

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2513
ANSWERED ON:16.08.2011
AGRICULTURAL COOPERATIVE SOCIETIES
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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the share of Primary Agricultural Cooperative Societies (PACS) in rural credit has declined in the recent years;
- (b) if so, the reasons therefor and the measures taken by the Government to check the same;
- (c) whether the Vaidyanathan Committee has recommended delinking of PACS from State Cooperative Banks; and
- (d) if so, the progress made so far in the matter?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE, FOOD PROCESSING INDUSTRIES AND PARLIAMENTARY AFFAIRS(SHRI HARISH RAWAT)

(a): Though the quantum of agricultural loans disbursed by the cooperative credit institutions has increased in absolute terms over the years however, their percentage share in the total agricultural loan disbursement has declined. Agricultural loan disbursement through cooperative credit institutions which stood at Rs. 42480 crore in 2006-07 rose to Rs. 70105 crore in 2010-11 but their percentage share which was 18.52% in 2006-07 came down to 15.69% in 2010-11.

(b): Higher growth of credit by Commercial Banks and financial and systemic weaknesses have affected the share of agricultural credit through cooperative credit institutions. The Government of India is implementing a revival package for Short Term Rural Cooperative Credit Structure (STCCS) with financial outlay of Rs. 13.596 crore to make it a better managed and vibrant credit institution.

(c) & (d): Based on the Vaidyanathan Committee recommendations, Government of India has approved a package for revival of the Short Term Cooperative Credit Structure (STCCS) in the country. 25 States have signed Memorandum of Understanding (MoU) with Government of India and NABARD to introduce legal and institutional reforms as per the terms of revival package. These reforms measures, inter alia, envisages freedom to PACS to affiliate or disaffiliate themselves with a federal structure of their choice.