



CHAPTER NO I

INTRODUCTION AND RESEARCH METHODOLOGY

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Chapter No I

INTRODUCTION AND RESEARCH METHODOLOGY

1.1.INTRODUCTION:

Agricultural Sector plays a Strategic role in the process of economic development of a country. The Share of primary Co-operative Societies in a developing country is a generate in the agricultural Sector.

Before independence co-operative movement in India was one of the instruments of economic policies adopted by the British Government to solve the rural economic problems. The primary agricultural Co-operative and Societies are very useful for development economy. It initiated the process of monetization of the rural economy through the establishment of primary agricultural Co-operative Societies consumers Co-operative Societies and multipurpose Co-operative organization.

C o-operative Credit Societies Act, 1904. A real beginning of the Co-operative movement in India was the passing of the Co-operative Credit Societies Act, 1904. The Act provided for the registration of co-operative societies.

Although the co-operative movement was imposed upon the people by the Government the movement created and it helped a lot in creating the well built three tire Co-operative Structure in rural areas. The primary agricultural Societies which are also known multipurpose Co-operative Societies (Vividh Kalyankari Shakari Society) is village level co-operative organization the bottom of the three tier Co-operative Credit Structure. In the view of this Strategic importance of primary agricultural development of our economy. The economic viability becomes the precondition for successful agricultural credit policy. The economic viability of primary agricultural co-operative societies depends upon its capital and co-operative structure, the turn our and utilization of agricultural co-operative by the farmers.

The planners of the country consider co-operative as an instrument of economic development of disadvantaged particularly in areas. The continuous strategic and planned efforts for the healthy growth of this movement in the country have resulted in spectacular progress of co-operative movement in the recent years. However for becoming a viral force in shaping the feature of the country has to becomes a movement of masses motivated and animated by the true spirit of co-operative.

The formation of social groups is the outcome of reflexive co-operative while the life of ants, bees, wasp lion etc. Provide the best example of instinctive co-operative on has contributed to the development of human race more than any other factor right from the

hunting age up to. The present day the progress and development of humans beings. In any Spheres Social, economic, religions and political is marked by sense of thinking and living together.

It is unpleasant aspect of the co-operative movement in India. It has not establishment with its owned financial resources i.e. share capital of the members at larges. The government's role in contributing share capital is dominating and it restricts the autonomy of the co-operative societies.

Moreover primary agriculture Societies in India also functions as multi purpose co-operative organizations in fields such as marketing of agricultural input viz. Seeds, fertilizers insecticides pesticide etc. Distribution of consumption articles, procurement and marketing of milk supply of agricultural implements etc.

So, the economic viability of primary agricultural co-operative Societies can be determined by the capital and credit structure business turnover assets position.

1.2.DEFINITION OF CO-OPERATION:-

It has so far not been possible to define co-operation precisely because the movement was born out of adversity. The circumstances which gave rise to adversity have, however, been different in different countries. It assumed, there for, diverse shapes in different countries according to the environments an circumstances prevailing there which gave birth to the movement.

Definition is as follows:-

“Co-operation, therefore is an organisation where a person voluntarily associates together with others on a bases of equality for the promotion of there economic interest by honest means”.

To be brief, the term co-operation in its special sense, with which are concered in our present study, may be described as a special from of doing business, not in the traditional profit economy sense but in the sense that in such a business persons with common needs a society together to pursue their common interested achieves their common objects through self-help and mutual help. Association of person is the very basis of co-operation provided the association is worked for the mutual benefit of those forming the association which are controlled by the associate themselves.

1.3 PRINCIPLES OF CO-OPRATION:-

Co-operative principle were reformulated by a commission appointed by the international co-operative alliance in 1964 under the chairmanship of D.G. Karve of india,

with Mr.A. Bonner (of England), Mr. Havard A Cavden (of USA), prof. D. R. Henzler (of Germany) and prof. I .Istanou (of USSR) as members its submitted its report in 1966.

The commission laid down the following essential principles and ideas:

- Open and voluntary membership
- Democratic admistration
- Self – help and mutual help
- Principles of service.
- Distribution of surplus
- Political and religious neutrality
- Proper weighment and supply of unadulterated goods
- Principle of education
- Co-operation among co-operatives

1.4. NEED FOR AGRICULTURE CREDIT:

Agriculture is an important industry and live other industries if also requires capital. Due to the peculiarities of agriculture, specially its uncertainties, its small unit production. Scattered operation, low returns, high rates of rent and limited scope for employment, a large proportion of cultivators cannot manage from one harvest to another without recourse to borrowings. Most of the world's farmers have to borrow at some times many of them heavily. To raise agricultural production they will have to borrow still wore. It is thus in the interest of agriculture, an essential to agriculture an general progress, that credit be available to farmers in adequate amount and at appropriate costs.

The importance of credit for agriculture has assumed added significance in India in view of the pivotal position agriculture occupies in the national economy of the country. It is quite abvious that the prosperity and well-being of the entire people of India hinges on the progress and prosperity of agriculture. For stimulating the tempo of agricultural production, it is imperative that the farmers must be provided with essential pre-requisites. It is quite patent that without adequate and timely credit they would not be able to move use of these essential inputs.

In less developed countries the need for credit is more pressing. Where farmers are almost without liquid resources, credit on reasonable term is needed to finance the preparation for their next crop. One very important reason as to why agricultural productivity is low in under-developed countries like India, is that the average farmers has hardly any finance to effect improvement in the land. By far the most significant feature of agricultural credit in Asia is the over whelming importance of credit available from moneylenders,

landlords, merchants and similar individual lenders. The credit provided by the private agencies is thus unproductive as its main object is not to increase agriculture production but to bring the framers in the grip of perpetual indebtedness, and as Henry W. Wolff graphically put it, "It is the bond of debt that shackles agriculture".

The development of institution credit is thus a basic condition for agricultural progress. The objective of the institutional credit is to move a break through in the vicious circle of poverty rach renting, usury and debt and to stimulate the farmer to boost agricultural productivity.

1.5. ROLE OF CO-OPERATIVES IN INDIAN AGRICULTURE:

In Indian agriculture, co-operatives play a very important role. The co-operative form of organisation are considered best for providing credit to the farmers. Attention was drawn to the unique role of co-operatives in the provision of agriculture credit, as far back as 1927 by the world economic conference held by the League of Nations in Geneva. In 1945 the agriculture finance subcommittee was the view that spread and co-operation would provide the best and the most lasting solution for the problem of agricultural credit and of those rural economy in particular.

As a general rule, co-operatives should be organised on the basis of the village community as the primary unit. Where villages are too small, the no. of villages to be covered by the society may be increased in the interest of viability.

Co-operatives organisations have been recognised as the best institutions for providing rural credit to the farmer because they satisfy all the important criteria of sound agricultural credit. The fundamental postulates of agricultural credit, as poined out by Mr. F. A. Nicholsol, are: 1) Absolute proximity of lender and borrower.(2) complete security to the lender as regards the title of the property offered. (3)Through safety and facility to the borrowers. (4) Positives, productivity and thrift-creating instead of negative, unproductivity and dangerously facile.

Agriculture co-operation is a movement which aims to improve the economic and incidentally the social position of groups of co-operating farmers. It is evident that these leaders in agricultural co-operation look upon the farmer primarily as a produce, since his main occupation is the economy production and marketing of farm crops. Under this view farmers are co-operating as producer when they join together to buy collectively such farm supplies as feed, seed, fertilizers, petroleum, and farm machinery, for these commodities are used in the process of production and marketing.

The credit provided by the co-operatives institution is neither too rigid nor too elastic. The finance as is available from them formally purports to be short-term in most part, whereas in actual practice it tends to be medium-term or even long term. The credit provided is also safe as it assists and does not hamper the borrowers stability and productivity capacity.

In fact, the very act and effort of obtaining co-operative credit educates and guides the borrowers ; it teaches the borrower the lessons of mutual and self-help.

1.2 SIGNIFICANCE OF THE STUDY:

The research tries to study the capital and credit structure of primary agricultural co-operative credit societies in Karveer Taluka of Kolhapur District the importance of financial structure of primary Agricultural Co-operative credit organizations in Maharashtra.

1.3.OBJECTIVES OF THE STUDY:

The specific objectives of the present study are as follow.

1. To undertake a general survey of the primary agricultural co-operative credit movement in Maharashtra with particular reference to primary agricultural co-operative societies.
2. To examine operational efficiency of the primary agricultural co-operative societies.
3. To analysis the capital structure of primary agricultural co-operative credit societies and to study the different trend there in.
4. To examine the financial position of the primary agricultural societies.
5. To study and analysis the allocation and use of capital resources of the selected primary agricultural credit societies.
6. To study Socio-economic development schemes.
7. To study the financial structure of some selected primary agricultural Co-operative Credit Societies in advances as well as dry regions of Kolhapur district.
8. To study of the problem being faced by these primary co-operative societies.

1.4.HYPOTHESIS:

The Hypothesis of the present study is as below.

1. All information about the primary co-operative societies is true.
2. There is no bad impact from these primary co-operative societies.

1.5.METHODOLOGY:

The Karveer Taluka in Kolhapur District has been selected as a study area for the present research. The Karveer Taluka is hypothetically grouped into two parts. One part is West and second part is East. The researcher has selected Ten paccs with a view to study the capital and the credit structure of PACS.

NAME OF THE SELECTED PRIMARY AGRICULTURAL CO-OPERATIVE CREDIT SOCIETIES.

- 1) Mahatma Jyotirao Fule Vikas Seva Sanstha – Fulewadi.
- 2) Dnyaneshwar Vikas Seva Sanstha – Shingnapur.
- 3) Shri. Ram Vikas Seva Sanstha – Shingnapur.
- 4) BalbhimVikas Seva Sanstha – Hanmantwadi.
- 5) H. G. Bhapkar VikasSevaSanstha – Hanmantwadi.
- 6) Hanuman Vikas Seva Sanstha – Pirwadi.
- 7) VasudevVikas Seva Sanstha – Vashi.
- 8) Shri. Ram Vikas Seva Sanstha – Vashi.
- 9) Shri. Datta Vikas Seva Sanstha – Vashi.
- 10) Shri. Vitthal Vikas Seva Sanstha – Nandwad.

In order to study the progress, capital and credit structure of primary agricultural co-operative credit societies of selected village in Karveer Taluka, with the help of secondary data has been obtained records which were made available by the Department of co-operative and the offices of the PACCS in the respective villages.

The period of research from 2005-06 to 2011-12 was considered to study the trend of the credit co-operative structure of the societies under study.

1.6.CHAPTER SCHEME OF THE STUDY:

The Chapter scheme of the present research study will be as mentioned below.

1. Introduction and Research Methodology.

This chapter analysis that the primary Co-operative societies are very useful for development economy the primary agricultural societies which are also known multipurpose co-operative is village level co-operative, organization the bottom of the three tire co-operative credit structure. There is also analysis definition of co-operation, principles of co-operative in Indian agricultural, significations of the study objectives of the study, Hypothesis, methodology. The present day the progress and development of human beings. In any spheres social economic, religions and political is market by sense of thinking and living together.

2. Review of Literature.

This chapter explain the review of literature on primary agricultural co-operative societies and Review of Literature on credit of PACS. When the first co-operative Act was passed in India that is the co-operative credit societies Act. The main objective of this Act

was to provide for the constitution and control to co-operative credit societies organizational structure as well as its aims.

3. Maharashtra on the forefront of co-operative movement.

In this chapter it introduction co-operative credit movement in India. It explained the co-operative movement before independence and after independence. As well as Maharashtra on the forefront of co-operative movement, growth of primary agriculture credit movement in India and co-operative movement in study area. The study area is Karveer Taluka of Kolhapur district. It is here that the co-operative movement can and must come forward to improve the economic condition of the masses and increase their income and purchasing power.

4. Financial structure of primary agricultural co-operative societies in Karveer Taluka.

This chapter expanded the capital structure of primary agricultural credit societies in the study area in Karveer Taluka of Kolhapur district. In this chapter it has given the profile of Kolhapur district. Efficient of human resources are necessary to achieve the objectives of any organization. That's why there is essential step in the study to have clear and details picture of the local environment. The objective of this chapter to study the selected 10 primary agricultural co-operative societies in Karveer Taluka of Kolhapur district.

5. Conclusion and Suggestion.

This chapter analysis the conclusion and suggestion after studding this research.

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