

Cooperative Farming in India

Cooperative farming mainly refers to farming practices where farming operations are conducted cooperatively. These agricultural practices are conducted by individuals on their holdings jointly with certain common agencies. These agencies form on their behalf for the collection and purchase of agricultural inputs such as seeds, fertilizers, equipment, etc. and the sale of their agricultural produce.

An agricultural cooperative is also called as a farmers' co-op. It is a cooperative where farmers pool their resources in certain areas of activity. It allows little farms to do what big farms can do, like buy inputs at bulk rates, increase volume to open new markets and lower the per-use cost of equipment. Together, producers can lower costs, access required services or facilities and generate more income.

Factors such as increasing pressure of population on land, uneconomic size of holding, primitive and unscientific methods of cultivation, inequitable distribution of land, poverty, and ignorance of the peasantry, etc., are the main impediments that stand in the way of implementation of the planned agricultural production in India.

Features of cooperative farming

- Joining of the farmers in this system is voluntary.
- Farmers retain their right to land.
- Farmers pool their land, livestock and other implements.

- The entire farm is managed as a single unit and management is elected by all the members
- Every member earns a share of the total production with their land contribution and labour performed.

Advantages of cooperative farming

- Cooperative farming solves the problem of sub-division and fragmentation of holdings.
- The cooperative farm has more men-material-money resources to increase irrigation system potential and land productivity. Members would not have been able to do it individually on their small farm.
- Case studies normally point out that with cooperative farming, per acre production increases.

Economies of Scale

Cooperative farming can solve most of the problems of small and uneconomic holdings. By pooling all the small and marginal farms, members of cooperative farming can reap the advantages of large-scale farming. While purchasing agricultural inputs such as seeds, fertilizers etc the society can purchase in bulk quantity and it costs less. Big machinery such as tractors, harvesting machines can be purchased by the society and the agricultural operations can be managed on a more scientific basis. Agricultural implements will be fully utilized, and there will be no under-employed farmers as they will be gainfully employed in the co-operative farms.

Marketable Surplus

The marketable surplus of food grains and industrial raw materials can be transported and marketed on a bulk basis suitably by the society and then fetch remunerative prices.

Shift of Workers to Non-agricultural sector

Higher productivity in cooperative farming will pave the system for the workers to shift from agricultural to non-agricultural operations.

Administrative Convenience

Cooperative farming is helpful for the government from the administrative point of view to collect taxes, distributing subsidies and for introducing improved methods of production.

Creditworthiness

It can attain higher creditworthiness when compared to that of individual farming. And such a large scale can attract a greater amount of finance for its productive activities.

Cooperative farming can enhance incomes

Indian agriculture is mainly characterized by small and marginal farmers. They are deprived of access to the latest precision agriculture, farm mechanization, credit, technical advice, quality inputs, market intelligence and post-harvesting facilities. Fragmentation of land is inevitable due to the ever-increasing population and decrease of cultivable land. There is a need to address this issue comprehensively to increase production and farmer income.

The economies of scale in procurement, technology adoption and marketing are better if small farmers join hands for collective farming. Farmers in cooperative farming become an integral part of the supply chain. There is a need to encourage the formation of producer enterprises, agricultural cooperatives or commodity-based collectives so that farmers can themselves reap the benefits.

There are problems for processing and marketing enterprises for procuring higher quality for specific markets from many small farmers. There is a need for forming large groups of farmers engaged in the production of higher quality for specific markets within specific agro-climatic zones.

Advantages of Agricultural Cooperative

Agricultural cooperative farming is a form of farmer collective action for the marketing and processing of farm products and to produce farm inputs.

Cooperatives have not performed well as a result of poor governance structures, multiple and competing goals. In some cases where cooperatives have been established by external agents rather than farmers themselves have produced unfavourable results.

Important elements for successful agricultural cooperatives contain appropriate legal frameworks and governance aligned with national policies, business skills, and governance capacity. Also access to markets and trading links, especially for competing in international markets. The need for improved understanding of the dual nature of cooperatives as business and civil society members is necessary.

The major aim of establishing a cooperative is to increase the income of the members by helping them to link themselves with finance, agricultural inputs, and output markets.

Cooperative farming can help farmers benefit from economies of scale by lowering the cost of inputs or hiring services for example storage and transport.

The agricultural cooperative system enables farmers to improve product and service quality and reduce risks. Farmers in cooperatives have more bargaining power, lower transaction costs in getting loans and better access to information.

Cooperatives are based on values of democracy, equality, and equity; they can play an important role in empowering women, particularly in developing countries.

Important variants of a cooperative farming

Cooperative Joint Farming Society

This farming society comes into existence when the members pool their land and productive assets and carry on all the pre-sowing, pooling and post-harvesting functions besides the cultivation of the pooled land on the cooperative farming basis. It purchases different inputs from the market and arranges for the marketing of the produce.

It seeks financial assistance from outside agencies to carry on these activities.

Cooperative Better Farming Society

In a cooperative better farming society, the members do not cultivate their land jointly and each member cultivates his land. They co-operate with each other for pre-sowing and post-harvesting operations, for instance, they purchase different agricultural inputs like seeds, fertilizers, insecticides, services of machinery, etc. on a cooperative basis.

They sell the crops jointly and a cooperative better farming society may also arrange for financial assistance for carrying on these activities.

Cooperative Tenant Farming Society

Cooperative Tenant Farming society purchases or leases in land from the Government or some private persons and leases out the land to its members. The members cultivate the land and pay the rent falling to their share, and the society.

Cooperative Collective Farming Society

This type of collective society involves the pooling of their land by the members permanently. A member who joins this society cannot withdraw his land from society. He can only transfer his land to some other person who will now become a substitute member of the society.

The functions of this collective farming society are like those performed by a cooperative joint farming society. In this, the member gets their wages and profits according to the labour and land respectively contributed by them. Such a society is produced in contravention of the general principles-of

cooperative that is voluntary membership with a right to withdraw from the society at any time.

Cooperative farming is a pillar for agricultural development and food security. Agriculture cooperative farming, forestry, fisheries, and livestock is the main source of employment and income in rural areas. These agricultural cooperatives play an important role in supporting small producers and marginalized groups.

Cooperative farming offers small agricultural producers' opportunities and a wide range of services. Smallholder producers can secure their livelihoods and play an important role in meeting the growing demand for food in local, national and international markets, thus contributing to poverty alleviation, food security and eradication of hunger.

Farmers who are efficiently organized can form a collective voice to advocate for their needs and access services at more affordable prices that can help them increase yields, sales, and profits. Producer organizations could achieve competitiveness for smallholder farmers.