ROLE OF CORPORATE CO-OPERATIVE FARMING IN GROWTH OF INDIAN ECONOMY

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ABSTRACT

Agriculture policies in India are being drafted and crafted and are under reform stage so as double the farmer income. There are lot many issues and problems to be addressed while reforming the policies. One of the major challenges being faced is marginal and small landholding posing the question of its viability. Contract farming and corporate farming are the initiatives taken by the government through APMC act and Model APMC act. Agriculture being state subject, laws is being amended by the different state governments to facilitate contract farming and corporate farming. Wastelands across India are being bought or leased in by big agribusiness houses at nominal lease for farming. This paper tries to find out challenges and opportunities for corporate farming over and above contract farming in India and evolve with theoretical framework.

KEYWORDS: Contract Farming, Co-operative Farming, Agriculture, Aggregation.

Introduction

In co-operative farming, farms are owned by several farmers who pool their resources voluntarily, work together and share the profit or produce while in collective farming, farms are owned by a productive cooperative union, based on social ownership of the means of production including land and labour. Collective farming is a summation of agronomist fatherland, livestock and husbandry things, retaining as private property enough only for the members' own requirements. The worth of the land is split up among it's associate. In combined tillage, agronomist keeps with them the possession of holdings. In this farmers pool their resources in certain areas of activity. The meaning is "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". Recently, there has been emergence of Farmers' Producer Companies (FPCs/ FPOs), in consideration with the Indian Companies Act, 2013. So, a group of farmers can form a company to jointly sell their produce and carry out allied activities under it. The Agricultural ministry has initiated programmes for awareness generation about the benefits of cooperative farming and FPCs. These developments being recent have yet to penetrate into day-to-day activities in rural India, but in some regions they have been enthusiastically adopted. Several factors impacted the farming under the cooperative system. The organization, in its structure, gave importance to local political heads to manage these societies, and cumbersome bureaucracy and its ill effects ruined the system. Corruption was at its peak and farmers' interests suffered heavily. The farmer had to manage his activities without any assistance from society. Inputs were purchased in bulk to help farmers draw small quantities but underweight and taking money under the table during short supply in the bazaar were rampant. Corporate farming is a term used to describe companies that own or influence farms and agricultural practices on a large scale. Aforementioned incorporates rarely communal possession of farmstead and vending of agrarian upshot, but even the part of the corporation in controlling agronomist's studies, experimentation, and nation's strategy via way finance capability. After Independence, Government supported cooperative farming concept, but this concept was not able to put any major impact on farming. Brief history of cooperative farming.

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First Five year Plan (1951-56)

- It focused on Cooperative Village Management as an answer.
- It helped to develop lower part of farmers who are poor as a growth of rural people.
- As a solution more than 2000 societies were made.

Second Five year Plan (1956-61)

- Indians endorsed cooperative farming to enlarge cereals producing.
- Tried to change the percentage of lands in cultivation to combined cultivation lands within ten
 vears.

Third Five year Plan (1961-66)

- In the third five year plan it is noticed that approximately 40 per cent of farms which are cooperative are not working in right way.
- Publically supported good application of good ways of growing societies program, loans community, agrarian helping hands and many more for developing.
- Main reckons 300 in handpicked areas. Each reckons have 10 communal communities.
- Universal, 3rd 5 annual scheme attempted to set a courageous phase, once more reasserted the administration's believe in communal agrarian.

Agriculture under the Annual Plan

- Correspondingly, 4th scheme was not instituted in 1966, April. Instead the government introduced the annual plans for the 3 years – 1966 to 1969. These yearly plans authenticated spending on agrarian came out Rs. crore 1624.
- The three years of the 'Plan Holiday' witnessed the adoption of the new agricultural strategy, which has come to be commonly known as green revolution, and is composed

Fourth Five year Plan (1969-74)

- This plan noticed that farming cooperative functions are not considerable.
- It was not happening for any more programmes for cooperative farming.
- This five year plan focused more on credit for agricultural and their marketing, and their processing was also need.

Fifth Five year Plan (1974-79)

- In this plan there was nothing related to cooperative farming.
- There was some cash allotted to "Cooperation" in this plan.

Sixth Five year Plan (1980-85)

• The sixth five year plan was started in extremely different circumstances as the year of 1979-80 witnessed a worse drought. It affected agricultural production adversely. However, the achievements of the plan were satisfactory.

Seventh Plan

 The outlay for agriculture and allied sector including forestry and wild was Rs. 10524 crores in seventh plan against Rs. 6440 crores in sixth five year plan period.

Eighth Plan

 Eighth plan envisages spending Rs. 22,647 crore on agricultural development. Special area programme, irrigation and flood control have been proposed in the draft of the plan.

Ninth Plan

The agricultural development strategy during ninth five year plan is based on the hunger free theme in ten years.

Tenth Plan

• Although the plan had set to attain a target of every year increment of around 4% in this area eventually failed in attaining it and attainted negative of 7.2 per cent.

Eleventh Plan

Inspite of the fact that agrarian areas of the nation have considerable prospective yet the rising
of the area is very slow. The biggest hindrance in front of 11th plan was to increase 100% of its
broadening previously achieved.

The importance of plans was lost after these plans.

The agrarian strategy go after the government can be splitted up in the following parts.

Variable Strategy	Before Green Revolt	Green Revolt	After Green Revolt	
Period	1950 to middle of 1960	Middle of 1960 to 1980	1980 to till now	
Property Possession Design	Exceptionally oblique percent 8 of the agronomist grasped percent 53 of the state.	No oblique, preferred coarse state less than ploughed state	Discussion on state policies, lucidity in state documents	
Plunge of the Policy	The plans execution of the quantum of the land act, main water predictions, scrapping of area licensee, certainty of cultivation	Focused at growing output, arranged the agronomist with investigation, merchandising insert contribution, and solvency	Enlarging grant in aid and helpers, decrease in general areas expenditure in agrarian by smallholder	

Review of Literature

(Dev. 2012) Author define the roles and challenges of small holding agriculture in India. It covers trends in agricultural growth, cultivation patterns, participation of small holding agriculture, productivity performance of small holders, linking small holders with markets including value chains, role of small holders in enhancing food security and employment generation, differential policies and institutional support for small holders and, challenges and future options for small holding agriculture including information needs. It also provides lessons from the experience of India on small holding agriculture for other countries. (Ashtankar, 2015) Indian economy is mainly agriculture based but deficiency of white collared proficiency, short small holders output because of old ways of farming, practicability problems with the agrarian pursuit, universal vying and many more are few of the difficulties accepted by the Indian agrarian areas. In inclusion to this collective husbandry, agreement of farming and many more generated many ups and downs and problems to agrarian specially miniature agrarian in nation. This developed much of people and finance hindrances for nation in common and miniature agrarian in specific. The communal have adopted pros in solving the hindrances. (J.Hegde, January 2013) The Cooperative movement in India is one of the largest movements in the world, with a legacy spanning over a century. The Cooperative movement was introduced in the country primarily to loose the agronomist from the hands of finance brokers. Thus the first Cooperative Credit Societies Act of 1904 was passed with a focus on freedom for farmers from debt burden. The thrust was to establish primary credit societies. Under the Government of India Act of 1935, Cooperatives were categorized under the provincial subject and the Multi-unit Cooperative Societies Act was enacted in 1942. Cooperative was taken as the State subject in the Constitution of India and it assumed greater importance for economic progress, after independence. (Arindham Bhaumik, April 2015) Revolution green and flood operation appeared as other ways to the old agro output merchandising ways - the previous showing the irreplaceable character of communal corporations and the hindmost shows pros of bond agro in nation. Writers put forward a conceptual examination of bond and communal agrarian pointing towards on their influence on nation agrarian merchandising. The writings restrain skimpy conversation about bond and communal agrarian also. (Singh, Nov 2006) this notepaper outlines instances of communal agrarian exercises and inspects the reasoning for authorizing communal agrarian in nation. It positions out the fact that is fragile and not helped by outside world for communal agrarian. It preferably proclaims for additional ways, such as union of owners land and bond agrarian. (Shehrawat, 2006) is trying to focus on the importance of development of small scale industries. It helps in increasing employments through agro-processing industries. Several entrepreneurship development programs have been started, but these programs are facing several problems. Study concluded, suggesting different area of entrepreneurial training programs, in field of Marketing, Financial and quality management. (T.M sridhara murthy, 2014) Explained about the large opportunities provided by the food processing industries

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primarily driven by a robust consumer demand, which is more informed and willing to try new product. However, the growth of food processing companies has been sub-optimal because of high cost, low level of productivity, high wastage and lack of competitiveness of Indian product in global market.

Objectives of the Study

The purpose of the work is:

- To study the success of corporate co-operative farming in India which is supported by public and private companies.
- To identify the major issues and problems faced by the corporate co-operative farming.
- To explore the factors influencing the farmers towards corporate farming in India.

Hypotheses

The hypotheses of the study are:

H₀₁: There is no increase in income because of corporate farming. **H**₀₂: There is no new types of crops are grown in contract farming.

Research Methodology

This simultaneous work is constructed on subordinate data. The data has been secured from the related articles, research papers, and reports periodic journals. This research is essentially aimed at reviewing corporate farming in India starting from its evolution to the challenges, role of government and factors driving the farmers towards corporate farming in India. Researchers have also considered the views/ opinions expressed and experiences shared by the experts in the subject area under consideration.

Corporate Farming Cases in India

S.No.	Corporation	Zone	Vastness & Motive		
1	IEEFL, Pune (Necessary support of the Ion Trade India Constructed 1995)	Fruit sapling. Goa, Tamil Nadu & Maharashtra	4 plantations in Tamil Nadu, with total of 12 plantations. 650 acres – Tamil Nadu, 750 acres – Maharashtra, 100 acres – Goa. Every plantation is in a safe area in every sovereign state. Father land cost Rs. 25000 to Rs. 30000 per acre. On condition provided by CIS are 80 to 20 portion of dividend from estate, at the moment between markets overseas of fruits, with 80 percent to the stockholders after all spending. Contributors in CIS are 800. There is authorized accord with stockholder which is prolonged each five years. The corporation is just handling the grange on support of the possessors.		
2	Jamnagar Farms Private Limited- an ancillary of Reliance Industries	Punjab & Gujarat; agro ecology and floriculture	Acres 7500 of plantation, 450 acres holded by Mango. The plantation was at first established as ecofriendly way. At the moment, it is existed as a money making business. The corporation has infused Rs. 10 crore on the plantation in the previous three to four years. The reckon are anticipated to take 7 years to arrive at no profit no loss scenario. Either of the plantation that is, acres 150 is on a year 30 lengthy contract.		
3	Ambani Group Anil Dhirubhai (Reliance)	Fruits & Vegetables of Punjab	Bought in reference 3500 acres of state agronomist. Here, decree be a cross functional Special Economic Zone which have different section.		
4	SYP Agro, Ahmedabad	Onions and further flavoring & vegetables of Gujarat	Export		
5	Agri Gold Hyderabad	A.P.	Export		
6	Grassland recent	Garden recent harvest	Obtained shore- acres 300 via Punjab administration. The main focal point is crop. The holding incorporates – acres 42. Fully grassland recent are HACCP and BRC. The rented part is acres 4000. The reckon declares, minute rentee small holder means of living have ameliorated. Previos time rented bby Rajtech is acres 200 through land holders 17. The corporation acquires payback of percent 17.		

7	Agriculture Private Limited – New Delhi - Satluj	Legume - Punjab	Rented holding – at the rate per acre is Rs. 17,000 for 2.5 long times. Owner to come up with all appliances, minimal acres 25 escorted by water well – 10 attached in 1 location. Employment reward as per day is Rs. 85 for all whether male or female, it does not include benefaction of provident fund. It has operating time of 9 hours.
8	Punjab - Board for Citrus & Cultivated Juicing	Fruits - Punjab	Contract holding for years 12 at the rate of Rs. 8000 till Rs. 12,000 not so much as 2 ways: enlarging rate each years 3 – percent 20 or enlarge for years 6 and after that division is half-half. Minimal needed acres 10.
9	Amritsar – NIIJER	Fruits and Vegetables - Punjab	Rented farm includes acres 4000.

Data Analysis and Interpretation

Announcement	Objectives		
Rs. 1 Lakh Crores Agri Infrastructure	Financing will be provided for funding agriculture infrastructure		
Fund	projects at farm-gate & at aggregation points and for financially		
	viable post- harvest management infrastructure.		
Rs. 10,000 Crores scheme for	Aiding 2 Lakh MFE's who need technical upgradation to attain		
formalization of Micro Food Enterprises (MFE)	FSSAI food standards, build brands and support marketing.		
From 'TOP' to TOTAL	"Operation Greens" run by Ministry of Food Processing Industry		
	(MOFPI) to be extended from tomatoes, onion and potatoes to ALL fruit and vegetables.		
Reforms in Essential Commodities Act,	These legislative reforms seek to remove agricultural		
Agriculture Marketing and Agriculture	commodities such as cereals, pulses, oilseeds etc. from the list		
Produce Pricing and Quality Assurance	of essential commodities and aim to reform agricultural		
	marketing.		
PM Garib Kalyan Ann Yojana	The scheme aimed at ensuring food and nutritional security to		
	around 80 crores ration card holders who were affected due to		
	the COVID – 19 induced national lockdown.		
One Nation One Ration Card Scheme	This scheme will enable migrant workers and their family		
	members to access PDS benefits from any fair price shop in the		
	country.		

Source: Economic Survey 2020-21

Table 1: Division of Farming and Related Areas in Overall GVA at Ongoing Cost

Items	2014-15	2015-16	2016-17*	Year 2017-18#	2018-19@	2019-20**
Division of GVA of Farming & Related Areas in GVA of Overall Wealth (%)	18.2	17.7	18.0	18.0	17.1	17.8
Division of Produce	11.2	10.6	10.6	10.4	9.4	NA
Division of Farm Animals	4.4	4.6	4.8	5.1	5.1	NA
Division of Forest Management	1.5	1.5	1.5	1.4	1.3	NA
Division of Hydroponics	1.0	1.1	1.1	1.2	1.2	NA

Source: Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW).

Note:**As per the Provisional Estimates of Annual National Income 2019-20 released by CSO on 29th May 2020

NA- Data not available.

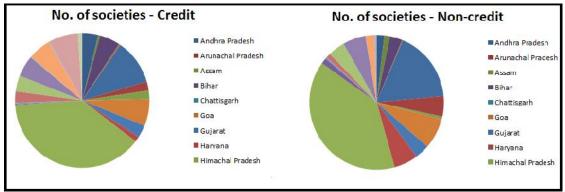
As per the provisional estimates of national income released by CSO on 29th May, 2020, the division of cultivation and related areas in GVA of the nation at present cost is 17.8 % for the 2019-20. GVA of farming and related areas and its division in overall GVA of the nation during the last six years at current prices is as given Table 1. The division of farming and related areas in GVA of the nation has decreased from 18.2% to 17.8% from 2014-15 to 2019-20, an inevitable outcome of a development process in which the relative performance of non-agricultural sectors becomes more dominant. Within the agriculture sector. The decreased in the division of crops has been made up by an increase in the share of animal husbandry and hydroponics.

11.2 10.6 10.6 10.4 94 10 8 6 4.4 4.6 4.8 5.1 5.1 4 1 1.1 1.1 1.2 1.2 1.5 1.5 1.5 1.4 1.3 2 0 Produce Farm Animals Forest Management Hydroponics aquaculture ■2014-15 ■2015-16 ■2016-17* ■2017-18# ■2018-19@

Figure 1: Division of Farming and Related Areas in Overall GVA at Ongoing Cost (%)*

Source: Created from the data in Table 1.

*All the symbols attached with the years in the graph denote the same as indicated in Table 1.



Source: Jagran Josh

Co-Operative farming Advantages

• Economies of Scale

Cooperative farming helps to divide workload and also allows for a higher frequency of on of time shared loading, by having multiple owner/ operators on the project with the same level of farming/management ability it can allow for a rotation schedule in which farmers/ operators can have more of time since other members in the team can take over.

• Marketable Surplus

Cooperative farming helps in selling in more and it also helps in receiving better prices for their raw materials.

Release of Workers

Higher productivity in co-operative cultivation will open the doors for announcing of employee from agrorian to non agrarian functioning.

Administrative Convenience

Co-operative farming is advantageous for the government on administrative point of view so as to accumulate tariff, dispersal of grants and also for inauguration of better ways of output.

Credit Worthiness

Co-operative farming can attain higher credit worthiness as contrast to that of separate agrarian like huge agrarians can charm great quantity of money for its output activities.

Social Arguments

Communal agriculture are having few collective and ministerial disagreement on its side. Communal agriculture 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.

Conclusion

The problem of unavailability of marginalized landholding in India can be eradicated by aggregation of land through the ecosystem of corporate farming so as to enhance the efficiency and effectiveness of the agriculture resources and inputs through use of technology and expertise to produce high grade agriculture output consistently in higher volumes to support the sponsoring agribusiness enterprise and for enhanced returns for the smallholders. However, communal agriculture is an approach that contributes for increased income as well as higher profitability for sponsors. To some extent contract agriculture helps in growing new types of crops as agreement cultivation unfastens up to the minute areas who else be inaccessible to little agronomist.

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