

# **CITIZEN CHARTER**

## **1. INTRODUCTION**

**1.1.** The Cooperation Department was created with the objective of strengthening the co-operative movement in the State. Initially, the Co-operation Department remained part of one of the development Departments. It functioned under the Co-operation and Forest Department and later under the Agriculture and Co-operation Department. In 1991, the Co-operation Department was carved out as a separate Department from the erstwhile Agriculture & Co-operation Department.

## **1.2. FUNCTIONS**

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

- Endeavouring to provide timely and adequate bank 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 13 Cooperative Divisions - one each at the headquarters of the 13 erstwhile undivided Revenue Districts headed by a Deputy Registrar of Cooperative Societies and 47 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 and 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)

## **4. ACTIVITIES**

### **A. Short Term Credit**

#### **4.1. Introduction**

The Cooperative Banking Structure has a unique position in the rural credit delivery system of India. The cooperative credit institutions are doing a

yeomen's job in the field of rural credit delivery 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. 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.

#### **4.2. 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 318 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.

#### **4.3. Enrolment of Membership by PACS**

The Short Term Cooperative Credit Structure has been mobilizing all the agricultural families of the State to come within the cooperative fold to avail of credit and other facilities. Member Contact Programme titled 'Cooperative at your Doorstep' has been conducted throughout the State from the year 2003-04 onwards. Organizing 'Krushak Samabesh' as an annual feature and organizing study tours for farmers are some of the steps taken for building up a close relationship with the farming community and to create awareness among the masses regarding the services offered by the Short Term Cooperative Credit Structure. Against 53.96 lakhs agricultural families in the State, the total number of agricultural families enrolled up to the end of July 2011 is 46.81 lakhs.

#### **4.4. Issue of Kisan Credit Cards (KCC)**

The Kisan Credit Card (KCC) Scheme, which aims at providing adequate and timely credit support to farmers for their agricultural operations in a flexible, hassle-free and cost-effective manner is in operation since 1998-99. The farmers use these Cards for the purchase of agricultural inputs such as seeds, fertilizers, pesticides etc. and also to draw cash for their production needs. The credit limit is fixed on the basis of the size of the operational land holding, cropping pattern, the scale of finance etc. and the credit needs for the full year and ancillary activities related to crop production such as the maintenance of agricultural machinery / implements, electricity charges etc. are also reckoned for the purpose of fixing the credit limit under KCC. This Scheme is being implemented by the Short Term Cooperative Credit Institutions successfully. Since inception of the Scheme, the Cooperative Banks have issued a total no. of 34.45 lac KCCs to farmer-members upto the end of July 2011.

#### **4.5. Financing for Seasonal Agricultural Operations**

The Short Term Cooperative Credit Institutions provide around 65% - 70% of the total crop loan disbursed in the State. Although the share of agricultural credit by the cooperatives has declined at the national level to the level of 27%, the Cooperative Banks in Orissa have retained their share over the years and continued to finance the lion's share of short term loans provided by all the financing institutions taken together.

#### **4.6. Diversification in Lending and Financing of Schematic Loans**

The Short Term Cooperative Credit Structure has diversified its lending activities and embarked upon financing of investment credit both in the farm and non-farm sectors for creation, development and acquisition of assets for sustained income-generation and employment opportunities to the members of the PACS / DCCBs / OSCB. The activities financed, mainly are minor irrigation, on-farm water management, farm mechanization, daily development, horticulture, sericulture, pisciculture, poultry, etc. In the farm sector and small road transport operations, housing, small scale industries, etc. in the non-farm sector.

#### **4.7. Deposit Mobilization**

Although the Short Term Cooperative Credit Structure in Orissa is dispensing around 65% of the total amount of crop loan disbursed in the State, its market share in the total deposit resources mobilized in the State is only 4.23%. The Apex and Central Credit Cooperative Societies, namely, the Orissa State Cooperative Bank and the District Central Cooperative Banks extend banking services through their branch network operating in the State. The PACS / LAMPCS, in turn, operate Mini Deposit Centers to mobilize deposit and to extend services for thrift / savings to the customers.

#### **4.8. Organizing and providing Credit Linkage to Self Help Groups**

In order to provide the benefit of institutional credit to the poorest and marginalized sections of the society, the Short Term Cooperative Credit Institutions initiated the bank linkage programme for the Self Help Groups (SHGs) from the year 2000-01 through the PACS and the DCCB branches. The SHG Bank linkage programme has since emerged as the largest and fastest growing micro-finance programme and a novel way of banking for the poor. Micro-credit is also an effective tool for alleviating poverty. Over 90 per cent of the SHGs are exclusively Women's Groups. As at the end of July, 2011, total number of 77092 of Groups with about 7.5 lac members have been organized and steps have been taken to link all the SHGs with the DCCBs/PACS to provide them credit support in an effective and sustained manner. By 31.07.2011, total 57,460 number of Groups have been provided credit support of Rs.223.20 crore.

#### **4.9. Tenant Farmer Groups / Joint Liability Groups for the sharecroppers and oral lessees**

In order to provide sharecroppers / tenant farmers and oral lessees access to the institutional credit, which had hitherto been denied to them after implementation of the Kisan Credit Card scheme, Orissa has taken the lead in organizing exclusive Self Help Groups / Joint Liability Groups for them with the facility of 1:10 deposit credit ratio in place of the regular 1:4.

As at the end of July, 2011, 39995 TFGs / JLGs have been formed and 33488 TFGs / JLGs have been provided credit for an amount of Rs.116.90 crore.

#### **4.10. Financing under Swarojagar Credit Card Scheme**

The “Swarojagar Credit Card” (SCC) scheme is being implemented by the Short Term Cooperative Credit Institutions since 15<sup>th</sup> August 2003. The scheme aims at providing adequate, timely and instant credit i.e. working capital, block capital or both for providing self-employment through income-generating activities to small artisans, handloom weavers, service sector, fishermen, self employed persons, rickshaw owners and other micro entrepreneurs, etc.

#### **4.11. Women’s Branches of District Central Cooperative Banks**

The District Central Cooperative Banks have opened 22 branches exclusively for women customers, which are also managed by women employees. These Branches have been accepting deposits only from women and providing finance only to women entrepreneurs. The deposit and loans / advances base of the women’s Branches constitute Rs.167.11 crore as deposit and Rs.26.55 crore as outstanding loans and advances.

#### **4.12. Dispensation of crop loans at the directed interest rate of 5% - Interest subvention**

In pursuance of the decision of the Union Government and the State Government, the Short Term Cooperative Credit Structure (STCCS) has been advancing crop loans to the ultimate borrowers at 7% interest per annum from the year 2006-07 irrespective of the cost of resources and below the Prime Lending Rate (PLR) of the OSCB / DCCBs. As per State Government’s direction, crop loans have been disbursed by STCCS in the State at 5% interest from Rabi 2008-09 onwards. During this year i.e. 2011-12, the Government of India has announced to provide additional 3% interest subvention on the crop loans for farmers making payment of their loan dues within the due date. So effectively, crop loans would be available to the farmer-members of PACS, who repay on or before the due dates, at 2% interest.

### **B. Long Term Credit**

#### **4.13. 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.

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.

**4.14.** 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. The State Government have also furnished their consent for revival of the Long Term Cooperative Credit Institutions based on the recommendations of the Vaidyanathan Committee (Task Force-II).

### **C. Other Credit Institutions – Urban Cooperative Banks**

**4.15** The Urban Cooperative Banks (UCBs) have been providing finance in the urban and suburban areas of the State. They provide credit support to small businessmen, artisans, craftsman and unemployed youth for sustaining their business activities. There are 12 Urban Cooperative Banks in the State at Berhampur, Puri, Rourkela, Balasore, Jeypore, Chatrapur, Baripada, Cuttack, Kendrapara, Parlakhemundi and two in Bhubaneswar, namely, Urban Cooperative Bank and Utkal Cooperative Banking Society which are working in the field of extending banking services like deposits, loans and other facilities to their customers.

In order to strengthen the UCBs and to enable them to run on professional lines & function as viable entities, the State Government have signed MoU with RBI on 9<sup>th</sup> February 2009. A Task Force for UCBs (TAFUCB) under the Chairmanship of RBI / RCS has been constituted for monitoring and



review of functioning of UCBs in the State. In the meanwhile, the RBI has issued license in favour of 3 UCBs namely Puri, Baripada and Parlakhemundi UCB.

The Orissa Federation of UCB which was lying defunct since 2003, have been revived. Under the aegis of the UCB Federation, two seminars have been conducted for education and training of member UCBs.

## **5. CROP INSURANCE**

**5.1.** Crop Insurance is one of the instruments that protect farmers from production risks, mainly arising from the vagaries of nature. The State Government has been implementing the broad-based schemes for Crop Insurance formulated by the Government of India.

### **5.2. National Agricultural Insurance Scheme (NAIS)**

With a view to provide insurance coverage and financial support to the farmers in the event of failure of any of the notified crop in the notified areas as a result of natural calamities, pests and diseases; to encourage the farmers to adopt progressive farming practices, high value in-puts and higher technology in agriculture and to stabilize farm incomes, particularly in disaster years, National Agricultural Insurance Scheme (NAIS) was introduced in the country from Rabi 1999-2000 season in place of erstwhile Comprehensive Crop Insurance Scheme (CCIS). The scheme is available to all the farmers – loanee and non-loanee-irrespective of their size of holding. Loanee farmers are covered on compulsory basis in a notified area for notified crops whereas for non-loanee farmers scheme is voluntary.

**5.3.** The scheme envisages coverage of all the food crops (cereals, millets and pulses), oilseeds and annual commercial/horticultural crops, in respect of which past yield data is available for adequate number of years. The premium rates range between 1.5% and 3.5% per cent (of sum insured) for food and oilseed crops. In the case of commercial / horticultural crops actuarial rates are being charged. Under the scheme, at present, 10% subsidy in premium is available to small & marginal farmers.

**5.4.** It is a yield guarantee scheme operating on “area approach” basis. The State Government notifies the unit area of insurance i.e. block, mandal, tehsil, circle, phirka, gram panchayat etc. keeping in view the availability of past yield data and capacity of the State to undertake requisite number of Crop Cutting

Experiments (CCEs). The State Government is required to notify areas/crops well in advance of each crop season and issue necessary notification / instructions to all financial institutions, provide past yield data and also conduct the required number of Crop Cutting Experiments (CCEs) in each notified areas for assessment of crop loss.

**5.5.** If the actual average yield of the insured crop for the defined area (on the basis of requisite number of Crop Cutting Experiments) in the insured season, falls short of specified Threshold Yield, all the insured farmers growing that crop in the defined area are deemed to have suffered shortfall in yield and the scheme provides coverage against such contingency. The indemnity claims are worked out by the Implementing Agency i.e. Agriculture Insurance Company (AIC) of India Ltd., on the basis of yield data, based on requisite number of Crop Cutting Experiments, furnished by the implementing State. The claims are released to banks and the banks, in turn, are required to credit the amount in the account of the beneficiary farmers and display the particulars of beneficiaries on their notice board.

**5.6.** Indemnity claims are worked out as per the following formula :

Shortfall in yield

X Sum Insured for the farmer

Threshold Yield

(Shortfall = Threshold – Actual yield for the Defined Area).

**5.7.** Financial liabilities towards claims beyond 100% of premium in case of Food Crops & Oilseeds and 150% of premium in case of annual horticultural / commercial crops alongwith 10% premium subsidy to small and marginal farmers, Bank Service charges and 20% of A&O Expenses are borne by the Government and are shared on 50:50 basis by the Central Government and the respective State Government.

**5.8.** The scheme is being implemented in the State during Kharif – 2011 taking G.P. as the unit.

### **5.9. Modified NAIS (MNAIS)**

Over the period of implementation of NAIS, certain limitations / shortcomings relating to higher unit area of insurance, calculation of guaranteed yield / income, low indemnity level, delay in settlement of insurance claims etc. are observed. Accordingly, a Joint Group was constituted under the Chairmanship of Additional Secretary in the Department of Agriculture & Cooperation to study the improvements required in the existing crop insurance schemes and to develop broad parameters of an appropriate and farmer friendly crop insurance scheme. The Group made in-depth study of the issues mentioned above of Crop Insurance and risk mitigation Programmes and submitted its report on 20.12.2004.

**5.10.** Based on the recommendations of the Joint Group and views / comments of various stake-holders, proposal on Modified National Agricultural Insurance Scheme (MNAIS) has been prepared and approved by Government of India for implementation of pilot basis. The salient feature of MNAIS is under :

- (i) actuarial premium with subsidy in premium ranging - 40% to 75% to all farmers
- (ii) only upfront premium subsidy is shared by the Central and State Governments on 50 : 50 basis and all claims liability would be on the insurance companies
- (iii) unit area of insurance reduced to Village/village panchayat level for major crops
- (iv) indemnity for prevented sowing/planting risk & for post harvest losses due to cyclone
- (v) on account payment up to 25% advance of likely claims as immediate relief
- (vi) more proficient basis for calculation of threshold yield
- (vii) minimum indemnity level of 70% instead of 60%
- (viii) scheme is available to all the farmers – loanee and non-loanee-irrespective of their size of holding

- (ix) loanee farmers are covered on compulsory basis in a notified area for notified crops whereas for non-loanee farmers scheme is voluntary as in NAIS
- (x) uniform seasonality disciplines both for loanee & non-loanee farmers
- (xi) participation of private sector insurers for creation of competitive environment for crop insurance

**5.11.** During Rabi 2010-11, the pilot MNAIS was implemented in the State in selected G.Ps of 5 districts, namely, Balasore, Bhadrak, Bargarh, Sonepur and Kalahandi.

**5.12. Weather Based Crop Insurance Scheme (WBCIS)**

**5.13.** With the objective to overcome the shortcoming of delay in settlement of claims etc. under NAIS, a Pilot Weather Based Crop Insurance Scheme (WBCIS) was announced in the Union Budget for 2007-08 and has been approved for implementation in States on pilot basis. WBCIS is intended to provide insurance protection to the farmers against adverse weather incidence, such as deficit and excess rainfall, high or low temperature, humidity etc. which are deemed to impact adversely the crop production. The WBCIS is based on actuarial rates of premium but to make the scheme attractive, premium actually charged from farmers have been restricted to be at par with NAIS. The difference between actuarial rates and premium actually paid by farmers are borne by the Government (both Centre and State concerned on 50:50 basis). Besides, a cap on premium payable by farmers for annual commercial/horticultural crops has also been provided. The scheme is available to all the farmers – loanee and non-loanee-irrespective of their size of holding. As under NAIS, the loanee farmers are covered on compulsory basis in a notified area for notified crops whereas for non-loanee farmers scheme is voluntary. Further, to provide competitive service to the farmers, private insurance companies ie. ICICI-Lombard & IFFCO-TOKIO have been involved for implementation besides Agriculture Insurance Company of India (AIC).

**5.14.** The scheme is being implemented during Kharif – 2011 in 19 blocks of 3 districts in the State for Paddy crop.

## **6. SUPPLY AND DISTRIBUTION OF AGRICULTURAL INPUTS**

### **(MARKFED)**

**6.1.** The Orissa State Co-operative Marketing Federation Ltd. (MARKFED-ORISSA) earlier known as The Orissa State Co-operative Marketing Society, was registered in the year 1949 under the Bihar-Orissa Co-operative Societies Act, 1935 and started functioning in June 1949. The main objectives of the Marketing Federation are to market / distribute chemical fertilizers, pesticides, bio-fertilizer and agricultural implements to the farmers of the State and to procure different types of agricultural commodities under the Price Support Scheme so as to help the farmers/ growers to get a fair price for their produce.

### **6.2. Distribution of Chemical Fertilizer**

Distribution of fertiliser to the farmers through Primary Co-operative Societies is one of the core activities of MARKFED. While 67% of the fertilizer distribution of the State is done by private dealers and the Orissa Agro Industries Corporation, the rest 33% of fertiliser distribution is carried out by the MARKFED. In the Co-operative sector, MARKFED is the only State level agency handling fertilizer business. For timely distribution of chemical fertilizer to the farmers through the primary Co-operative Societies, MARKFED has 88 sales outlets with a godown capacity of 83,000 MT out of which MARKFED owns 35 Godowns with a total capacity of 66,800 MT, which are mainly used for storing of fertilizers. The surplus Godown space of 19,735 MT in 13 locations has been leased out to private parties.

### **6.3 Sale of Pesticides & Sprayers:**

MARKFED also sells pesticides mainly to Government Agencies. Earlier, MARKFED has also dealt with sprayer business.

### **6.4 Paddy Procurement Business**

Since 2005, the State Government have engaged MARKFED as a State Government Agency to procure paddy from the farmers. MARKFED has been procuring paddy from farmers in different market yards and paddy procurement centres. The MARKFED has purchased paddy to the tune of 2.33 lac. MT as on 31.08.2011.

## **6.5 Other Marketing Activities:**

MARKFED was earlier marketing agricultural produce like Groundnut, Nigerseed, Blackgram, Wheat, Green gram, Turmeric, Cashewnut on their own and under a joint venture arrangement with NAFED the Agency Purchase Scheme. This year (2010-11), MARKFED has procured Q.325.28 of sunflower seeds from the farmers of Bhadrak district under Price Support Scheme and delivered the same to the NAFED. However, this has not been a regular activity of the Federation.

**6.6.** MARKFED is running its cold storage at Bhubaneswar and has stored potato purchased by the MARKFED and that of the farmers to the tune of 2639 MT during 2011.12.

The Cold Storage at Jagatpur, Cuttack of 4000 MT capacity has been leased out to State Bank of India Staff Association Cooperative Ltd. The agreement was renewed on 11.2.2008 for a period of 5 years. Four staffs of MARKFED have been deployed in the Cold Storage and the SBI Staff Association Cooperative Ltd pays their salary. There is a proposal to construct additional 4000 MT capacity godown in the vacant land in the premises of Cold Storage for which estimate has been prepared.

The Cold Storage at Rayagada of 5000 MT capacity has been taken up for completion. The project is expected to be made operational during the current financial year.

## **7. AGRICULTURAL MARKETING**

Agricultural sector needs well-functioning markets to drive growth, employment and economic prosperity in the rural areas of the State. A vibrant, dynamic and efficient marketing structure is necessary for the growth and development of the agriculture sector.

### **7.1. Orissa State Agricultural Marketing (OSAM) Board**

The Orissa State Agricultural Marketing (OSAM) Board which is the regulatory body for the agricultural marketing structure in the State, was established in the year 1984 under the amended provisions of the Orissa Agricultural Produce Markets Act, 1956. The Minister in charge of Cooperation is

the ex-officio Chairman of the Board which has been assigned the status of a body corporate.

The Board is responsible for superintendence and control over the working and other affairs of the Market Committees including programmes undertaken by these Committees for development of the markets and market areas and gives necessary directions to the Market Committees for ensuring their efficiency.

The Board accords approval to the proposals for selection / purchase of land and for implementation of various projects to be executed by the Regulated Market Committees for creation / strengthening of infrastructure etc. for development of the market and funding support from the State Plan, Rashtriya Krishi Vikash Yojana (RKVY), Biju KBK Yojana, National Horticulture Mission (NHM) and centrally sponsored MRIN Scheme for establishment of new market yards and development of existing markets. Besides, the RMCs are taking up various development works from their own resources. OSAM Board takes up extension activities like organizing farmers' awareness campaigns and exhibitions to educate the farmers on the best marketing practices and sensitize them to avoid exploitations of traders and middlemen.

## **7.2. Regulated Market Committees (RMCs)**

Under the provisions of the Orissa Agricultural Produce Markets Act, 1956, 64 RMCs have been established in the State for regulation of purchase and sale of agricultural produce. Of these 64 RMCs, 61 RMCs are having elected Committees while election in 3 RMCs is subjudice.

## **7.3. Markets and Market Yards**

Under the 65 RMCs in the State, there are at present 53 Principal Market Yards and 375 sub market yards. Thus, there are 428 Market Yards operating in the State covering 203 Blocks. Besides, there are also 326 seasonal market yards, mostly, for paddy procurement. The RMCs are taking steps for strengthening the existing infrastructural facilities in their Market Yards and the GP Markets under their control from their own resources. In recent times, these Market Yards have gained greater importance since the facilities available in the Yards are being utilized for paddy procurement activities throughout the State.

#### **7.4. Infrastructure at RMC Market Yards**

In the changed agricultural marketing scenario, appropriate infrastructure facilities are to be provided for the benefit of market users. To achieve this objective, infrastructural facilities and grading facilities are now being made available in the Market Yards for the benefit of the buyers and sellers. The RMCs throughout the State have 551 godowns a total capacity of 146895 MT; 22 Cooling Chambers; 19 Mast Lights; 2441 Moisture Meters; 122 Low Speed Paddy Cleaners; 17 High Speed Paddy Cleaners; 15 Automatic Weighing & Bagging Systems; 76 Weigh Brides; 886 Mini Graders; 3616 Weighing Scales; 10 Axial Flow Threshers and 10 Rough Cleaners.

#### **7.5. Mobile Grading Laboratory**

To generate awareness among the farmers on quality control and conforming to FAQ standard to enable them to get the Minimum Support Price for different agricultural commodities and to train the farmers about FAQ standards through on-the-spot demonstrations, a Mobile Grading Laboratory has been set up by the Directorate of Agricultural Marketing with all the requisite grading equipment. With the help of this Mobile Grading Laboratory, awareness-cum-training programmes for the benefit of the farmers have been taken up during 2006-07 in different Market Yards under the RMCs at Rairakhol, Sambalpur, Bargarh, Attabira, Jharsuguda, Kuchinnda, Deogarh, Padmapur, Khariar Road, Junagrah, Bhawanipatna, Kesinga, Nawarangpur, Jeypore and Jatni. The Mobile Grading Laboratory is moving around the Market Yards of other RMCs in the State regularly.

#### **7.6. Establishment of new Market Yards at Block Level**

The thirteenth Finance Commission (TFC) has recommended for establishment of 150 new Market Yards in the State over a period of 4 years (2011-12 to 2014-15) at the Block level where such Market Yards do not exist. Funds outlay of Rs.60.00 crore has been proposed in the TFC award to cover the un-served blocks of the State with Market Yards. At present, of the 314 Blocks in the State, 111 Blocks do not possess any market yard. An Action Plan has been drawn up by OSAM Board to identify Block level Market Yards having nominal infrastructure, Blocks where the concerned RMCs are having land for establishment of Market Yards and Blocks where the RMCs are having no land



for setting up Market Yards. In the 1<sup>st</sup> phase, it is proposed to up-grade the infrastructure facilities of the Market Yards having nominal presence and to set up new Market Yard in the Blocks where the RMCs possess land for the purpose. Land alienation process has been set in motion to acquire land for RMC Market Yards in the remaining un-served Blocks for creation of Market Yards in the 2<sup>nd</sup> phase.

### **7.7. Cotton Markets under the RMCs**

With a view to providing remunerative price to the cotton producers of the State, Cotton Market Yards have been established under different RMCs in the State at Karlapada, Jogimunda, Parlakhemundi, Utkella, Rayagada, Gunupur, Ramanaguda, Muniguda and Digapahandi. These Cotton Market Yards are equipped with godowns, auction halls, farmer rest sheds, farmer information centres, grading laboratories, IT kiosks etc.

### **7.8. Establishment of new 'Maize Mandis**

Nawarangpur district has the largest area coverage under maize. The district has about 40,000 hectares under maize cultivation with an estimated production of 1.5 lakh Metric Tonnes (MT). There is a Regulated Market Committee (RMC) in Nawarangpur district with the Principal Market Yard at nawarangpur and 17 Subsidiary Market Yards at different places in the district. The manor maize-producing areas are under Raighar, Umerkote, Jharigaon and Dabugaon Blocks each of which has a Subsidiary Market Yard. These Sub Market Yards have infrastructural facilities which are used for the sale and purchase of various agricultural commodities such as Maize, Ragi, Niger, Arhar and Urad and for paddy procurement. Maize is produced over large tracts in Raighar and Umerkote Blocks and the existing infrastructural facilities in these Sub Market Yards are not adequate to handle trading of the huge arrivals of maize after harvest.

For the benefit of maize producers who are mostly tribal farmers, Cooperation Department had decided to establish two Specialized Maize Mandis by providing certain essential infrastructural facilities required for the sale and purchase of maize in the two Sub Market Yards at Umerkote and Raighar where the RMC has its own land. In each of the above two Sub Market Yards, two godowns of 500 MT capacity each; platforms with threshing floor; concrete

platforms; 15-20 shops with godowns; a weighbridge; a farmers' rest-shed; farmers' information centre and arrangements for water supply, electrification and development of the internal roads were provided at a cost of Rs.1.85 crore at Umerkote and Rs.1.58 crore at Raighar. Funds for the projects was mobilized by pooling resources from RKVY and Biju KBK Yojana. These new Mandis declared as 'Maize Mandis' have been dedicated exclusively to the sale and purchase of maize. With the establishment of these two Specialized 'Mandis' / Markets, the tribal farmers of this backward district will be immensely benefited.

### **7.9. Livestock Markets in the RMCs**

At present, in 39 RMCs there are 104 Livestock Market Yards in which infrastructural facilities such as animal sheds and drinking water tanks have been provided. Veterinary Aid Centres are to be opened in these markets for providing timely medical aid for the animals and render necessary advice to the farmers. First Aid Kits are being provided to the RMCs for immediate treatment of animals brought to the Market Yards.

### **7.10. Krushak Bazars – Farmers' Markets**

Under the 12-point initiative programme of the Chief Minister, Krushak Bazars (Farmers' Markets) were set up to help farmers sell their produce directly to the consumers. 43 Krushak Bazars were established in the State at different locations under some of the RMCs in the State with basic infrastructural facilities. At present, 32 of these Krushak Bazars are functioning. The status of the other Krushak Bazars in respect of the location, the infrastructure available, the reason for its not functioning etc. is being examined for identifying the difficulties being faced in running these markets and for rectifying the deficiencies as far as possible so as to operationalise these Bazars in the best interest of the farmers.

### **7.11. Contract Farming in Cotton during Kharif Marketing Season (KMS) 2009-10**

In keeping with amended provisions of OAPM Act, Contract Farming in Cotton are undertaken in the State since Kharif 2006 season. The crux of Contract Farming system is buy-back arrangement by the Contract Farming Sponsors at predetermined price which is MSP and above. During Kharif Marketing Season (KMS) 2009-10, the Contract Farming Sponsors have

procured cotton at the village point from the Contract Farming Farmers (CFF), the details of which are furnished hereunder.

*(Quantity In Qtl.)*

<b>CCI</b>	<b>Private Parties</b>	<b>At Village Point by Contract Farming Sponsors</b>	<b>Total</b>
78,784.23 (17.90%)	2,48,986.24 (56.58%)	1,12,310.22 (25.52%)	4,40,080.69 (100%)

## **7.12. ESTABLISHMENT OF PRIVATE MARKET**

Licenses are granted for establishment of private markets for marketing of agricultural produce. These markets should provide required infrastructure facilities like loading and unloading sites; modern weighment facilities; cold storage; ripening chambers; cleaning; sorting and grading facilities; pack houses; auction halls and platforms with modern auctioning facilities and shops for ancillary services like telephone booths etc. Such markets need also provide such minimum amenities like drinking water, lavatories, toilets and resting place for the convenience of the farmer produces and others using the market.

Any person intending to obtain a license to establish a private market within any market area shall make an application to the Director in the prescribed format (Form VI) accompanied by a Detailed Project Report of the proposed private market alongwith the application fee and a statement indicating the sources of finance and the financial capability of the applicant.

The application fee is Rs.50,000/- if the market is proposed to be established on an area covering upto 5 acres or Rs.1,00,000/- if the market is proposed over an area exceeding 5 acres or one or more ancillary market yards are proposed to be established.

## **8. THE ORISSA STATE WAREHOUSING CORPORATION (OSWC)**

The Orissa 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.

### **8.1. 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.

### **8.2. Storage capacity**

At present the Corporation owns a total of 57 warehouses. In addition, there are three hired warehouses at Boudh, Khurda and Raj Khariar. The details of the storage capacity for the preceding five years are indicated below:

*( in lakh MT)*

As on	Capacity (Own space)	Capacity (Hired space)	Total
31.03.2006	3.96	0.11	4.07
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
31.05.2010	3.95	0.14	4.09

The district wise storage capacity held with the OSWC is at **Annexure-I**

### **8.3. Activities of OSWC in KBK districts**

Out of the total capacity of 3,95,050 MT owned by the Corporation, godowns of capacity amounting to 2,18,150 MT are located in the KBK districts. This constitutes 55% of the total owned capacity. The details of godowns in KBK districts are enclosed at **Annexure-II**.

**8.4.** 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 other procuring agencies 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.

### **8.5. Construction of additional godown**

The programme for construction of additional 1,12,500 MT godown at 17 locations during 2011-12 in the own vacant land of OSWC is under process. These godowns will be utilized by Orissa State Civil Supplies Corporation Ltd. under six years guarantee reservation scheme.

## **9. CO-OPERATIVE HOUSING**

The Orissa Co-operative Housing Corporation (OCHC) Ltd., Bhubaneswar established in 1955, was the first housing organisation in the State and the second Apex Housing Co-operative Society in the country. The objective of the Corporation is to provide housing loans to the Members through its affiliated House Building Primary Societies in the urban as well as the rural areas. For this purpose, OCHC is availing of loans from the L.I.C., HUDCO and the State Govt.

### 9.1. Investment

The Orissa Co-operative Housing Corporation Ltd. has so far invested Rs 10204.14 lakhs for construction of dwelling huses both in Urban and Rural areas of the State in favour of 30026 beneficiaries all over the state as detailed hercunder as on 31.03.11.

*(Rs. in lakhs)*

<b>Funding Agency</b>	<b>No. of beneficiaries</b>	<b>Amount</b>
L.I.C.	14128	8659.31
Govt.	7387	277.00
HUDCO	8501	1246.47
<b>Total</b>	<b>30016</b>	<b>11182.78</b>

### 6. Completion of Housing Unit Till 31.03.2011

<b>Scheme</b>	<b>No. of Units</b>	<b>No. completed</b>
L.I.C. Scheme	11138	12691
State Govt.	7387	7387
HUDCO	8501	0237
<b>Total</b>	<b>27026</b>	<b>20315</b>

### 10. ORISSA CONSUMER CO-OPERATIVE FEDERATION (OCCF)

The Orissa Consumers' Co-operative Federation (OCCF) Ltd., Bhubaneswar is an Apex Organization in the consumer co-operative sector which distributes consumer goods among the member Consumer Co-operative Societies 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. 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 being run by the Federation.

### **10.1. 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. There is also a Food Processing Unit at head office premises i.e. at Bhubaneswar. This unit processes and packs various food commodities & spices which are being sold through its outlet. Apart from the said branches the OCCF is also functioning with a Press Unit at Head Office, Bhubaneswar.

### **10.2. 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.
- The Door Delivery system started its functioning since June 2008. The OCCF is hopeful to run this business successfully, but the present financial position is not favourable to meet out the demand of the customers. In this respect financial assistance from Govt. is necessary for the Door Delivery System. A special team has been formulated with the help of some employees of OCCF and they have been directed to accelerate the business policy.
- OCCF is now supplying Amulspray, to different cooperatives retaining nominal commission of 1% on being appointed as distributor of Gujarat Milk Marketing Federation, Anand.
- The OCCF has taken initiative to help Self Help Groups for marketing their products through its branches / Departmental Stores Located in different places in the State. Presently one S.H.G. product sales counter

has been opened at Puri and product of different S.H.Gs. are marketed there and the said SHG's counter opened on 3.04.2007

- 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.

#### **11. Bhubaneswar Cooperative Wholesale Store (ALAKA)**

The ALAKA Consumer Cooperative Store is functioning in Bhubaneswar Sub-Division since December 1962. Its head office is located at 8, Western Tower, Market Building, Bhubaneswar. The retail store has 3 number of PDS counter at Unit-I (Golei Market), another one at Unit-VIII market and third one is at Unit-VI market. The store is having one Departmental store at Marketing Building and two numbers of IMFL counter at Kharvel Nagar and another at Bapuji Nagar. The store has opened three numbers of rural branches at Balipatna, Baliana, Mendhasal. The store has a cleaning and packaging unit at the head office through which graded & packed food commodities are sold through its outlets.

- The Indian Oil Corporation (IOC) has appointed ALAKA since 1982 as the distributor of LPG (Indene) cooking gas. As of now, there are 31,000 household cooking gas consumers in the areas of Unit-1, 2, 3, 4, 5, 6, 7, 8 & Khandagiri, Jagamara, Dharma Vihar, Tamando, Mendhasal, Dumuduma, Jodupur, Baliana, IRC Village and Nayapalli. The central godown for storage of cooking gas is located at Dhamavihar from where through delivery vans, the gas cylinders are distributed at the doorstep of the consumers.

#### **12. TRAINING AND EDUCATION**

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 mandate 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.

**12.1.** 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.

## **12.2. Constitution and Organization**

The State Co-operative Union, Bhubaneswar is an affiliated member of the National Co-operative Union of India, New Delhi. There are twelve District Co-operative Unions in the districts of Cuttack, Kendrapara, Mayurbhanj, Keonjhar, Balasore, Puri, Kalahandi, Sonapur, Koraput, Ganjam, Khurda and Nayagarh but ten of these (excluding Khurda and Nayagarh) are members of the Union. 1252 Co-operative Societies are also members of the State Co-operative Union. 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. The Union has as Members of all the Primary, Central and Apex Coop. Societies of the State by virtue of a statutory provision in the Orissa Cooperative Societies Rules, making it compulsory for all cooperative societies (Excluding PACS, CCBs & OSCB) to become members immediately after registration.

**12.3.** The set-up of the Orissa State Co-operative Union in the field of training consists of four Centres for Co-operative Management (CCM) located at

Gopalpur-on-sea, Bargarh, Koraput and Baripada. 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.

**12.4.** The Centre for Cooperative 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 Department 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 up-gradation. 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.

#### **12.5. 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 in free of cost. The Union also publishes pamphlets, booklets, brochure, profile and folders from time to time for spreading the message of cooperation for a vibrant cooperative movement in the state. It also brought out a SOUVENIR and distributed a guideline book in free of cost to all cooperative organisations working in the state on the occasion of All India Cooperative Week Celebration during the month of November every year.

#### **12.6. Celebration of the All-India Co-operative Week in 2009**

Like every year, a State level function to observe the All India Cooperative Week between 14-20 November 2009 was 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 were awarded for their outstanding and all-round achievement. Eminent co-operators of the State were also felicitated for their outstanding contribution to the cooperative movement in the State. The youth, women and best cooperative writers were also felicitated on the state level celebration of cooperative week for their contribution of articles published in the Samabaya Samachar & Kalyani, the periodicals of OSCU every year. Such a celebration goes a long way in inculcating among the co-operatives and cooperators of the State the spirit of co-operation and encouraging them to continue with their efforts for spreading the message of co-operation.

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