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## Performance of primary agriculture co-operative credit society (PACS), Dharampura in Raipur district of Chhattisgarh

**Kalyani Dahariya, Bhag Chandra Jain and VK Choudhary**

### Abstract

Primary Agriculture Co-operative Credit Society (PACS) Play an important role to provide timely credit to the farming community. Present study was conducted with to the growth in physical performance Indicator of PACS and to examine the loan disbursement by PACS, Dharampura. The study concluded that the number of PACS and membership of PACS has increase. Total loan disbursed was 53.63 lakhs in the year 2018 which increases to over 70.66 lakhs in the year 2022. The maximum paddy seed was distributed in the year 2019 at 1324.5 quintals. There has been an increase of 5.12 percent in the distribution of total fertilizers from year 2019 to the year 2022. From the year 2019 to the year 2022, there has been an increase of 141.00 percent in the distribution of total urea fertilizer. Study suggests that recovery of loan and limited area of operation is the major constraints in the working performance of PACS. Illiteracy of farmers also adds up to this problem. As far as management part is concerned modern tools and techniques like e-banking etc. is lacking in study area. A clear cut plan has to be made in order to provide a significant role in facilitating inclusion Proper inspection should be done to see the utilization of loan so that loan should be utilized properly and recovery percentage can be increased.

**Keywords:** co-operative, agriculture credit, PaCSS

### Introduction

A Primary Agriculture Co-operative Credit Society (PACS) is a basic unit and smallest co-operative credit institutions in India. It works on the grassroots level (gram panchayat and village level). The Cooperative Credit Act was passed in 25<sup>th</sup> March 1904. Since then these societies have been playing a significant role in providing short-term and medium term and long term loan to the farmers. Till early seventies, this was the only institutional credit agency available to the people in rural areas. PACS are financial institutions that play a critical role in the development of local communities at the grass roots level. They are multifunctional organisations that provide a variety of services such as banking, on-site supplies, marketing produce, and consumer goods trading. As a result, the effectiveness of PACS is critical. The PACS must play an important role in the socioeconomic development of the country's rural areas. They function as mini-banks to provide finance, as well as counters to provide agricultural inputs and consumer goods. These societies also provide warehousing services to farmers in order to preserve and store their food grains.

Within the federal structure of the cooperative financing system, PACS are to be provided with adequate assistance in the form of subscriptions and grants by higher level institutions such as Central Cooperative Bank and State Cooperative Bank.

### Methodology

To examine the performance of Primary Agriculture Co-operative Credit Society (PACS), Dharampura.

To analysis the recovery performance.

The objective of the study is accomplished by analyzing the data with simple average and percentage method. The results were presented on relative percentage change on triennium ending average basis. The base years for first triennium average was 2018 and current year triennium average was 2022. The relative percentage change on two periods is estimated as:

$$\text{Relative percentage change} = \frac{\text{current year} - \text{Base year}}{\text{Base year}} \times 100$$

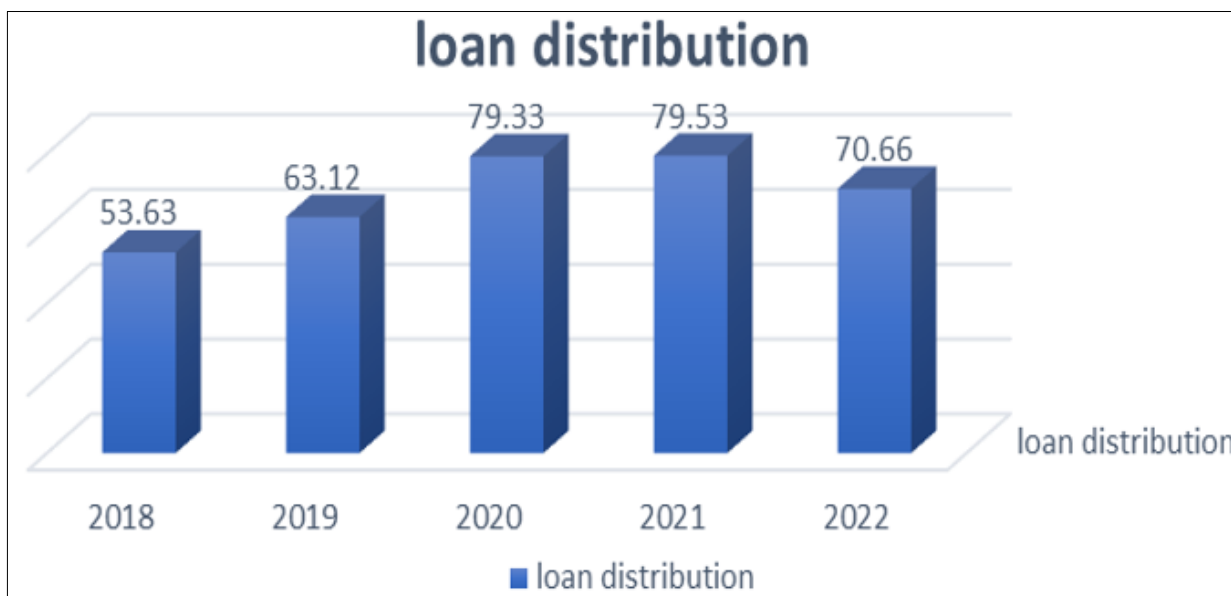
**Results and Discussions**

**Performance of Primary Agriculture Cooperative Societies (PACSS):** Performance of Primary Agricultural Cooperative Societies (PACSS) was worked out by looking to some of the major parameters like total beneficiaries, loan advances, overdue, recovery percent etc. performance of PACS Dharampura is discussed below. The performance of primary agricultural cooperative society Dharampura has been worked hour from the year 2018 to 2022 based on the

secondary data obtained by the Primary Agricultural Cooperative Society, which is presented in table 1. The growth of important parameters of the study period (2018 to 2022) shows that total membership of the bank increase from 1107 to 1166. Number of beneficiaries also shows positive trend over the period. Total loan disbursed was 53.63 lakhs in the year 2018 which increases to over 70.66 lakhs in the year 2022.

**Table 1:** Performance of Primary Agricultural Credit Society (PACS), in Dharampura

S. No.	Particulars	2018	2019	2020	2021	2022	% change in 2018-2022
1	Total number of members	1107	1152	1119	1159	1166	5.32
2	Total number of beneficiaries	108	111	118	116	112	3.72
3	Share capital	63000	145000	173000	199000	234000	271.42
4	loan distribution						
	a. Cash	3653000	4376000	5816000	5830000	5049000	38.21
	b. Kind	1710000	1936000	2117000	2083000	2017000	17.9
	Total Loan distribution	5363000	6312000	7933000	7953000	7066000	31.75
5	Recovery	5232000	6012000	7716000	7342000	6634000	26.78
6	overdue	131000	300000	217000	611000	432000	229.77



**Fig 1:** Performance of Loan distribution of PACS, Dharampura

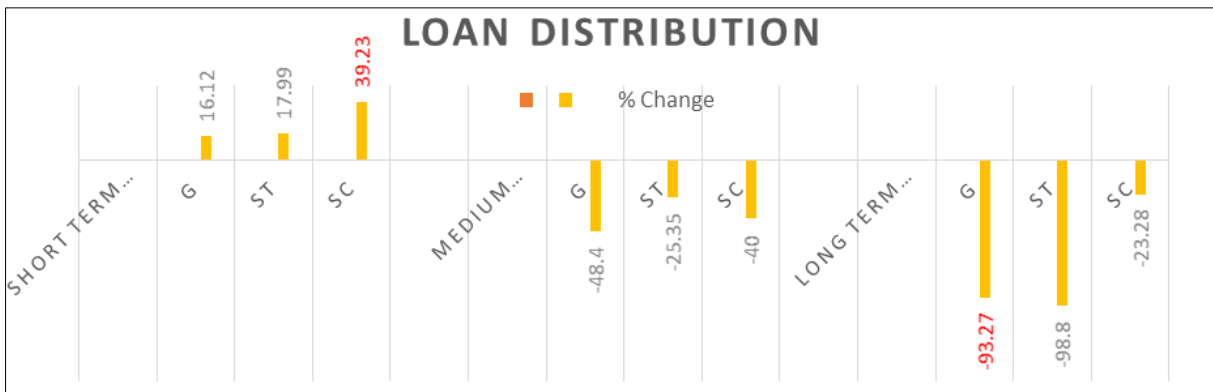
Table 2 shows the category-wise loans for short-term, medium-term, long-term loans by PACS in Dharampura since 2019 to 2022. There has been a 29 percent increase in the disbursement of short term loans from 2019 to 2022 in PACS Dharampura. There has been an increase of 15.06 percent in the disbursement of long term loans in PACS Dharampura from the year 2019 to 2022. There has been a decrease of -38.00 percent in the disbursement of medium term loans in Dharampura from the year 2019 to 2022. In the year 2018, 46.33 lakhs short term loans were distributed. And in the year 2022, 55.77 lakhs short term loans were distributed. In the year 2020, maximum 70.00 lakhs short term loans were disbursed. In the year 2018, the lowest 73000 thousand long term loans was disbursed. Maximum 8.20 lakh long term loans have been disbursed in the year 2022. There has been a decline in the medium and long term loans issued in the case of Scheduled Tribes and Scheduled Castes and

other Generals categories. The maximum distribution of short term loans has been done to Schedule Caste category farmers. From the year 2018 to 2022, there has been an increase of 39.23 percent in the distribution of short term loans. The maximum distribution of short term loans has been done to Schedule Tribes category farmers. From the year 2018 to 2022, there has been an increase of 17.99 percent in the distribution of short term loans. The maximum distribution of short term loans has been done to General category farmers. From the year 2018 to 2022, there has been an increase of 16.12 percent in the distribution of short term loans. The lowest medium term loan disbursement saw a decrease of -48.40 percent in general category farmers from 2018 to 2022. The lowest long-term loan disbursement saw a decrease of -93.27 percent in general category farmers from 2019 to 2021.

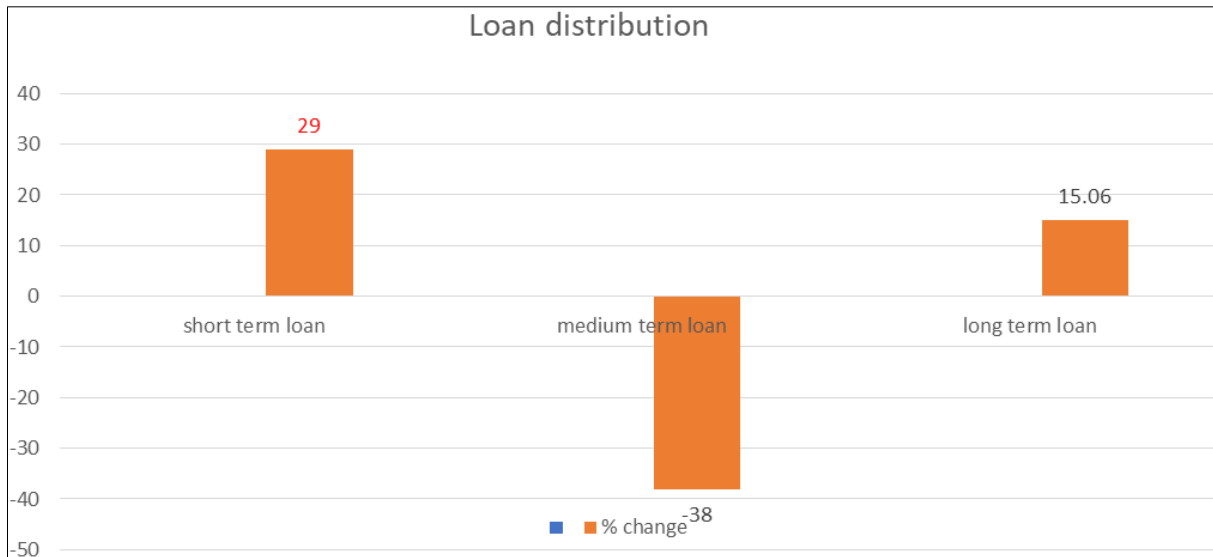
**Table 2:** Performance of categories wise loan distribution of PACS, Dharampura

S. No.	Loan Distribution	2018	2019	2020	2021	2022	% Change in 2018-2022
1.	<b>Short term loan</b>						
	General	620000	690000	1023000	945000	720000	16.12
	Schedule Tribe	1556000	1736000	2063000	1963000	1836000	17.99
	Schedule Cost	2457000	3196000	4114000	4031000	3421000	39.23
	<b>Total</b>	4633000	5622000	7200000	6939000	5977000	29.00
2.	<b>Medium term loan</b>						
	General	-	-	88000	40000	45400	-48.40
	Schedule Tribe	-	-	112000	60200	83600	-25.35
	Schedule Cost	-	-	200000	93800	120000	-40.00
	<b>Total</b>	-	-	400000	194000	249000	-38.00
3.	<b>Long term loan</b>						
	General	-	1340000	80500	90100	-	-93.27
	Schedule Tribe	-	2344000	120000	240000	28000	-98.80
	Schedule Cost	73000	3216000	132500	489900	56000	-23.28
	<b>Total</b>	73000	6900000	333000	820000	84000	15.06

Source: PACS, Dharampura



**Fig 2:** Performance of Loan distribution of PACS, Dharampura



**Fig 3:** Performance of Loan distribution of PACS, Dharampura

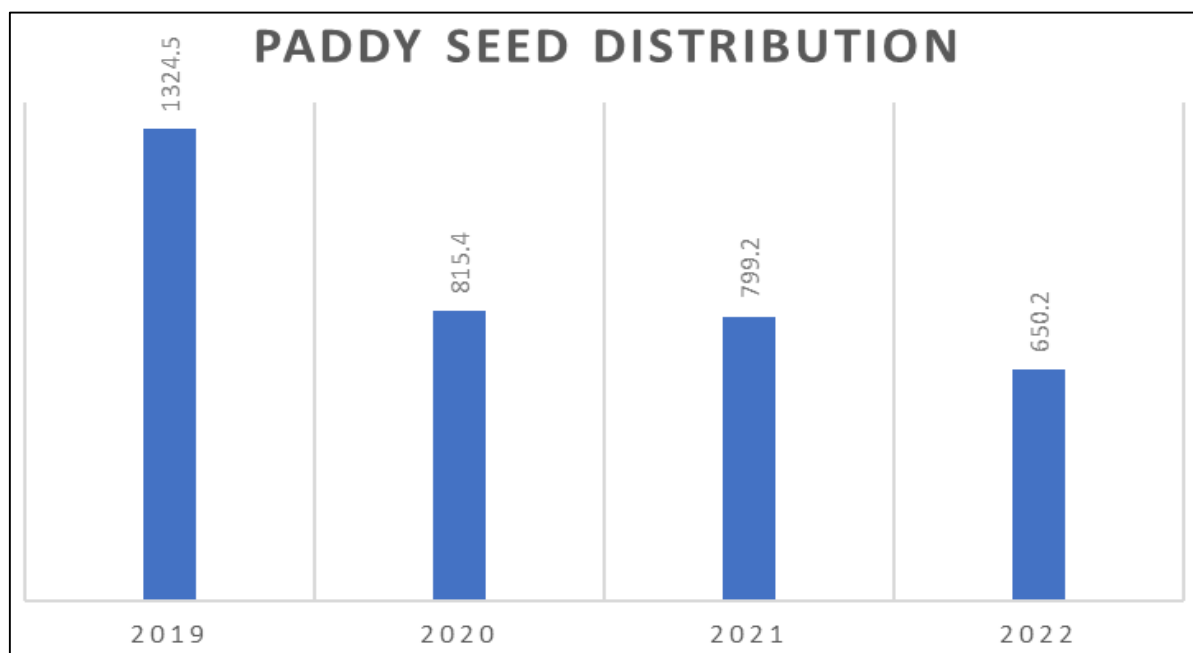
Table 3 shows the maximum paddy seed was distributed in the year 2019 at 1324.5 quintals. Here has been a decline in the distribution of paddy seed from 2019 to 2022. In the year 2022, 650.70 quintals of paddy seed was distributed, which was the highest distribution in the year 2019, with the lowest distribution in the year 2022. From the year 2019 to 2022, there has been a decline of -50.58 percent in the distribution of paddy seed. MTU 1010 paddy variety has shown the biggest decline in distribution. In MTU 1010 paddy variety, there has been a decline in the distribution of paddy from-

92.17 percent. In the year 2019, 96.00 quintals of Mahamaya paddy varieties were distributed, which has increase to 180.00 quintals in 2022. The MTU 1001 variety of paddy was distributed in 30.00 quintals in 2019, which has increase to 51.00 quintals in 2021. The distribution of MTU 1001 variety of paddy has seen an increase of 204 percent from 2019 to 2022. The maximum paddy seed was distributed in the year 2019 at 1324.5 quintals. There has been an increase in the distribution of Mahamaya paddy variety.

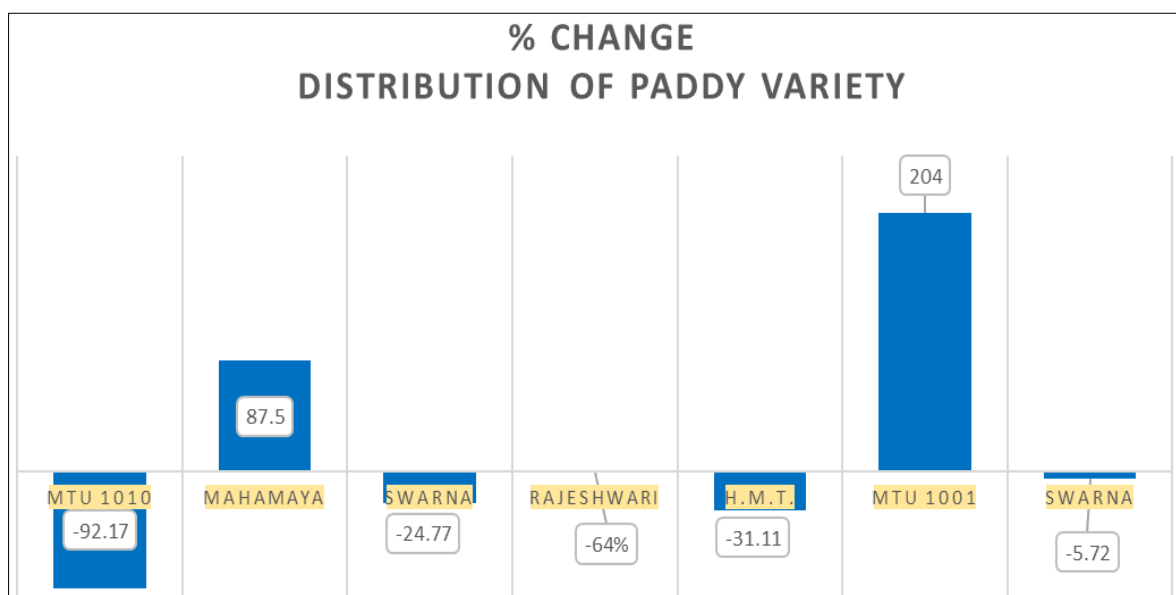
**Table 3:** Distribution of Paddy seed by Primary Agricultural Credit Society, Dharampura during 2019 to 2022 (in quintal)

S. No.	Paddy variety	2019	2020	2021	2022	% Change
1.	MTU 1010	766.50	90.00	97.80	60.00	-92.17
2.	Mahamaya	96.00	199.50	165.00	180.00	87.5
3.	Swarna	400.00	330.90	275.40	300.90	-24.77
4.	Rajeshwari	75.00	96.90	94.80	27.00	-64.00
5.	H.M.T.	27.00	15.00	15.00	18.60	-31.11
6.	MTU 1001	30.00	15.00	91.20	-	204
7.	Swarna	-	68.10	60.00	64.20	-5.72
	Total	1324.50	815.40	799.20	650.70	-50.58

Source: Primary Agriculture Credit Society (PACS), Dharampura



**Fig 4:** Performance of paddy seed distribution of PACS, Dharampura



**Fig 5:** Performance of paddy seed Variety distribution of PACS, Dharampura

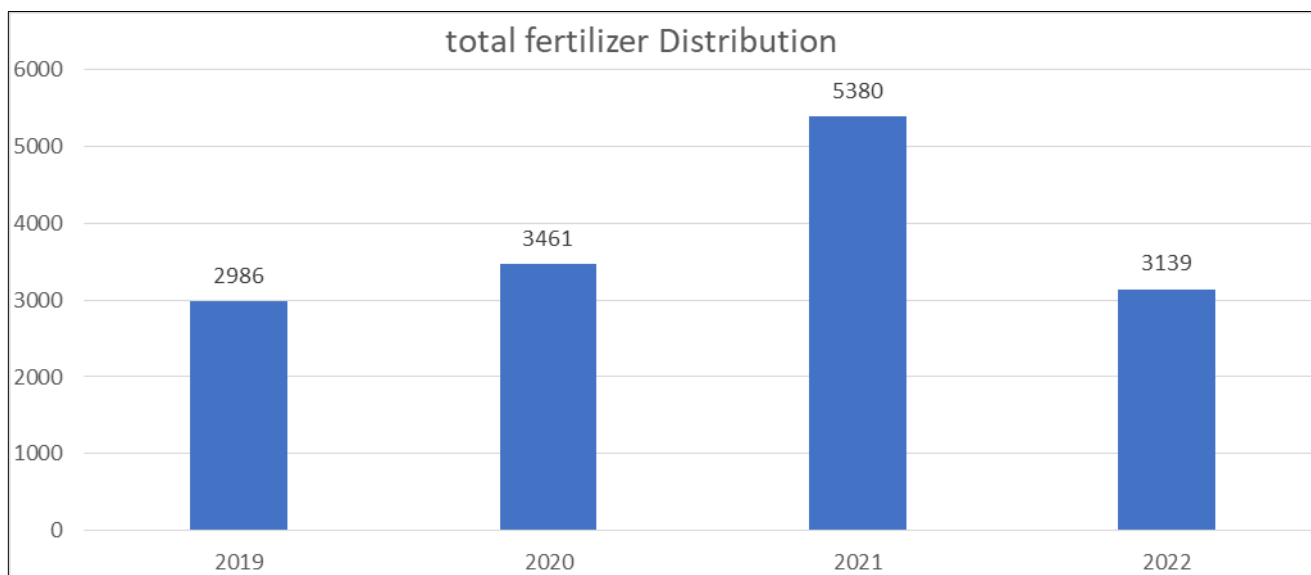
The inspection of the table 4 depicts clearly the progression of chemical fertilizer distribution in 2019, 2986 bags of chemical fertilizer were distributed which increased to 3139 bags in 2022. Maximum 5380 bages of fertilizes were distributed in the year 2021. There has been an increase of 5.12 percent in the distribution of total fertilizers from year 2019 to the year 2022. From the year 2019 to the year 2022, there has been an

increase of 141.00 percent in the distribution of total urea fertilizer. Along with this, there has been an increase of 80.27 Percent in DAP fertilizers, 37.15 percent increase in Murate of Potash fertilizer and 7.23 percent increase in Single Super Phosphate fertilizers. The maximum increase has been observed in the distribution of Urea fertilizers.

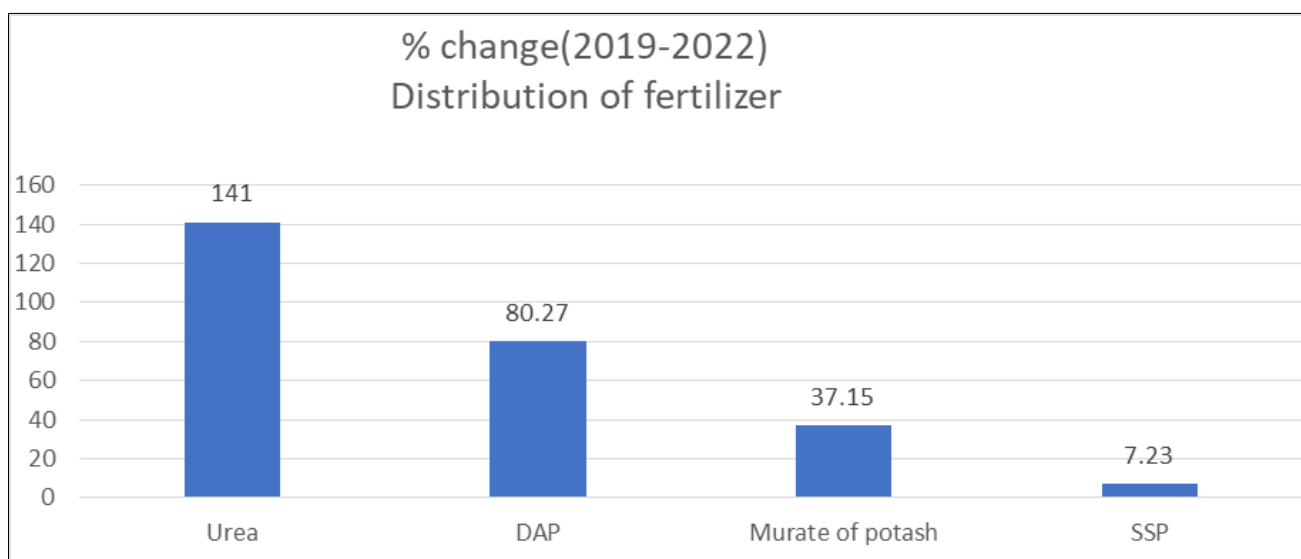
**Table 4:** Distribution of Fertilizer by Primary Agricultural Credit Society (PACS), Dharampura during 2019 to 2022

S. No.	Fertilizer	2019			2020			2021			2022			% Change
		Cash	Loan	Total	Cash	Loan	Total	Cash	Loan	Total	Cash	Loan	Total	
1.	Urea	242	987	1229	314	1260	1574	958	1982	2940	963	2001	2964	141.00
2.	DAP	165	783	948	327	835	1162	408	1130	1538	668	1041	1709	80.27
3.	Murate of Potash	170	266	436	162	292	454	191	335	546	294	304	598	37.15
4.	Single Super Phosphate	201	172	373	139	132	271	85	271	356	162	238	400	7.23
5.	Super compost	-	-	-	-	-	-	-	-	-	-	100	100	
	Total	778	2208	2986	942	2519	3461	1642	3738	5380	3684	5771	3139	5.12

Source: Primary Agriculture Credit Society (PACS), Dharampura



**Fig 6:** Performance of fertilizer distribution of PACS, Dharampura



**Fig 7:** Performance of fertilizer distribution of PACS, Dharampura

**Recovery performance of Primary Agriculture Cooperative Societies (PACs), Dharampura**

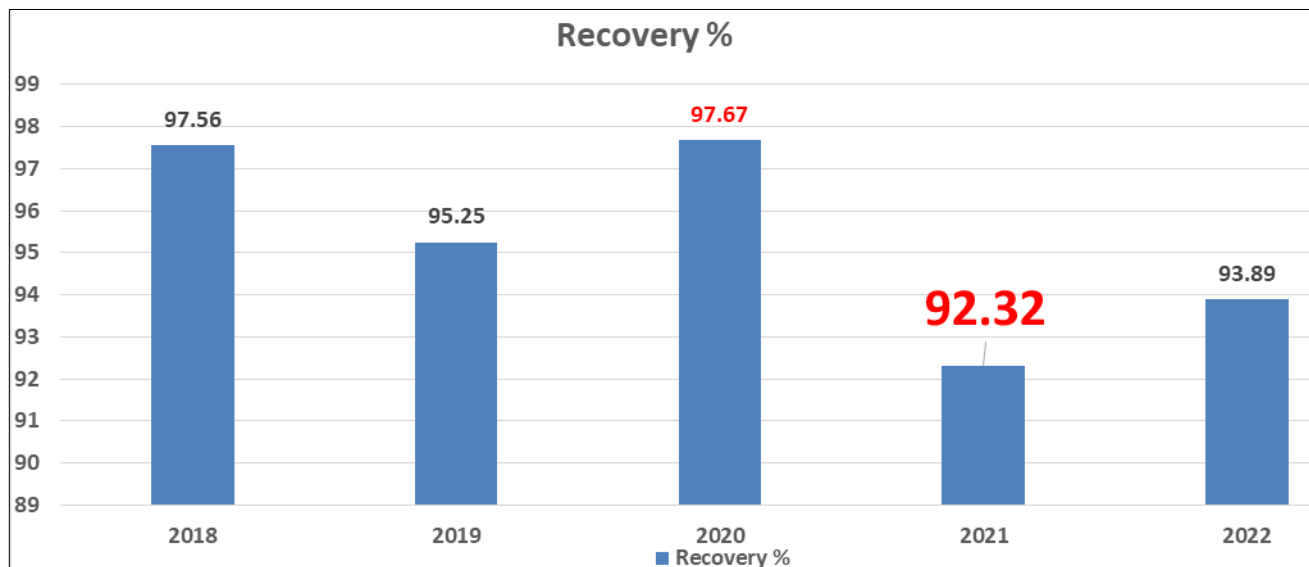
Table 5 Shows The recovery of loan also keeps on increasing, it was 97.56 percent in the year 2018 which decrease to 93.89 percent in the year 2022. It can be seen from table 5 that the recovery percent of Dharampura, Primary Agriculture

Cooperative Society shows fluctuating trend. Recovery percent was highest for the year 2020 i.e. 97.67 percent it was lowest for the year 2021 which was only 92.32 percent. It can be observed that total membership and beneficiaries keeps on increasing over the time period.

**Table 5:** Recovery performance of primary agriculture credit society, Dharampura during 2017-18 to 2021-22

Years	Loan Advance during the year (in lakhs)	Loan Recovered (in lakhs)	Recovery (in percentage)	Overdue	Overdue (in percentage)
2017-18	5363000	5232000	97.56	131000	2.44
2018-19	6312000	6012000	65.25	300000	4.75
2019-20	7933000	7716000	97.67	217000	2.33
2020-21	7953000	7342000	92.32	611000	7.68
2021-22	7066000	6634000	93.89	432000	6.11

**Source:** Primary Agriculture Credit Society (PACS), Dharampura

**Fig 8:** Recovery performance of PACS, Dharampura

### Conclusion

PACS of Dharampura shows positive trend regarding disbursement of loan, total beneficiaries and membership during the period of investigation. It is observed that in PACS, Dharampura the number of total beneficiaries is less and non-beneficiaries are more. Total loan disbursed was 53.63 lakhs in the year 2018 which increases to over 70.66 lakhs in the year 2022. The Share Capital increased by 21.42 percent from the years 2018 to 2022. Total loan distribution increase by 31.75 percent from 2018 to 2022. It was observed here that from the year 2018 to 2022 the disbursement of short term loans has been maximum. The maximum paddy seed was distributed in the year 2019 at 1324.5 quintals. There has been an increase in the distribution of Mahamaya paddy variety. Maximum short term loans were disbursed to Schedule Castes Category. There has been an increase of 141.00 percent in the distribution of total urea fertilizer. Recovery percent of PACS, Dharampura keeps on increase over the year. But recovery percent of PACS, Dharampura was found to be satisfactory. Recovery of loan and limited area of operation are the major constrains in the working performance of PACS and regarding management part is concerned modern tools and techniques like e-banking etc. is lacking. Illiteracy of farmers also add up to the problem. Cooperative societies plays a vital role in ensuring smooth flow of credit but also helps in development of rural economy.

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