

CONTENTS

Chapter	Subject	Page
I	Functions and Organisational Structure	1
II	Plan Outlays and Expenditure	4
III	Agricultural Credit	5
	A. Short Term Credit	
	B. Long Term Credit	
IV	Crop Insurance	23
V	Integrated Co-operative Development Project (ICD)	27
VI	Activities of MARKFED	31
VII	Agricultural Marketing	34
VIII	The Orissa State Warehousing Corporation (OSWC)	45
IX	Co-operative Housing	50
X	Orissa Consumer Co-operative Federation (OCCF)	53
XI	Cooperative Education, Training & Information	55
XII	Audit of Co-operative Societies	58
XIII	Cooperative Tribunal	59
XIV	Orissa Self-Help Co-operatives Act, 2001	60

CHAPTER – I

FUNCTIONS AND ORGANIZATIONAL STRUCTURE

1. INTRODUCTION

1.1. The Cooperation Department was created with the basic objective of strengthening the co-operative movement in the State. Initially, the Co-operation Department remained a part of one of the development Department. In the year 1991, the Cooperation Department came into being as an independent Department of Government of Orissa after being bifurcated from the erstwhile Agriculture and Cooperation Department vide G.A. Department Resolution No.270-RB dated 02.01.1991.

1.2. Some of the important functions discharged by the Co-operation Department are briefly indicated below:

- Providing timely and adequate credit to farmers for financing their agricultural and allied activities
- Supply of inputs such as fertilizers, pesticides and seeds to the farmers
- Administering the Crop Insurance Scheme to provide relief to farmers in the event of crop failure
- Providing marketing support to farmers by way of bringing about the integrated development of marketing of agricultural produce to safeguard the economic interests of the farming community
- Providing infrastructure for storage of agricultural produce through organizations like the Orissa State Warehousing Corporation (OSWC) and the Orissa State Marketing Federation (MARKFED)
- Providing credit facilities for housing through house building co-operatives in both the rural and urban areas
- Imparting co-operative education and training to office bearers and members of co-operative societies for strengthening the co-operative movement in the State

2. ORGANISATIONAL STRUCTURE

Heads of Department

2.1 There are four Directorates functioning under the administrative control of the Cooperation Department, namely, the Registrar of Cooperative Societies, the Directorate of Cooperative Audit, the Directorate of Agricultural Marketing and the Member, Co-operative Tribunal. The functions of the Directorates are given below.

2.2. *Registrar, Cooperative Societies:* Under the Directorate of the Registrar of Cooperative Societies, there are 19 Cooperative Divisions - one each at the headquarters of the 13 erstwhile undivided Revenue Districts headed by a Deputy Registrar of Cooperative Societies and 58 Cooperative Circles, each headed by an Assistant Registrar of Cooperative Societies. This Directorate is entrusted with the responsibility of implementation of policies and programmes of the Central and State Governments for the benefit of farmers and other economically weaker sections through cooperatives and for strengthening the cooperative movement. To achieve these objectives, the Directorate looks after administration, supervision, monitoring and regulation of the cooperative societies functioning in the State in various sectors such as handloom, fisheries, dairy etc. and the co-operative credit societies.

2.3. *Directorate of Cooperative Audit:* The Auditor General of Co-operative Societies heads this Directorate. There are 16 Audit Circles in this Directorate each under an Assistant Auditor General of Cooperative Societies. The Directorate is responsible for conducting the audit of all Cooperative Societies and taking follow-up action on the Audit Reports.

2.4. *Directorate of Agricultural Marketing:* The Directorate of Agricultural Marketing is headed by the Director of Agricultural Marketing and has six Marketing Regions each headed by a Regional Marketing Officer. The Directorate implements the schemes / programmes of the Government of India / State Government for providing marketing support to farmers for marketing of their produce, creating and strengthening of infrastructure for marketing of agricultural produce for increasing market efficiency thus enhancing farmers' incomes.

2.5. *Cooperative Tribunal:* The Member, Cooperative Tribunal has been accorded the status of a Head of Department. The Cooperative Tribunal is the Appellate Court for expeditious disposal of Appeal Cases as provided under the Orissa Co-operative Societies Act, 1962.

3. Other Organizations

3.1. *Orissa State Warehousing Corporation:* This is the only Public Sector Undertaking under the Cooperation Department and provides infrastructure for storage of foodgrains and fertilizers and pesticides through its warehouses and godowns located in different parts of the State.

3.2. *Orissa State Agricultural Marketing (OSAM) Board:*

The OSAM Board is a statutory Board constituted under the Orissa Agricultural Produce Markets Act, 1956 for exercising superintendence and control over the working of the Regulated Market Committees constituted under the Act with the intention of regulating the sale and purchase of agricultural produce in the State.

3.3. There are seven Apex Cooperative societies functioning under the administrative control of the Cooperation Department which are:

- (i) Orissa State Cooperative Union (OSCU)
- (ii) Orissa State Cooperative Bank (OSCB)
- (iii) Orissa State Cooperative Marketing Federation (MARKFED)
- (iv) Orissa Cooperative Housing Corporation (OCHC)
- (v) Orissa Consumer Co-operative Federation (OCCF)
- (vi) Orissa State Cooperative Agriculture and Rural Development Bank (OSCARD Bank)
- (vii) Orissa Cotton Growers' Cooperative Marketing Federation (COTFED)

CHAPTER –II

PLAN OUTLAYS AND EXPENDITURE

A. Outlay and Expenditure during 2011-12

During the financial year 2011-12, a plan outlay of Rs.12850.00 lakh was originally allocated to this Department for expenditure on various State Plan schemes. By the end of December 2011, an amount of Rs.11390.00 has been expended which works out to be 88.64% of original budget provision. However, the provision was augmented by Rs.28740.83 lakh in the 1st Supplementary Budget raising the Revised Estimates to Rs.41590.83 lakh. The scheme-wise details of the budget provision and expenditure are indicated at Annexure – I.

1.2 An amount of 8000.00 lakh was provided under the scheme “Interest Subsidy / Subvention to the CCBs/PACS to provide loan at 5% rate of interest to farmers” in the Budget Estimate for 2011-12. Further, an amount of Rs.2101.68 lakh in the 1st Supplementary during the year 2011-12 towards “Interest Subsidy / Subvention”. Accordingly, a total amount of Rs.10101.68 lakh was provided under the Scheme “Interest Subsidy / Subvention to the CCBs / PACS to provide loan at 5% rate of interest to farmers” in the Revised Estimate for 2011-12.

B. Budget Estimates for 2012-13

The Budget Estimate for the year 2012-13 stands at Rs.16264.69 lakh under the ‘State Plan’. Out of this total amount provided, funds to the extent of Rs.30.00 lakh for the scheme “Co-operative Education” Rs.800.00 lakh for share capital contribution to Cooperative Credit Institution, Rs.9869.92 lakh towards “interest Subsidy / Subvention to CCBs/PACS to provide loan at 5% rate of interest to farmers”, Rs.1204.69 lakh for the scheme “Implementation of Integrated Co-operative Development Project in Angul and Dhenkanal districts”, Rs.500.00 lakh for assistance to Sugar Mills, Rs.520.00 lakh for financial support to Cooperative Institutions for infrastructural Development Rs.20.00 lakh towards financial support to Odisha Society for Coop. Education Research & Training (OSCERT) for Training & Education of all officials of Govt. and officials of Coop. Credit Institutions Rs.20.00 lakh for strengthening of Marketing Infrastructure under Agricultural Marketing Sector”, Rs.1500.00 lakh for “Establishment of Market Yards at Block level” under the recommendation of 13th Finance Commission under the Agricultural Marketing Sector and Rs.1500.00 lakh for “Indemnity under Crop Insurance Scheme” have been provided. The Scheme wise details of the proposed budget provision are indicated in Annexure-II.

CHAPTER – III

AGRICULTURAL CREDIT

A. SHORT TERM CREDIT :

1. Introduction :

The Cooperative Banking Structure has a unique position in the rural credit delivery system of India. The cooperative banking sector has made significant strides in the field of rural credit through its short term and long term structures which continue to play a crucial role in dispensation of credit for agricultural activities and rural development. Over the years, the rural cooperative banking and credit institutions have remained the prime institutional agencies with a vast network, wide coverage and out reach extending to the remotest rural areas. Although the Commercial Banks have entered the rural areas in a big way, the cooperative credit institutions continue to play a crucial role in meeting the growing credit needs of rural India with the volume of credit flowing through these institutions increasing. These cooperative institutions are primarily owned by farmers, rural artisans etc. and were set up with the objective of promoting thrift and mutual help among the members. The cooperative credit societies at the grassroots level are intended not only to cater to the credit requirements of the members but also to provide credit-linked services like input supply, storage and marketing of agricultural produce etc. In view of these special features, the role of these rural cooperative credit institutions becomes all the more significant.

1. Structure :

The three-tier Short Term Cooperative Credit Structure in the State consists of 2714 functional Primary Agricultural Cooperative Societies (PACS) including 214 Large-sized Adivasi Multipurpose Cooperative Societies (LAMPS) functioning in the Tribal Sub-Plan Areas and 6 Farmers' Services Societies (FSS) at the grassroots level, 17 District Central Cooperative Banks (DCCBs) with their 322 branches in the middle rung and the Orissa State Cooperative Bank (OSCB) at apex level with its 14 Branches at Angul, Berhampur, Bhubaneswar, Cuttack, Paradeep, Rourkela and Sambalpur. These cooperative credit institutions, with their wide outreach in the rural areas and accessibility to the small land marginal farmers and the other marginalized population, have been playing a vital role in dispensation of agricultural credit.

(1) Enrolment of Members by Primary Agriculture Cooperative Societies :

In the State of Orissa, 2714 PACS/LAMPCS are functioning at the grass root level primarily to provide agricultural credits and input to farmer members. With a view to enrolling members of agricultural families and rendering meaningful services, Primary Agriculture Cooperative Societies (PACS/LAMPCS/FSCS) in the State, organised follow up campaign “**Cooperative at Your Door Steps**” from 14th November to 30th November 2011 to provide the services to the farming community as assured during the Statewide campaign held in last year with following objectives.

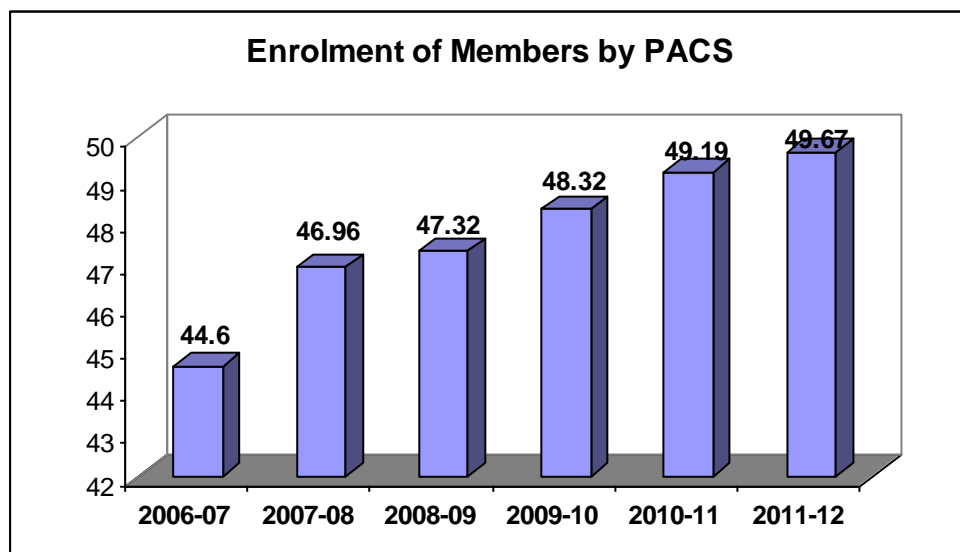
Programme of the campaign was as under :

1. Farmer awareness campaign / meeting inviting all loanee and non loanee farmers was organized at each PACS level. Subsidies / incentives and other facilities provided by Government on various agricultural activities was publicized through posters, banners and leaflets.
2. Enrolment of new members and issue of KCC was sensitized.
3. One farmer club of progressive farmers organized at each PACS level.
4. Financing one Agro Service Centre to a progressive farmer in each block level.
5. Provide one Soil Testing Kit to a progressive farmer in each block level.

Achievement of the Member Contact Drive

• Nos. of awareness meeting organized at PACS level	2684
• New Member enrolled	129267
• New KCC issued	264816
• No of No Frill Account opened	65579
• Nos of farmers club organized at PACS level	1411
• Nos of Agro Service Centre financed	9

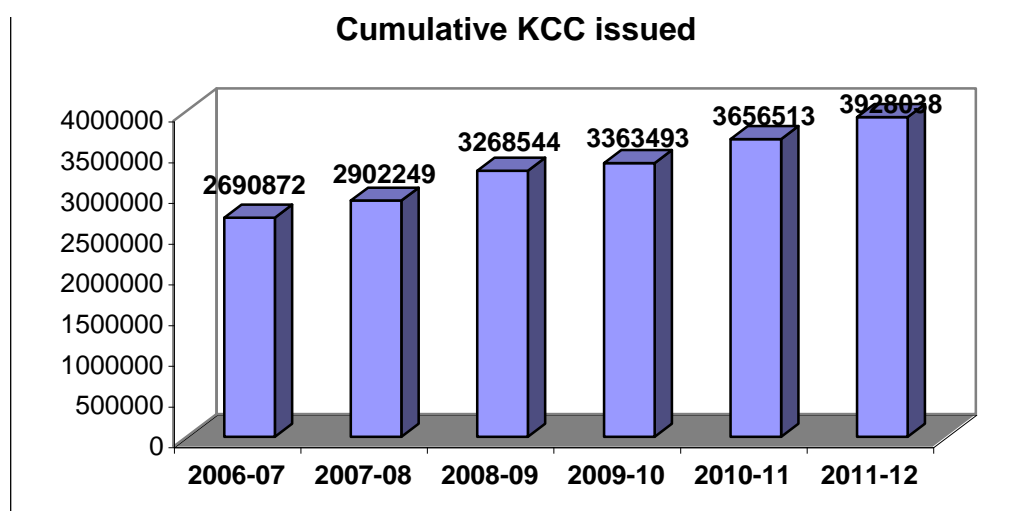
Year	Total No. of agricultural families	Members enrolled	Member coverage (%)
2006-07	52.89	44.60	87.18
2007-08	52.89	46.96	90.00
2008-09	52.89	47.32	89.68
2009-10	52.89	48.32	92.58
2010-11	54.68	49.19	89.95
2011-12 (Upto 31.12.11)	54.68	49.67	90.84



(2) Kissan Credit Cards :

PACS at the grass root level provide farm and non-farm credit to farmers members. With a view to simplifying the procedure of disbursement of farm credit to farmers, Kissan Credit Card Scheme has been introduced in 1988-89. PACS have been played a crucial role in issue of KCC to farmer as compared to the Commercial Bank and commanded a stake of 79% of the total KCC issued in the State. Achievement in distribution of KCC by Cooperative Sector during last four years is furnished below:

Year	KCC issued during the year	Cumulative KCC issued
2006-07	200985	2690872
2007-08	228987	2902249
2008-09	351237	3268544
2009-10	368949	3363493
2010-11	331905	3656513
2011-12 (Upto 31.12.11)	645064	3928038



MARKET SHARE OF COOPERATIVE IN ISSUE OF KCC AS ON 31.12.2011

	Number in Lakhs	Market Share (%)
KCC issued by Cooperative	39.28	80
KCC issued by Commercial Bank and RRBs	9.86	20

(3) Financing S.T. Credit for Seasonal Agricultural Operation.

Short term Cooperative Credit Sector comprising of PACS and LAMPCSs command a Stake of 65% of total farm credit disbursed in the State for Seasonal Agricultural Operation. Details of achievement are as follows:

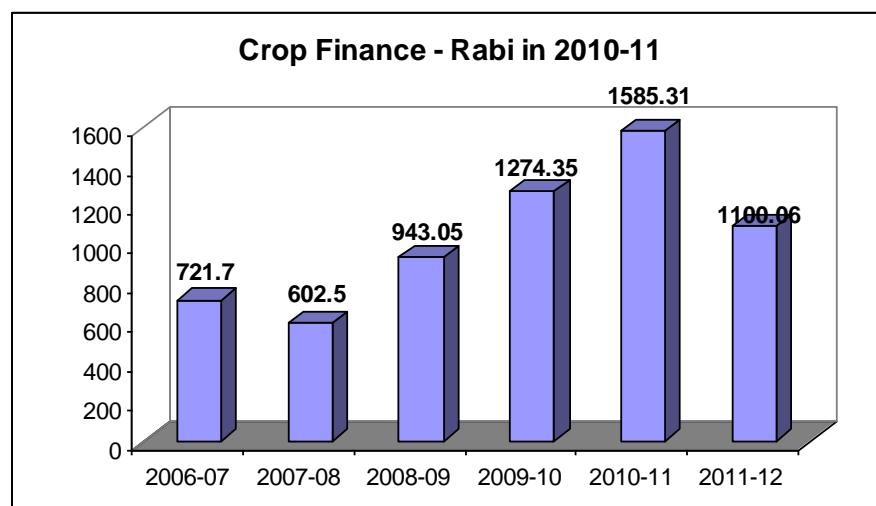
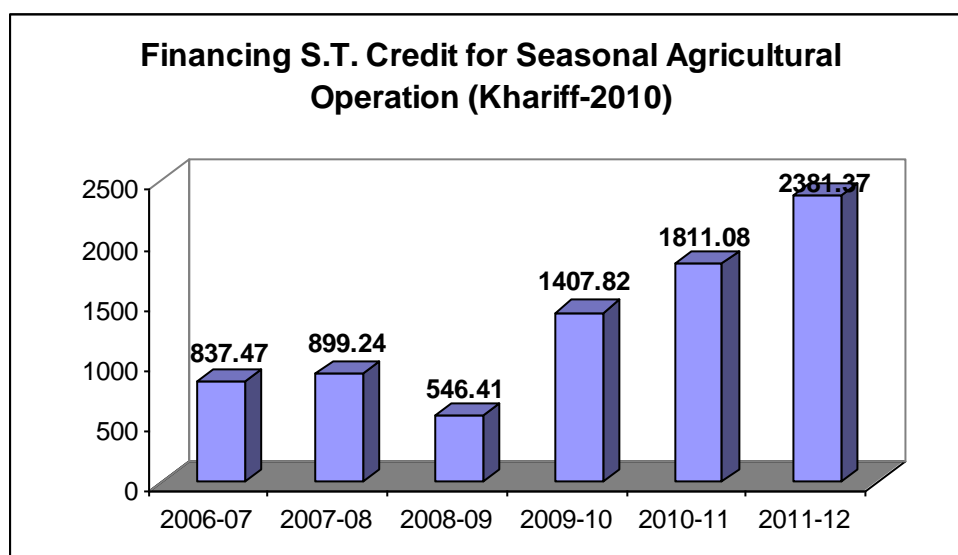
(Rs. in crore)

Year	Disbursement of Loan			Market Share	
	By Coop.	By Com. Bank & RRB	Total	By Coop. (In %)	By Com. Bank & RRB (in %)
2006-07	1559.16	839.96	2399.12	65	35
2007-08	1551.74	875.02	2376.76	63	37
2008-09	1489.46	1267.33	5756.79	54	46
2009-10	2682.17	1432.83	4115.00	65	35
2010-11	3396.39	1877.52	5273.52	64.40	35.60
2011-12 (Upto 17.02.12)	3481.43	--	--	--	--

(4) Disbursement of Crop loan by Cooperative:

(Rs.in crores., Farmers in Lakhs.)

Year	Khariff		Rabi		Total	
	No. of Memb.	Amt.	No. of Memb.	Amt.	No. of Memb.	Amt.
2006-07	7.30	837.47	5.74	721.70	13.04	1559.17
2007-08	7.20	899.24	4.44	602.50	11.64	1501.74
2008-09	4.65	546.41	7.04	943.05	11.69	1489.46
2009-10	10.11	1407.82	8.21	1274.35	18.32	2682.17
2010-11	11.25	1811.08	9.10	1585.31	20.35	3396.39
2011-12 (Upto 17.02.12)	13.06	2381.37	5.43	1100.06	18.49	3481.43



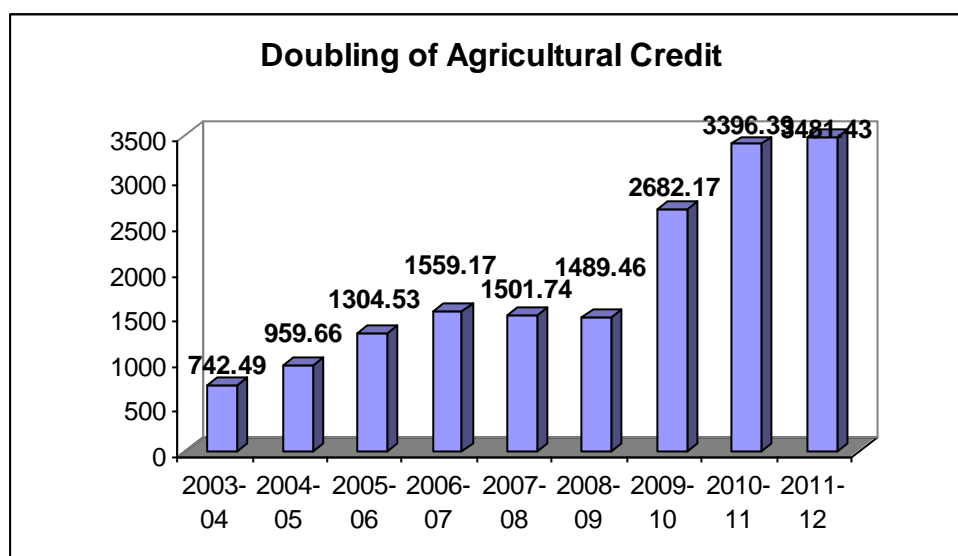
(5) Doubling of Agricultural Credit

Government of India announced Scheme for Doubling of total disbursement of farm credit in 2004-05 within a time frame of three years-2006-07. ST Cooperative Credit Sector had achieved significant strides in doubling agricultural credit from Rs 702.50 crores in 2003-04 to Rs1559.17 crores in 2006-07. in a span of three year.

Year wise achievement in Doubling of Farm Credit by Cooperative Sector vis-vis the base year is furnished below :

(Rs. in crore)

Year	Target	Achievement
2003-04	702.50	742.49
2004-05	95.00	959.66
2005-06	1350.00	1304.53
2006-07	1557.53	1559.17
2007-08	1800.00	1501.74
2008-09	2000.00	1489.46
2009-10	2500.00	2682.17
2010-11	3000.00	3396.39
2011-12 (Upto 17.02.12)	4000.00	3481.43



(6) Financing for Capital Investment in Agricultural and Allied Activities.

PACS and Branches of District Cooperative Central Banks are providing loan to farmers for Capital investment in agriculture and allied activities like improvement of land, lift irrigation, farm mechanisation, horticulture, pisciculture, orchards, etc.

(Rs. in crore)

Year	Farm Sector	Non-Farm Sector	Total
2006-07	29.38	39.93	76.31
2007-08	56.43	52.74	82.17
2008-09	84.43	74.33	158.76
2009-10	104.17	95.58	199.75
2010-11	151.34	109.27	261.11
2011-12 (Upto 31.12.11)	74.21	62.40	136.61

(7) Implementation of Interest Subvention Scheme :

The ST Credit Cooperative Sector have been implementing the Interest Subvention Scheme announced by the Government of India since 2006-07 and providing finance under ST-SAO to farmer members @ 7% rate of interest in Khariff-2008. During Rabi 2008-09, ST SAO was provided to farmers member by ST credit Cooperative sector @ 5%. The Government of Orissa is compensating the interest loss on account of investment at a less rate vis-à-vis cost of fund. Besides the Govt. of India has declared 2% incentive subvention interest to farmers in case of timely repayment of loan. thus, the effective rate of interest on coop loan in case of farm members of PACS is 3% during 2010-11. Similarly Government of India has declared 3% incentive for timely repayment, thus the effective rate of interest for 2011-12 is 2%.

Achievement in this score is furnished below:

Amount Released from Govt of India and State Govt to the OSCB towards interest subvention is furnished below:

(Rs. in crore)

Year	Amt. required	Released by Govt. of India	Released by State Govt.
2006-07	47.40	14.31	33.00
2007-08	42.45	5.68	7.00
2008-09	39.60	10.22	11.40
2009-10	79.47	10.35	69.12
2010-11	121.17	12.24	108.93

Benefit of Farmer :

(Numbers in lakh) (Rs. in crore)

Year	No. of farmer members	Amount financed
2006-07	13.04	1559.17
2007-08	11.64	1501.74
2008-09	11.69	1489.46
2009-10	18.32	2682.17
2010-11	20.35	3396.39

Revitalization of the Short Term Credit Cooperative Sector :

Orissa is one of the pioneering states to accept the recommendations of Vaidyanathan Committee for Revitalization of Short Term Credit Cooperative Sector. Memorandum of Understanding was signed between Government of India, NABARD and Government of Orissa on 16th November 2006. The process of Special Audit of PACS was completed by March, 2007.

Under the Package, the Government of India and the Government of Odisha have released their share of assistance for funding the recapitalization of the Short Term Cooperative

Credit Institutions, that is, the PACS and the DCCBs. The position of funding under the Package is as under :

(Rs. In Lac)

Institutions	Govt. of India	Govt. of Orissa	Total Released	Share of PACS/ CCB / OSCB	Grand Total
2725 PACS	64277.05	7148.01	71425.06	4914.39	76339.45
17 DCCBs	6786.71	1230.40	8017.11	11070.06	19087.17
OSCB	-	-	-	867.95	867.95
Grand Total	71063.76	8378.41	79442.17	16852.40	96294.57

(8) Diversification of Lending activities:

With a view to facilitating land improvement, irrigation, mechanized farming, and capital investment in agriculture for creation of assets, the Credit Cooperative Sector have assigned considerable thrust on disbursement of Agricultural Term Loan and Allied to Agriculture and Schematic Loans.

(i) Implementation of On-Farm Water Management Scheme:

(Rs. in lakh)

Sl No.	Scheme	Disbursement during 2010-11		Disbursement during 2011-12 (upto 31.12.11)	
		No.	Amt.	No.	Amt.
A	Shallow Tube Well	32	26.44	5	3.20
B	Dug Well	61	35.08	17	17.14
	Total	93	56.52	22	20.34

(ii) Implementation of SGSY Scheme :

Disbursement of financial assistance under the Scheme

During 2010-11		During 2011-12 (upto 31.12.11)	
No.	Amount	No.	Amount
3674	Rs.2492.71 lakh	1351	1351.17 lakh

(iii) Implementation of 12Point New Initiatives :

(Rs. in crore)

SI No.	Scheme	Disbursement during 2010-11		Disbursement during 2011-12 (upto 31.12.11)	
		No.	Amt.	No.	Amt.
A	Tractor	764	36.74	192	8.88
B	Power Tiller	1305	10.43	977	7.99
C	Pump Set	2119	3.51	800	1.33
	Total	4188	50.67	1969	18.99

(iv) Implementation of Schematic Finance (Farm Sector):

(Rs. in lakh)

SI No.	Scheme	Disbursement during 2010-11		Disbursement during 2011-12 (upto 31.12.11)	
		No.	Amt.	No.	Amt.
A	Minor Irrigation	3594	1095.75	1329	410.95
B	Farm Mechanisation	2250	4888.47	1173	1705.43
C	Diary	2585	923.25	1199	366.37
D	Plantation / Horticulture	2563	1016.79	1483	463.29
E	Fisheries	1598	540.80	1457	465.10
F	Poultry	1470	772.18	951	482.87
G	Others	13482	5897.20	6776	3527.08
	TOTAL	27542	15134.41	14368	7421.09

(v) Implementation of Schematic Finance (Non-Farm Sector)

(Rs. in lakh)

SI No.	Scheme	Disbursement during 2010-11		Disbursement during 2011-12 (upto 31.12.11)	
		No.	Amt.	No.	Amt.
A	SRTO	356	1200.34	159	469.19
B	SSI	712	435.67	185	198.24
C	Composite	1195	757.99	422	163.44
D	Rural Housing	562	971.39	359	552.92
E	ISB	4856	1895.65	2401	959.42
F	Others	14500	5716.08	7843	3896.83
	Total	22181	10977.12	11369	6240.04

(9) Formation and Credit Linkage of Self- Help Groups

Micro Finance and Self Help Groups are the subtle under lying forces of social and economic empowerment of under privileged and empowerment of women and rural poor in particular. Cooperatives have achieved major strides in formation and credit linkage of Self- Help Groups.

(Rs. in lakh)

2011-12 (Upto 31.12.11)	No.	Amt.
SHG formed and Deposit Mobilised (during the year)	4745	545.38
Total SHG Formed and Deposit Mobilised (cumulative)	80303	5595.60
Out of which women SHG formed and deposit Mobilised (during the year).	4682	542.99
Total Women SHG formed and deposit mobilized (cumulative)	76161	5460.63
Total SHG linked with credit & loan disbursed (during the year)	4792	3298.39
Total SGH linked with Credit and loan disbursed (cumulative)	60078	24046.67
Out of which women SHG linked with credit and Loan disbursed (during the year)	4683	3286.05
Women SHG linked with credit upto loan disbursed (cumulative)	56890	22126.51

(i) Formation and Credit Linkage of Tenant Farmers Groups

With the initiatives of PACS and Braches of the DCC Banks, Tenant Farmers Groups have been promoted so as to facilitate much required agricultural credit to hundred of millions of tenant farmers who are really instrumental for agricultural operation and who are not getting agricultural credit as they have not owned any land

(Rs. in lakh)

2011-12 (Upto 31.12.11)	No.	Amt.
TFG formed & Deposit mobilized (during the year)	287	8.15
Total TFG formed (cumulative)	9364	431.63
TFG credit linked & Loan disbursed (during the year)	624	564.58
Total TFG Credit linked (cumulative)	7505	3926.28

- (10) Promotion and Credit Linkage of Joint Liability Group**
 PACS and DCCB have taken proactive role in promotion and credit linkage of Joint Liability Groups. NABARD is providing financial support to DCCB for promotion and capacity building of JLG. Details achievements are furnished below

(Rs. in lakh)

2011-12 (Upto 31.12.11)	No.	Amt.
JLGs promoted (during the year)	11375	139.17
JLGs promoted and deposit mobilised (cumulative)	35726	3072.42
JLGs credit linkage (during the year)	12915	5060.77
JLIGs promoted and credit linkage (cumulative)	32465	10986.31

B. LONG TERM CREDIT

1. Structure

The Orissa State Cooperative Agricultural & Rural Development (OSCARD) Bank as the Apex Bank at the State level and 46 Primary Cooperative Agricultural and Rural Development (CARD) Banks located at the Revenue Sub-Divisional level have been functioning since 1938 and constitute the Long Term Credit Structure in the State. This Bank was providing Long Term Credit for both farm and non-farm activities to individual member-farmers through the Primary CARD Banks. The main areas of financing covered by these Banks include Minor Irrigation schemes, Pisciculture, Horticulture and Plantation, Animal Husbandry, Farm Mechanisation, Diesel and Electrical Pump sets etc.

2. Present Status

The 68-year old Long Term Cooperative Credit Sector in the State has, in the past, played a vital role in purveying long term credit through its affiliated Primary CARD Banks mainly for farm activities. The Sector became weak owing to financial and administrative mismanagement over the years which has led to huge accumulated losses and non-repayment of loans to NABARD and to the State Government.

2.1. Owing to the precarious financial position of the OSCARD Bank, NABARD has closed the line of credit for the Bank since October-2003. The Cooperation Department has taken up the matter with NABARD for opening the line of credit which will help in revival of this Bank.

3. Revival of the Long Term Credit Structure

The Task Force on Revival of the Cooperative Credit Institutions (Long Term) chaired by Prof. A. Vaidyanathan has submitted its report to the Government of India. The report has been circulated by the Government of India to all State government for their views. The State Government have furnished their positive views for implementation of Revival Package for LTCCS. After implementation of ADWDR Scheme, Government of India have constituted a Task Force under the Chairmanship of Additional Secretary, Ministry of Finance (GoI) to review the need for a separate package for revival of LTCCS. The 2nd meeting of the Task Force to review the need for a separate package for revival of LTCCS was held at Delhi on 5th January 2010 and the decision of the Government of India is awaited.

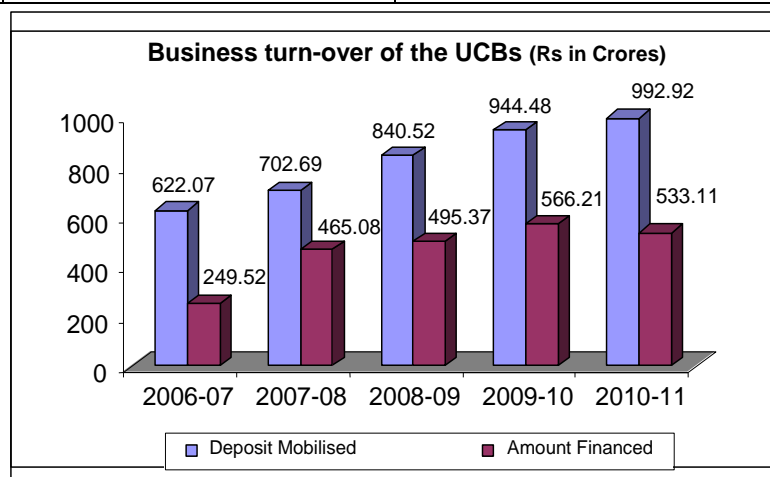
15. Financing for Self- Employment by the Urban Cooperative Banks

At present, there are 12 Urban Cooperative Banks functioning in the State providing finances for self-employment to the unemployed youths and other minimum banking services like acceptance of deposit etc. in urban and sub-urban areas. During the year 2009-10, The Dhenkanal Urban Cooperative Bank was liquidated in pursuance of the direction of the RBI. Bhadrak UCB was also not permitted by RBI for under taking banking activities. Achievement in this sector is furnished below.

(Rs. In crores)

Year	Deposit Mobilised	Amount financed
2006-07	622.07	249.52
2007-08	702.69	465.08
2008-09	840.52	495.37
2009-10	944.48	566.21
2010-11	992.92	533.11

2011-12 (upto 31.01.12)	953.80	542.41
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16. Paddy Procurement:

The Primary Agricultural Credit Cooperative Societies (PACS) and MARKFED have played a crucial role in paddy procurement as State Agency. Farmers get remunerative price of their produce paddy. There is no threat of distress sale. They get fresh finance for agricultural operation.

During 2009-10, PACS have shouldered the responsibility in a more challenging way. Out of 2714 PACS, 1215 PACS have procured paddy as Commission Agent of the Orissa State Civil Supplies Corporation. As the OSCSC placed funds with PACS in advance to facilitate instant payment to farmers, the operation received appreciation from all concerned. Achievement of Cooperative Sector in this activity during 2009-10, 2010-11 and 2011-12 is furnished below:-

Paddy Procurement	KMS 2009-10	KMS 2010-11	KMS 2011-12
No of PACS procured paddy	1215	1630	1829
No of Farmers benefited	3, 41,445	257405	331727
Quantity of paddy procured	16,11,660 MT	18,40,347 MT	1499037 MT

Besides, the MARKFED has taken up paddy procurement as State Agent through their purchase centres. The achievement is as follows :

Paddy procurement	KMS 2009-10	KMS 2010-11	KMS 2011-12
No. of districts covered	18	9	20
No. of farmers benefited	24767	34442	16650
Quantity of paddy procured	190291 MT	132782 MT	129220 MT

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17. Distribution of Chemical and complex Fertilizer through Cooperatives:

Cooperatives take initiative in making of chemical complex fertilizer available at the door steps of farmer members through 92 outlets of MARKFED and 2714 PACS/LAMPCS.

Supply of fertilizer during 2011-12 as on 31.12.2011 is furnished below :

SL No	Organization	Kariff-2011		Rabi-2011-12 (as on 31.01.12)	
		Quantity(MT)	Value (Rs.inCrore)	Quantity(MT)	Value (Rs.inCrore)
1	MARKFED	247065	186.84	42000	36.37
2	PACS('B' 'Component')	113262	86.90	9288	11.62

28. Distribution of Consumer goods under Public Distribution System:

Consumer Cooperative Sector has a three-tier structure with the Orissa Consumers Cooperative Federation at the apex, 20 Wholesale Consumers' Cooperative Stores at the central and all PACS and 314 Primary Consumer Cooperative Stores at the base level. These Cooperatives deal in consumer goods including distribution of controlled commodities under Public Distribution System. Quality goods with right weightment at reasonable price is the hallmarks of these Societies. Sale position of consumer goods during 2011-12 (upto December 2011) by these Cooperative Stores is furnished below.

(Rs in lakhs)

Cooperative Institution	Under PDS	Non-PDS	Total
i) OCCF Ltd	--	14325.39	14325.39
ii) Whole Sale Cons Coop. Stores	389.88	9062.42	9452.30
iii) Primary Cons Coop. Stores	801.74	5680.98	6482.72
Total	1191.62	29068.79	30260.41

20. RCMS

Out of 51 RCMS, 28 RCMS are distributing fertilisers, Kerosine and other essential commodities to the members in remote area. 36 RCMS have Rice Mills. Out of these, 10 Rice Mills have been sold as plant and machineries have been obsolete. 20 Rice Mills have been leased out to private parties. One Rice Mill is run by RCMS, Balasore which helps in paddy procurement and 5 Rice Mills are not functioning and in defunct stage. Steps are being taken to revive the Rice Mills of defunct RCMSs under PPP mode.

21. COLD STORAGE:

With a view to providing scientific storage facility for agricultural produces Cold Storages in Cooperative Sector have been set up. Out of 20 Cooperative Cold Storages, the Nimapara Coop Cold Store was made functional during 2010-11. Subsequently, the Cold Storage has been leased out and 823MT of potato have been stored. Out of which 197MT of potato of farmers have also been stored. One coop cold store at Rayagada is under construction. The cold storage of MARKFED at Jagatpur has been leased out. The other Cold Storage of MARKFED at Patia has been revived and Potato of 2639 MT have been stored during 2010-2011. One Cold Storage at Satsankha has been revived. 5 defunct Cold Storages namely Bayalishmouza, Athagarh, Banki, Bahugram and Hindol Road have been leased out to Private entrepreneurs under PPP Mode for modernisation and revival. In the meanwhile, the Hindol Road Cold Storage have been made functional after revival under PPP mode. Steps are being taken to lease out 7 more defunct Coop Cold Storage under PPP Mode.

22. STORAGE FACILITY:

Cooperative Sector provides storage infrastructure which helps both the Primary Agriculture Cooperative Societies, Food and Civil Supply Deptt. And other Agencies for storage of food grains to a great extent. PACS, RCMS and MARKFED have storage godowns of 4.41 lakh MT of storage capacity. Govt of India under RKVY scheme have sanctioned Rs.40.92 Cores for construction of 298 godown of storage capacity of 300MT each at PACS level. Construction work of these new go downs have been entrusted to the Central Ware-Housing

Corporation, and the Rural Development Department of the Government of Odisha. Godown at PACS level would immensely benefit farmers at the time of procurement of paddy and other agricultural produces. During 2010-2011 and 2011-12, Rs.5.00 crores each have been provided by the State Government for repair and renovation of Godowns of 505 and 363 PACS respectively.

23. COOPERATIVE SUGAR INDUSTRIES:

At present three Cooperative Sugar Industries namely Aska Cooperative Sugar Industries, Baragarh Cooperative Sugar Mill, and Bijayananda Self-Help Sugar Cooperative help cane growers by providing marketing infrastructure, good remunerative prices for their cane and providing employment opportunity directly and indirectly to the people. Besides, these Sugar Industries provide high yielding varieties of seeds to the farmers and fertilisers and arrange credit support from Cooperative and other Banks under tie-up arrangement. Crushing performance of these 3 Sugar Industries is furnished below:

Sugar Industries	2009-10			2010-11			2011-12 (as on 31.01.12)		
	Cane crushed (MT)	Sugar produced (Qntl.)	Recovery (%)	Cane crushed (MT)	Sugar produced (Qntl.)	Recovery (%)	Cane crushed (MT)	Sugar produced (Qntl.)	Recovery (%)
Aska Coop Suga Industry	43,606	37,895	8.84	68076	52650	8.34	59110	50131	8.48
Baragarh Coop Sugar Mill	--	--	--	31130	22400	7.50	30805	23255	8.14
Bijayananda Coop Sugar Mill	11888	9730	8.00	25400	14000	8.00	27425	19243	9.04

Bijayananda Sugar Cooperative registered under Orissa Self-Help Cooperative Act, 2001 have taken over the Pony Sugar in Bolangir District. Nayagarh Cooperative Sugar Industries was sold to M/S EPS Industries and Badamba Cooperative Sugar Industries to M/s Balaji Sugars & Allied Industries.

28. Establishment of Common Service Centres at PACS Level :

With a view to implementing National e-Governance Programme and providing essential services including Government to citizens and business to citizens services, the Cooperation Department in collaboration with the Information Technology Department have launched a programme to establish Common Services Centres at PACS level. So far as on 31.01.2012, Common Services Centres have been established at 183 PACS. This has enabled PACS not only to render services to the people at remote places but also generate income for their sustenance.

CHAPTER –IV CROP INSURANCE

1. Crop Insurance is one of the instruments that protect farmers from production risks, mainly arising from the vagaries of weather. The State Government has been implementing the broad-based scheme for Crop Insurance introduced by the Govt. of India. The Comprehensive Crop Insurance Scheme (CCIS) was in operation in the State from Kharif-1985 to Kharif-1999 and was replaced by the National Agricultural Insurance Scheme (NAIS) — also known as the ‘Rashtriya Krishi Bima Yojana’ (RKBY) — which was introduced from Rabi —1999-2000.

2. NAIS Scheme

2.1. The NAIS is available to all farmers — both loanee and non-loanee — irrespective of the size of the holdings. For loanee-farmers, the scheme is compulsory and for non-loanees it is optional. The scheme provides insurance coverage and financial support to the farmers in the event of failure of any of the notified crops as a result of natural calamities like flood, cyclone, storm, hailstorm, pest attack and plant diseases and other non-preventable risks like natural fire, lightning etc.

2.2. Implementing Agency

The Agriculture Insurance Company of India Ltd. (AIC) with equity participation of the General Insurance Corporation of India (GIC), four public sector general insurance companies and NABARD, has been established for the implementation of the Crop Insurance Scheme. The AIC calculates the indemnity claims of the farmers based on the yield data compiled through the Crop Cutting Experiments (CCE) which is furnished by the Directorate of Economics & Statistics and the Directorate of Agriculture and Food Production through the Co-operation Department. The last date for submission of the yield data for the Kharif season is 15th March of the following year and that for the Rabi season, 15th August. The implementing Nodal Banks would collect the premium and the declaration of the farmers and remit the amount to the Agricultural Insurance Company before the cut-off date prescribed by them.

2.3. The Scheme envisages coverage of crops like Paddy, Groundnut, Maize, Niger, Arhar, Mustard, Cotton, Jute, Turmeric, Ginger are covered in Kharif and Paddy, Groundnut, Mustard and Potato crops are covered in Rabi season.

Unit Area for Crop Insurance

The Gram Panchayat has been made the Unit of Crop Insurance for Paddy since Rabi 2010. The unit area for crop insurance is Block / Clustered Blocks for Niger, Turmeric & Ginger and district / Cluster of districts for other crops.

Yield Data

The Yield Data in respect of the notified crops is furnished by the Director, Economics & Statistics & Director of Agriculture & Food Production to the Government in Cooperation Department to the AIC by 15th Aug for Rabi and 15th March for Kharif based on minimum number of crop cutting experiments.

Claims

Indemnity claim is settled only on the basis of yield data furnished by the State Government based on requisite number of Crop Experiment (CCEs) conducted under General Crop Estimation Survey (GCES) and not on any other basis like Annavari / Paisawari etc.

If the 'Actual Yield' (AY) per hectare of the insured crop for the defined area (on the basis of requisite number of Crop Cutting Experiments (CCEs) in the insured season, falls short of the specified 'Threshold Yield' (TY), all the insured farmers growing that crop in the defined area are deemed to have suffered shortfall in their yield. The Scheme seeks to provide coverage against such contingency.

'Claim' shall be calculated as per the following formula :

$$\{ \text{Shortfall} = \text{'Threshold Yield} - \text{Actual Yield'} \text{ for the Defined Area} \}$$

Sum Insured

For the Loanees farmer, the Sum Insured is cent per cent of the crop loan at normal premium rate. Sum Insured can be upto the value of the threshold yield (TY) at the same normal premium rate. Further there is option to cover upto 150% of the average yield (AY) of the crop, on payment of premium at actuarial rate for the differential amount between value of TY and 150% of AY and in case of non-loanees the limit of coverage is upto threshold yield (TY) value at normal premium rate with an option to cover 150% of the average yield (AY) on payment of actuarial premium rate for the differential amount of Sum Insured.

Subsidy

The premium subsidy for small marginal farmer is 10% of the total premium for Rabi 2009-10 crop seasons as per Government of India administrative approval which will be equally shared by Central and State Government.

The business statistics of Kharif-2010 and Rabi 2010-11 season is as follows

Season	Farmers covered	Sum Insured (Rs. in crore)	Premium Collected (Rs. in crore)	Claims in (Rs. in crore)	Farmers benefited
Khariff -2010	1107710	1872.73	47.07	137.50	213325
Rabi 2010-11	34676	74.84	1.50	0.74	2941
Kharif-2011 (provisional)	1403831	2920.00	76.10	--	--

So far 19.68 lakhs farmers have been indemnified with ₹ 680.02 crore under NAIS up to Rabi 2010-11 season

Weather Based Crop Insurance Scheme (WBCIS)

This crop insurance scheme insures the farmer against losses due to (a) shortage in rainfall (b) No rainfall and (c) excess rainfall during July to 15th November in 3 phases. Compensation is paid within December. The Scheme covers only Paddy crop. Areas where this scheme is operative NAIS will not be implemented. The insurance coverage of the scheme is as follows :

Crop	Season Claims	Type	Area Covered	Premium collected (Rs. In Cr.)	Claim settled (Rs. In Cr.)
Paddy	Kharif 2008	Non-loanee-Optional	8 blocks in Nuapada, Bolangir and Bargarh district	4.45	4.14
Paddy	Kharif 2009	Loanee-Compulsory Non-Loanee-Optional	19 blocks in Nuapada, Bolangir and Bargarh district	13.60	7.5
Paddy	Kharif 2010	-do-	-do-	13.46	1.25
Paddy	Kharif 2011	-do-	-do-	20.00	16.62

The premium rate is 10% of Sum-insured of Rs.12000/- per hectare. The farmer shall pay same premium rate of 2.5% as in NAIS. The balance 7.5% is shared by Govt. of India and State Govt. in 50:50 basis. However, entire claim is paid by Agricultural Insurance Company (AIC).

The Scheme was received with good response due to the fact that claims calculation does not depend on yield results and claims are released within December (45 days after the period of insurance).

Modified National Agricultural Insurance Scheme (MNAIS)

Government of Orissa has implemented Modified National Agricultural Insurance Scheme (MNAIS), during Rabi 2010-11 crop season for paddy crop on pilot basis with Gram Panchayat as Unit.

The unit area for crop insurance will be Gram Panchayat

The main objective of the scheme is to provide insurance coverage to the farmers in the event of failure of the any of the notified crop as a result Natural Calamities, pests, diseases or errant weather condition.

The Scheme was implemented in selected Gram Panchayats of five districts namely, Balasore, Bhadrak, Bargarh, Sonepur and Kalahandi during Rabi 2010-11 crop season. In Rabi 2011-12, the Scheme is being implemented in selected GPs of two districts, namely, Balasore and Bhadrak.

During Rabi 2010-11 season, 7792 farmers have been indemnified with claim payment of Rs.4.01 crore.

CHAPTER -V

INTEGRATED COOPERATIVE DEVELOPMENT PROJECT (ICDP)

About the Project :

The Scheme Integrated Cooperative Development Project (ICDP) was introduced in the Seventh Five Year Plan for promotion of various economic activities through cooperatives in the sphere of agriculture and allied sectors like Fishery, Poultry, Dairy, Handloom and Rural Industries etc. in the selected districts. This scheme of the Corporation has an integrated area based approach taking into account the local needs and resources. The scheme aims at development of cooperatives in agriculture and allied sectors, transforming cooperative as multi-purpose entities and promoting horizontal & vertical functional linkages so as to enable the cooperatives to cater to the overall needs of rural community.

Activities under the Project :

On the recommendation of the State Governments, districts are selected for coverage under the ICDP Scheme. A detailed project report is then got prepared by a multi-disciplinary group of the State Govt. or by an outside consultancy organisation identified for the purpose. Subsequently, on-the-spot appraisal is carried out by a team of NCDC officers. Assistance to cooperatives is provided for i) development of infrastructural facilities ii) margin money to enable them to raise requisite working capital and iii) manpower development and motivation of personnel in cooperatives. A project implementation Agency (PIA), generally the concerned District Central Cooperative Bank (DCCB) is identified for each district for implementing the project. The PIA is assisted by a Project Implementing Team (PIT) created specially for implementing the project, the duration of which is normally five years. Project activities are monitored by a cell specially created for the purpose at the state level where more projects are being implemented.

Under ICDP emphasis is on infrastructure development by village level cooperatives, such as establishment of modern office & banking facilities, setting up of consumer shop, construction of scientific storage, godowns; facilities for food processing for value addition; marketing of agricultural and horticultural produce etc. A wide range income-generating activities such as horticulture, floriculture, handloom and handicrafts; dairy, goatery, sheep-breeding ,

pisciculture and small processing units can be supported through the Project by providing margin money to enable the Primary Cooperative Societies to raise the requisite working capital to undertake these activities. Keeping in view the importance of manpower development and training, the Scheme provides subsidy for training, managerial assistance for project implementation and monitoring and preparation of project reports and documentation etc.

Funding Pattern :

The NCDC-assisted ICDP Scheme, presently, has a funding pattern for cooperatively under developed states like Orissa where 20% subsidy is available for creation of infrastructural facilities and also for margin money assistance for business development programme under the restructured central sector scheme. As per NCDC norms, the State Govt. is to provide 50% as loan, 20% as subsidy and balance 30% as share capital totalling to 100% to the PIA towards various activities at the level of the cooperative societies.

However, no subsidy is available to DCCB for any kind of its activity. The share capital component may be provided as redeemable share capital where the share capital contribution exceeds the provision prescribed under Revival Package (Vaidyanathan Committee recommendations) for Short-Term Cooperative Credit Structure (STCCS). The entire PIT cost which includes the administrative expenses of PIT personnel and other contingent expenditure in connection with monitoring and supervising implementation of the project at the Bank/District /State level, training and manpower development, etc. is provided as subsidy. The total subsidy component, however, should not exceed 30% of the total project cost. Thus, under the Scheme, assistance to cooperatives is provided for development of infrastructural facilities; margin money to enable them to raise requisite working capital and PIT cost which includes capacity building and training of the personnel and members of cooperatives.

About ICDP Malkangiri & Koraput districts :

The ICDP Malkangiri & Koraputs was sanctioned during 2001-02 with an outlay of Rs.909.25 lakhs but due to certain problems particularly relating to the interest rate, funds for the project could not be provided initially. The project was launched during 2006-07 which will be completed by 31.03.2011 as extended by NCDC. The State Govt. have so far provided financial assistance to PIA i.e. Koraput CCB Ltd. for an amount of Rs. 736.12 lakhs for implementation of 1st

and 2nd and 3rd year Action Plan. During the year 2010-11 FY, an amount of Rs.145.00 lakhs has been provided in the budget for implementation of 4th and 5th year Action Plan. The 4th and 5th year Action Plan was approved by the State Level Sanctioning Committee (SLCC) chaired by the Secretary, Cooperation Department.

Implementation & Monitoring :

The PIA for ICDP Koraput-Malkangiri is the Koraput DCCB. The PIA is assisted by the PIT created specially for implementing the project. The PIT is co-chaired by the Collectors of Koraput & Malkangiri and includes district level officers from different line Departments as members. The Action Plans with details of the different components of the programme for implementation for the scheme have been drawn up at the District Level and approved by the District Level Coordination Committee (DLCC) and then by the State Level Coordination Committee (SLCC) chaired by the Secretary, Cooperation Department for final approval and release of funds to the PIA for executing the approved schemes under the project. Monitoring is being done at various levels such as at district level & state level periodically.

Action Plan :

The Action Plans for the project were formulated with a view to strengthening the existing infrastructure of the 20 LAMPS of Koraput district and 8 LAMPS of Malkangiri district and creation of new infrastructure for facilitating their activities for dispensation of farms credit, supply of inputs like fertiliser, seeds and pesticides and marketing activities like paddy procurement. This would go a long way in serving the credit and agricultural marketing needs for the poor tribal farmers of these two districts.

As provided in the Action Plan, construction of 39 godowns; repair of 33 existing godowns; construction of 34 office & mini bank buildings; 23 mini bank counters; supply of 23 Nos. of Iron safe; construction of 5 agri-shopping complexes and provision of 15 Nos. of physical and functional infrastructure for paddy procurement in addition to construction of office building for the project at Jeypore have been accomplished. The project shall be achieved by end of March 2012.

ICDP Angul and Dhenkanal :

ICDP Angul and Dhenkanal was sanctioned by NCDC in 2004-05. Subsequently it was sanctioned in 2008-09 as adequate budget provision could not be made. However Govt. in Cooperation Deptment recommended NCDC for resanction of the project. NCDC has sanctioned the project for ICDP Angul and Dhenkanal which envisaged project cost of Rs.12.61 crores and Rs.13.32 crores respectively. The project would be completed in four years and would strengthen and augment infrastructure of PACS and other primary, central co-op societies.

Financial assistance comprising share capital of Rs.112.00, subsidy of Rs.78.00 and loan of Rs.110.00 lac has been sanctioned during the financial year 2011-12 out of the 1st year's outlay for implementation of the Project.



CHAPTER -VI ACTIVITIES OF MARKFED

The MARKFED-ORISSA i.e. Orissa State Co-operative Marketing Federation Ltd. commenced since 11.06.1949 with total membership of 985. The objectives are to market/ distribute chemical fertilisers, pesticides, agricultural implements to the farmers of the State and procurement of agricultural commodities under Price Support Scheme to help farmers to get fair price of their produce. Policy decisions are taken by the Management of Markfed. The Managing Director is the administrative head.

2. Marketing/ Distribution of Chemical fertilizers & Pesticides

Primary business of Markfed is distribution of chemical fertilizer to the farmers through the Cooperative Societies under 'B' component and private dealers having valid fertilizer license. The total sale of fertilizer has been increased from 1.44 lakh MT during 2001-02 to 3.54 lakh. MT during 2010-11. Sale to Cooperative Societies is almost 40% and contribution of Markfed to total sale of the State is about 35%. Markfed is also supplying Fertilizer and Pesticides to the Government organizations against their requisitions.

The sale position of fertilizers during last 5 years is given below.

Fig. in MT

Year	Kharif	Rabi	Total
2006-07	181997	64329	246326
2007-08	182377	74538	256915
2008-09	203744	85434	289178
2009-10	245270	94211	339481
2010-11	260048	94000	354048
2011-12 (upto 31.01.12)	247065	40000	287065

3. Storage Capacity

There are godowns in 92 locations spreading over the entire State with storage capacity of 1.15 lakhs MT out of which 15000 MT is on hire and rest of own. Besides utilizing the godown for storage of fertilizer, MARKFED provides storage space to the fertilizer manufacturers as and when required. Markfed has also shopping complex in the premises of Head Office at Bhubaneswar. There is a proposal to create additional storage capacity of 23,000 MT at 15 locations at a cost of Rs.11.29 crores.

4. Paddy Procurement as State Agency

Markfed acts as State Government agency to procure paddy from farmers at MSP since 2005 through custom milling mode. During the current Kharif Marketing Season (KMS) 2011-12. State Government has allotted procurement target of 2.94 lakh MT of paddy from 20 districts to MARKFED.

Markfed has so far procured 1,29,220 MT of paddy equivalent to 87,900 MT of rice and delivered 29,200 MT of rice to FCI. The detail position is as under.

Kharif Marketing Season	No. of districts allotted	Target (in terms of paddy in MT)	Achievement (in terms of paddy in MT)
2004-05	4	68182	53849
2005-06	11	163235	154668
2006-07	15	364706	290905
2007-08	18	419118	393144
2008-09	20	661175	584341
2009-10	18	303971	190291
2010-11	9	588235	132782
2011-12 (Upto 31.01.12)	20	294118	129220

5. Market Intervention

The indigenous market is highly decentralized and regional in nature. So, large number of small producers supply through insufficient supply chain. In order to raise the bargaining power of the Small and Marginal farmers and to overcome the menace of the middlemen in the trade, Markfed intervenes in the market with

an objective to provide fair price, avoid distress sale, to create awareness among the farmers and to Market their surplus agricultural produces. Markfed has been procuring various agricultural produces like maize, ragi, sunflower, groundnut, niger, black gram, turmeric etc with market intervention.

6. Solvent Extraction Plant

Markfed has a Solvent Extraction Plant with an Oil refinery and Oil Expeller having capacity of 150 TPD, 20 TPD and 100 TPD respectively. The Plant was established during 1974 at Bargarh with an objective to utilize the rice bran available in the nearby area and manufacture edible Oil. The unit has been given on lease to M/s. Shri Krishna Solvent Extraction Pvt. Ltd., Bargarh for five years.

7. Granular Fertiliser Plant

Markfed has a Granular Fertiliser Plant, which commenced functioning in the year 1974 with an objective to utilize damaged, leftover and unsold fertilizers of MARKFED all over the State as raw materials mixing other raw materials like SSP, rock phosphate, dolomite and colour powder etc. and produce granular mixed fertiliser of NPK in the grade of 15:15:15 in the trade name of "Shyamala". The Plant stopped production mainly due to non-availability of SSP and increased cost of production resulting increase in MRP of the product in comparison to other mixed or complex fertilizers available in the market since 28.10.2007. The Government has suggested for revival of the Plant to run under PPP mode. IFFCO and PPL have been requested to depute technical persons from their Plant at Paradeep to study the present condition and also to consider to take over the plant to run under PPP mode.

8. Cold Storages

There are 3 (three) cold storages under MARKFED located at Cuttack, Bhubaneswar and Rayagada with storage capacity of 4000 MT, 5000 MT and 5000 MT respectively. Steps are already taken to complete the refrigeration, Insulation and electrical work of Rayagada cold storage and commission the Plant to dedicate the same to the Tribal Farmers of KBK region for storage of their surplus produce. Renovation of Cold Storage at Bhubaneswar has been completed and started operation departmentally during March 2011 for storage of potato.



CHAPTER -VII AGRICULTURAL MARKETING

Introduction

Agricultural Marketing System of Odisha focuses more on promotion of private investment, contract framing and direct marketing with an accent on free play of market forces than on a strict control regime of a Regulated Marketing Mechanism. There is no monopoly of markets owned by agricultural produce market committees in the state. Besides RMC markets, there is a network of Municipal / Panchayat / Private markets operating in the state catering to the agricultural marketing needs. However, the marketing apparatus of the state has got infrastructure, system and process in place to implement good marketing practices for different commodities.

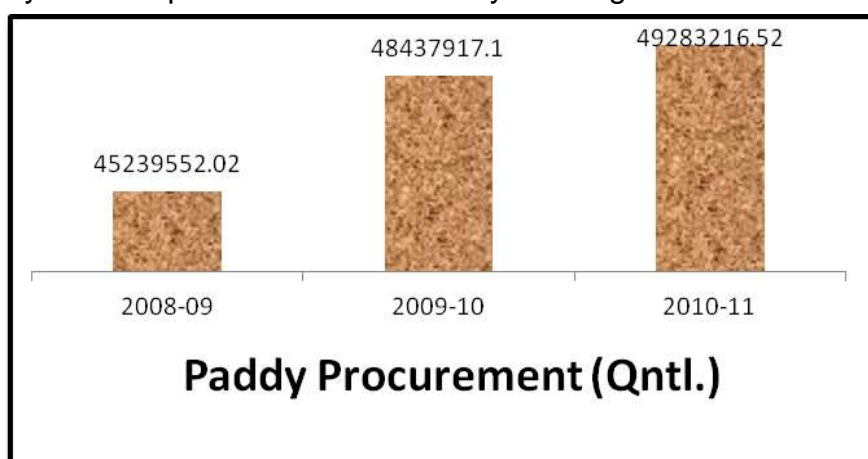
The Agricultural Marketing sector of the state comprises the Directorate of Agricultural Marketing (DAM), The Odisha State Agricultural Marketing Board and 65 Regulated Market Committees (RMCs) spread across 55 Revenue Sub-Divisions of the State. The Rairangpur R.M.C. is under the process of being constituted. The Chairmen of the R.M.Cs are Collectors/ A.D.Ms/ Sub-Collectors.

There are 428 market yards in the State, which include 53 Principal Market Yards, the rest being sub-market yards. Besides, there are 1630 temporary market yards functioning for Paddy Procurement. Most of the market yards are being used for the paddy procurement. Besides, there are specialized commodity markets and other types of markets.

1. Grain Marketing: Paddy Procurement

Paddy is the main agricultural produce of the state. There is an extensive mechanism for procurement of paddy with the network of RMC market yards and Primary Agricultural Cooperatives Societies (PACS) as temporary market yards. At present, different agencies approved by state government are procuring paddy at 425 RMC Market yards and 1630 PACS.

The year wise procurement at RMCs yards is given below :



2. Specialized Commodity Marketing :

(i) Cotton Marketing :

Odisha is an emerging producer of quality cotton in the country. Nine cotton markets have been set up under Technology Mission on Cotton (TMC). Besides, two new cotton markets have been set up in RMC Digapahandi and Paralakhemundi. Thus, there is a network of physical markets equipped with requisite infrastructure to promote organized marketing of cotton in the state.

These Cotton Market Yards are at Jogimunda (Kantabanji R.M.C.), Karlapada (Bhawanipatna R.M.C.), Utkela (Kesinga R.M.C.), Gunupur, Ramnaguda and Muniguda (Gunupur R.M.C.), Rayagada under Rayagada R.M.C., Digapahandi (Digapahandi R.M.C.) and Parlakhemundi (Parlakhemundi R.M.C.) established under Technology Mission on Cotton. Its funding pattern is 60% by T.M.C. and 40% by R.M.C. The facilities provided in the Market Yards are Godowns, Drying Platforms, covered Platforms, Parking area, Farmers Information Centers, Farmers Rest Shed, Grading Laboratory, Fire Fighting arrangement, overhead tank, water supply arrangements, weigh bridge, weighing scale, sanitary facilities, concrete road, drainage facilities and compound wall etc.



R.M.C. wise Cotton Marketing Status for 2010-11 (in Qntl.)

Sl. No.	R.M.C.	Name of the Yards	Nos. of licence Traders	Quantity purchased
1.	Gunupur	Gunupur, Ramanguda, Muniguda	C.C.I & 17 Pvt. Agencies	1,78,000
2.	Digapahandi	Digapahandi	1 Pvt. Agencies	1,459
3.	Parlakhemundi	Parlakhemundi	7 Pvt. Agencies	9,204
4.	Kesinga	Kesinga, Utkela, Rishida & Pastikudi	C.C.I. & 3 Pvt. Agencies	40,254
5.	Bhawanipatna	Karlapada	C.C.I. & 8 Pvt. Agencies	94,840
6.	Rayagada	Rayagada	C.C.I. & 18 Pvt. Agencies	71,208
7.	Kantabanji	Kantabanji & Muribahala	C.C.I. & 26 Pvt. Agencies	88,032
8.	Patnagarh	Jogimunda	C.C.I. & 41 Pvt. Agencies	1,98,230
9.	Bolangir	Village level	1 Pvt. Agencies	4,155
			Total	6, 85,473(Qntl.) 68,547.30(MT)

R.M.C. wise Cotton Prices during 2010-11

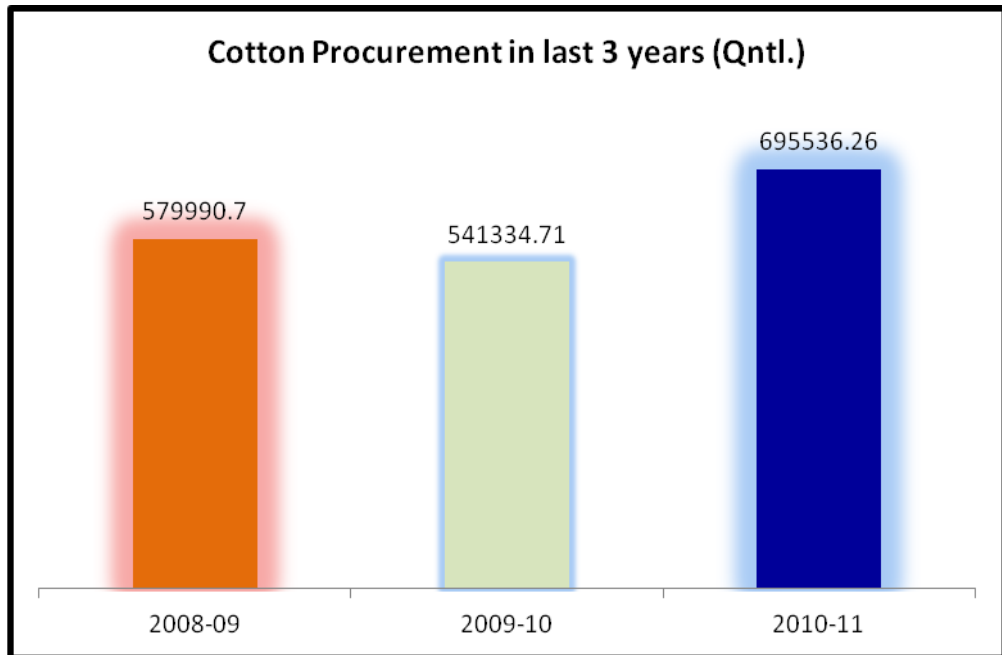
Sl. No.	Name of the RMC	Mkt. support price		Commercial ruling price	
		Min(Qntl.)	Max (Qntl.)	Min(Qntl.)	Max (Qntl.)
1.	Gunupur	2500	3000	2500	6000
2.	Digapahandi	2500	3000	3200	3250
3.	Parlakhemundi	2500	3000	3500	5000
4.	Kesinga	2500	3000	3500	8000
5.	Bhawanipatna	2500	3000	3450	4100
6.	Rayagada	2500	3000	3200	5800
7.	Kantabanji	2500	3000	3450	6000
8.	Patnagarh	2500	3000	3000	5450
9.	Bolangir	2500	3000	3800	5600

Year wise Cotton price RMCs Yards

Year	MSP	Market Price
2007-08	2050-2070	1755-2500
2008-09	2850-3000	2825-3000
2009-10	2500-3000	2450-3100
2010-11	2500-3000	2500-80000
2011-12	3150-3300	3550-3750*

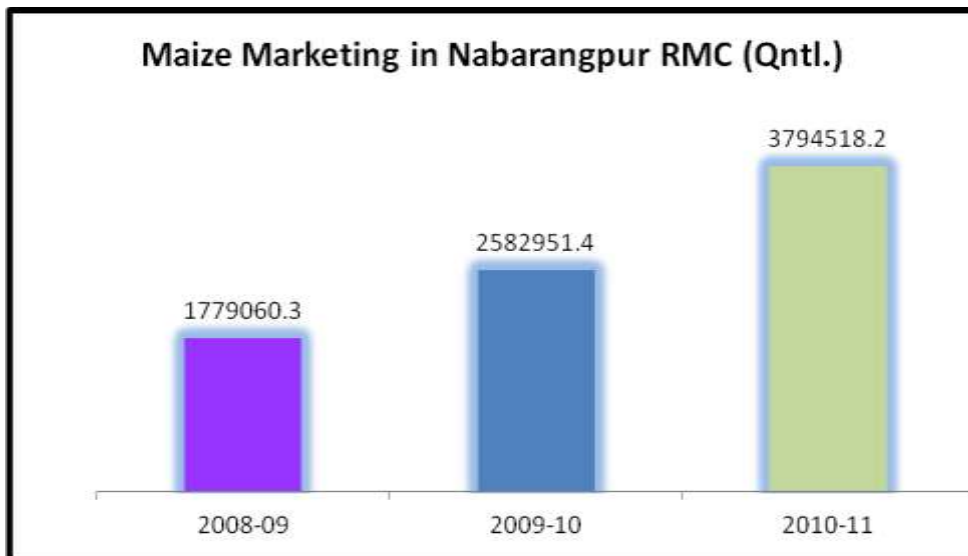
*Price in January 2012

The year wise procurement of cotton at RMCs yards is shown below:



(ii) Maize Marketing :

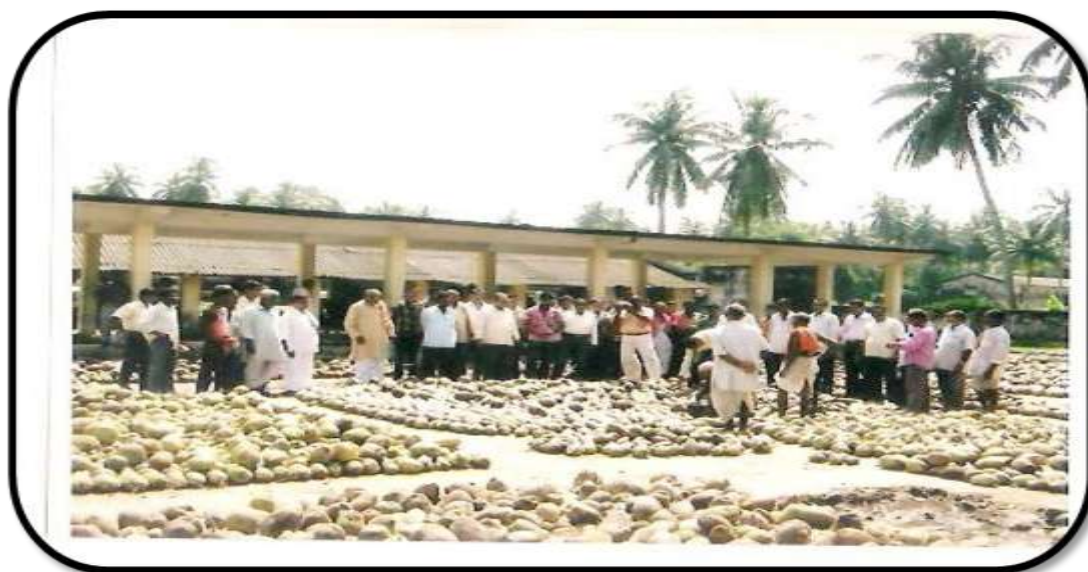
In order to provide exclusive post harvest marketing facilities for maize transaction during the year 2008-09, two Maize Mandies at Umerkote and Raigarh under Nabarangpur R.M.C have been set up with assistance received from Biju K.B.K and R.K.V.Y scheme. The project cost is Rs. 185.00 lakh respectively.





(iii) Coconut Auction and Marketing :

With annual production of 2824 lakh nuts, Odisha's share in national coconut production is 1.75% (Deptt. of Horticulture, 2008). Odisha is the fifth largest coconut producing state in India with production area mainly in the districts of Puri, Ganjam, Jagatsinghpur, Cuttack, Jajpur, Bhadrak and Balasore.



(Coconut auctioning at Sakhigopal RMC)

The four other major producing states such as Kerala, Karnataka, Tamilnadu & Andhra Pradesh have a well-defined commercial policy of commercial coconut production. In Odisha, Commercial production is very limited with most of the produce being part of backyard cultivation. Out of annual production of 2824 lakh nuts, only 120 lakh nuts is stated to be marketed in the yards (2008), which is only 23%. The rest of produce is being marketed through direct marketing.

RMC Sakhigopal is the hub of coconut trading in Odisha. Since 1979, RMC has enforced regulation (compulsory buying & selling in the yards) and price discovery mechanism through competitive auctioning of coconuts.

Besides RMC, the Sakhigopal coconut growers' cooperative society (1962) and Regional Coop Marketing Society, Sakhigopal have made important contribution in developing an organized marketing system for coconut in Odisha.

3. Cattle Markets :

There are 108 Cattle Markets in 39 R.M.Cs having Cattle Shed, Tree Shed, rest rooms, water supply, ticket house and first-aid facilities etc. in the State. All these markets are periodic in nature and fully functional.



(Cattle Market, Hinjilicut RMC)

4. Krushak Bazar :

Under 12 point initiative programme of Chief Minister, Odisha, the Krushak Bazars (Farmers Market) have been set up to help farmers sell their agricultural produces directly to the consumers. There are 43 krushak bazars in 24 districts of the State under 36 RMCs in the state with basic infrastructural facilities. These are mainly located in urban centres. Out of 43 Krushak Bazars 32 are functional. There is a plan to have Krushak Bazars in all the 30 districts of the state.

5. Agricultural marketing Extension Activities :

(i) Farmers Awareness Programmes :

In order to create awareness amongst the farmers about agricultural marketing sector at the grass root level, OSAM Board has conducted "Farmers Awareness Programmes" during the year in different RMCs in collaboration with

National Institute of Agricultural Marketing (NIAM). The participants were mainly individual farmers, producers' groups, farmer members of co-operative societies with focus on areas such as buyer-seller linkages, good marketing practices, grading & standardisation, contract farming, group marketing, linking credit with marketing, marketing information etc.

These awareness programmes focused on commodity specific marketing practices at five different places such as RMC Kantabanji (Brinjal), Bargarh (Ginger), Digapahandi (cotton), Rayagada (Cotton and Pulses) & Nayagarh, (Vegetables). In many cases, farmers have organized themselves as producers' groups.



(Farmer's Awareness Programme at RMC Rayagada)

(ii) Training of RMCs Secretaries on Agricultural Marketing :

A three day "Basic training on Agriculture Marketing" was held from 31st October to 2nd November, 2011 at IMAGE, Bhubaneswar in collaboration with NIAM, Rajasthan, Jaipur. The objective of the Training was to give detailed information and orientation to the RMC Secretaries about the Agricultural Marketing. This training was meant to equip them with the knowledge and skills relating to the Agril. Marketing Covering System, Market Institution & Organization, Market Survey & preparation of project reports, Marketing Information, Marketing extension, Grading & Standardization and recent changes in Agricultural Marketing.



(Training of RMCs Secretaries on Agricultural Marketing held on Date 30.10.2011-01.11.2011 at IMAGE, BBSR)

(iii) State level Meeting of Chairmen of RMCs :

State level Meeting of the Sub-Collector-Cum-Chairman of Regulated Market Committees (RMC) was held under the Chairmanship of Minister, Tourism, Culture and Cooperation on different issues relating to identification and alienation of land to set up new markets under 13th Finance Commission (TFC), functioning of market yards, reviewing progress of development of markets under RKVY and state plan, provision of minimum infrastructure in the yards and arrangement for alternative marketing based on commodities and agro-climatic regions. The half-day seminar with the Chairpersons of RMCs covered presentations on different aspects such as spot marketing, negotiable warehouse receipts and alternative marketing mechanism.



(State Level Meeting of the Chairmen of RMCs held on Date 03.11.2011 at OSCB, BBSR)

6. Grading and Standards :

There is a full-fledged Grading & Standardization Cell operating in the Directorate of Agricultural Marketing of the State as a permanent scheme funded under the State Plan. Besides, promoting Grading & Standardization, the cell creates awareness amongst the stakeholders, conducts training programme, especially for paddy. There is a mobile grading laboratory operated by the Directorate of Agricultural Marketing for the purpose.

There are 428 Market Yards under 65 RMCs. Most of these Yards are used for Paddy Procurement Programme. Besides, there are 1630 PACS involved in Paddy Procurement. RMCs have provided Measuring and Grading equipments such as electronic weighing scale, moisture meter, mini grader, set of sieves, paddy cleaner, tarpaulin etc in these yards and also to PACS.

OSAM Board has also issued guideline for purchase of grading equipments to be used in paddy procurement operation vide OSAM Board Order No.411 dtd.

05.01.2011 regarding supply, installation and commissioning of different types of grading equipment etc, containing the specifications, names of the suppliers and rates, terms and conditions of supply, installation and commissioning including payment terms, penalty clauses, guaranty / warranty period, annual maintenance contract (AMC).

7. Agricultural Market Information:

At Present, 91 "Agmarknet" nodes have been set up in different RMCs for collection and dissemination of market information. Data on market arrival and price range of different agricultural produce are uploaded in the portal on daily basis, so as to provide up-to-date information on the demand & supply position of different produce and to facilitate price discovery by farmers. The RMCs have engaged data-entry operators for uploading the required data in the net and, for the purpose, incentive of Rs.500/- per month is reimbursed to the RMCs by the Government of India.

8. Agricultural Marketing Study and Research:

Odisha produces about 10.51m MT of horticultural produces from an area of 1.30m ha and accounts for 4.89% of total horticultural production in the country, with vegetables (80.59%) and fruits (14.59%). The 10 agro-climatic zones of the State are most suitable for growing of fruits, Vegetable, flowers and spices.

A Study has been conducted in collaboration with KIITS School of Rural Management (KSRM) titled "Vegetable Marketing System" in the erstwhile districts of Cuttack and Puri. The study covered 7 existing districts under undivided Cuttack and Puri. The study throws light on different dimensions of vegetable marketing such as grading & standardisation, transportation, storage, marketing channels, price-discovery mechanism, price spread analysis etc. The study has recommended a number of steps for strengthening the backward and forward linkages for improving the farmer's share in consumer's rupee and reducing non-value adding middlemen's share in the consumer's rupee in the marketing of vegetables.

9. Reforms of Agricultural marketing sector:

In keeping with the provisions of the Model Act, circulated by the Govt Of India, the OAPM Act was amended in June,2006 to allow "Establishment of Private Markets" and "Contract Farming" by any person or company or a co-

operative Society. The amendment of the OAPM rules, 1958 in conformity with OAPM (Amendment) Act, 2006 was notified in the official Gazette in the year 2007.

In order to bring comprehensive reform in the Agricultural marketing sector Government of Odisha have constituted a committee under the chairmanship of the Chief Secretary, Odisha vide their Resolution No.6731/2009 dtd.07-07-2011 to streamline agriculture marketing system in the state. The committee comprised the Chief Secretary as its Chairman, Agriculture Production Commissioner & Development Commissioner, Principal Secretary-Agriculture Deptt., Food Suppliers & Consumer Welfare, Commissioner-cum-Secretary, Cooperation Department, Registrar of Cooperative Societies, Collector-Bargarh & Kalahandi as members of the committee and the Director Agricultural Marketing as Convenor. The First meeting of the committee was held on dt.11.08.2011.

Further, with a view to strengthening the agriculture marketing sector of the State Government vide their Resolution No.9816 Coop. dtd.30.09.2011 have constituted a state level advisory-cum-marketing committee. The members of the committee are as follows:- the chief secretary as its Chairman and the Agriculture Production Commissioner, the Principal Secretary Agricultural Deptt., Secretary in Revenue and Disaster Management Deptt., Panchayatraj Deptt., Cooperation Deptt., Food Suppliers and Consumers Welfare Department, Fisheries & Animal Resources Development Deptt., Housing and Urban Development Deptt., C.G.M, NABARD, two representatives of state level Registered farmers organisation, two representatives of the NGOs working in the field of Agricultural Marketing, Two representatives of chambers of commerce as members and Director, Agricultural Marketing.

Similarly, State Government vide their Resolution No.9823/Coop. dtd.30.09.2011 have constituted District level coordinating an monitoring committee for each district comprising the Collector-Cum-Magistrate as Chairman, the P.D, DRDA, Dist. Supply officer, the Deputy Director of Agriculture/Horticulture, the Sub-Collector, the PA, ITDA, the District Fisheries Officer, two representatives of farmers organisation of the district to be nominated by Collector, two representative of NGO working in the field of Agriculture marketing to be nominated by Collector, DDM, NABARD as a member and Deputy Director (Marketing)as Member, Convenor.

10. Schemes of the Agricultural Marketing Sector :

(i) State Plan :

During last four years(2007-2008 to 2010-2011) Rs 844.97 lakh has been provided from State Plan Under the scheme 'Strengthening and Development of Agriculture marketing infrastructure' for construction and development of market yards in 31 market places. The year-wise performance is given below.

	2007-08	2008-09	2009-10	2010-11	Total (Rs. In lakh)
Grants Sanctioned	95.97	96.00	311.00	342.00	844.97
UC Submitted	34.57	21.50	24.36	-	80.43
Unspent	61.40	74.50	286.64	342.00	764.54

(ii) Rastriya Krishi Vikash Yojana (RKVY) :

Under the Rastriya Krishi Vikash Yojana, three RMCs received an amount of Rs.181.65 lakh and Rs.170.51 lakh during 2007-08 & 2008-09, respectively for the establishment of two maize mandis and two cotton mandis. The projects have been completed and Utilization Certificates (UCs) for the entire funds received under RKVY have been submitted.

Ten numbers of projects have been taken up under RKVY during 2010-11 & 2011-12. Out of the total project cost of Rs.1245.00 lakh, an amount of Rs.968.50 lakh has been sanctioned and released for execution of the projects against which, an amount of Rs.417.00 lakh has been utilized and UCs has been submitted.

(iii) Creation of New Markets in Uncovered Blocks under 13th Finance Commission :

The 13th Finance commission has awarded grant of Rs.60 crore for construction of 150 market yards to provide an efficient marketing structure at the block level during 2011-12 to 2014-15.

There are 111 blocks in the state which don't have any markets yards to provide marketing services in their area. In the first phase, an amount of 15 crore has been released to setup 37 markets in 32 blocks across 12 RMCs. The rest of the markets to be funded under the 13th Finance Commission award will be setup during the next 3 years.

CHAPTER -VIII
THE ORISSA STATE WAREHOUSING CORPORATION (OSWC)

The Odisha State Warehousing Corporation (OSWC) was set up in 1958 under the Agricultural Produce (Development and Warehousing) Corporations Act, 1956 which was a Central Act. The Corporation was subsequently brought under the purview of the Warehousing Corporations Act, 1962 – also a Central Act - by virtue of which the earlier Act was repealed.

2. Functions

The Warehousing Corporations Act, 1962 lays down the following functions for a State Warehousing Corporation.

- To acquire and build godowns and warehouses at such places in the State, as it may, after consultation with the Central Warehousing Corporation determine;
- To run warehouses in the State for the storage of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities;
- To arrange facilities for transport of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities to and from warehouses;
- To act as an agent of the Central Warehousing Corporation or of the Government for the purpose of the purchase, sale, storage and distribution of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities;
- To enter into, with the previous approval of the State Government, joint ventures with the Central Warehousing Corporation; and
- To carry out such other functions as may be prescribed.

3. Share capital base

The authorized share capital of the OSWC is Rs.360.00 lakh of which Rs.180.00 lakh (50%) is the paid up share capital of the State Government and Rs.180.00 lakh (50%) is the paid up share capital of the Central Warehousing Corporation (CWC). Contribution to the share capital was last made by the State Government in the year 2000-01 and by the CWC in the year 2001-02.

4. Storage capacity

The Odisha State Warehousing Corporation is now operating 58 warehouses in 28 districts (except Deogarh and Dhenkanal) of the State having a total capacity of 4,26,480 MT as on 31st December,2011 (owned 4,07,550 MT + hired 18,930 MT). The detail of the storage capacity for the preceding five years and current year upto December, 2011 are as follows:

(in lakh MT)

As on	Capacity (Own space)	Capacity (Hired space)	Total
31.03.2007	3.95	0.21	4.16
31.03.2008	3.95	0.10	4.05
31.03.2009	3.95	0.14	4.09
31.03.2010	3.95	0.14	4.09
31.03.2011	3.95	0.14	4.09
31.12.2011	4.07	0.19	4.26

4.1. Capacity utilization

The average warehousing capacity of the OSWC, its average utilization and percentage of capacity utilization for the preceding five years and current year 2011-12 (upto Dec. 11) is as follows:

Year	Owned		% Utilization	Hired		% Utilisation	Total		% Utilisation
	Capacity	Utilisation		Capacity	Utilisation		Capa-city	Utilisation	
2006-07	3.96	2.93	74	0.12	0.12	100	4.08	3.05	75
2007-08	3.95	2.89	73	0.14	0.15	107	4.09	3.04	74
2008-09	3.95	3.16	80	0.15	0.15	100	4.10	3.31	81
2009-10	3.95	3.54	90	0.14	0.15	107	4.09	3.69	90
2010-11	3.95	3.70	94	0.16	0.17	106	4.11	3.87	94
2011-12 (upto Dec. 2011	4.01	3.80	95	0.18	0.18	100	4.19	3.98	95

5. Client-wise utilization

The OSWC is providing storage facilities to depositors like Food Corporation of India, Orissa State Civil Supplies Corporation Ltd., Fertilizer companies State Government Agencies, Special Relief Commissioner, Director of Census, Hindustan Insecticides Ltd. (HIL), Cotton Corporation of India Ltd.,

Agriculturists and other Private Depositors. The percentage of utilization of space by different categories of depositors as on December, 2011 is indicated below:

Sl. No.	Name of the depositor	Percentage of utilization
1	Food Corporation of India	49.47
2.	Odisha State Civil Supplies Corporation Ltd.	43.35
3.	State Govt. Department and other agencies *	5.99
4.	Fertilizer Companies	1.18
5.	Agriculturists	0.01
	Total	100

* SRC, Board of Revenue, Text Book Press, Director Health, CCI, HIL, OAIC, Orissa Cement, Ultra Tech. etc.

5.1 Commodity-wise utilization

The OSWC is storing commodities like foodgrains, fertilizers, cement, paper, pulses, cotton, pesticides and relief materials of Government in its warehouses. The commodity-wise utilization of different commodities during 2011-12 (upto Dec., 11) is given below:

Sl.No.	Commodity	% of utilization
01.	Foodgrains	92.83
02.	Fertilisers	1.18
03.	Others	5.99
	Total	100

6. Activities of OSWC in KBK districts

Out of the total capacity of 4,07,550 MT owned by the Corporation, godowns of capacity amounting to 2,18,150 MT are located in the KBK districts. This constitutes 54% of the total owned capacity.

6.1 Due to the creation of storage infrastructure in the KBK districts, the OSWC has generated direct employment opportunities by way of engagement of local people as workers in the handling operations of the stock stored in the warehouses. These godowns also provide buffer storage of foodgrains to meet the requirement of foodgrains at the time of necessity. Further, these godowns are used by the Food Corporation of India and Odisha State Civil Supplies Corporation for procurement of paddy and rice; as a result, the farmers of the locality benefit by getting the minimum support price fixed by the Government. This also helps to check the distress sale of paddy.

7. Turn over, profit and dividend

The OSWC has been making profits continuously since 1970-71 (except 4 years from 1990-91 to 1993-94) and paying dividend regularly. The details for the preceding five years and current year 2011-12 (upto Dec.,2011) are given below:

(Rs. in lakh)

Year	Turn over	Net profit	Dividend paid to		Total
			State Govt.	Central Warehousing Corporation (CWC)	
2006-07	2566.35	795.82	12.60	12.60	25.20
2007-08	2764.21	562.16	12.60	12.60	25.20
2008-09	2949.44	626.43	14.40	14.40	28.80
2009-10	3817.28	624.48	Board in its 137 th meeting held on 16.01.2012 has decided to pay @ 20% on equity		
2010-11	3880.02	880.57* (provisional)			
2011-12 (upto Dec. 11)	3536.57	1811.76* (provisional)			

* Profit on operations on the basis of actual expenditure and payments before considering interest, depreciation and taxes.

8. Scientific treatment

Scientific storage of commodities in the warehouses is the basic objective of the Corporation. The Corporation is providing periodical prophylactic and curative treatments to stock of foodgrains, pulses, sal seeds etc. to ensure maintenance of the quality of the stock during storage. Insecticides such as aluminum phosphide, deltamethrin, dimethyl dichlorovinyl phosphate and malathion are utilized to make the stock pest free. Prophylactic treatment is provided as a preventive measure to check infestation of foodgrains with 200% spraying with malathion for 20% of the entire stock twice in a month while the balance 80% stock is provided with 100% spraying by deltamethrin once in every

three months. As a curative measure, fumigation of infested stock is also done with aluminum phosphide as and when required. This apart, before onset of monsoon, utmost care is being taken to provide pre-monsoon fumigation to the entire foodgrain stock available in the warehouses by 30th June every year.

9. Farmers' Extension Service Scheme (FESS)

The Corporation is participating in the Farmers' Extension Service Scheme (FESS) of the Central Warehousing Corporation (CWC). The Scheme aims at educating farmers about the benefits of scientific storage and use of public warehouses; imparting training to the farmers on the techniques of scientific storage and preservation of foodgrains; demonstrating spraying and fumigation methods to control insects and assisting farmers in getting loan from the Banks against pledge of Warehouse Receipts.

10. Disinfestations Extension Service Scheme (DESS)

The DESS is made available at the doorstep of the customers including farmers. Under this scheme, pests control services are provided to the farmers, traders and others at nominal rate to control the damage caused by insects, rodents and other pests.

11. Training to employees

As per Memorandum of Understanding (MoU) signed with the Govt. in Cooperation Department for the year 2011-12 on different parameters including training programme for 1500 mandays, the Corporation has conducted training programme at the Corporate Office and Zonal Offices level to refresh the working knowledge of the employees. The Corporation has provided training to the employees for 927 mandays till January, 2012.

12. Construction of 1,12,500 MT godown.

The High Level Committee (HLC), Govt. of India has approved for construction of 1,12,500 MT godown by the OSWC at 17 locations in 15 districts of the State (**Annexure-II**). The above construction work is being undertaken by the Central Warehousing Corporation as the implementing agency. The construction of 17,500 MT has already been completed and work for 54,500 MT godown is in progress out of which 32,500 MT is likely to be completed within March, 2012. The construction work for remaining 40,500 MT godown is expected to be completed within September, 2012. These additional 1,12,500 MT godowns will be utilized by the Odisha State Civil Supplies Corporation Ltd. under six years guarantee reservation scheme of Food Corporation of India.

CHAPTER – IX
CO-OPERATIVE HOUSING

The Odisha Cooperative Housing Corporation Ltd., Bhubaneswar is an Apex organization in the State & started its functioning in the year of 1955. The area of operation of the Corporation extends to the whole of the State of Odisha having its head office at Bhubaneswar.

The Prime objectives of the Corporation are to provide House Building Loan to the affiliated Primary House Building Societies for lending to their members in the Urban / Semi Urban & Rural areas of the State. The Corporation also undertakes to provide residential plots and to promote construction of various types of houses on its own or through its affiliated member societies to meet the requirement of the people in the state. To fulfil above objects, the Corporation raise funds by way of loan & advances from L.I.C of India, HUDCO and the State Government.

The various parameters of the functioning of the Corporation as on January 2012 is as under :

1. Membership

	Category	No. of Members	Paid up share capital (in lac of rupees)
(a)	Primary HBCS	106	264.10
(b)	Corporate bodies & other institutions	17	0.21
(c)	Associate members	5158	15.64
(d)	State Govt.	1	253.52
		5282	533.37

2. Borrowing

The Odisha Cooperative Housing Corporation Ltd., Bhubaneswar has availed loan of Rs.9223.84 lakh from State Govt. & other financing Agencies to provide housing facilities to its members in Urban & rural areas in the State. The position of the borrowing as on January 2012 as under :

Sl. No.	Source	Borrowing (in lac of rupees)
1	L.I.C. of India	7980.00
2.	State Govt.	313.84
3.	HUDCO	1000.00
	Total	9293.84

3. Investment through HBCS

The Corporation has provided loan to affiliated HBCS to the tune of Rs.102.32 crore in respect of 30094 beneficiaries over the preceding years. During the year 2004-05 to 2010-11, funding support was not available to the Corporation from the major funding Agencies i.e. L.I.C. & HUDCO. The details of investment made and infrastructure created are as under :

Investment through HBCS till date

Sl. No.	Scheme	Beneficiaries	Amount
1.	L.I.C.	14206	8703.41
2.	State Govt.	7387	277.00
3.	HUDCO	8501	1252.07
		30094	10232.49

Housing Unit completed

Sl. No.	Scheme	No. of unit financed	No. of unit completed
1.	L.I.C.	14206	12698
2.	State Govt.	7387	7387
3.	HUDCO	8501	6237
		30094	26322

Plotting scheme undertaken by OCHC

Sl. No.	Name of the Scheme	Total Land area	Total No. of Plots	No. of Plots disposed of
1	Lingipur Project, Bhubaneswar	Ac.35.076	596	596
2	Kalinga Vihar Project, Puri	Ac.110.281	1244	1234
3	Dhoulinagar Plotted Scheme	A.50.169	406	400 Ac.23.00 of land sold to ABCL Pvt. Ltd. In lot
4	Shyampur Project, Bhubaneswar	Ac.8.825	Total land sold to Aryan Infrastructure Pvt. Ltd. In lot on dtd.13.07.07	--

Plotting Scheme undertaken by HBCS

The Corporation has provided loan assistance to 5 (five) Primary HBCSs for acquisition of land and provide residential plots to their members. The position is as follows :

Sl. No.	Name of the HBCS	Amount
1	Dhenkanal S.HBCS	9.00 lakh
2	Barabati HBCS	5.77 lakh
3	Keonjhar S.HBCS	4.00 lakh
4	Puri Urban HBCS	8.80 lakh
5	Utkal Group. HBCS	60.00 lakh

CHAPTER – X

ORISSA CONSUMER CO-OPERATIVE FEDERATION (OCCF)

1. The Orissa Consumer Co-operative Federation (OCCF) Ltd., Bhubaneswar is an Apex Organization in the consumer co-operative sector which makes wholesale supply of consumer goods to its member Consumer Co-operative Societies and others for sale to consumers through its four branches at Cuttack, Baripada, Rourkela, Jeypore and 5 Departmental Stores in the name and style of 'Bhanjaprabha Super Bazar' at Bhubaneswar (with 2 stores), Cuttack, Puri and Berhampur. The OCCF also has a Food Processing Unit in its Head Office premises in Bhubaneswar. This unit processes and packs various food commodities which are sold through its outlets under its brand name. A Mini Press is also run by the Federation.

Year	Volume of Business (Rs. In Lakh)	Business Income (Rs. In Lac)
2008-09	6,649.12	81.11
2009-10	10,324.90	145.03
2010-11	14325.39	147.04
2011-12 (upto December 2011)	4496.50	64.86

2. Ongoing Projects

The OCCF has taken up a project for "Construction of Super Market Complex" at Bhubaneswar under the NCDC scheme for which financial assistance amounting to Rs.169.80 lakhs had been received from the State Govt. during 2004-05. The project has been completed.

Branches

The Federation is having 16 nos. of branches out of which 10 nos. of branches (wholesale) are functioning at different places i.e. at Cuttack, Baripada, Rourkela, Jeypore, Sambalpur, Phulbani, Bhawanipatna (Kesinga), Dhenkanal, Bhubaneswar & Kolkata as Order Supply Branches are 4 nos. of branches i.e. at Puri, Cuttack, Berhampur and Bhubaneswar (I.D. Market) are functioning as Super Bazars.

Business Development

- ☞ The OCCF has gone into commercial production of food and spices from 12.08.2003 by adopting modern packaging system with its reputed brand name “Bhanjaprabha” which is becoming a domestic house hold goods for every family. OCCF now obtained the brand name “Agmark” certificate from Govt. of India, Directorate of Agriculture and Marketing.
- ☞ OCCF is now supplying Amulspray, to different cooperatives retaining nominal commission of 1% on being appointed as distributor of Gujurat Milk Marketing Federation, Anand.
- ☞ OCCF with the name of “Bhanjaprabha” with branches are making supply to esteemed institutions like Sri Jagannath Temple, Sainik School, Navodaya Vidyalaya (Phulbani, Berhampur), Raj Bhawan, Puri Hotel and many other Govt. and Private institutions.

CHAPTER - XI

CO-OPERATIVE EDUCATION, TRAINING & INFORMATION

1. The Orissa State Coop. Union Ltd. was established in the year 1948 as a State Level Apex Co-operative Society under the Orissa Co-operative Societies Act, 1962. The Union has already completed 62 years of its existence and had celebrated its golden jubilee in November 1998. The objective of the Union as set forth in its bye-laws is to promote the co-operative movement in the State. The Union is also entrusted with imparting of co-operative training and education to the employees, the office bearers, members and potential members of Co-operative Societies of the State. The Orissa State Co-operative Union is responsible for dissemination, information, education and training which is the fifth cardinal cooperative principle out of seven cooperative principles enunciated by the International Cooperative Alliance which is a world body of the cooperative organizations of all countries.

1.1. For facilitating discharge of this enormous responsibility which has been recognized statutorily with a provision in the Coop. Societies Act of the State, it has been made obligatory on the part of each and every cooperative society of the State to pay 4% of its net profits each year to the Cooperative Education Fund constituted for the purpose. For constitution and administration of this Fund, a provision has already been made in the Orissa Co-operative Societies Rules framed under the Orissa Co-operative Societies Act, 1962. However after implementation of the revival package for STCCS (PACS, DCCBs & OSCB), payment of Cooperative Education fees has been made optional as per amendment of relevant provisions of ocs Act & Rule.

2. Constitution and Organization

2.1. The State Co-operative Union, Bhubaneswar is an affiliated member of the National Co-operative Union of India, New Delhi. All primary societies working in the area of operation of the District Co-operative Unions are enrolled as members in the respective District Co-operative Unions.

2.2. The set-up of the Orissa State Co-operative Union in the field of training consists of five Centres for Co-operative Management (CCM) located at Gopalpur-on-sea, Bargarh, Koraput, Baripada and at the Head Quarters of the Union at Bhubaneswar. Besides, there are seventeen Field Level Cooperative Training Centres (FLCTC) located one each at the level of the 17 District Central

Co-operative Banks of the State for conducting of member education and short term trainings by the District Cooperative Inspectors.

2.2.1. The Centre for Coop. Management at Gopalpur-on-sea conducts a core course of Diploma in Co-operative Management and Administration (DCMA) of 24 weeks for Inspectors of Co-operative Societies of the Co-operation Deptt and middle-level officers of co-operative organizations in the State. Besides, all the four Centres for Co-operative Management conduct the Diploma course in Co-operative Management which is also a core professional course for the personnel working in Coop. Banks, PACS / LAMPS etc. The Centres also conduct need-based functional and multi-functional training courses / programmes and refresher courses for departmental and institutional employees on cooperative accounts, auditing, co-operative management, marketing, salesmanship, banking, non-farm financing, co-operative laws, leadership development as well as on different vocations such as dairy, poultry farming, fishery and weaving etc. for the purpose of skill upgradation. The training programmes are both indoor and as well as outstation and are drawn up annually through a Calendar of Programmes covering the training programmes of all sectors coming within the co-operative fold.

3. Training Programmes

3.1. During the last four years, i.e. from 2006-07 till 2009-10 training programme provided by Madhusudan Institute of Cooperative Management (MICM), Agricultural Cooperative Staff Training Institute (ACSTI) of OSCB & Orissa State Cooperative Union (OSCU) are furnished below.

Year	Training courses provided by MICM		Training courses provided by ACSTI		Training courses provided by OSCU	
	No. of courses	No. of participants	No. of courses	No. of participants	No. of courses	No. of participants
2007-08	68	2190	113	2916	153	4139
2008-09	89	2201	176	4958	174	4444
2009-2010	76	2266	67	1596	390	13249
2010-11	52	1595	77	1989	82	2110
2011-12 (as on 30.01.12)	68	1822	21	442	142	4021

Besides, the OSCU organize seminars and workshops in collaboration with Regional Training Centre, NABARD, Bolpur and Bankers Institute for Rural Development, Lucknow.

4. Publicity and Information Dissemination

The Union publishes a fortnightly Oriya newspaper called “**SAMABAYA SAMACHAR**” and a quarterly magazine called “**KALYANI**” which are made available to all co-operative societies. It also brings out a SOUVENIR and distributes guide books to all cooperative organizations.

5. Celebration of the All-India Co-operative Week in 2010

Every year, a State level function is observed during All India Cooperative Week between 14-20 November. It is organized with the participation of veteran cooperators, distinguished personalities of the State and elected office bearers and officials of various Co-operative organizations. The best co-operative societies working in different sectors are awarded for their outstanding and all-round achievement. Eminent co-operators of the State are also felicitated for their outstanding contribution to the cooperative movement in the State.

CHAPTER - XII

AUDIT OF COOPERATIVE SOCIETIES

The Directorate of Cooperative Audit, which came into existence with effect from 01.07.1999, is responsible to audit accounts of all the Cooperative Societies registered under the OCS Act, 1962, functioning under the administrative control of different Directorates. Despite infrastructural constraints and dearth of auditors, this Directorate had achieved 77.36 percent audit progress during the year 2010-11. It has been programmed to complete audit of all the societies, where records available during the current year 2011-12. Till end of December, 2011, this Directorate has achieved 19.08 percent audit progress by completing audit of 2489 number of Cooperative Societies out of the maximum 13044 due for audit during the year.

It is pertinent to mention that the audit of OSCB Ltd., all the 17 DCCBs and 11 UCBs for the year 2010-11 has been completed within 6 months of the closure of the year in compliance of the stipulation of B.R. Act, 1949.

The responsibility of levy of audit fees on the Cooperative institutions at Government prescribed rate and monitoring collection of the same has been vested with this Directorate. Since this Directorate has no power to enforce collection of audit fee from the defaulting societies, only persuasive methods are being adopted. In spite of these deficiencies and infrastructural constraints, this Directorate has collected Rs.50.56 lakhs audit fee till end of December during the current year. During 2010-11, this Directorate had collected Rs.111.28 lakhs audit fees, which is Government (non-tax) revenue.

Apart from power to cause audit, power to initiate surcharge proceedings to recover audit recoverables like misappropriated amount or amounts incurred in breach of trust thereby causing deficiency to the assets of the Cooperative Society, also vests with the Audit Directorate under section 67 of the OCS Act, 1962. On the basis of audit report findings, 16097 number of surcharge proceedings involving Rs.243.21 crores have been initiated and out of these 10214 number of surcharge proceedings involving Rs.92.39 crores have been disposed of by the Directorate so far. During 2011-2012, till end of December, 518 number of surcharge proceedings involving Rs.8.55 crores have been initiated and 655 number of surcharge proceedings involving Rs.5.11 crores have been disposed of by the Directorate.

CHAPTER - XIII
CO-OPERATIVE TRIBUNAL

The Cooperative Tribunal was created on 01.06.1987 under the provision of Section 67A of OCS Act 1962. The Tribunal is a body of authority, although not a court having all the attributes of Court, which is vested with judicial power to adjudicate on question of law or fact under the provision of this Act in a judicial manner. The Tribunal is vested with appellate jurisdiction U/s 109(a) against 1) Award passed in dispute u/s 68 touching constitution, management or the business of a Society. 2) Execution of order U/s 103 and order of attachment U/s 105. 3) Registration and supersession of Coop. Societies u/s 7 and 284) Order of surcharge u/s 67 and reference u/s 112A 5) Order of removal of office bearer of a society U/s 32 etc. Besides the Tribunal is vested with powers u/s 67 B to adjudicate any dispute arising in connection with powers u/s 67 B to adjudicate any dispute arising in connection with election of office bearer of a Society and disciplinary action taken by a society against any paid servant of a society (who is not a workman) Above all, the Tribunal is also vested with Review of order passed by him u/s 111.

The achievement made i.e. the disposal of cases during the year 2011 is as under.

1.	No. of cases pending at the beginning of the year 2011.	208
2.	No. of cases filed during the year 2011	149
3.	No. of cases disposed off during the year 2011 including Misc. cases etc.	251

For the achievement made i.e cases disposed off by the Tribunal during the last 5 years are as under.



CHAPTER - XIV
ORISSA SELF-HELP CO-OPERATIVES ACT, 2001

1. The Government of Orissa enacted a new legislation called the Orissa Self-Help Cooperatives Act, 2001 which came into force on 01 June 2002 for creating an environment for the formation of new generation cooperatives and conversion of Cooperative Societies registered under the Orissa Cooperative Societies Act, 1962, as self-help, self-reliant, mutually-aided, autonomous, democratically-run, business enterprises which are to be owned, managed and controlled by the Members. The Self-Help Co-operatives are formed by members with common interests engaged in income-generating activities which will help in their economic and social up-liftment and empowerment. This Act came into force with effect from 01.06.02.

2. The prominent features of this Act are :

- Cooperatives registered under this Act will be guided by the Act and the Articles of Association.
- Cooperatives registered under this Act will not receive loans, guarantee and share capital from Government.
- The Articles of Association of every Cooperative will require each member to fulfil certain minimum responsibilities towards the Cooperative before exercising the rights of membership, including the right to vote.
- Surplus or deficit is to be shared amongst members by crediting / debiting these to their accounts, in proportion, to their transaction with the cooperative. The cooperative can, nonetheless, proceed against those responsible for the deficit, if it was the result of mismanagement.
- All those (including for Ex-Auditors) on whom this Act places responsibility, will be deemed to have committed offence if they violate the provision of the Act. Offences shall be handled by the Court.
- The Board has to be an elected one. The Directors will retire by rotation in case of primary cooperatives and by rotation or at a time in case of secondary cooperatives with a maximum tenure of five years.

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- Disputes within a Cooperative shall be settled by an Arbitral Tribunal set up by the Cooperative.
 - The cooperative principles (given as Schedule-D of the Act) will have to be adhered to by each cooperative for which it shall make express commitment.

3. As many as 1392 Self-Help Cooperatives have been registered under the Orissa Self-Help Cooperatives Act, 2001 by the end of November 2011. Such cooperatives have been functioning in the field of thrift and credit; labour and construction; tourism, cooperative education, housing, engineering, agri-processing, sugar industry, dairy, timber marketing, pisciculture, handloom and transport.
