

CHAPTER - V

PROBLEMS OF PRIMARY AGRICULTURAL CO-OPERATIVE

CREDIT SOCIETIES IN KOREGAON TALUKA

.....

PROBLEMS OF PRIMARY AGRICULTURAL CO-OPERATIVECREDIT SOCIETIES IN KOREGAON TALUKA

This chapter summarises the findings as contained in chapters III & IV. It may be mentioned at the outset that -

i) this summary highlights the problems of the PACCS in Koregaon Taluka of Satara District; ii) these problems have been identified keeping in mind the objectives of this study and looking at these problems as arising from the PACCS attitude towards the major objects the PACCS keep before them.

Problems :

- 1) Koregaon taluka can be said to be a developing taluka economically. This is indicated in later part of Chapter I. This reflects in the condition of the PACCS in Koregaon taluka. The PACCS in Koregaon taluka do not seem to be sound financially. They are working to achieve only one object, i.e., raising funds and granting loans. Only six (out of the 80) PACCS are engaged in non-credit operations. Only three societies, i.e. Taragaon, Deur and Karanjkhop, do the business of purchasing and selling of fertilizers. Deposits collected by these PACCS are very meagre. Thus, other objects which are equally important are not pursued by most of the 80 PACCS in Koregaon taluka.
- 2) Out of these 80 PACCS, profit making PACCS were 38 (47.5%) and 54 (67.5%) at the end of 1982-83 and 1983-84 respectively. The remaining 42 (52.5%) and 26 (32.5%) societies were running in loss at the end of 1982-83 and 1983-84 respectively. The profit making societies have increased in 1983-84 as compared to the position in 1982-83.

- 3) At the end of 1983-84, most of the PACCS (63 in number or 78.8%) were having owned capital which was below Rs.100,000.
- 4) In case of borrowed capital, 47 PACCS (58.8%) had borrowed upto Rs.200,000 only. 13 PACCS (16.3%) had borrowings between Rs.2 lakhs to Rs.3 lakhs, 8 PACCS (10%) had borrowings between Rs.3 lakhs to Rs.4 lakhs and 13 PACCS (16.3%) had borrowings above Rs.4 lakhs.
- 5) Out of the total capital raised, the PACCS could advance only 49.1% of funds to their members as loans in 1982-83 which further decreased to 37.8% in 1983-84.

The points 3, 4 & 5 above clearly indicate the capacity of the PACCS to raise the funds and deploy them effectively. They cannot be said to be effective in pursuing the major object for fulfilment of which they have been working.

- 6) Medium-term (M.T.) loans advanced by the PACCS were Rs.27.82 lakhs (30% of total loan advanced) and Rs.32.97 lakhs (27% of total loan advanced) in 1982-83 and 1983-84 respectively. The conclusion that may be drawn is that the PACCS are not paying adequate attention to the aspect of granting M.T. loans.
- 7) Out of 80 PACCS in Koregaon taluka, 49 PACCS (52.5%) have upto 40% of their members who have availed of loan facility from them. 63 PACCS (or 78.75%) have upto 50% of their members who have taken loan. Thus, in case of most of the PACCS majority of the members do not take loans from the PACCS.

- 8) 31 PACCS (38.75%) have their management expenses below 3% when the management expenses are compared to loan outstanding. Thus, the remaining 49 PACCS (61.25%) have the percentage of management expenses to loan outstanding above 3%. It is interesting to note that out of these 49 PACCS, 29 PACCS (59.18%) are running their business in profit. This particular aspect needs further enquiry which requires detail analysis of other data.
- 9) The PACCS, in general, do not pay attention to utilisation of loans. The concept of "supervised credit" is almost not known to them.
- 10) By the end of 1982-83, the PACCS could recover 53% of the loan demanded. The figure for 1983-84 shows an improvement at 61.4%. Even though this improvement can be attributed to better rainfall and the resultant better crop position in 1983-84, this aspect also requires further probing.
- 11) There seems to be a wide gap in communications between the Bank employees and the Chairmen and Secretaries of the PACCS. Surprisingly, it is found that some Chairmen feel that the Secretaries do not work properly. This also, in the opinion of the researcher, needs further probing.
- 12) The co-operative credit structure at District and below District level has not been able to create sufficient confidence in the minds of farmer-members about the structure and the farmer-members seem to be not knowing the usefulness of the structure.

As indicated at appropriate places, most of the above problems need further probing. The researcher, therefore, has refrained himself from giving any suggestions as to how these problems can be tackled efficiently and effectively. The main thrust, however, may be on changing the attitudes of those working in the institutions granting farm credit. They may be non-official workers like Chairmen and Managing-Committee members of PACCS and DCC Bank or the officers and other employees in these organisations. They must keep before them the attitude that the families of the farmers and non-farmers in rural area become economically viable units. Such economically viable units in rural area will make a sound society in the rural India.