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Budget for cooperatives to achieve inclusive growth

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The Budget 2023-24 strengthens the cooperatives to take forward the agenda for inclusive growth. Cooperatives as economic entities have a major role in enhancing the income of the small and weaker sections, providing opportunities for employment, enabling access to credit and the market.

More recently, the Cabinet has also approved the Centrally Sponsored Scheme — Vibrant Villages Programme for the FYs 2022-23 to 2025-26 with a financial allocation of ₹4,800 crore. The scheme will strengthen the cooperative movement through two lakh multipurpose Primary Agricultural Credit Societies in each uncovered panchayat. It will lead to infrastructure development and livelihood opportunities in four States and one Union Territory along the northern land border.

For the Cooperation Ministry, the Budget outlay of ₹1,150.38 crore for 2023-24 will boost the initiatives that have been initiated for computerisation of Primary

Agricultural Credit societies (PACS), and establishing National Multi State Cooperative Societies in export, seed and organic products, creation of large grain storage infrastructure and national cooperative database.

The establishment of the National Export Society, National Cooperative Society for Organic Products and National Level Multi-State Seed Cooperative Society will bring pan-India services to farmers and producers.

These outfits have been visualised as umbrella organisations to give a boost to exports from cooperatives.

PACS, MULTI SERVICE CENTRES

To address the credit needs of the producers, PACS disburse credit and related services. The model bye-laws on PACS pave the way to make PACS as multi service centres to dispense services in a timely and affordable manner. Along with this, computerisation of 63,000 PACS and acceleration in the formation of primary societies in dairy, fishery and credit in village panchayats will bring momentum in growth and development in villages.

The PACS can come up with diverse



GRAIN STORAGE. Fetching remunerative prices for farmers

business models and or instrument for aggregation and distribution. The PACS and FPOs can go hand in hand by completing the backward and forward linkages.

In order to promote the growth of manufacturing in cooperative sector, the Budget provides for the new association and or cooperative society to be formed on or after April 2023, which commences manufacturing or production by March 2024 and which do not avail of any specified incentive or deduction, will be allowed an option to pay tax at a concessional rate of 15 per cent similar to what is available to new manufacturing companies.

This step is a way forward for cooperatives to have ease of doing

business. The cooperatives will be able to leverage their potential in manufacturing, processing and value addition in farm and non farm products.

The cooperative sector will play an important role in aggregation, adherence of standards, provision for storage, packaging, integrated supply chain, promotion and branding of to make products competitive for export.

DECENTRALISED STORAGE

A massive decentralised storage capacity will be set up to help farmers store their produce and realise remunerative prices through sale at appropriate times through cooperative ecosystem. The ecosystem of PACS, APMC and electronic national agriculture market (eNam) provides for gainful linkages for the diverse wholesale and retail market.

However the missing link of storage facilities results in losses and inability to march the supply with demand. The storage of grains, pulses and oilseeds should be backed by timely market information system.

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