

One Day Conference

on

**Cooperative Development
in Eastern & North - East States**

on

18th October, 2016

at

Gangtok, Sikkim



NATIONAL COOPERATIVE UNION OF INDIA

3, Siri Institutional Area, August Kranti Marg, New Delhi-110016

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REPORT AND RECOMMENDATIONS

The Eastern and North–East Cooperative Conference was held on 18th October, 2016 at Gangtok, Sikkim. The objective of the conference was to review the growth, achievements, issues and problems before the cooperative movement in the region, and to chalk out an effective roadmap for the future.



Shri Mohan Mishra, Executive Director, NCUI coming up with introductory speech on the occasion of Eastern and North-East Cooperative Conference at Guwahati

Shri Ganesh Rai, Chairman, Sikkim State Cooperative Union facilitated Shri S.B. Subedi, Hon'ble Cooperation Minister of Sikkim, Dr. Chandra Pal Singh Yadav, President NCUI & Member of Rajya Sabha, Shri Sivadasan Nair, Governing Council Member and former Chairman, National Agricultural Rural Banks Federation and Shri G.H. Amin, Vice-President, NCUI.

Shri Mohan Kumar Mishra, Executive Director NCUI in his introductory remarks extended a warm welcome to all the delegates of the conference present on the occasion. Shri Mishra pointed out there are 3600 cooperative societies with one lakh membership in the State. He said that there are tremendous opportunities for strong development of the cooperative movement in the region. He also said that Sikkim being declared an Organic State there are good potentialities for cooperatives to enter into the field of organic trade.

Shri Ganesh Rai, Chairman, Sikkim State Cooperative Union thanked NCUI President for choosing Sikkim as the venue for organisation of this conference. He hoped that with the combined efforts of all concerned with the cooperative movement, the cooperatives in this region will make good progress. He pointed out that Shri Jawahar Lal Nehru, the First Prime Minister of India had emphasized on the need for trained manpower in cooperatives. He also said that there is lack of



Dr. Chandra Pal Singh Yadav, M.P., Rajya Sabha and President, NCUI lighting the lamp to inaugurate the Zonal Conference.



Shri Ganesh Rai, Chairman, Sikkim State Cooperative Union welcoming NCUI President.

enthusiasm amongst the youth towards the cooperative movement, and for this he highlighted on the need for quality education and training. He said that a strong HRD policy can be the best way



Dr. Chandra Pal Singh Yadav, M.P. & President, NCUI welcoming Shri S.B. Subedi, Hon'ble Cooperation Minister of Sikkim.



Shri Ganesh Rai, Chairman, Sikkim State Cooperative Union speaking on the occasion.

to strengthen the cooperative movement. He said that the present Chief Minister Shri Pawan Kumar Chamling, Hon'ble Chief Minister of Sikkim is fully committed to the development of the cooperative movement in the region. He highlighted that many policies have been formulated with an objective to create conducive climate for cooperative development in the region. The year 2016 was declared as year of Cooperatives in Sikkim. The State Govt. sanctioned 20 crores for strengthening cooperative training infrastructure of the state, and the newly building of Sikkim State Cooperative Union is nearing completion. Further Cooperative Mission which was announced in 2015 in Sikkim has been completed. Despite all this, Shri Rai said that the movement has not gained momentum in the region. In the end, he sincerely hoped that the conference will pave the way for strengthening the movement in the cooperative region.

Ms. Anjana Lama, Chief General Manager, NABARD, Sikkim in her key note address threw light on the present status, regulatory issues and challenges confronting the credit cooperative. She said that credit cooperatives business volume and outreach have shown a tremendous increase in the recent years as the credit cooperatives have played an important role in food security, employment generation in rural areas and ensuring social and economic justice to the poor and vulnerable sections of the society. Elaborating further on the wide network and reach of



A view of the distinguished gathering on the occasion of Zonal Conference.

the credit cooperatives, she said that the journey has not been smooth for the cooperative banking structure. She said that as commercial banks continued to make significant strides, weaknesses in the cooperative system posed a threat to their survival. She pointed out that implementation of 97th Constitution Amendment Bill in true spirit is very important for improving the functioning of credit cooperatives in the country. She elaborated that the important features of the Constitutional Amendment Bill like inclusion of professional directors in the Board, presence of professional auditors for auditing operations, etc. are very important for democratic growth of cooperatives. She also highlighted the need of technology upgradation of cooperative banks, more particularly the implementation of Core Banking Solutions (C.B.S.). She also said that precautionary measures need to be undertaken so that these banks do not indulge in fraud. She said that NABARD has provided financial literacy centres with ICT-enabled kiosks to create awareness and demand for products and services. She further said that with the adoption of regulatory norms and technology operations, the cooperative banks have ventured into new business areas for which professional training and capacity building is very important. She said that adequate training should be imparted to people at all levels so as to improve productivity, efficiency and professionalism of the cooperative banks. She said that these banks with their intimate knowledge of customers and familiarity with the area of operation can attract new customer and retain the existing clientele with their unique



Ms. Anjana Lama, Chief General Manager, NABARD Gangtok delivering the Key Note address.

selling proposition. She also said that the biggest challenge for the cooperative banks is strengthening the grass root institutions i.e. PACS/MPCS.

Shri Narendra Kumar Mandal, Registrar Cooperative Societies, Bihar speaking on the occasion said that cooperatives are a very good medium for development of the farming community in the country, and it is important to strengthen the cooperatives for this purpose so that the country marches on the road of development. He said that NCUI is playing a very important role in strengthening the cooperative movement. He further said that in Bihar, the systems of administration, audit and elections have been strengthened to ensure democratic management and autonomous growth of cooperatives. He also said that a website may be designed which can highlight the good working of cooperatives at the national/state level. Besides, he also said that video clips of the good working PACS may also be displayed on the website. He also informed that the PACS in Bihar have a total membership of 1.14 crore and the government is making plans to attract members through online membership. He said that PACS and cooperative banks in Bihar are successful in procurement ensuring timely payment to the farmers. He said that a road map is being prepared to provide training to all PACS and Vyapar Mandals so that they develop as strong institutions. He also said that storage capacity in cooperative societies has increased to 6.06 lakh MT. He came



Shri Narendra Kumar Mandal, Registrar Cooperative Societies, Bihar speaking on the occasion.

up with a strong observation that increasing women participation in the cooperatives should be an area of priority in the future.

Shri R.K. Gautam, Registrar, Cooperative Societies, Sikkim speaking on the occasion said that strong human resource development policy in the cooperative sector is very important for the success of the cooperative movement. He called for more funding for cooperative education and training in the country. Pointing to the lack of job opportunities in the cooperative sector, he said that there is a need to revamp DCBM course, so that there is good participation, and large number of organisations sponsor candidates for this course. He also requested NCUI President to initiate necessary steps so that Cooperation as a subject is given prominence in the text books in the schools. He informed that the Sikkim Government has moved the proposal for inclusion of cooperative subject in the school syllabus. He also made a strong suggestion that HDCM should be made compulsory for all new recruits in the cooperative organisations. He also requested NCUI President to shift the NCUI Project in Sikkim from Mangalbaria to Ranipool so that it becomes active again. He further said that the implementation of Vaidyanathan Committee recommendations has helped immensely in cleansing the balance sheet of cooperative banks in the state, but the government is finding difficult to follow the common accounting system, which he felt should be



Shri R.K. Gautam, Registrar, Cooperative Societies, Sikkim speaking on the occasion.

simplified. Earlier, Shri Gautam highlighted the significant growth of cooperatives in Sikkim and said that Hon'ble Chief Minister of Sikkim is giving priority to cooperative sector in the state.

Shri S.B. Subedi, Hon'ble Cooperation Minister of Sikkim speaking on the occasion said that at a time when people have become individualistic, it is a big challenge for the cooperative movement to work together based on the principles of Cooperation. Pointing out to the rapid progress of the cooperative movement in Sikkim, he said that cooperatives have been set up in all the gram panchayats. He pointed out that Shri Pawan Kumar Chamling, Hon'ble Chief Minister of Sikkim has made the cooperative movement a people's movement in the state. However, he said that people are still not actively involved in the cooperative movement, and for this women should be associated in large numbers in the functioning of the cooperative movement. He informed that with the financial support of the government, the new building of State Cooperative Union is now being constructed, which is nearing completion.

He also said that as Sikkim has been declared an organic State, there are several opportunities for cooperatives to show their potentialities in this area of immense opportunity. Dr. Chandra Pal Singh Yadav, Member of Parliament (Rajya Sabha) and President NCUI came up



Shri S.B. Subedi, Hon'ble Cooperation Minister of Sikkim speaking on the occasion

with his presidential address on this occasion. He appreciated the progress of cooperative movement in Sikkim, and also the initiation of democratic process by organising elections of the cooperative societies. He said that strengthening the cooperative movement for economic prosperity in the state is very important. He also said that there is a need to strengthen cooperative education and training, and promote active involvement of women and youth in the functioning of cooperatives.

Dr. Yadav said that in many states there is government interference in cooperatives due to which there are problems in decision making. He emphasized on the implementation of Constitutional Amendment Bill in all the states for strengthening cooperative democracy. He also laid stress on increasing the membership of cooperatives by creating right awareness amongst all the sections of the society. He emphasized going for online membership so that the system for attracting cooperative membership become smooth, simple and transparent. He stated that at a time when NGOs are enjoying tax benefits, cooperatives should be exempted from taxation as they are making significant contribution for poor and weaker sections of the society. He assured that he will take appropriate steps to strengthen cooperative education field projects, for which adequate steps would be taken so that the project in Sikkim, which is now non-functional, becomes operational soon.

At the end of the inaugural function, Shri Kiran Kakati, Member Governing Council, NCUI expressed vote of thanks. He expressed confidence that the conference would pave the way for strengthening the cooperative movement in Eastern and North-Eastern States. After the inaugural session, the two technical sessions related to opportunities and challenges before the cooperative movement in Eastern and North Eastern states were held respectively.

TECHNICAL SESSION-I

“Opportunities and Challenges before the Cooperative Movement in Eastern States”

In the first session related to Eastern states, the Chairman of the Session was Shri Vinay Kumar, Chairman, Bihar Cooperative Federation Ltd. and Co-Chairman was Shri Hemanta Nayak, Chairman State Cooperative Union, Odisha. The panelists were:

1. Shri K.P. Ranjan, Director ,DS RICM, Patna
2. Shri S.K. Ghosh, Director MICM, Bhubaneshwar
3. Shri R.K. Patra, Director I/c. NSRICM, Kalyani
4. Ms. Shikha, DGM, C-PEC, NABARD

In his presentation, Shri K.P. Ranjan Director ICM Patna emphasized on the important role of PACS in farm mechanization, and for this he said that strengthening of PACS is very important. He talked about the beneficial impact of implementation of Constitutional Amendment Bill in the State, which has resulted in 50% reservation of women in the cooperative societies, and also ensured democratic and autonomous functioning of cooperatives. He also called upon strengthening of the cooperative training infrastructure, and professionalizing cooperative training policies so that there is efficiency in the working of cooperatives at all levels.

Shri S.K. Ghosh, Director, MICM Bhubaneshwar presented a brief outline of the initiatives taken earlier in the cooperativisation of Sikkim State. He said that Sikkim is the only State where only one type of multi-purpose cooperatives are functioning. Dwelling on the issues of cooperative development in Eastern states, he said that there is no policy of training in many of the states. He also said that the problem of legal provision in training also acts a big hindrance. He suggested that a comprehensive policy of training, including long term perspective funding should be formulated for at least five years keeping into account adequate budgetary assistance and the target groups. He also came up with an important suggestion that to create right awareness for cooperatives, there should be a citizen charter for members of cooperatives, and also general public, who want

to know about cooperatives. He also suggested that the possibility of creating e-commerce platform should also be explored so that cooperatives are able to indulge in trading activities.

Shri R.K. Patra, Director I/c, NSRICM, Kalyani in his presentation, said that the cooperative movement in West Bengal is facing various challenges for which developing professionalism is the need of the hour. He also suggested that cooperatives should work as business organizations, and they should get return on investment and residual income. He said that though cooperatives are adding values to the products and services, they are however lacking marketing skills for which rural marketing research should be an area of priority for development of the cooperative sector in the state.

Ms. Shikha, DGM, CI-PEC, NABARD, said that C-PEC is (Centre for Professional Excellence for Cooperatives) located at BIRD Lucknow is dedicated to producing quality manpower in the cooperative sector. She talked in detail about certification courses for trainers, and also informed about Certificate Professional Course in Banking which is imparted through distance learning mode. She called for more representation of various organisations as members of C-PEC from North-Eastern states.

TECHNICAL SESSION-II

“Opportunities and Challenges before the Cooperative Movement in North Eastern States”

The Chairman of the Session was Shri Kiran Kakati, Chairman Assam State Cooperative Union, while Co-Chairman was Shri Bengia Hemanta, Chairman, Arunachal Pradesh Cooperative Union. The speakers were:

1. Shri Kapil Meena, IAS, MD, Sikkim Milk Union
2. Mrs. Ranjana Devi, Director RICM Kalyani
3. Shri K.I. Meetai, Director, ICM Guwahati
4. Shri Tompek Singh, Chairman Manipur State Cooperative Union
5. Shri Dhiraj Pradan, MD, Denjong Agri Coop. Society

Shri Kapil Meena, IAS, MD Sikkim Milk Union speaking on the occasion, highlighted the success story of Sikkim Milk Union which has achieved huge success after facing a lot of problems and challenges. Talking about the growth of this organization, he said initially there were only two



dairy plants, but now the Milk Union covers several districts in the State and has also achieved good growth and profits. He also said that the true benefits of the profits have gone to the farmers. He said that the people of Sikkim are taking a lot of interest in the dairy sector. As the Union is paying more than 3 crores of profits to the farmers, it has paid a lot of money to the village economy. He said that as the women members are less, it is a challenge to increase the level of women participation.

Shri Dhiraj Pradhan, MD, Denjong Agri. Coop Society, Sikkim came up with his presentation on the success story of this society. He said that Denjong Agriculture society is a successful cooperative body of primary farmers with ISO certification providing marketing support for their agricultural products. Having earned 5 crore profits this year, this organization has achieved high level of success in the recent years.

Ms. Ranjana Devi, Director RICM, Manipur said that though having geographical barriers, the states of North East have huge resources which can be well utilised for development of the cooperative movement.

Shri R.D. Thongan, Joint Registrar Cooperative Societies, Arunachal Pradesh speaking on the occasion said that Arunachal Pradesh has 800 cooperative societies with only 32 LAMPS. He also said that there are strong potentialities for cooperatives to venture into the field of tea production, as there are few successful tea cooperatives in the state. He stated that there is a need to publicise the activities of cooperatives in a big way.

At the end of the technical sessions, Shri Ganesh Rai, Chairman, Sikkim State Cooperative Union came up with key points of the draft Sikkim Declaration. The key points are:

- There should not be government, interference in the operation of the cooperatives.
- Tax exemptions should be given to the cooperatives
- More focus should be given to the members participation
- Training at all levels needs to be imparted, and a training policy should be formulated by all the states.
- More educational NCUI Field Projects should be started in North East, and vacant vacancies in the education field projects should be filled.
- Online membership/services may be initiated in cooperatives
- Enhancement of women participation

- There shall be a common website with success stories and videos of cooperatives.
- More common accounting system training programme should be organised.
- Cooperative education should be given to youth. More campus cooperative programmes should be organized.
- More funds should be allocated to State Cooperative Unions by state governments.
- At least 2 women should be in the Board of the cooperative societies.
- Universities of Eastern and North East States may include cooperative chapter or a cooperative subject in their educational syllabus.
- Effective measures should be undertaken for value addition to the products of cooperatives
- RKVY funds should be allocated to cooperatives
- Education fund should be given to State Cooperative Union for cooperative training.



