1977 - 78	802
1968 - 69	1696	1978 - 79	478.700
1969 - 70	1457	1979 - 80	235.700
1970 - 71	1127	1980 - 81	1903.00
1971 - 72	2656	1981 - 82	523.750
1972 - 73	2382	1982 - 83	322.00
1973 - 74	181	1983 - 84	430.00
1974 - 75	341	1984 - 85	364.700

Source : Annual Reports of the Bank.

The above table shows that the production of fertilisers was increasing year after year. However, it had decreased in 1973-74 and 1979-80 due to scarcity of raw materials and their rising prices. On the whole demand for fertilisers was increasing.

Since 1980 the Bank has stopped giving concession to the buyers. However, free home delivery is given in case of 7 to 20 tonne of purchase. The fertilisers are sold as per the prices

prescribed by the K.D.C.C. Bank, Kolhapur.

The following table shows the prices of fertilisers.

TABLE NO. 3.11

COMPARATIVE PRICES OF FERTILISERS PER TON ( 1984-85).

Sr. No.	Kinds of Fertilisers	Prices paisa Fund Fertilisers (Rs.)	Prices of open market Fertilisers (Rs.)
1.	15 : 5 : 5	1500	1550
2.	18 : 18 : 10	2400	2450
3.	20 : 20 : 10	2000	2050

Source : Fertiliser section of the Bank.

The above table clearly shows that the prices of Paisa Fund Fertilisers were less than other fertilisers. This was one of the factors which contributed to the increased demand of Paisa Fund Fertilisers.

It is remarkable that the farmers are using the Paisa Fund Fertilisers with great confidence and faith. The demand for fertilisers is increasing year after year, but on account of shortage of raw materials it cannot be met by the Bank.

The use of Paise Fund Fertiliser is beneficial to the farmers in many respects. The agricultural production has gone up. The income of the farmers have also increased. A few farmers, have even won prizes by using Paise Fund Fertilisers in all India crop production competitions. The following <sup>w</sup> examples are notable.

1. Shri. L.Y. Patil won second prize in sugarcane competition conducted by Shetakari Sahakari Sangh, Kolhapur in 1965-67.

He produced sugarcane 98.5 tonnes per acre by using Paise Fund Fertilisers at the rate of 1 tonne per acre.<sup>13</sup>

2. Shri. Amagonda Balgonda Patil, Bhojkar stood first in "All India Sugarcane competition" in 1968-69.<sup>14</sup>

3. Shri Fakkad Bala Gat won the second prize in "National Sugarcane Competition" by producing 357.15 tonnes of sugarcane per hectare in 1977-78.<sup>15</sup>

4. Shri Shripal Appasaheb Gat stood second at "National Level" Ratoon Sugarcane production Competition in 1977-78 by producing 274.35 tonnes per hectare.<sup>16</sup>

5. Shri Fakkad Bala Gat and Shri Shripal Appasaheb Gat stood first in 1979-80 in "All India Sugarcane Competition by producing highest quantity of Suru Sugarcane, <sup>and</sup> ratoon sugarcane respectively. Both were honoured by the Government of India by the Honour of 'Krishi Pandit.'<sup>17</sup>



The prize winner farmers give credit of their success to the Paisa Fund Fertilisers. The Bank, through its own production and sale of fertilisers, has popularised the use of fertilisers in Hupari area. The efforts of the Bank have definitely contributed to the productivity of agriculture.

IV) PROCESSING OF AGRICULTURAL PRODUCE :

"Several agricultural commodities can be more favourably marketed if they are processed before sale. Taking into account the importance of processing the Bank had made arrangements for processing sugarcane, groundnut and tobacco.

The processing activities were as follows :

1. Gur Centre
2. Sugar Centre
3. Oil Mill
4. Shetakari Bidi.

1. GUR CENTRE :

Gur is one of the important productions of Kolhapur district. Like many other things Kolhapur gur is famous throughout India. Shri Paisa Fund Bank also took interest in the production of gur by starting Gur Centre in 1965.<sup>18</sup>

Before 1965 the number of sugar factories was less. They were not purchasing entire sugarcane from the farmers. The remaining sugarcane was utilised for the production of gur.

The production of gur was profitable as there was increasing demand. For small farmers, production of gur was difficult and expensive. To assist the small farmers in this regard, the Bank decided to make arrangement for crushing and making gur at lower cost of production.

The gur centre was managed by the Bank through a committee of 7 members of which Managing Director of The Bank was one member.

The Bank had purchased one set of crusher and another was hired. The gur was produced by charging minimum cost per cake from the farmers. Different rates were charged to depositors and non depositors which can be seen from the following table.

TABLE NO. 3.12

GUR CENTRE: GUR PREPARATION RATES PER CAKE\* DEPOSITWISE  
( 1965-66 to 1969-70)

Year	Member paying deposit Rs. 50 per 10 cakes Rs.	Member paying deposit Rs.25 per 10 cakes Rs.	Non depositors Rs.
1966 - 67	5.00	5.25	5.50
1967 - 68	5.50	5.75	6.25
1968 - 69	5.75	6.00	6.75
1969 - 70	5.75	6.00	6.75

Note:\* Roundel of Gur weighing approximately 30 K.g.

Source : Annual Reports of the Bank.

The above table throws light on the fact that the Bank was giving concession in production charges to the depositors. The farmer who had paid deposit of Rs. 50 per 10 cakes was given concession of Re. 1 per cake and the farmers who had paid deposits of Rs. 25 per 10 cakes was given concession of paise 75 per cake. The incentive in the form of concession given was useful in promoting savings.

The gur centre had a life of 5 Years only. The production of gur declined year after year except in 1967-68 when it was 9043 cakes. The following table gives information regarding production of gur, income, expenditure and profit of the gur centre.

TABLE NO. 3.13

GUR CENTRE: PRODUCTION, INCOME, EXPENDITURE, PROFIT AND LOSS  
( 1965-66 to 1969-70)

Year	Gur production cake	Income Rs.	Expenditure Rs.	Profit Rs.
1965 - 66	7272	38332	40760	- 2428*
1966 - 67	6548	33853	38865	- 5012*
1967 - 68	9093	56201	37658	18543
1968 - 69	5771	35741	35517	224
1969 - 70	4177	39889	39802	87

\* Note : Loss.

Source : Annual Reports of the Bank.

The above table indicates that the unit was running in losses. The reasons were shortage of sugarcane, improper working of machine, increased cost of production and shortage of power. From 1968-69 the prices of gur went down and gur making became unprofitable. The farmers, in stead of making gur, started selling their sugarcane to the sugar factories. Hence this unit was closed in 1971.<sup>19</sup>

The gur centre started by the Bank was need of the hour. It was particularly, helpful to the small farmers. It was only because of the bank the small farmers could produce gur and get better prices for their produce at least for the first few years.

2. SUGAR CENTRE :

The Bank had introduced in 1968 another novel scheme of producing sugar on a small scale. The deposits were collected from sugarcane growers. A small machine with a capacity of 20 to 25 tonnes<sup>was</sup> purchased for Rs. 90,000 in 1968.<sup>20</sup> The unit was short lived. The following table shows the production, income, expenditure and losses of the sugar centre.

TABLE NO. 3.14

SUGAR CENTRE : PRODUCTION, INCOME, EXPENDITURE AND LOSSES

Year	Production (in Quintal)	Income (Rs.)	Expenditure (Rs.)	Losses (Rs)
1968 - 69	170	56015	77036	21021
1969 - 70	182	132458	163364	30906

Source : Annual Reports of the Bank.

The above table shows that the unit had made losses in both the years. These losses were due to lack of technical knowledge, rise in the production cost, excise duty and fall in sugar prices. On account of unsatisfactory working the unit was closed, in 1971.<sup>21</sup>

3. JANATA OIL MILL :

The groundnuts is one of the major crops of Hupari area. The farmers used to sell their groundnut to the local merchants who were paying low prices to them. They were also exploiting farmers in many ways. In order to relieve the farmers from exploitation, the Bank started oil mill namely "JANATA OIL MILL" on 15th March 1965 with the following objects.<sup>22</sup>

1. to give reasonable groundnut prices to farmers.
2. to eliminate middlemen.
3. to stop exploitation of farmers.
4. To regulate oil prices.
5. to make regular supply of oil at reasonable price to consumers.

The Janata Oil Mill was managed by the Oil Mill Committee of 9 members. The Managing Director of the Bank was one of the members of the Committee.

The capital for the oil mill was raised from the fixed deposits of members. In the Year 1966-67 the amount of deposits collected from 982 members was Rs. 80320. In the same Year Rs. 9,000 and Rs. 4,000 were set apart in special funds for depreciation and minimum price support respectively. The mill used to give 2% rebate on purchase of Oil to the depositors.<sup>23</sup>

The following table shows working of Janata Oil Mill.

TABLE NO. 3.15

JANATA OIL MILL: PURCHASE & CRUSHING OF GROUNDNUT AND PRODUCTION

OF OIL AND OIL CAKE ( 1964-65 to 1972-73 )

Year	Groundnut purchased from members (Bags)	Groundnut purchased from others (Bags.)	Price paid per Quintal (Bags)	groundnut crushed	Production Oil Quintal	Oil Cake Quintal
			R.s.			
1964-65	3050	5326	95	5067	566	802
1965-66	1567	4090	140	6794	779	1130
1966-67	2510	4331	140	6269	407	899
1967-68	3058	6163	104	2100	N.A.	N.A.
1968-69	671	5852	124	4080	405	609
1969-70	543	3852	140	3050	355	528
1970-71	196	3396	N.A.	2836	N.A.	N.A.
1971-72	105	6180	152	2285	299	294
1972-73	5	1619	340	1020	116	162

\* 1 Bag = approximately 40 K.g. N.A. = Not Available.

Source : Annual Reports of the Bank.

The above table shows that the groundnut were purchased from non members also. The supply of groundnut by members in particular, shows a declining trend. As a result of less supply of groundnut production of Oil had also declined which can be seen from column 6 of the above table.

The Janata Oil Mill rendered marketing facilities not only to its members but also to other farmers. In 1965-66 the market price of groundnut Oil had increased to Rs. 6.50 per K.g. However, the mill sold the Oil at the price of Rs. 5 per K.g. to the members and also to others.<sup>24</sup> This policy of the mill naturally had kept the price of oil at Hupari and its neighbouring places under control. The following table gives information regarding income, expenditure and profit of the Oil Mill.

TABLE NO.3.16

JANATA OIL MILL : INCOME, EXPENDITURE AND PROFIT (1967-68 to 1972-73)

Year	Income (Rs.)	Expenditure (Rs.)	Profit. (Rs.)
1967 - 68	58911	58689	222
1968 - 69	61153	60967	186
1969 - 70	37440	37888	- 448
1970 - 71	32088	41340	- 9252
1971 - 72	60587	58168	2419
1972 - 73	36897	36824	73

Source : Annual Reports of the Bank.

The above table shows that there were ups and downs, in the working of the Oil Mill. It could not make much profit. In 1970-71 the mill had incurred the loss of Rs. 9252.

On account of market fluctuation, fall in prices and increased sales and production taxes, the Mill did not work satisfactorily. The Managerial burden on the Bank had also increased hence the unit was closed and the mill was sold in 1973.

The Oil Mill was a major activity of processing of agricultural produce undertaken by the Bank. It protected the interest of farmers and also the consumers.

4. SHETAKARI BIDI :

Tobacco is one of the major crops of the Hupari area. Tobacco is mainly used for bidi making. Bidi manufacturing units are mainly concentrated at Nipani which is 40 K.M. away from Hupari. There are a few other places in Kolhapur district where bidies are made. But at all these places, bidi making units are in private sector. There was not a single unit in cooperative sector.

Shri Paisa Fund Bank was the first to start bidi making unit in cooperative sector. The unit was started on 2nd March 1962, with the following aims.<sup>25</sup>



1. To give better prices to tobacco growers.
  2. To provide employment to poor and needy women.
3. Bidi produced by this unit was known as "SHETAKARI BIDI".

This unit was managed by a separate committee. Unfortunately this unit could not function successfully. This can be seen from the following table.

TABLE NO. 3.17

SHETAKARI BIDI : SALE PROCEEDS AND COST OF PRODUCTION

Year	Proceeds from sale of bidies Rs.	Itemwise cost					Total
		Tobacco Leaves Rs.	for bidi rolling Rs.	Labour charges Rs.	Packing Rs.	Ader tise ment Rs.	cost of Produ ction Rs.
1962 -63	2400	2307	1468	2880	531	445	6231
1963 -64	6000	8820	575	784	120	-	10299
1964 -65	438	-	-	-	-	-	-

Source : Annual Reports of the Bank.

The above table shows that for both the years cost of production was more than the sale proceeds. The production of bidi was stopped from 1964. Some bidies in balance were sold and remaining were destroyed. The unit was closed in 1964 on account of following problems.

1. severe market competition.
2. Inadequate sales arrangement.
3. Failure to distribute samples.
4. Lack of advertisement.
5. High cost of production.
6. Lack of skilled workers.

V. MARKETING OF AGRICULTURAL AND CONSUMER'S GOODS :

The economic position of the farmer depends on the money he can secure from the surplus production he sells. He has little control over prices. His sale proceeds can be increased by handling the produce better and reducing the charges of intermediaries between him and the consumer. This means an improvement in agricultural marketing. In this respect, the main handicaps of the Indian farmer are that he has to sell his produce at an unfavourable place, at unfavourable time and on unfavourable terms.

The Bank, with an objective of improving the above situation, played an active role in the marketing of agricultural produce in Hupari area. Another remarkable aspect of its role is that, the Bank also catered to the consumption needs of farmers and others by supplying various commodities and services required by them.

Following is the account of various marketing and sales activities undertaken by the Bank.

1. SUPPLY OF AGRICULTURAL IMPLEMENTS AND INPUTS :

Right from the first year of its registration the Bank was trying to meet the needs of farmers in particular and public in general. From 4th November 1950, it was supplying agricultural tools and implements to the farmers at nominal rent. Plough, harvesting tools, pumps, grass cutters were being supplied to the farmers. This practice was continued upto 1970.<sup>27</sup>

From 26th May 1951 to 1969, the Bank was selling in cooperation with "Shetakari Sahakari Sangh, Kolhapur, Kerosene, Crudeoil, Mobile, fertilisers, Oil cake and seeds at reasonable prices to the farmers. These goods were sold at Hupari. Later on these facilities were provided by the Bank through local cooperatives to Talandge, Yalgud and Ingali villages from 1960-61 onwards. It was also supplying pesticides and insecticides to the farmers, and helping them to protect the crops.

In order to reduce the burden of Management, the Bank transferred agricultural implement section to "Shri Paisa Fund Sheti" al Prakriya Sahakari Sangh Ltd. Hupari" in 1970.<sup>28</sup>

2. SUPPLY OF FOOD GRAINS AND SUGAR :

There was an acute scarcity of food grains in rural area in 1950. In a situation like that the Bank came forward to mitigate the problem of shortage of food. The service of supplying foodgrain was started by the Bank from 26th December 1950 and continued it till 1953-54,<sup>29</sup> When the scarcity conditions were over, rationing was removed and food grains were available in open market. The Bank used to buy food grains and sugar and sell them through its food section. In the year 1953-54 the Bank purchased food grains of Rs. 46,949 and sugar of Rs.1,815 and sold them to the consumers at reasonable prices.<sup>30</sup>

FAIR PRICE FOOD GRAIN SHOP :

The Bank had started in 1960 two fair price shops at Hupari,<sup>31</sup> with an objective of supplying food grains at fair price. The Bank supplied through these shops Jawar, Bajara, Maize, Pulses, sugar etc. Both the controlled and uncontrolled food grains were being sold by these shops.

In 1965 there was an acute shortage of rice and the Bank brought it from Kanvel and supplied it to the consumers at reasonable rate. These shops were rendering valuable services to the people in supplying foodfrains particularly, in times of difficulties.

The following table shows the business made by the shops.

TABLE NO.3.18

FAIR PRICE FOODGRAINS SHOPS : SALE OF FOODGRAINS AND SUGAR.

Year	Sales		Total Rs.
	Foodgrain (Rs.)	Sugar (Rs.)	
1960 - 61	50644	104405	155049
1964 - 65	152335	67698	220033
1969 - 70	187542	78658	265200
1970 - 71	77280	34404	111684

Source : Annual Reports of the Bank.

The table clearly shows that the sales volume of these shops was increasing. In 1960-61 the shops had made sales of Rs. 155049 where as in 1969-70 it had a turnover of Rs. 265200.

Due to management problems these shops were transferred in 1971 to Shri Mahatma Musthi Fund Sahakari Dhanya Pat Pedhi Sanshta Ltd. Hupari.

3. CLOTH SECTION :

The cloth section was started by the Bank on 13th March 1961. This section was dealing in purchasing and sales of cloth. The objective of this section was to provide cloth of good quality

at reasonable price. A Government recognised "Hand Loom Cloth Shop" was started by the Bank on 14th Sept. 1956.<sup>32</sup> Another cloth shop was started in 1969-70. But there was shortage of cloth and hence the new cloth shop was closed, in 1973. However, the bank continued to run the first cloth shop upto 1978-79. In 1979 this shop was transferred to "Shri Mahatma Musthi Fund Sahakari" Dhanya Pat Pedhi Sanstha Ltd. Hupari.<sup>33</sup>

The working of these shops can be studied with the help of the table given below.

TABLE NO.3.19

CLOTH SECTION: SALE PROCEEDS, PROFIT AND LOSS ( 1960-61 to 1977-78)

Year	Sale Rs.	Profit/Loss Rs.	Year	Sale Rs.	Profit/Loss. Rs.
1960 - 61	53421	2861	1969 - 70	148468	13148
1961 - 62	70396	4133	1970 - 71	272760	22819
1962 - 63	59052	2992	1971 - 72	417841	5407
1963 - 64	73433	4162	1972 - 73	502960	8111
1964 - 65	83896	5492	1973 - 74	60856	3856
1965 - 66	64994	2830	1974 - 75	77579	- 1721
1966 - 67	73935	3584	1975 - 76	91376	- 468
1967 - 68	89239	2321	1976 - 77	74348	- 1593
1968 - 69	37114	1479	1977 - 78	61641	- 969

Note: - indicates loss.

Source : Annual Reports of the Bank.

The table indicates that the section made profit from 1960-61 to 1973-74 and from 1974-75 it incurred losses. The highest profit earned by the section was in 1970-71 which was Rs. 22819. The losses to this section after 1974 were due to shortage of controlled cloth, less sales and more expenditure.

The cloth section was also useful as it supplied cloth in times of scarcity.

#### 4. SALE OF AGRICULTURAL PRODUCE :

Hupari has a strategic position as it is surrounded by many villages. It is a marketing place for these villages. Taking into account the position of Hupari, the Bank has tried to develop market for agricultural products at Hupari.

With the leadership of the Bank in agricultural marketing the farmers from the operational area of the Bank have become vigilant and the exploitative practices of the middlemen have declined considerably.

Following is the account of marketing activities of the Bank from 1953 to 1979.

##### 1) SALE OF COMMODITIES OTHER THAN TOBACCO :

The Bank opened marketing section on 8th November 1953, to sell agricultural produce.<sup>34</sup> This section was selling groundnut, gur, chillies mainly on adat (Commission) basis. In the first

year the following commodities were sold by this section.

1. Groundnut	1244 bags
2. Gur	364 cakes*
3. Chillies	3 bags*

This section earned Rs. 498 as an adat (Commission) on the sale of above commodities.

After 1960 the Bank sold mainly groundnut, gur, sugarcane on large scale and helped the farmers to get higher prices for their produce, sugarcane was being sold to "Shri Panchanganga Cooperative Sugar Factory, Ichalkaranji, Kolhapur sugar factory, Kolhapur and Sankeshwar Sugar Factory, Sankeshwar. Groundnut and gur were sold through" Shetakari Sahakari Sangh, Kolhapur.

The following table shows the sale of groundnut, gur and sugarcane by the Adat Section.

---

Note : \* 1 Bag = approximately 20 K.g.  
1 Cake = approximately 30 K.g.



TABLE NO. 3.20

ADAT SECTION : SALE OF GROUNDNUT, GUR AND SUGARCANE BY ADAT  
SECTION ( 1960-61 to 1968-69 )

Year	Groundnut:		Gur		Sugarcane.	
	Quantity Bags	Value Rs.	Quantity Cakes	Value Rs.	Quantity Tonnes	Value Rs.
1960-61	-	-	6987	88056	3848	173128
1961-62	-	-	3330	41908	3886	199292
1962-63	338	7359	2208	45947	5528	296779
1963-64	305	8276	3958	98424	9415	536867
1964-65	-	-	5266	101723	9982	634220
1965-66	-	-	6000	132683	11700	699179
1966-67	-	-	6752	280007	10935	536906
1967-68	3058	124339	8745	472000	109918	1360643
1968-69	672	6242	5821	176535	16398	1431859

Source : Annual Reports of the Bank.

From the above table it can be said that the groundnuts were sold only four times. The quantity of gur sold increased from 5266 cakes in 1964-65 to 8745 cakes in 1967-68. The sugarcane sold by the section increased from 3848 tonnes in 1960-61 to 16394 tonnes in 1968-69. The section had done remarkable work in case of gur and sugarcane.

From 1969 onwards Bank did not sell sugarcane as the farmers started supplying it to the sugar factories directly.

11) ADAT SHOP :

After the submarket was established at Hupari, the Bank started Adat Shop in 1968-69 at the market Yeard.<sup>35</sup> Groundnut gur and tobacco were sold by the adat shop on commission.

Following table shows the working of adat shop from 1968-69 to 1974-75.

TABLE NO. 3.21

ADAT SHOP, HUPARI SALE OF GROUNDNUT, AND GUR ( 1968-69 to 1974-75)

Year	Groundnut bags.	Gur cakes.
1968 - 69	704	1243
1969 - 70	1019	-
1970 - 71	3315	-
1971 - 72	782	-
1972 - 73	1146	-
1973 - 74	1705	-
1974 - 75	1304	-

Source : Annual Reports of the Bank.

The above table shows that the adat shop at Hupari sold gur only in 1968-69 which was 1243 cakes. There were fluctuations in the quantity of groundnut sold. It was due to fluctuations in the yield of groundnut. The highest quantity of groundnut was sold in 1970-71.

The adat section at Hupari was transferred in 1975 to 'Shri Mahatma Musthi Fund Dhanya Pat Pedhi, Hupari' and the section was closed.<sup>36</sup>

111) TOBACCO MARKETING AND TOBACCO INCENTIVE SCHEME :

Tobacco is one of the important cash crops in south Maharashtra. The natural conditions of Hatkanangale Taluka are also favourable for tobacco crop. Farmers from Hupari and the surrounding villages also take tobacco as a major crop.

However, all the defects of agricultural marketing existed even in case of marketing of tobacco. Tobacco was sold through the agents who were using un-fair means to cheat the farmers. Due to poverty the farmers were forced to sell the tobacco immediately after the harvest, at an unfavourable price.

To safeguard, the interest of farmers, the Bank started tobacco section in 1954. The section is managed by a committee. Following were the measures taken by the Bank in connection with tobacco marketing.

a) TOBACCO WAREHOUSE :

The Bank secured licence on 6.6.1954 to run a warehouse for tobacco.<sup>37</sup> Since then Bank has been giving warehousing facilities to the farmers.

b) DIRECT TRADING OF TOBACCO :

The Bank started purchase and sale of tobacco from 1968 with a view to give better prices for tobacco. Two adat shops were started by the Bank, one at Hupari and other at Shahu Market, Kolhapur.

1) ADAT SHOP HUPARI :

This shop, started in 1968 and transferred to other society in 1975 provided tobacco marketing facilities to farmers from Hupari and surrounding villages. The following table shows the transactions of this shop.

TABLE NO. 3.22

TOBACCO ADAT SHOP, HUPARI: QUANTITY OF TOBACCO PURCHASED AND SOLD  
(1968-69 to 1972-73)

Year	Quantity purchased in Bhods*	Quantity Sold in Bhods*
1968 - 69	19	19
1969 - 70	174	174
1970 -71	121	121
1971 - 72	181	181
1972 - 73	417	417

Note : \* A large sack holding tobacco, weight 56 to 60 K.g. approximately.

Source : Annual Reports of the Bank.

The above table shows that the purchase and the sale of tobacco was increasing from beginning except in 1970-71. The yearwise transactions proved that there was a good response of the farmers to this shop.

2. ADAT SHOP, KOLHAPUR :

Open auction of tobacco was started in Kolhapur from 1975 which attracted the farmers. The Bank had started an Adat shop at Shahu Market Yard, Kolhapur on 21st March, 1975. The following table shows the transactions of this shop.

TABLE NO. 3.23

TOBACCO ADAT SHOP, KOLHAPUR : TOBACCO RECEIVED AND SOLD  
( 1974-75 to 1977- 78)

Year	Quantity Received (Bhods)	Quantity Sold ( Bhods)
1974 - 75	1673	1358
1975 - 76	1588	1523
1976 - 77	2288	749
1977 - 78	Nil	200

Source : Annual Reports of the Bank.

The table shows that the supply of tobacco was increasing whereas the sale was decreasing. In the first year the adat shop met with loss of Rs. 7229, which was due to delayed payment of bills by traders, payment of interest, and godown rent. On account of recession and over production the tobacco prices had fallen in 1977-78 and that adat shop incurred loss of Rs. 33467. The shop was closed in 1978 and tobacco in balance was sold at Mupari, by inviting tobacco merchants from Nipani, Jaysingpur and Kelhapur.

The tobacco section was merged with fertiliser section in 1980-81.

c) PRESENT METHOD OF TOBACCO MARKETING :

Since the amalgamation of the tobacco section with the fertiliser section. The Bank has been selling tobacco on commission basis. The marketing of tobacco is taken care of by a committee of 11 members. One of the members is the Managing Director of the Bank.

The Bank keeps tobacco of farmers in its godowns. It charges 25 paise per month as a rent. It also takes risk deposits from farmers at the rate of Rs. 10 per bhod. Tobacco is insured by the Bank. The farmers are given loan of 60% of the value of tobacco. The marketing facilities provided by the Bank are also enjoyed by the farmers from Karnataka State.

The Bank arranges the sale of tobacco in the months of March and April. It invites tobacco merchants from Nipani, Jaysingpur and Kolhapur to Hupari and sales them tobacco through open auction. The actual deal takes place if and when farmers agree to the price offered by the merchants. A representative of market committee always remains present at the time of tobacco sales. The sale is carried on as per market committee's rules. The Bank gets commission on the sales. The merchants are given two month's credit. The Bank takes the responsibility of recovery of the credit.

The table showing the sales of the tobacco from 1980 to 1985 is as follows.:

TABLE NO. 3.24

QUANTITY OF TOBACCO ARRIVED AND SOLD WITH COMMISSION AND PROFIT  
(1980-81 to 1984-85).

Year	Quantity Arrived		Quantity Sold		Commission Rs.	Net Profit Rs.
	Bhods	Bags	Bhods	Bags		
1980 - 81	3738	90	3738*	90	73443	28807
1981 - 82	841	20	1370	34	28776	1904
1982 - 83	954	37	732	36	19304	1749
1983 - 84	1275	21	1134	20	27991	8052
1984 - 85	1025	12	1019	10	22965	575

Note : \* the figure includes previous balance.

Source : Annual Reports of the Bank.

The table shows that after 1980-81 the quantity of tobacco received for sale was declined so also was the profit. The adat charged per bhod varied from Rs. 20 to 26. Due to uncertainty of crop, the quantity received for sale also fluctuated. The price of tobacco per 20 K.g. varied between Rs. 123 and Rs. 191.

a) TOBACCO INCENTIVE SCHEME :

A unique scheme popularly known as tobacco scheme (tambakhu Yojana) was started by the Bank in 1969-70.<sup>38</sup> The objective of this scheme was to improve the quality and production of tobacco. The farmers were given incentives in the forms of inputs, better prices and share in the profits. The farmers were supplied with fertilisers, specially prepared for tobacco, pesticides and experts advice and were encouraged to produce more tobacco. The expenditures on above items were being deducted by the bank from the sale proceeds of tobacco.

Under this scheme, the beneficiary farmers were to keep their tobacco in the Bank warehouse. The bank used to sell the tobacco at reasonable prices. The expert committee members were to fix the price of tobacco by testing it. The rates were fixed impartially because no names of farmers were mentioned in the samples. Since the tobacco was sold at the price rationally fixed by the experts, the farmers definitely got better prices.

The profit made by the sale of tobacco was distributed as under :

1. 70% to farmers as an incentive.
2. 10% Reserve for market fluctuations.
3. 10% Reserve for price support.
4. 10% Reserve for doubtful debts.



The scheme was beneficial to the farmers. The Bank used to give them credit against the tobacco stored in the warehouse. It had increased their waiting capacity. It had also saved them from botheration of marketing. The scheme was successful and was praised by all.

Recently, the farmers have been attracted towards sugarcane and hence the land under tobacco crop has declined. The tobacco incentive scheme which once played important role is not in operation.

5. WHOLESALE MARKETING :

The Bank had entered into wholesale marketing in 1972. The purpose of this section was to purchase fertilizers, pesticides, etc. On whole sale basis and sell them to farmers at reasonable prices.

The wholesale section was managed by a committee of 5 members appointed by the Bank. The managing Director of the Bank was also a member of this committee.

The work of this section can be studied from the following table.

TABLE NO. 3.25

WHOLESALE MARKETING: PURCHASE, SALE OF COMMODITIES AND PROFIT

Year	Commodities	Purchase	Sale (Rs.)	Profit. (Rs.)
1973 - 74	Groundnut	2994 bags	2323 bags	1175
	Fertilizers	Rs.587173	Rs.587173	
1974 - 75	Groundnut	2727 bags	2896 bags	- 9557 (Loss)
	Fertilizers	Rs.1552730	Rs.1552730	
1975 - 76	Groundnut	1092 bags	1160 bags	67
	Pesticides	Rs.6857	Rs.9195	
1976 - 77	Groundnut	505 bags	747 bags	796
	Pesticides	Rs. 6447	Rs. 8488	

Source : Annual Reports of the Bank.

The above table indicates that the purchase and sale of groundnut was decreased by 505 bags in 1976-77. The purchase and sale of fertilizers was increasing. However, the value of pesticides bought and sold was constant. The section incurred loss of Rs. 9557 in 1974-75. The profits made by the section were not appreciable. Since the section was service motivated its success should not be judged from the point of view of profit.

The section was beneficial to the farmers for they were getting fertilizers and pesticides at reasonable prices. The Bank used to purchase the groundnut from the farmers whenever, the

traders used to give low prices. It shows that the section was useful in controlling the fall in groundnut prices.

The section was merged with the fertiliser section in 1977 as its transactions were declined.

6. GODOWNS :

There were no proper and adequate storing facilities at Hupari hence the farmers and the Bank itself were facing the problem of storage. On account of lack of storage, the farmers were forced to dispose off their goods immediately after the harvest. The farmers were not able to get fair prices for their produce. Even the Bank was handicapped on account of lack of godown facilities. To solve the problems of storage the Bank constructed three godowns at Hupari.

- a) The first godown ( 60' X 40' ) was constructed by the Bank in 1962. The Government gave Rs. 20,000 as loan and grant towards the construction of this godown.<sup>39</sup>
- b) The production of Paise Fund Fertilisers had increased and hence, the first godown had become insufficient for storage of fertilisers and agricultural produce of the members. So the Bank decided to construct another godown of medium size. The second godown ( 60' X 40' ) was completed in 1970. The government gave a loan of Rs. 15,000 and subsidy of Rs. 5000 for this godown.

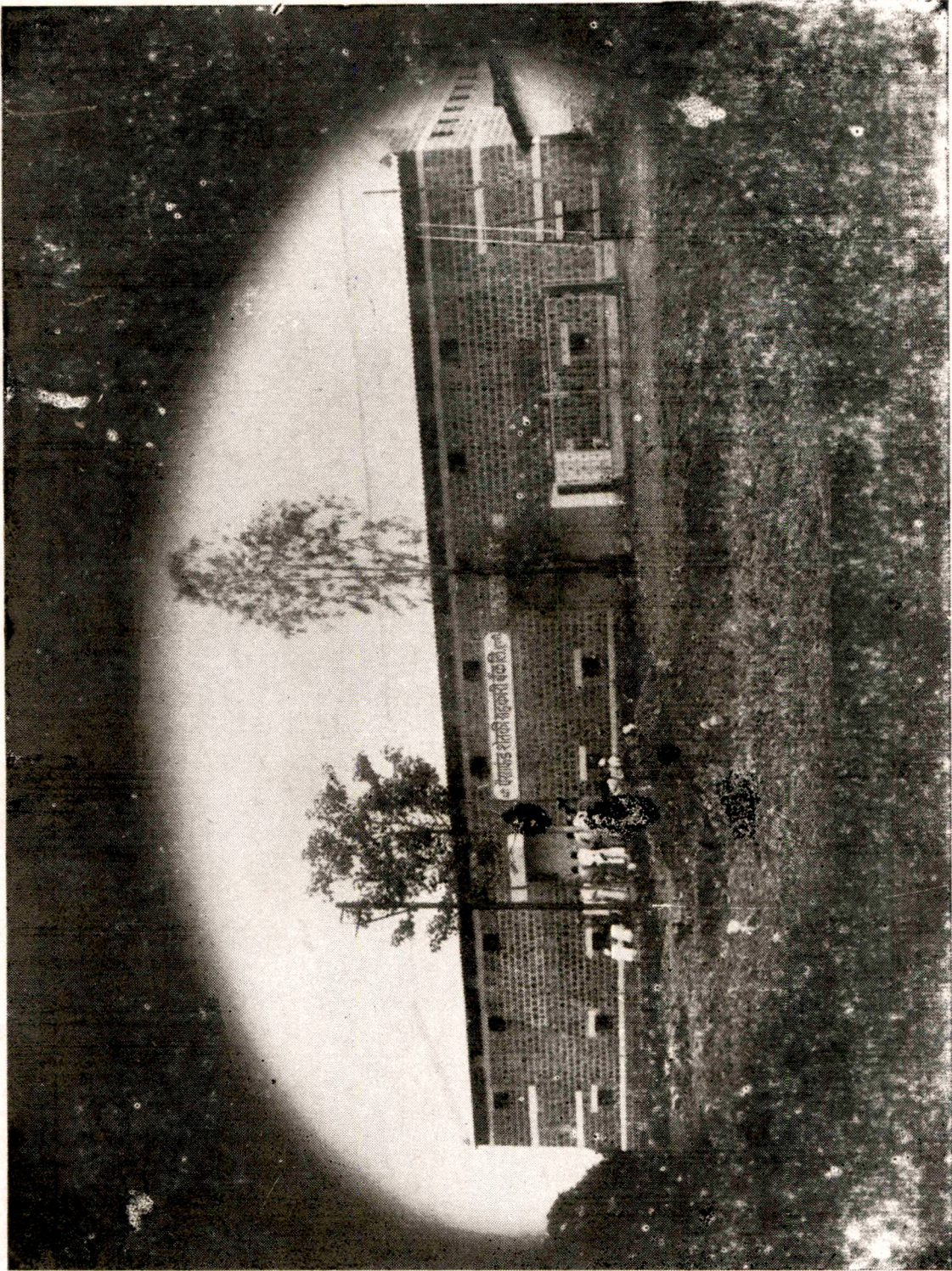


PHOTO NO. 3

GODOWN NO. 3 CONSTRUCTED IN 1980

c) In order to provide storage facilities for tobacco the third godown ( 100' X 60' ) was constructed in 1980 by spending Rs. 1,62,711. The Government help for this godown was Rs. 17,100.<sup>40</sup>

These godowns are used both by the Bank and farmers. The commodities stored in the godown are insured. The goods are well secured. The storage charges are 25 paise per bag per month.

The fertilisers committee of 9 members is entrusted with the management of these godowns. These godowns are boon to the farmers as they have increased their staying power.

#### 7. TRANSPORT SERVICES :

There were no adequate transport facilities particularly for the transport of sugarcane. In order to render transport services to the farmers the Bank had set up a transport section in 1959. Initially, the Bank had purchased one truck for Rs. 6651 from the amount of deposits of the members. In addition to its own truck the Bank was hiring trucks and bullock carts for the transport of sugarcane. Another truck was also purchased by the Bank for Rs. 30,000 in 1968.

The rebates in proportion of transportation bills were given to the members.

The trucks of the Bank were also used for the transport of gur produced at gur centre, paise Fund Fertilisers and goods of fair price shops.

GARR. BALASAMER KHARDEKAR LIBRARY  
SHIVAJI UNIVERSITY, KOLHAPUR



The Bank sold its trucks in 1972 to a local cooperative society and closed the section.

VI. DEVELOPMENT PROJECT FOR AFFECTED FARMERS AND FARMERS

TRAINING :

The Bank is a friend, philosopher and guide to the farmers. Like a good friend, the Bank helps the farmers in times of needs and guides them in solving their problems. The activities started by the Bank to assist the farmers are impressive. The following activities are notable.

1. DEVELOPMENT PROJECT FOR AFFECTED FARMERS :

The fate of Indian agriculture is governed by the natural conditions. Naturally, the farmers have to face many calamities like famines, droughts, crop diseases etc. Farmers from Hupari area are not exception to above calamities.

There was a famine in Maharashtra during 1971-72. The farmers from Hupari area were also affected by this famine. Particularly the condition of small and marginal farmers had worsened. As there was no agricultural income the farmers borrowed from money lenders, banks and other institutions for their consumption needs. This had aggravated the indebtedness of the farmers. Even after the famine was over the farmers were not able to pay off their debts because of low yields from their farms.

In order to free the farmers from their indebtedness the Bank introduced on 15th July, 1977 the debt redemption scheme, <sup>in arrears</sup> Drought Affected Farmers Development Project.<sup>41</sup> The ideal behind the scheme is "LIVE AND LET LIVE". The scheme is applicable only to the farmers who are in arrears of their debts. However, farmers having irrigation facilities can only take advantage of this scheme.

The indebted farmers are given loans by the Bank in terms of cash, fertilisers, irrigation charges etc. So as to increase their agricultural produce. They are also given technical guidance by the experts.

After the produce is marketed the Bank deducts, the amount of assistance from the sale proceeds and the balance is credited to the loan account of the farmers.

Loans are given for cash crops like sugarcane, tobacco brinjals etc. This scheme can be further studied with the help of the table given below.

TABLE NO. 3.26

LOANS TO AFFECTED FARMERS AND INCOME FROM THEIR LANDS  
(1976-77 to 1984-85)

Year	No of beneficiaries (farmers in numbers)	Loan (Rs.)	Income from land (Rs.)
1976 - 77	6	10364	18404
1977 - 78	7	40640	51391
1978 - 79	20	63051	71435
1979 - 80	35	130800	244325
1980 - 81	21	54770	35481
1981 - 82	20	50952	175042
1982 - 83	15	56291	34782
1983 - 84	7	15376	15782
1984 - 85	8	46160	42192
Total	139	468404	688834

Source : Annual Reports of the Bank.

The above table shows that 159 indebted farmers were given loans. It was revealed in the discussion that 68 farmers had become debt free. Column 3 denotes the increase in the agricultural yield as a result of assistance given by the bank. The scheme seems to be useful both for making the farmer free from the debt and increasing the agricultural income.



This operation of the Bank is included in the non-banking operations because of its objective of helping the debt ridden farmers to be free from the debt.

2. FREE TECHNICAL GUIDENANCE :

The Bank has appointed the agricultural officer to give technical guidance to the farmers, right from sowing to marketing of produce he guides the farmers. He visits the fields and advises them regarding crop protection etc.

3. FARMERS RALLIES :

The Bank organises farmer's rallies and meetings regularly at its own cost. In these rallies lectures of experts on various aspects of agriculture are arranged.

In the earlier rally the subjects dealt with by the experts were irrigation, fruit trees plantations and cross breed cows.

The last rally was held on 20th December 1985, when experts from agricultural fields delivered lectures on the following subjects.

1. Crop protection.
2. Land cultivation.
3. Summer crops.

These rallies have been useful in training the farmers in modern methods of agriculture.

!! REFERENCES !!

1. Agrawal A.N. Indian Economy P.223.
2. Shri Paisa Fund Bank Silver Jubilee Issue 1978. P.36.
3. Annual Report of the Bank 1969-70 P. 3.
4. Annual Report of the Bank 1977-78 P. 2.
5. Annual Report of the Bank 1976-77 P. 3.
6. Shri Paisa Fund Bank. Silver Jubilee Issue P. 36.
7. Appasaheb Patil : Sahakar Bhushan Appasaheb Naik. P. 23.
8. Annual Report of the Bank 1977-78 P. 2.
9. Annual Report of the Bank P. 3.
10. Bank Record ( 1961-1962).
11. Annual Report of the Bank 1964-65 P. 2.
12. Ibid. P. 3.
13. Annual Report of the Bank 1966-67 P. 3.
14. Bank Record and Annual Report of the Bank 1971-72 P. 2.
15. Annual Report of the Bank 1977-78 P. 3.
16. Annual Report of the Bank 1977-78 P. 3.
17. Annual Report of the Bank 1979-80. P.5.
18. Annual Report of the Bank 1965-66 P. 4.
19. Annual Report of the Bank P. 2.
20. Annual Report of the Bank 1968-69 P. 2.
21. Annual Report of the Bank 1971-72 P. 2.
22. Annual Report of the Bank 1964-65 P. 3.
23. Annual Report of the Bank 1966-67 P. 3.
24. Annual Report of the Bank 1964-65 P. 4 & 5.
25. Bank Record ( 1962- 1963).
26. Bank Record ( 1964- 1965).

27. Annual Report of the Bank 1970-71 P. 3.
28. Annual Report of the Bank 1970-71 P. 1.
29. Bank Report ( 1953-1954).
30. Annual Report of the Bank 1953-1954 P. 3.
31. Bank Record ( 1960-1961 )
32. Bank Record ( 1956-1957).
33. Annual Report of the Bank 1978-1979 P.2.
34. Annual Report of the Bank 1953-1954 P. 2.
35. Annual Report of the Bank 1968-1969 P. 4.
36. Annual Report of the Bank 1974-1975. P. 4.
37. Bank Record ( 1954-1955).
38. Shri Paisa Fund <sup>at</sup> Shaker, fourth Issue 25th Oct. 1974 P. 6.
39. Bank Record ( 1961-1962).
40. Annual Report of the Bank 1979-1980 P. 1.
41. Shri Paisa Fund Sahakar 16th Issue 14th November, 1977- P.6