

B.A. Part IInd (Economics Honours)
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Co-Operative Farming in India

Meaning of Co-Operative Farming:

By the term 'Co-operative farming', we mean a kind of farming operations where agricultural practices were conducted by individuals on their own holdings jointly with certain common agencies formed on their behalf for the collection and purchase of agricultural inputs like seeds, fertilisers, equipment's etc. and also for the sale of their agricultural produce.

This is a kind of co-operative farming societies available in India. It refers to "Co-operative holding of the land with cultivation on individual holding as before. The individuals hold their plots of land on payment of rent to their own co-operative society."

But in real sense, Co-operative farming refers to farming practices where farming operations are conducted co-operatively. In this type of farming, small individual holdings are merged into a common unit and accordingly such farm is managed on co-operative basis.

In respect of co-operative joint farming, individuals retain their ownership of respective plots of land and distribute the income of the farm among the members on the basis of the size and value of the plot along with their other contributions.

In India, majority of the holdings are too small. About 76.4 per cent of the total holdings in India are below the size of 2 hectares and on these again 28.8 per cent of total operated area is engaged into these marginal and small holdings. Average area operated in the case of marginal farm is only 0.4 hectares and in case of small farm it is about 1.4 hectares only.

Cultivation in such a small holding is uneconomic and unprofitable. Under such a situation if these marginal and small holdings can be consolidated and if the small and marginal farmers pool their land, resources and other inputs and then start cultivating their land jointly by forming a co-operative, they can get the benefits of large scale farming. This type of farming is known as co-operative farming.

Features of Co-Operative Farming:

- (a) Joining of the farmers in this system is voluntary;
- (b) Farmers retain their right to land;
- (c) Farmers pool their land, livestock and other implements;
- (d) The entire farm is managed as a single unit and the management is elected by all the members; and
- (e) Each and every member earns a share of the total produce in accordance with their land contribution and labour performed.

Advantages of Co-Operative Farming:

- (i) Economies of Scale:

Co-operative farming can solve all the problems of small and uneconomic holdings. By pooling all the small and marginal farms, members of cooperative farming can reap all the benefits of large-scale farming. While purchasing agricultural inputs like seeds, fertilisers etc. the society can purchase in bulk quantity and thus it costs less. Big machineries like tractors, harvesting machines can now be purchased by the society and the agricultural operations can now be managed in 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.

(ii) Marketable Surplus:

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

(iii) Release of Workers:

Higher productivity in co-operative farming will pave the way for release of workers from agricultural to non-agricultural operations, whose scope expands considerably with economic progress.

(iv) Administrative Convenience:

Co-operative farming is advantageous for the government on administrative point of view so as to collect taxes, distributing subsidies and also for introducing improved methods of production.

(v) Creditworthiness:

Co-operative farming can attain higher creditworthiness as compared to that of individual farming as such large scale farming can attract greater amount of finance for its productive activities.

(vi) Social Arguments:

Co-operative framings are having some social and political arguments in its favour as it can inculcate the spirit of co-operation among the various members of the society. Moreover, co-operative farming can create mutual confidence, feeling of fraternity and friendship among the members and thus it facilitates collective thinking and collective action among the members of the society.

Thus, the very foundation of modern democracy depends on the very spirit of co-operation.

4. Criticisms of Co-Operative Farming:

Co-operative farming was very much popular at initial part of the economic planning in India. In order to develop co-operative farming various facilities and incentives in the form of financial assistance, technical assistance, subsidies, additional facilities to supply high yielding seeds, fertilisers and other inputs were advanced by the Government.

But the progress of co-operative farming was very much disappointing. It is also revealed that the co-operative farming is still being practiced as a convenient method to by-pass land reforms and thus it is helping the privileged classes to maintain status quo and also for getting better facilities in terms of grants and loans from government agencies.

The following are some of the important points of criticism in respect of co-operative farming in India:

(i) Inequality:

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 share croppers are still being maintained.

(ii) Improper Work Style:

Co-operative farming societies are following the work style of joint-stock farming and thus helping to develop capitalist farming in India. Co-operative farming in India has not favoured any redistribution of income in favour of landless cultivators.

(iii) Poor Support:

Indian bureaucracy has no faith and support in favour of co-operative farming, community developments etc.

(iv) Lack of Professional Skills:

The management of co-operative farming societies are lacking professional skills. There is absence of work culture in these societies. Moreover, lack of proper administration and corrupt practices have been eroding the confidence of the members towards co-operative farming.

(vi) Better Alternatives:

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.

(vii) Loss of Independence:

Under co-operative farming, farmers face loss of independence in their farming operation which the farmers find it difficult to accept. In June 1970, there were nearly 8,819 co-operative farming societies with a membership of about 2.4 lakh under working conditions.

Out of the total cultivators only 2 per cent cultivators joined the co-operative farming societies and were cultivating only 4.75 lakh hectares of land which was only 0.4 per cent of the total cultivated area.

Whatever progress that has been achieved by these co-operative farming societies that is also even breaking up gradually with the erosion of confidence of the members towards their society leading to reversion towards individual peasant farming. The failure of these earlier societies has also discouraged the other farmers who have a plan either to form new societies or to join the old societies.