RURAL DEVELOPMENT
THROUGH COOPERATIVES IN MEGHALAYA

A CASE STUDY OF THE ROLE OF
THE MEGHALAYA COOPERATIVE APEX BANK LTD.

CHAPTER - VI

DEVELOPMENT AND ROLE OF
COOPERATIVES IN MEGHALAYA
DISTRICTS OF MEGHALAYA

1. WEST GARO HILLS
2. EAST GARO HILLS
3. SOUTH GARO HILLS
4. WEST KHASI HILLS
5. RI-BHOI
6. EAST KHASI HILLS
7. JAINTA HILLS
CHAPTER - VI
DEVELOPMENT AND ROLE OF COOPERATIVES IN MEGHALAYA

"Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others." ICA Declaration 1995.

Prime Minister: Smt. Indira Gandhi, on her way to declare the Statehood of Meghalaya on 21st Jan' 1972

INTRODUCTION

Meghalaya 'the abode of clouds' became an Autonomous State on 2nd April 1970 and it attained full-fledged
Statehood on 21 January 1972. The State of Meghalaya initially consisted of two Districts namely United Khasi and Jaintia and the Garo Hills and it is bounded on the North and East by Assam and on the South and West by Bangladesh. Meghalaya lies between 20°01' N 26°05' N latitude and 85°49'E and 92°52'E longitude. Meghalaya has a total geographical area of about 22,429 sq. kms carved out from the then undivided State of Assam. The population of the State is 23,57,510 with a household of 4,20,246 as per 2001 census. The State is divided into seven administrative districts and has 5780 villages, which are predominantly inhabited by three distinct tribal communities namely, Khasis, Jaintias and Garos. These tribes are identifiable with their habitation pattern. The Khasis are concentrated in the Khasi Hills area comprising administrative units of East Khasi Hills District, Ri-Bhoi District and West Khasi Hills District. Similarly, the Garo tribe is concentrated in the Garo Hills consisting of East Garo Hills District, West Garo Hills District and South Garo Hills District. The Jaintia tribe inhabits the compact district of Jaintia Hills. The tribals in the State are governed by their traditional authorities and institutions such as Syiemship, Sardarship, Doloishop, Nokmaship, Chiefship, etc. parallel to the formal revenue and political administration.
The Capital of Meghalaya is Shillong, which is also the headquarters of the East Khasi Hills District, and it is situated at an altitude of about 1500 meters above the sea level. Shillong was the seat of British Administration over a century ago and it is also the headquarters of North East Council, the Eastern Air Command, the Assam Rifles, the Assam Regiment Centre and 101 Command Zone, the North Eastern Hill University and the official residence of the Governor of Meghalaya.

Meghalaya is essentially a hilly State and is endowed with the bounty of natural wealth, lush green forests, fertile soil, precious mineral resources, conductive climatic condition, etc. and it stands as a unique and most beautiful State among the Seven Sisters of the North Eastern India and is aptly called the "Scotland of the East'. The State, which receives an annual rainfall of 1200 mm, has the unique distinction of receiving the highest rainfall (average 2200mm) in the world in a place called Cherrapunjee (Sohra) in East Khasi Hills District.

In Meghalaya, about 11% of its land area is under cultivation and over 80% of its population live in rural areas (about 18.53 lakhs) against the state's population of 23.58 lakhs and depend on agriculture directly and indirectly for their livelihood. The agricultural produces form 30% of the Net
Domestic Product: Due to terrained pattern of land holdings, people in the State like all other States in the region extensively practice Jhum or Shifting cultivation and most of its agricultural activities are carried on in traditional methods. Average fertilizer consumption in the state was 15 kg per hectar as against All India average of 75 kg during the year 1999-2000. Low fertilizer consumption is one of the reasons for low productivity of agriculture in Meghalaya and these weaknesses can be converted into a great strength by encouraging organic cultivation and organic food production for which there is a tremendous demand inside and out side the country particularly in international market.

Meghalaya has abundant horticultural crops, such as Oranges, Pineapples, Lemons, Banana, Litchi, Jackfruits, Plums, Peaches, Guava, etc. Processing Units can be set up for development of soft drink, jelly, sauce, pickles and various other value added processed products for which markets are readily available locally and in the North Eastern states. With the increase in production, gradually market can be extended to other States and even abroad.

Meghalaya is found to be suitable for Tea cultivation on the basis of successful experimentation conducted in three locations i.e. Riangdo (West Khasi Hills), Umsning (erstwhile East Khasi...
Hills now Ri-Bhoi District) and Rongram (West Garo Hills District) by the State department. Farmers may be encouraged to go in for cultivation of such plantation crops and bring more land under cultivation of tea in a phased manner for deriving better economic benefits. This will help win over the farmers from practicing shifting cultivation and uneconomic traditional agricultural activities. Besides, soil erosion will be reduced to a great extent. Tea cultivation being a non-traditional activity in Meghalaya, farmers will find it advantageous in numerous ways if this activity is undertaken under the Cooperative Umbrella.

Cashews are grown extensively in different parts of Garo Hills Districts. Processing Units on cashew products can be established on a large scale in Garo Hills and such processed products will have wide market in the country and the abroad.

Almost every rural household in the state has a piggery unit and the Meghalayans are said to be the expert pig rearers. Pig farming can be developed through improved breeding and modern techniques. This will improve the quality of pigs and increase production. As majority of local people are pork eater, processing units can be set up in different parts of the State for providing processed meats, sauces, etc. to the consuming public. Such processed products will have ready market in the State and most areas of N.E. Region.
Cattle breeding and Dairy are other activities if taken up on scientific lines, can bring enormous prosperity to the people of Meghalaya by offering employments and profitable economic activities.

Poultry, Goat and Sheep rearing activities may be taken up by the people as Eggs and Meat are in great demand and the requirements of the State as also of other N E states are presently met by importing these items from outside, spending crores of rupees every year.

Tourism is another area through which enormous prosperity can be brought to the Meghalayans. Tourism can be developed as an industry in Meghalaya, which will open up thousands of job opportunities to the local youths. Individuals can also set up Guest House & Paying Guest Accommodation for tourists in suitable areas on the lines of Goanese who developed such facilities in their costal region with Bank and State assistance.

Sericulture, weaving and Handicrafts are the other areas where cottage industries can be developed in the State and generate huge job opportunities.

Meghalaya has the largest and best species of orchids. Of the country's 1700 varieties of orchids, over 700 rare species are found in the Northeastern States only. If floriculture and
orchids are developed on proper lines, enormous employment opportunities will be generated and the economic face of rural Meghalaya will be lifted tremendously.

Meghalaya being one of the advanced States in the region has all the potentialities and facilities to develop as a Model State in the North East and can serve as an important landmark in the Nation's North Eastern Development strategies. However, due to inadequate linkages at all level, even after three decades of full-fledged statehood, Meghalaya is economically struggling to come to terms with the 'demands of time' and 'challenges of change'. Under the circumstances cooperative approach can be an important and tangible answer to revive the economic status of the State and improve the socio economic conditions of the indigenous people.

A Table indicating District-wise Area, Population, Number of Villages, Towns, Sub-Divisions and Community Development Blocks of Meghalaya is given below:
### District-Wise Area, Population, Number of Villages, Towns, Community Dev. Blocks etc.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Jaintia Hills</td>
<td>3819</td>
<td>295692</td>
<td>2</td>
<td>465</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>East Khasi Hills</td>
<td>2748</td>
<td>660994</td>
<td>1</td>
<td>899</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Ri-Bhoi</td>
<td>2448</td>
<td>192795</td>
<td>-</td>
<td>570</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>West Khasi Hills</td>
<td>5247</td>
<td>294115</td>
<td>2</td>
<td>914</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>East Garo Hills</td>
<td>2603</td>
<td>247555</td>
<td>1</td>
<td>856</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>West Garo Hills</td>
<td>3677</td>
<td>515813</td>
<td>2</td>
<td>1481</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>South Garo Hills</td>
<td>1887</td>
<td>99105</td>
<td>-</td>
<td>595</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Meghalaya</td>
<td>22429</td>
<td>2306089</td>
<td>8</td>
<td>5780</td>
<td>16</td>
<td>39</td>
</tr>
</tbody>
</table>

Area under principal agricultural as well as plantation crops is given in Annexure VI.

**Cooperative Movement in Meghalaya**

The mutual economic and social cooperation and cooperative ways of life is not new to the tribal community. Sharing common programmes, living in a cooperative way, mutual help and assistance at the time of cultivation, harvest, other community based activities is a part of tribal tradition and a way of life in Meghalaya. However, when the formal cooperative movement based on the ‘Principles of Cooperation, 'Cooperative Societies Act and Rules’ was promulgated in a structured manner, it did not percolate well to the people at the grassroots level. Again, in a tribal society where barter economy has been in existence since time immemorial, introduction of money economy and extension of credit were not known, it took considerable time for the people to understand and appreciate the system before final acceptance.

In Meghalaya, the formal cooperative movement was started during the composite statehood of Assam. The organizational and structural arrangement existed under the composite statehood continued in its shape and form even after...
the formation of Meghalaya. The initial attempt to thrust cooperation and cooperatives extensively to the people during the Assam as per target-oriented extension of cooperatives resulted in mushrooming of cooperative societies in the tribal areas. The Societies were organised hastily and assistance in the shape of share capital, managerial subsidies, working capital loans, etc. were provided liberally by the Government to achieve the targets, without proper arrangement for guidance and training for running the affairs of cooperatives as economic business organisation and the end result was most of the cooperatives were short lived and existed only by names in the registers of the Cooperation department of the state. This led to erosion of faith among the general public particularly the people who actually needed cooperatives for their economic upliftment and welfare.

Prior to emergence of Meghalaya in the year 1970 as an autonomous State with in Assam and thereafter full fledged state on 21 January 1972, there were about 472 primary agricultural cooperative societies organised during Assam days in the areas which formed Meghalaya and majority of those societies were unviable, defunct and non-functional. Therefore, the first task of Government of Meghalaya was to re-organise the base level cooperative societies and to regain the loss of
faith of the common people particularly the farmers and village community. The Assam Cooperative Apex bank was bifurcated and the Meghalaya Cooperative Apex bank was organised as the State Cooperative Bank for Meghalaya on 16th Feb'1971.

The Registrar of Cooperative Societies took up the matter of re-organisation of PACS with the Reserve Bank of India. The RBI in consultation with the State government and the MCAB formulated a Master Plan in the year 1974 and the same was put into implementation immediately thereafter.

The Master Plan for re-organisation of PACS had the following essential features:

(i) All re-organised PACS have to undertake various multipurpose, like disbursement of inputs, fertilizers, consumers' goods dealing etc. in addition to dispensation of credit;

(ii) All reorganised Societies shall have the membership potentials of 200 to 600 and credit business of Rs. 1.50 lakhs to Rs. 2.00 lakhs annually;

(iii) All the re-organised PACS will have one full-time paid Secretary;

(iv) The total number of PACS in the State shall be brought down to 176.
In Meghalaya as per re-organisation plan, the nomenclature of the PACS were changed to Service Cooperative Societies and all the Service Cooperative Societies were entrusted to function a multi-purpose business organisation i.e. to provide credit, distribute fertilizers and other agril inputs, deal in consumer goods, to undertake procurement and marketing of surplus agril produces of members and non-members from their respective service areas, mobilise rural savings, provide agro-custom services, etc.

**Cooperative Credit Structure in Meghalaya**

Meghalaya has two tier Cooperative credit Structure, with Meghalaya Cooperative Apex Bank at the State level and Service Cooperative Societies (SCS) at the grass root level. As stated earlier, originally, there were 472 PACS in the geographical area which formed Meghalaya State and these Societies were mostly non-functional. As a result of implementation of the Master Plan in 1978, the number of PACS came down to 180 from the original number of 472 PACS with the amalgamation, merger and liquidation of non-functional and un-viable Primary Credit Societies. Presently, the number of Service Cooperatives is 179 in the entire State. The State does not have a separate Long
term Cooperative Credit Structure and the MCAB through a separate full fledged Land Development Banking Department in the Bank has been catering to the long term credit needs of the farmers in the State. This has been done consciously keeping in view the small size of the State, number of households, its population, viability of the credit structure and above all the interest of the beneficiaries who require multifarious services through a single window system as presently followed by many States including the cooperatively developed States. Thus, MCAB has been functioning, as an integrated State level Cooperative Bank with the progressing outlook of catering both short term and long-term credit needs of the farmers since 1978.

The MCAB was established on 16th February 1971 under the Meghalaya Cooperative Societies Act and it started banking business operations on and from 1st July 1971 after obtaining the required licence from the RBI under the Banking regulation Act, 1949 (as applicable to Cooperative Societies).

The Meghalaya Cooperative Apex Bank is a pioneer in banking in the State and it has taken banking to the doorsteps of the people of Meghalaya besides performing various public utility services. The Bank has also been playing pivotal role in the promotion and development of cooperative activities in the
State, serving the cause of rural development and target groups through the affiliated Cooperative Societies and its Branches spread all over Meghalaya. The Bank has formulated various attractive deposit Schemes to cater to the needs of the general public and it has been offering 0.25% to 0.50% more interest to the Depositors than the Commercial/Public Sector Banks with a view to inculcating savings and thrift among the people. With the continuous efforts of the MCAB, it has been possible to change the saving habits of the indigenous people from traditional system of keeping their savings inside the Bamboo Container and Earthen Jars in an unsafe and un productive manner to modern banking for safety and earning remunerative returns and productive utilisation of the people's savings in the development activities of the State.

The MCAB has been extending financial assistance for agriculture and allied agriculture, procurement and marketing, consumer goods dealing, handloom and weaving, housing, transport, consumer durables, tourism development and various other approved and viable economic activities for improving the economic condition of the people. Apart from this, the Bank has been rendering banking, subsidiary and other useful services to the general public, like collection of Cheques and Bills, issue of Bank Drafts, Banker's Cheques, Gift Cheques, attending to
customers' standing instructions, loans against Fixed Deposit receipts, etc. Further, the Bank is providing refinance assistance to the Urban Cooperative Banks to enable them to cater to the credit needs of their members (individuals) against adequate securities.

Financial assistance in the shape of Overdraft facilities and loans are extended to Government Gazetted Officers and regular constituents of the Bank against adequate securities. Government approved Whole-sellers for dealing in Fair price Commodities are also provided in a limited scale besides offering credit facilities to the professionals like Doctors, Chartered Accountants, etc. for purchase of vehicles for their easy mobility. The Bank has also been launching new and innovative schemes and programmes for improving the economic condition of the people and the un-employed youths in conformity with the broad guidelines issued by the Reserve Bank of India and National Bank for Agriculture and Rural Development from time to time.

The MCAB has provided Debt relief to more than 54,000 farmers amounting to Rs. 9.81 crores under the Agricultural and Rural Debt Relief Scheme 1990 sponsored by the Government of India, and made the farmers debt free and re-eligible to avail loans and advances from the MCAB for their Seasonal Agricultural Operations and allied activities.
The MCAB has introduced innovative banking services in the Cooperative Banking Sector and opened All Women Bank Branches (exclusively by women staff) – one at Mawkhar, Shillong and the other at Chandmari, Tura. The MCAB is the first State Cooperative Bank to start Mobile Banking services in the rural areas to provide banking services to the doorsteps of the people in the un-banked villages of East Khasi hills District.

The MCAB is perhaps the first Bank in the Country to start financing Housing Loans to the salaried people and regular customers of the Bank from 1987 onwards i.e. much before the National Housing Bank was established by the Central Government and bring this essential sector of public importance under bank financing.

The MCAB played active role in introducing of IRRI Paddy cultivation (a kind of Boro Paddy variety) in the flood prone areas of Garo Hills plain belts to enable the farmers to harvest their produces before the onset of monsoon and occurrence of floods. The MCAB can legitimately feel proud of its initiative which has yielded positive results and the farmers are not becoming victims of recurring floods now-a-days and their economic condition has improved substantially with richer harvesting of Paddy.
The MGAB has launched a number of micro credit schemes to increase the flow of credit and create self-employment opportunities for the people to improve their general economic and social condition. Few of such schemes are Integrated Village Development Scheme, Cooperative Group Financing Scheme, Tourism Development scheme, Housing Financing Scheme, Road Transport Operators Schemes, Kissan Credit Cards and Self Help Groups financing.

In order to improve the recovery of NPAs and hardcore overdues, the MCAB has introduced an innovative scheme under which cash incentives to the extent of ½% to 1% is offered to the office-bearers and members of the Service Cooperatives involved in the recovery process. The Bank has also paying 0.25% to 0.50% higher interest on deposits to encourage the indigenous people to bring their savings to the Banking fold for safety and productive utilisation of the savings in the economic development of the country.

The MCAB has created direct employment opportunities for about 600 employees in the Bank and has created thousands of job opportunities for educated unemployed youths through numerous self-employment generation schemes of the Bank. The Bank has set up two Counselling & Capacity Building Centres one at Head Office, Shillong for Khasi Jaintia Hills Region and the
other at Tura for Garo Hills area for providing counseling, guidance and capacity building to the educated unemployed youths and entrepreneurs in the State.

With judicious deployment of resources, the MCAB has been able to maintain the highest credit deposit ratio of about 30% in the State, far surpassing the performance of Commercial and Public Sector Banks who have the C D ratio of about 28.70% in the State.

Under the Leadership of MCAB, the Cooperative Banks in the North Eastern Region have established the Manpower Development and Management Institute (MDMI) in 1998 in Shillong with financial support of NABARD. Since then MDMI has been providing effective training facilities for all categories of employees and office-bearers of the Cooperative Institutions and Traditional Heads of the North Eastern Region. The efforts of the MCAB in this regard have been appreciated all over the N E Region and over 3146 personnel of Cooperative Banks and Credit Societies of the Region have been benefited by 116 Training Programmes so far conducted by MDMI.

At the initiative of MCAB, a consortium of Co-operatives in the form of North East India Cooperative Development Foundation (NeCDF) was established in 1998 in order to strengthen cooperation among Cooperatives and establish an
effective forum for the Cooperative Institutions in the North Eastern Region.

The MCAB has been providing leadership for the Short term Cooperative credit Structure in particular and the Cooperative Sector in general and addressing the issues concerning the Cooperatives and the Cooperative Movement of the region at different forum in the National Level as well as Govt. of India.

The efforts and performances of MCAB have been highly appreciated and widely recognized by the National Level Organisations such as NAFSCOB, NCARDB, NABARD, NCDC, etc. The MCAB is the recipient of several prestigious Performance Awards from NAFSCOB and NABARD.

**Financial position of MCAB**

The comparative financial position of the MCAB for the last five years is furnished below:

(Rs. In lakhs)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership</td>
<td>503</td>
<td>507</td>
<td>508</td>
<td>506</td>
<td>655</td>
</tr>
<tr>
<td>------------------------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>Share Capital</td>
<td>263.74</td>
<td>280.96</td>
<td>338.84</td>
<td>355.34</td>
<td>386.88</td>
</tr>
<tr>
<td>Reserve Fund and other Reserves &amp; Provisions</td>
<td>2461.84</td>
<td>2596.31</td>
<td>2891.26</td>
<td>2972.92</td>
<td>3311.86</td>
</tr>
<tr>
<td>Deposits</td>
<td>20348.68</td>
<td>24934.73</td>
<td>29109.24</td>
<td>34951.17</td>
<td>36546.45</td>
</tr>
<tr>
<td>Borrowings</td>
<td>1004.75</td>
<td>876.44</td>
<td>1245.50</td>
<td>1296.93</td>
<td>1933.41</td>
</tr>
<tr>
<td>Cash &amp; Bank Balances</td>
<td>1217.03</td>
<td>2081.31</td>
<td>1890.31</td>
<td>3303.76</td>
<td>1567.32</td>
</tr>
<tr>
<td>Investment in Govt. &amp; Trustee Securities</td>
<td>5593.00</td>
<td>6244.00</td>
<td>8435.00</td>
<td>9308.00</td>
<td>11076.00</td>
</tr>
<tr>
<td>Other Investments</td>
<td>4634.80</td>
<td>5309.80</td>
<td>6944.80</td>
<td>7571.48</td>
<td>7990.62</td>
</tr>
<tr>
<td>Money at Call and Short Notice</td>
<td>3299.99</td>
<td>5582.18</td>
<td>6182.90</td>
<td>8885.69</td>
<td>10497.83</td>
</tr>
<tr>
<td>Loans &amp; Advances</td>
<td>8309.63</td>
<td>7001.18</td>
<td>8106.77</td>
<td>8318.29</td>
<td>8952.50</td>
</tr>
<tr>
<td>Working capital</td>
<td>25440.54</td>
<td>30642.24</td>
<td>35851.77</td>
<td>42143.52</td>
<td>44570.34</td>
</tr>
<tr>
<td>Net Profit</td>
<td>(+) 56.88</td>
<td>(+) 184.71</td>
<td>(+) 241.23</td>
<td>(+) 295.22</td>
<td>(+) 298.53</td>
</tr>
<tr>
<td>Number of Branches</td>
<td>37</td>
<td>38</td>
<td>38</td>
<td>38</td>
<td>39</td>
</tr>
</tbody>
</table>
His Excellency, the Governor of Meghalaya, Shri. M M Jacob, in his message to the Meghalaya Cooperative Apex Bank on the eve of its Silver Jubilee Celebration said, "Cooperatives play a vital role in providing credit to the farmers in rural areas and have come to stay as a major financial institution. It is gratifying to be informed that the Meghalaya Cooperative Apex bank is Meghalaya's success story in the field of Cooperative Banking and has grown into a premier Bank in the State....".

The Meghalaya Cooperative Apex Bank (MCAB) has indeed come a long way and in its path of progress has crossed a number of impediments during the last three decades and grown into a major banking institution in the State. In a region where the people are economically backward, farming is carried on in traditional and conventional methods, occurrence of floods and other forms of natural calamities are frequent, forward and backward linkages and other essential infrastructure are practically absent, thousands of educated youths are unemployed, the Meghalaya Cooperative Apex bank has been able to make significant strides to live up to the expectations of all concerned. The Meghalaya Cooperative Apex Bank and its
progressive Management have assumed the role of a Catalyst in the State's economy and they have been contributing immensely to the development of the State and the Region.

**STATE LEVEL COOPERATIVE ORGANISATIONS - SECTORAL COOPERATIVE APEX BODIES**

In its continued efforts of development and strengthening of the cooperative movement in the State, the State Government decided to organise Sector-wise State level Cooperative institutions and sponsored Meghalaya State Cooperative Marketing & Consumers Federation (MECOFED), Meghalaya State Cooperative Union (MSCU), Meghalaya Supervision & cadre management Cooperative Society (MSCMS), Meghalaya State Cooperative Housing Financing Society (MSCHFS) and Meghalaya Apex Handloom Weavers and Handicrafts Cooperative Federation (MEGHALOOM).

**MEGHALAYA STATE COOPERATIVE MARKETING & CONSUMERS FEDERATION (MECOFED)**

The Meghalaya State Cooperative Marketing & Consumer's Federation Ltd (MECOFED) was established on 1st July 1975 after taking over the assets and liabilities of the erstwhile
Assam Hills Cooperative Development Corporation. The main objects of MECOFED are to organize, promote, develop marketing, processing, storage and sale of agricultural and minor forest produces and to procure and distribute by sale of consumer goods, agricultural inputs and to assist the affiliated members of Societies in the State. In nutshell, MECOFED has to improve the quality of life in rural areas through development on sustainable linkages with grass root level Cooperative Societies both in the rural and urban areas.

The main objectives of MECOFED are as follows:

1. To organise, promote and develop marketing, processing, storage and sale of agricultural, mineral produce and products and industrial products of the state by way of exports outside the State and Country and procure, distribute by sale of consumer goods, agricultural input, pharmaceuticals and to assist, aid, guide its affiliated member societies in the State.

2. To facilitate, co-ordinate and promote the marketing and trading activities of the cooperative institutions in agricultural produce and products, agricultural inputs, mineral products and produce, pharmaceuticals, products and consumer goods and act as an apex body for the purpose.

3. To undertake or promote on its own or on member societies or the Government or Government Undertaking, Intra State and
International trade, and undertake marketing, purchase, sale and storage of agricultural produce and products, agricultural inputs, mineral produce and products, industrial products, pharmaceuticals and consumers goods and to facilitate these activities to open branches, sub-branches, depots and appoint agents in any place within the country and abroad.

4. To serve as an apex body for marketing and consumers in the State, procure the raw materials, consumers goods, pharmaceuticals, etc. required by them and to act as a Central Marketing Agency for marketing of products and produces procured by the societies as its agent, supervise and control the activities of these affiliated societies, organize consultancy works in various fields and establish Technical and Promotional Cells, undertake marketing research and dissemination of market intelligence, arrange training of employee of MECOFED and affiliated Societies in marketing, processing, etc., undertake grading, packing and standardisation agricultural produce and products, mineral produce and industrial products for the benefit of Cooperative Institutions and their members.

5. To do custom hiring and hire purchase business and set up processing units by itself or in collaboration with Cooperative Organisation, public and private sector undertaking.
6. To own lands, buildings, godowns, garage, processing units, workshops, which may be constructed by it or give on hire, if not required for, own use.

7. To obtain and own plants and machineries for processing units, workshops and agro-custom hiring service, furniture and fixture, etc.

8. To own and ply vehicles, hire vehicles for transport of its own good/produce/products or those of others.

9. To take up on lease forest coupes and other mahals.

10. To establish and maintain a common cadre of key personnel for employment in the affiliated Societies, if necessary.

11. To give advance to affiliated Societies and agents for facilitating purchases of produce and products.

Presently the main business operations of MECOFED are dealing in Consumer goods, Fertilizers, LPG Supply, Kerosene Supply, Marketing and Transport activities besides supply of tyres to Govt. Depts. It does no have any manufacturing unit except a printing press, which mostly looks after the printing and stationery needs of the organisation and manufacturing of file covers for different Govt. Depts.

The activities of MECOFED are entrusted to its Divisions as under:
I. Marketing Division – takes care of the supply of various chemical fertilizer procurement of agricultural and minor forest produce like, broomstick, tezpatta, pipple, wild pipple, honey, etc.

II. Consumer Division - is primarily dealing with supply of stationery, office equipment, tyres and tubes, batteries, essential commodities under social welfare schemes, retain outlets, LPG, Kerosene outlets.

III. Transport Division – takes care to carry the Federation’s merchandise such as fertilizer, consumer goods, etc.

IV. Godown and Engineering Division - looks after the construction and maintenance of godowns, office buildings, retail outlets, quarters, workshops, etc. constructed by the Federation.

The MECOFED has not been able to become a visible business organization inspite of massive financial help and support of the State Govt. and the MCAB. The reasons are many-as a business enterprise and it should not be allowed to function like Govt. Depts. The MECOFED is in the dire need to re-vitalisation and this should be done in the interest of the State and the farmers.
Meghalaya State Cooperative Union (MSCU)

The Meghalaya State Cooperative Union was organised in the year 1978 vide Registration No. 21 of 1978-dated 12-09-78.

The objectives of the Union shall be to do all things as may be conducive to the development of the Cooperative Movement in the state of Meghalaya aimed at establishing a democratic socialist society and in furtherance of this objective the Union is to undertake the following activities:

i) To propagate co-operative principles and ideology for healthy growth of the cooperative movement in the State and make them acceptable to all cooperatives in the State.

ii) To serve as exponent of cooperative opinion and render advice to the Government on all matters effecting the movement.

iii) To promote different types of cooperative societies as per need of the people of the State.

iv) To promote and strengthen inter-cooperative relationship and discipline within the same sector of the cooperative movement and among different sectors.

v) To plan, implement and review education and training activities in the State as per need of the movement and on
behalf of or in collaboration with the National Cooperative Union of India.

vi) To promote the studies on cooperative and allied subjects and to carry on/arrange for research by itself or through/in collaboration with other institutions.

vii) To arrange for mass education programmes through audio-visual aids.

viii) To publish periodicals, books, booklets, pamphlets, leaflets, teaching aids, educational material and other literature on cooperative and allied subjects.

ix) To maintain a library of books of cooperative and allied subjects.

x) To organise exhibitions, study visits for promotion and development of co-operative movement.

xi) To act as information bureau on cooperative matters.

xii) To act as employment bureau for trained cooperative personnel.

xiii) To raise funds for administration and activities of the Union.

xiv) To run training centers, schools and colleges for cooperative personnel and development of cooperative leadership.
xv) To convene conference, seminars, meetings, workshops, fairs, etc.

xvi) To organise District Cooperative Unions in all administrative Districts and Sub-Divisions and any other area where considered necessary.

xvii) To co-ordinate the activities of all District Cooperative Unions and to subsidise them and such other Cooperative Institutions.

xviii) To undertake all such activities which are of incidental importance and conducive to the attainment of objectives of the Union.

The State Cooperative Union has a unique role to play for the development of the Human Resources involved in the cooperative sector and in this respect it used to organize Members Education and Training programmes throughout the State till 1996. Thereafter, due to poor financial base of the MSCU and organizational weakness, the Union has not been able to discharge its role effectively. The Union needs to revive and promote its crucial role of awareness, education and motivation of members, which are essential for the development of the cooperative movement in the State and successful functioning of the Cooperatives.
Meghalaya Supervision & Cadre management Coop. Society
(Cadre Management Society)

The Cadre management Society was established in the year 1976 bearing registration No. SHILL.24/1976. Ever since its establishment the society has been nurturing, guiding and assisting all the affiliated Service Coop. Societies and their cadre secretaries as a facilitator for their functioning as viable business organization.

Altogether, 179 Service Cooperative Societies and 29 Handloom Weavers Coop. Societies are affiliated to the cadre management Society, of which 123 SCS and 16 HWSC are functioning and carrying on business activities and the remaining SCS & HWSC have become dormant and non-functioning. At present, there are 190 cadre secretaries in the entire State of which 163 belong to SCS and 27 to HWCS and almost all of them have been trained.

The cadre Secretaries have been maintained out of the cadre fund contributed by the State Government, MCAB, Meghaloom and the affiliated Cooperative Societies. The contribution received from the State Government and other Cooperative Organisations during the last three years stood as under:
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State Government</td>
<td>20,27,000.00</td>
<td>20,37,000.00</td>
<td>22,00,000.00</td>
</tr>
<tr>
<td>Meghalaya Coop. Bank</td>
<td>1,25,000.00</td>
<td>1,25,000.00</td>
<td>1,25,000.00</td>
</tr>
<tr>
<td>Meghaloom</td>
<td>40,000.00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Service Coop. Societies</td>
<td>2,81,719.00</td>
<td>2,22,098.00</td>
<td>2,99,480.00</td>
</tr>
<tr>
<td>Handloom Weavers CS</td>
<td>64,000.00</td>
<td>25,800.00</td>
<td>38,970.00</td>
</tr>
</tbody>
</table>

Most of the Service Cooperative Societies were unable to pay their shares of contribution to the cadre fund due to their weak financial position. The arrear contribution of cadre fund from the Service Cooperative Societies and Primary handloom Weavers Cooperative Societies as on 31-03-2003 stood at Rs. 8,98,618/- and Rs. 1,26,522/- respectively.

The main objectives of the Cadre management Society are as under:

(a) To create and maintain a cadre or cadres for Secretaries, Managers and other paid employees of the Primary Cooperative Credit Societies and such other classes of Cooperative Societies as may be permitted by the Managing Committee of the cadre Societies from time to time,

(b) To raise funds required to maintain the cadres referred to at clause (a) above,
(c) To frame rules for approval by the registrar of Cooperative Societies, Meghalaya. The rules shall govern the service conditions including recruitment, training, appointment, remuneration, disciplinary proceedings, termination of services, provident fund, gratuities and supervision of Secretaries, managers and other paid employees on the Cadre/Cadres of such Societies as are mentioned in clause (a) above;

(d) To determine the rate of contribution to be made to the funds of the cadre Society by the participating Cooperative Societies;

(e) To undertake inspection of such Societies as may be considered necessary out of Societies mentioned in clause (a) above,

(f) To render advice to the Societies about their financial position and working.

Meghalaya State Coop. Housing Financing Society Ltd.

(Housing Society)

The Meghalaya State Housing Financing Cooperative Society Ltd. was registered on the 10th May 1976 under the Meghalaya Cooperative Societies Act.
The main object of the Meghalaya State Housing Financing Cooperative Society Ltd. are to grant loan and advances to Primary Housing Cooperative Societies in the state who are affiliated against the security of mortgage of immovable properties or such other securities as may be considered necessary for the construction of houses, repairs, addition or alteration, improvement to existing houses or for the purchase of houses and to acquire and develop land for the benefit of Housing programmes.

The strength of membership of the Housing Society is as follows:

i. East Khasi Hills : 13 Nos of Primary Housing Cooperative District Societies.

ii. West Khasi Hills : 5 Nos of Primary Housing Cooperative District Societies.

iii. Jaintia Hills : 3 Nos of Primary Housing Cooperative District Societies.

iv. East Garo Hills : 4 Nos of Primary Housing Cooperative District Societies.

v. West Garo Hills : 5 Nos of Primary Housing Cooperative District Societies.

Total : 30 Nos
PERFORMANCES

In order to refinance the Primary Housing Cooperative Societies for construction of their houses by their members, the Housing Society availed a loan of Rs. 25.00 lakhs from Life Insurance Corporation of India in 1980 and Rs. 50.00 lakhs in 1982 against Government Guarantee. With the Share Capital received from the Government and the member societies and borrowings from Life Insurance Corporation of India, the Apex Housing Cooperative Society has been able to advance Loans to the Members of the different Primary housing Corporative Societies to the tune of Rs. 84,86,890/- and 272 Members were benefited thereby to have their essential shelters.

The Meghalaya State Housing Financing Cooperative Society Ltd. has a plot of land at Nongrum Hills, Shillong and a Multi-storied building complex was built up in 22/04/1998 availing loan of Rs. 26.54.00 lakhs from Meghalaya Cooperative Apex bank Ltd., Shillong against the mortgage of the property.

The Meghalaya State Housing Financing Cooperative Society Ltd. implemented the 'Trade Center Scheme' in the State for purchase of land and construction of shops. The
intention of this scheme is to provide employment to the local un-employed youths for running their business activities in their respective areas. District-wise break-up of the Trade Centres set up by the Housing Society is as under:

<table>
<thead>
<tr>
<th>District</th>
<th>Nos</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Khasi Hills District</td>
<td>5</td>
</tr>
<tr>
<td>West Khasi Hills District</td>
<td>5</td>
</tr>
<tr>
<td>West Garo Hills District</td>
<td>2</td>
</tr>
<tr>
<td>East Garo Hills District</td>
<td>1</td>
</tr>
<tr>
<td>South Garo Hills District</td>
<td>1</td>
</tr>
<tr>
<td>Jaintia Hills District</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13</td>
</tr>
</tbody>
</table>

**Meghalaya Apex Handloom Weavers & Handicrafts Coop. Federation Ltd (MEGHALOOM)**

The Meghalaya Apex Handloom Weavers & Handicrafts Coop. Federation Ltd. (MEGHALOOM) was established in the year 1982 with Headquarter at Shillong. The main objective of the Federation is to provide all possible necessary support to the Primary handloom and weavers Cooperative Societies including supply of basic inputs, training of weavers as well as artisans, technical guidance and marketing or finished products. The MEGHALOOM is an Apex Body and 58 Primary Handloom and
handicrafts Cooperative Societies are affiliated to it. After structural re-organisation programme of handloom Weaving Cooperative Societies in 1981-82, the viable and potentially viable Primary handloom Cooperative Societies have been provided with adequate doses of share capital, subsidy and assistance in order to enhance and revive their position.

At the initial stage the Federation confined its activities only for distribution of yarns, supply of looms and technical supports to improve looms and accessories under Central and State Government sponsored Schemes. During 1994-95, the Federation diversified its activities through Marketing of finished Handlooms and Handicrafts by setting up 2 (two) Show-room-cum-Sales Counters at Shillong and Tura, and started one handloom Production Centre at Kaimbatapara in Phulbari (Shyamnagar) under West Garo Hills District.

**Financial Position**

The Financial Position of the MEGHALOOM is briefly as follows: (Fig. In Rs)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid up Capital</td>
<td>49,70,600</td>
<td>54,98,100</td>
<td>57,98,600</td>
</tr>
<tr>
<td>Turn Over</td>
<td>10,34,629</td>
<td>9,40,824</td>
<td>11,29,947</td>
</tr>
<tr>
<td>-------------</td>
<td>-----------</td>
<td>---------</td>
<td>-----------</td>
</tr>
<tr>
<td>Total Purchase</td>
<td>4,62,517</td>
<td>2,45,415</td>
<td>3,69,896</td>
</tr>
<tr>
<td>Total Sales</td>
<td>3,92,666</td>
<td>3,13,244</td>
<td>2,56,593</td>
</tr>
<tr>
<td>Profit/Loss</td>
<td>(+) 3,715</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

**Primary Agricultural Cooperative Credit Societies (Service Cooperatives)**

In Meghalaya, there are 179 Primary credit Societies at the grass root level. They are called as Service Cooperative Societies after their re-organisation in the year 1978 and they have been entrusted to perform multipurpose services in their respective areas. The main objectives for which the Service Cooperatives are established and re-organised under a Master Plan are as follows:

i. To do all things necessary to promote and develop the economic and cultural interest of members.

ii. To raise funds through issue of shares, borrowings, undertaking deposit business, donation and Government contribution, etc.

iii. To own or hire and supply members with agricultural and other equipments.
iv. To supply seeds, fertilizers, manures, pesticides, etc. and also other inputs and commodities required by the members.
v. To arrange for sale of produces of the members and non-members in their service areas.
vi. To own or hire godown facilities for storing the produce of the members.
vii. To plan and supervise production programme of the members.
viii. To provide finance to the members for agricultural or other allied activities.
ix. To undertake consumer goods business for the members and the people in their area of operation.
x. To carry out any other facilities and services as necessary to attain the above objectives.

Growth of the Cooperative Societies

The Growth of the Cooperative Societies in Meghalaya with particular reference to their number and membership accretions as well as performance achievements are given in the Annexure VII and VIII respectively of service societies district wise.
The Memorial of U Tirot Singh is located fortyfive Kilometers from Shillong, at the junction of the Shillong-Mairang-Nondhtoin State Highway and the Nongkhlaw-Mairang Road at Mairang. The Memorial was erected to commemorate U Tirot Singh, the Syiem of Nongkhlaw in 1829. U Tirot Singh was taken as prisoner on the 13th January 1833.
His Excellency, Shri M.M. Jacob, Governor of Meghalaya inaugurated the Celebration. Sitting on the Dais from Left are: Mr. R.Dkhar Chairman, MCAB; Mr. P.V.A. Rama Rao, MD, NABARD; Mr. M. Gangapadhyya, IAS Chief Secretary, Meghalaya; Mr. P. Kotaiah, Chairman, NABARD; Mr. M.M. Jacob H.E. the Governor of Meghalaya; Mr. S.S. Lyngdoh, Hon'ble Minister, Cooperation Meghalaya: Mr. M. Hassan, Chairman, NAFSCOB Mr. Parmar, Chairman, Punjab SCB and former Chairman, NAFSCOB; Mr. Patniak, Chairman, Orissa SCB and former Chairman, NAFSCOB. Above, Mr. J.B. Dutta, MD, MCAB delivering welcome address and below Mr. M. Gangapandhya, Chief Secretary, addressing the Celebration.
SHRI. P. KOTAIAH, CHAIRMAN, NABARD, ADDRESSING THE OFFICERS OF
THE MEGHALAYA COOPERATIVE APEX BANK DURING HIS VISIT TO
SHILLONG IN 1995.

Sitting in his Right are: Shri. R. Dkhar, Chairman, MCAB; Shri. P. V. A. Rama Rao, CGM, NABARD and in the Left are Shri, Kalia, MD, NABARD; Shri J. B. Dutta, MD, MCAB.
Signing of Bank's Mou in presence of the Hon’ble Chief Minister, Shri S.C. Marak and the respected Chief Secretary, Shri K.K. Sinha, and IAS on the 30th Sep' 1994.

Signing of Mou: L to R M/s R.N. Mishra RCS; J.B. Dutta, MD, MCAB; Shri P.V.A. Rama Rao, CGM, NABARD and Smt. P.D. Das, Commissioner and Secretary Cooperation.
A woman weaver in the West Garo Hills District is working in her Handloom.