

## Evaluating the performance of Co-operatives Societies in Jammu division of Jammu and Kashmir

Anil Bhat\*, Shelleka Gupta, Jyoti Kachroo and Dalip Raina

Division of Agricultural Economics and ABM, Sher-e-Kashmir University of Agricultural Sciences and Technology of Jammu (J&K) India

\*Correspondence author: drbhatanil@gmail.com

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### ABSTRACT

Co-operatives play active role in the provision of basic amenities and social services to boost the life of rural populace. In general co-operative societies are an appropriate avenue for rural development. Cooperative societies are much more important for the farmers of Jammu also. The number of cooperative societies in Jammu division increases from 597 in the year 1996-97 to 832 in the year 2012-13 with a membership of 2.42 lakhs in 2012-13. As far as the number of primary agricultural credit societies is concerned it increases from 366 in 1996-97 to 372 in 2012-13 which no doubt shows an increasing trend but of 1.64 per cent only. Amount of loans advanced from the agricultural credit societies to farmer increases from ₹ 1017.80 lakhs in 2002-03 to ₹ 1109.10 lakhs in 2009-10 with a frequent variation during the period. The number of cooperative marketing societies does not show much increase in the number but membership increases from 0.11 lakhs during the year 1996-97 to 0.14 lakhs during the year 2012-13. Maximum percentage change in marketing societies in owned funds with respect to previous year is observed in the year 2003-04. The working capital was found to be maximum (₹ 2226.30 lakhs) in 1996-97 but after that there was a sharp decline in it and it decreases to ₹ 533.23 lakhs in 2002-03. Fruit growers cooperative marketing societies are also functional in Jammu and numbers are increasing with the passage of time. Therefore the performance of cooperative societies is supposed to be evaluate and moreover these has shown not best but also not bad performance in the growth and development.

**Keywords:** Jammu, membership, cooperative societies, growth, development

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India has witnessed a large thrift cooperative movement which at one time was one of the strongest in the world. The Indian cooperative sector was born during the later part of the British rule, as a Government initiative to address the twin issues of farmers' indebtedness and poverty. Today its network consists of millions of members that are present in all spheres of rural India and has been recognised as one of the vital components of the nation's life.

Research studies conducted in the sector have highlighted their importance in bringing about a transition in the economic and social life of India. The studies of Bhavsar (2012), Chopra, N. (2012), and Das *et al.* (2006), have put forward that cooperatives have

immense potential to deliver goods and services in areas where both the state and the private sector have failed. The research of Chikaire *et al.* (2011) further stressed that co-operatives play active role in the provision of basic amenities and social services to boost the life of rural populace. They also opine that in general co-operative societies are an appropriate avenue for rural development. Further they opine that effectively managed co-operative will succeed where other bodies/strategies failed in rural development.

In context with this, the research paper of Shylendra (2011) has pointed out that although the formal cooperatives are existing for more than a century in India, but the challenge of meeting the credit

needs of the poor and other weaker sections by the cooperatives has been a major debating issue since their emergence. The author has further highlighted that by linking cooperatives with the phenomenon of microfinance, the country can tap its potential for overcoming the challenges involved in reaching out to the poor. Thus cooperatives if managed successfully can become a prominent tool for financial inclusion.

Furthermore, the study conducted by Sundar and Asokan (2004) on the performance of cooperatives in financing SHGs found that there are wide variations in the performance of cooperatives under SBLP. The southern states have covered bulk of the SHGs both in terms of number and disbursement, though certain states in other regions have shown relatively better performance. This study indicates the presence of variation in the performance of the cooperatives in different states of the country; therefore the present research study attempts to assess the performance of the cooperatives in Jammu division of the J&K state.

### Objectives of the study

1. To assess the performance of cooperatives of Jammu division in terms of its membership, owned funds, working capital and loan advances.
2. To evaluate the performance of primary agricultural society, cooperatives marketing societies and fruit grower's cooperative marketing societies of Jammu division in terms of its membership, owned funds, working capital and loan advances.
3. To give appropriate suggestions to the cooperatives for improving the performance.

### Methodology

For the analysis of performance and growth of cooperative societies with special reference to agricultural cooperative societies, secondary data is used. The data is collected from various published sources of Govt. of Jammu and Kashmir such as Digest of Statistics 2013-14, Economic Survey of J&K 2013-14 etc. The data for 17 years from 1996-97 to 2012-13 is collected except in case of loans advanced/

overdue in which data for 12 years from 2001-02 to 2012-13 is collected. On the basis of data collected, performance is evaluated in terms of membership, owned funds, working capital, loans advanced etc.

### RESULTS AND DISCUSSION

Table 1 shows growth of cooperative societies in Jammu division during the period 1996-97 to 2012-13. The number of cooperative societies increases from 597 in the year 1996-97 to 832 in the year 2012-13 with a positive growth in almost all the years except in 1997-98, 2003-04 and 2010-11. As far as membership is concerned, it also increases from 2.29 lakhs to 2.42 lakhs during the period with a maximum number of members i.e., 2.94 lakhs in 2002-03 and 2003-04. The number of societies increases from 2001-02 to 2012-13 but membership shows a declining trends during the same period which is a matter of great concern. During the period a tremendous growth regarding owned funds is observed. It increases from ₹ 193.78 lakhs to ₹ 976.05 lakhs from 1996-97 to 2012-13 with a maximum percentage change of 22.70 in 1997-98. The table further revealed that working capital also increases from ₹ 3168.03 lakhs to ₹ 6869.67 lakhs during the same period but a tremendous increase from ₹ 3978.14 lakhs to ₹ 6869.67 lakhs is observed in the year 2010-11 to 2011-12 with a percentage change of 72.69.

The Table 2 indicates the growth of PACs in terms of number of societies and membership of members. The number of primary agricultural credit societies increased from 366 in 1996-97 to 372 in 2012-13 which no doubt shows an increasing trend but of 1.64 per cent only. Maximum numbers of PACs (374) were found in 2007-08 with the highest percentage change of 2.19 in number of societies with respect to 1996-97. The table also revealed that no change was observed during the year 2005-06 to 2006-07 whereas there was a decline in number of societies during the year 2000-01 and 2008-09. As far as membership is concerned, it is increased from 1.83 lakhs during the year 1996-97 to 1.88 lakhs during the year 2012-13 with a percentage change of 2.73 per cent. Maximum number of member has increased to 1.94 lakhs in 2010-11 and 2011-12. It is also observed that the membership has

**Table 1:** Growth of cooperative societies in Jammu division during the year 1996-97 to 2012-13

Sl. No.	Year	Societies (No)	%age change in no. of societies w.r.t previous year	Membership (Lac. No)	%age change in no. of members w.r.t to previous year	Owned funds (₹ in lacs)	%age change in owned funds w.r.t previous year	Working capital (₹ in lacs)	%age change in working capital w.r.t previous year
1	1996-97	637	—	2.29	—	193.78	—	3168.93	—
2	1997-98	597	-6.28	2.39	4.37	431.55	122.70	3505.74	10.63
3	1998-99	602	0.84	2.37	-0.84	446.53	3.47	3449.61	-1.60
4	1999-00	629	4.49	2.17	-8.44	446.73	0.04	3449.81	0.01
5	2000-01	629	0.00	2.21	1.84	528.91	18.40	3325.63	-3.60
6	2001-02	630	0.16	2.94	33.03	405.77	-23.28	3501.43	5.29
7	2002-03	630	0.00	2.94	0.00	405.77	0.00	3501.43	0.00
8	2003-04	627	-0.48	2.19	-25.51	430.26	6.04	4673.13	33.46
9	2004-05	665	6.06	2.2	0.46	536.42	24.67	4869.17	4.20
10	2005-06	691	3.91	2.19	-0.45	608.89	13.51	6133.37	25.96
11	2006-07	719	4.05	2.33	6.39	578.9	-4.93	5443.61	-11.25
12	2007-08	791	10.01	2.52	8.15	722.44	24.80	4834.46	-11.19
13	2008-09	797	0.76	2.44	-3.17	798.69	10.55	4088.51	-15.43
14	2009-10	812	1.88	2.46	0.82	616.73	-22.78	3824.21	-6.46
15	2010-11	808	-0.49	2.45	-0.41	759.92	23.22	3978.14	4.03
16	2011-12	818	1.24	2.45	0.00	935.27	23.07	6869.67	72.69
17	2012-13	832	1.71	2.42	-1.22	976.05	4.36	6869.67	0.00
%age change in no. of societies from 1996-1997 to 2012-13			30.61	%age change in no. of members from 1996-1997 to 2012-13	5.68	%age change in owned funds from 1996-1997 to 2012-13	403.69	%age change in working capital from 1996-1997 to 2012-13	116.78

Source: Regional Digest of Statistics 2012-13, Jammu.

decreased from 1996-97 onwards till 2003-04 with slight increment in 1999-00.

Information regarding owned funds and working capital is depicted in Table 3. During the period 1996-97 to 2012-13 owned funds has increased from ₹ 314.28 lakhs to ₹ 429.01 lakhs with a percentage change of 36.51 per cent. About the working capital there was significant progress found during the period with percent growth of 15.37.

Table 4 is depicting the figures in rupees regarding amount of loans advanced, due and overdue as per the years. Amount of loans advanced from the agricultural credit societies to farmer increases from ₹ 1017.80 lakhs in 2002-03 to ₹ 1109.10 lakhs in 2009-10 with a frequent variation during the period. The

table further revealed that maximum amount of ₹ 13668.98 lakhs was advanced during the year 2001-02 followed by ₹ 7349.60 lakhs in the year 2005-06. The amount of loans due (₹ 5645.69 lakhs and ₹ 19789.65 lakhs) and overdue (₹ 4168.38 lakhs and ₹ 4940.26) during these years was also high. Now the difference has decreased. Total due has always remained greater than the total overdue during the period except in the year 2010-11 where total due is lesser than the total overdue with the value of ₹ 1304.71 lakhs and ₹ 1406.24 lakhs, respectively.

The Table 5 is indicating the status and growth of cooperative marketing societies during the period 1996-97 to 2012-13. The number of societies does not show any much increase in the number of societies. It is observed that only 49 societies were existing in

**Table 2:** Number of primary agricultural credit societies in Jammu division during the year 1996-97 to 2012-13

Sl. No.	Year	Societies (No.)	%age change in no. of societies w.r.t previous year	Membership (Lac. No)	%age change in no. of members w.r.t previous year
1	1996-97	366	—	1.83	—
2	1997-98	368	0.546	1.76	-3.83
3	1998-99	369	0.272	1.76	0.00
4	1999-00	386	4.607	1.79	1.70
5	2000-01	369	-4.404	1.75	-2.23
6	2001-02	369	0.000	1.77	1.14
7	2002-03	369	0.000	1.77	0.00
8	2003-04	369	0.000	1.74	-1.69
9	2004-05	370	0.271	1.77	1.72
10	2005-06	370	0.000	1.84	3.95
11	2006-07	370	0.000	1.88	2.17
12	2007-08	374	1.081	1.93	2.66
13	2008-09	370	-1.070	1.84	-4.66
14	2009-10	372	0.541	1.93	4.89
15	2010-11	372	0.000	1.94	0.52
16	2011-12	372	0.000	1.94	0.00
17	2012-13	372	0.000	1.88	-3.09
%age change in number of societies from 1996-97 to 2012-13			1.64	%age change in membership from 1996-1997 to 2012-13	2.73

Source: Regional Digest of Statistics 2012-13, Jammu

**Table 3:** Information regarding owned funds and working capital in primary agricultural credit societies

Sl. No.	Year	Owned funds (₹ Lac)	%age change in owned funds w.r.t previous year	Working capital (₹ Lac)	%age change in owned funds w.r.t previous year
1	1996-97	314.28	0	2206.1	0
2	1997-98	326.92	4.02	2413.17	9.39
3	1998-99	333.72	2.08	2083.53	-13.66
4	1999-00	375.81	12.61	2145.9	2.99
5	2000-01	316.89	-15.68	2045.46	-4.68
6	2001-02	298.85	-5.69	2075.15	1.45
7	2002-03	298.85	0.00	2075.15	0.00
8	2003-04	259.31	-13.23	2095.09	0.96
9	2004-05	332.14	28.09	2335.38	11.47
10	2005-06	371.96	11.99	2661.15	13.95
11	2006-07	344.31	-7.43	2450.6	-7.91
12	2007-08	424.14	23.19	2325.01	-5.12
13	2008-09	403.4	-4.89	2157.45	-7.21
14	2009-10	433.05	7.35	2233.61	3.53
15	2010-11	449.43	3.78	2306.49	3.26
16	2011-12	474.33	5.54	2485.91	7.78
17	2012-13	429.01	-9.55	2545.26	2.39
%age change in owned funds from 1996-97 to 2012-13			36.51	%age change in working capital from 1996-1997 to 2012-13	15.37

Source: Regional Digest of Statistics 2012-13, Jammu.

**Table 4:** Information regarding to the loan advanced and loans overdue of Agricultural Credit Societies (₹ in lakhs)

Sl. No.	Year	Loans Advanced	Percentage change in loans advanced w.r.t previous year	Amount Due	Percentage change in amount due w.r.t previous year	Amount Overdue	Percentage change in amount overdue w.r.t previous year
1	2001-02	13668.98	—	5645.69	—	4168.38	—
2	2002-03	1017.80	-92.55	2057.46	-63.56	1449.66	-65.22
3	2003-04	733.04	-27.98	4174.54	102.90	3679.62	153.83
4	2004-05	609.28	-16.88	1627.62	-61.01	1181.61	-67.89
5	2005-06	7349.60	1106.27	19789.65	1115.86	4940.26	318.10
6	2006-07	676.68	-90.79	1828.28	-90.76	1141.83	-76.89
7	2007-08	692.41	2.32	1989.14	8.80	1385.97	21.38
8	2008-09	588.72	-14.98	1421.18	-28.55	1065.95	-23.09
9	2009-10	783.53	33.09	1551.72	9.19	1070.25	0.40
10	2010-11	839.58	7.15	1304.71	-15.92	1406.241	31.39
11	2011-12	897.54	6.90	1666.94	27.76	1137.393	-19.12
12	2012-13	1109.10	23.57	1836.67	10.18	1292.123	13.60

Source: Regional Digest of Statistics 2012-13, Jammu.

**Table 5:** Status of Cooperative Marketing Societies in Jammu division during the year 1996-97 to 2012-13

Sl. No.	Year	Societies (No.)	Membership (Lac. No.)	Percentage change in membership w.r.t previous year	Owned funds (₹ Lac)	Percentage change in owned funds w.r.t previous year	Working Capital (₹ Lac)	Percentage change in working capital w.r.t previous year
1	1996-97	49	0.11	22.22	89.40	-34.51	2226.30	60.73
2	1997-98	49	0.10	-9.09	114.39	27.95	980.29	-55.97
3	1998-99	49	0.12	20.00	79.29	-30.68	672.94	-31.35
4	1999-00	49	0.12	0.00	99.95	26.06	535.02	-20.50
5	2000-01	49	0.12	0.00	90.62	-9.33	1495.57	179.54
6	2001-02	49	0.14	16.67	74.01	-18.33	533.23	-64.35
7	2002-03	49	0.14	0.00	74.01	0.00	533.23	0.00
8	2003-04	49	0.13	-7.14	233.61	215.65	1000.08	87.55
9	2004-05	49	0.13	0.00	256.88	9.96	973.76	-2.63
10	2005-06	49	0.09	-30.77	163.23	-36.46	1706.53	75.25
11	2006-07	49	0.06	-38.89	144.01	-11.77	903.58	-47.05
12	2007-08	50	0.05	-14.91	193.09	34.08	771.34	-14.64
13	2008-09	50	0.46	873.72	237.15	22.82	765.34	-0.78
14	2009-10	50	0.045	-90.04	162.19	-31.61	1702.91	122.50
15	2010-11	50	0.023	-48.98	167.1	3.03	1728.77	1.52
16	2011-12	50	0.14	508.07	175.56	5.06	877.89	-49.22
17	2012-13	50	0.14	0.02	180.50	2.81	931.52	6.11

Source: Regional Digest of Statistics 2012-13, Jammu.

**Table 6:** Information regarding fruit growers cooperative marketing societies in Jammu division during the period 1996-97 to 2012-13

Sl. No.	Year	Societies (No.)	Membership (cumulative) (No.)	Percentage change in membership w.r.t previous years	Fruit Marketed (Lac. tonnes)	Percentage change in fruit marketed w.r.t previous years
1	1996-97	62	3871	—	0.032	0.00
2	1997-98	65	4006	3.49	NA	-100.00
3	1998-99	65	4006	0.00	NA	0.00
4	1999-00	77	4099	2.32	0.04	0.00
5	2000-01	76	4376	6.76	0.052	30.00
6	2001-02	76	4497	2.77	0.012	-76.92
7	2002-03	76	4552	1.22	0.058	383.33
8	2003-04	76	4639	1.91	0.624	975.86
9	2004-05	76	4675	0.78	0.045	-92.79
10	2005-06	76	4675	0.00	NA	-100.00
11	2006-07	76	4689	0.30	0.069	0.00
12	2007-08	78	4707	0.38	0.147	113.04
13	2008-09	78	4720	0.28	0.309	110.20
14	2009-10	79	4740	0.42	0.117	-62.14
15	2010-11	79	4740	0.00	0.179	52.99
16	2011-12	79	4740	0.00	0.099	-44.69
17	2012-13	79	4740	0.00	0.302	205.05

*Source: Regional Digest of Statistics 2012-13, Jammu*

1996-97 and currently it is 50. As far as membership is concerned, it increases from 0.11 lakhs during the year 1996-97 to 0.14 lakhs during the year 2012-13 with a number of variations occurred in the same period. Though the members were also at its maximum in the year 2001-02 and 2002-03 but after that there was a sharp decline in it. Maximum percentage change of 508.07 is observed in the year 2011-12 with respect to 2010-11. During the period 1996-97 to 2012-13 owned funds has increased from ₹ 89.40 lakhs to ₹ 180.50 lakhs with a maximum of ₹ 256.88 lakhs in the year 2004-05. Maximum percentage change of 215.65 in owned funds with respect to previous year is observed in the year 2003-04. The working capital was found to be maximum (₹ 2226.30 lakhs) in 1996-97 but after that there was a sharp decline in it and it decreases to ₹ 533.23 lakhs in 2002-03.

The Table 6 is indicating Information regarding fruit growers cooperative marketing societies in Jammu division during the period 1996-97 to 2012-13. The number of societies increases from 62 in the year

1996-97 to 79 in the year 2012-13. The table shows cumulative membership of fruit growers cooperative marketing societies which is a good sign of regular increase in number of members. But the matter of concern is that for the last four years not even a single member has joined the society. The table further revealed that the fruit marketed by the societies has shown tremendous growth of 205.05 per cent in 2012-13 with respect to 2011-12. The quantity marketed has increased from 0.032 lakh tones in 1996-97 to 0.302 lakh tones in 2012-13.

## CONCLUSION

Cooperative societies in Jammu division are working to their best. No doubt there is negative direction also but the total numbers of societies and members are increased during the study period. Owned funds and working capital has also shown increasing trend during the same period. As far as primary agricultural credit societies is concerned, the number and members are increasing but not to the extent as



in overall cooperative societies. Growth in percentage change is low as compared to all cooperative societies. It is 1.64 and 2.73, respectively for PACs as compared to 30.61 and 5.68, respectively in case of all cooperative societies. Therefore it is to be taken into consideration as it is not significant growth. But farmers are showing their positive attitude about the primary agricultural credit societies. Total owned funds and working capital also increased during the period which is good sign for the success of these societies.

About the loans advanced and amount due the values are fluctuating but are low when we compare them to 2001-02 which means farmers are repaying the loans. Though the farmers are repaying their loans but the overdue has not shown much decline. Fruit growers cooperative marketing societies are also developing and are getting popularity in the fruit growers which is clear from the fact of increase in number of societies and membership also.

Finally it is suggested that the cooperative societies especially primary agricultural credit societies be given due consideration in Jammu division by reviving them. Government can also think on forming more number of Self help group and link those with cooperative societies for fruitful result.

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