

Cooperative Farming in India: History, Features, Benefits, Limitations, Criticism and Solution

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Cooperative farming refers to an organization in which: Each member-farmer remains the owner of his land individually, but farming is done jointly and profit is distributed among the member-farmers in the ratio of land owned by them, wages distributed among the member-farmers according to number of days they worked.

Traditional farming system in India

In other words, Cooperative farming= pooling of land and practicing joint agriculture. Cooperative farming is not a new concept in India. Since ancient times, Indian farmers have been giving mutual aid to each other in weeding, harvesting etc. Examples

Traditional Cooperative Farming System	Region
Phad	Kolhapur
Gallashi	Andhra

Why Cooperative farming?

Because it gives following benefits/advantages/potential:

1. Economies of scale:
 - a. As the size of farm increases, the per hectare cost of using tube-well, tractor comes down.
 - b. Small farms=some land is wasted in forming the 'boundaries' among them. When they're combined into a big cooperative farm, we can also cultivate on that boundary land.
 - c. Overall, Large farms are economically more beneficial than small farms.



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

India towards Cooperative Farming

before independence	<ul style="list-style-type: none"> • Gandhi, Nehru, Socialists and Communists agreed that cooperative farming will improve Indian agriculture and benefit the poor.
Bombay Plan'44	<ul style="list-style-type: none"> • Cooperative farming is the only way to combat sub-marginal cultivation. • Government should compel small/marginal farmers to undertake cooperative farming.
Cooperative Planning Committee'45	<ol style="list-style-type: none"> 1. large scale cultivation is the only solution to increase agro-production permanently. 2. Suggested four types of cooperative farming societies viz. <ol style="list-style-type: none"> a. better farming b. tenant farming c. joint farming d. Collective farming society.
Economic Program committee'47	<p>headed by Nehru. Recommended that:</p> <ol style="list-style-type: none"> 1. All middlemen should be replaced by non-profit making agencies, such as cooperatives. 2. Pilot schemes for cooperative farming among small land holders in India. 3. We'll promote cooperative farming through persuasion, goodwill and agreement of the peasantry. 4. We'll not use any legal or administrative force/compulsion/coercion to make small farmers start cooperative farming.
Congress Agrarian Reforms Committee'49	<p>headed by Kumar Appa recommended that:</p> <ul style="list-style-type: none"> • Empower the state governments to enforce cooperative farming among peasants with uneconomic land holdings/extremely small farms. • Use intelligent propaganda/awareness campaigns to promote cooperative farming. <ul style="list-style-type: none"> • Give state aid/ subsidies to cooperative farms. • Specially trained cadre/officials to train and motivate farmers in cooperative farming. <p>So, this is the first time, someone suggested the State to use "Compulsion" to promote cooperatives.</p>

Cooperative Farming vs Five Year Plans

First Five Year Plan (1951-56): Apart from Cooperative farming, it also recommended 'Cooperative Village Management' as a more comprehensive solution for rural development. Encourage small and middle farmers to form cooperative farming societies. If majority of

farmers agreed to start cooperative farming, then decision will be binding on the entire village. But did not talk about giving enforcement powers to States. Result? ~2000 cooperative farming societies formed during the First Plan period.

Second Five Year Plan (1956-61): 1956: Indian delegations sent to China to study their cooperative farming. Recommended this system in to increase food grain production. Develop cooperative farming as soon as possible. Target: Setup at least one cooperative farm in every National Extension Block, or about 5000 for the whole country. Hoped to convert substantial proportion of Indian farms into cooperative farming by a period of ten years.

Nagpur resolution of Congress, 1959: Cooperative farming will be the at least future agrarian pattern of India. farmers will continue to retain their property rights but their land will be pooled for joint cultivation. Farmers will get a share in the profit, in proportion to their land. Further, those who actually work on the land, will get wages, in proportion of their work-contribution (irrespective of whether they own the land or not.) = in other words, cooperative farming will give employment to landless labourers also. In a way, this was a solution to the epic failure of land ceiling (because so far governments could not take over the surplus land from big farmers and redistribute it among landless laborers). Start cooperatives related to agro-credit, marketing, seeds-fertilizer etc. Finish this stage within 3 years. Then focus entirely on cooperative farming.

Epic fail of Nagpur resolution

After Nagpur resolution, many people inside and outside congress, opposed the idea.

who?	said what?
1. C. Rajagopalachari	• Cooperative farming would lead to forced collectivization on the Soviet or Chinese pattern.
2. N.G. Ranga	• Nehru is imposing a totalitarian, Communist programme upon the country.
3. Charan Singh	
Nehru (clarifies in Parliament)	we're not going to make any law/act to coerce anyone to start cooperative farming.

Later Chinese attack on Tibet and India. Critiques start pointing out how Nehru's policies are hurting India. Recall, earlier we sent delegations to China, to study their cooperative farming system. But now there is Anti-China mood in press and public. Hence, gradually Congress gives up the idea of cooperative farming.

Third Plan (1961-66): Observed that nearly 40% of the cooperative farms are not functioning properly. Advocated better implementation of community development program, credit societies, agri-marketing etc. for getting success in cooperative farming. Nearly 300 pilot projects in selected district. Each project having 10 cooperative societies. Overall, Third Five year plan tried to put a brave face, again reaffirming the government's faith in cooperative farming, but overall, wishful platitude not a plan of action.

Fourth Five Year Plan (1969-74): Observed that cooperative farming programs have not made any substantial progress. (therefore) It is not been possible to propose any additional programs for cooperative farming in this Plan. Instead, we should focus on development of agricultural credit, marketing, processing and consumer needs. In co-operative farming, funding priority only for revitalizing of the existing weak societies. But avoid setting up new cooperative farming societies, unless they have a potential for growth. So, overall, we can see that by early 70s, Planning commission's faith/interest in cooperative farming is vanishing.

Fifth Five Year Plan (1974-79): Made no mention of cooperative farming. It did allot some cash under the heading "Cooperation", but it was only meant for inter-farm co-operative service facilities e.g., seed-fertilizer-water supply, use of tractors/agro-machineries etc. After this era, five-year plans give more attention (and cash) to wasteland management, poverty removal etc. and cooperative farming loses its relevance.

Cooperative Farming: Limitations/Epic fail

Miscalculations and false hopes

Early planners and policymakers had hoped that

1. Village panchayat and (Congress) party workers will help implementing cooperative farming, but response was lukewarm.
2. Cooperative farming = government will have to spend less money on agriculture (+less leakage in subsidies). But the scenario didn't change.
- During 2nd FYP, the National Development Council proposed that in the next five years agricultural production be increased by 25-35% via cooperative farming. But most state government shied away from taking necessary initiatives.

Bogus farms and apathetic bureaucrats

by and large Cooperative farming societies fell into two categories:

Type-1: by big farmers = bogus farms

- They'd setup bogus cooperative farms by showing agri-laborer's/tenants as bogus members. But in reality none of them owned the land individually.
- this was done to evade land ceiling and tenancy reform laws.
- Adding insult to the injury: government even gave them subsidies for seeds, fertilizers etc.
- At times, non-working members had been enrolled in order to fulfil the minimum requirements of registration.
- Even in legit/genuine cooperative farming societies, the rich farmers dominate the management positions.
- Sometimes societies setup with members of just one or two families to get various subsidies/support.

Type-2: by State sponsorship= apathetic bureaucrats

- State sponsored cooperative farms as part of pilot projects under FYP.
- Government would allot land to the landless, SC/ST, Displaced persons etc.
- but they did not get adequate support from government agencies for irrigation, electricity, seeds-fertilizer, extension services etc.
- these farms were run like government-sponsored projects rather than genuine, motivated, joint efforts of the cultivators. Result? These experiments were unsuccessful. No gain in productivity.
- Later, those farmers started cultivating land individual (though on papers, the land continued to be owned by the 'cooperative societies'.)

Epic fail in Bihar:

- Cooperative farming societies were formed on Bhoodan land- for the landless labourers.
- But later, they started individual farming, although officially the land still continues to be in the name of the societies.

Free riders

- Some member-farmers become lazy, thinking why bother when we'll get the same amount of profit in proportion of the land owned. Just like those free-rider students in MBA/Engineering College who do not contribute anything for the power point projects yet get full credits/marks for being member of the group.
- This demotivated sincere farmers from working hard on such cooperative farms.
- + Entry of idiots with political patronage and caste affiliations entering in cooperative farming activities, with their own vested interests.
- Ultimately, nobody takes interest in the actual farming and entire project turns flop.

Overall, Cooperative farming didn't grow beyond the government projects and the bogus cooperatives.

Criticism in respect of co-operative farming in India

- Co-operative farming failed to make a frontal attack on the prevailing inequality in the economic structure as the traditional status distinction of land owners, landless labourers and sharecroppers are still being maintained.
- Mechanization of agriculture through co-operative farming will squeeze the scope of employment and is likely to make workers redundant in the rural areas.
- Co-operative farming is not the only method to raise agricultural productivity. There is the availability of better alternatives like adoption of HYV seeds, fertilisers, implements etc. for raising the productivity of agriculture.

Solution to these criticisms:

- The members of the cooperative society should be active & vigilant. Every member should exercise her/his rights & insists for transparency in operation, accountability of the executive members & fairness of activities.
- It is necessary to spread the movement as people's movement. People should not think it as a part of the govt or a department of the govt. People should own it and manage it. People should be educated and about the advantages of this mechanism.

Conclusion

The change in the coming decades as growing population, further fragmentation, land conversion will lead to lower productivity, shortage of labour and dwindling natural resources. These may put us back in the grip of a perennial food crisis. There is, therefore, a great responsibility on the farming community and the government alike to realize this future shock and take proactive steps to avoid such crises. Consolidation through cooperative farming is one such solution theme.