CHAPTER – 8

CONCLUSIONS AND RECOMMENDATIONS
8.1 Conclusions:

The conclusions of the researchers in respect of various points are given below.

1. It is observed that from the sample farmers/members of agriculture co-operative credit societies 49.09% were having the education up to 7th standard less percentage (6.67%) was found in case of having higher secondary and graduate level education and 4.24% farmers/members are illiterate.

2. It is came to know that the 89.70% farmers/members are belonging to the age group of 31 to 50 of the sample primary agriculture co-operative credit societies.

3. The 76.97% farmers/members have 2 to 4 family members in their family. It means from sample farmers/members most of the farmers/members came from small families. It is observed that the farmers/members came from the average family size, i.e. 3 members per family.

4. The majority of farmers/members (62.42%) 206 out of 330 farmers/members came from together and formed the societies to get their economic needs fulfilled. They are came from middle class of the society. It is observed that primary agriculture co-operative credit societies were popular amongst them.
5. Only 5.45% farmers/members have reported that they have more than one earning member in their families and 7.27% farmers/members have reported that, they have minimum one earning member in their family. Therefore, their family income has been increased. This factor leads to increase the financial position of the family and repaying capacity of the farmers. Such type of farmers/members are the safe members for the primary agriculture co-operative credit societies.

6. It is observed that most of the sample farmers/members (92.73%) told that the loan provided by the primary agriculture co-operative credit societies are not sufficient.

Crop loan supplied by co-operative credit societies is not adequate, small farmer do not get adequate credit to meet their financial requirements during the production period.

7. While getting loans from other financial institutions i.e. while fulfilling the need of finance, the farmers/members gave the first preference to co-operative banks and co-operative path sanstha and then to money lenders because it is easy to get and good personal contacts with them.

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8. It is observed that even and if renovation of loan is not permitted by the cooperative law, the farmers and society is renewed the loan.

9. The 77.58 % farmers/ members are told that they are getting loan from the primary agriculture co-operative credit societies with in 8 to 15 days.

10. The only 19.40 % farmer/ members attending the each annual general meeting the attendance of farmers / members for annual general meeting is very low. It can be easily guessed that the farmers do not feel that they can have any scope in the proceedings of the annual general meeting.

11. It is observed that 92.73 % farmers/ members are told that the sample primary agriculture co-operative credit societies are not accepting the deposits from farmers/ members and from the public.

   Thus it is clear that most of the societies have been totally unsuccessful in collecting deposits from the members and the public because they can not offered as much interest on the deposits as the banks or other financial institutions give.

12. The farmers/ members expected good management guidance in finance and good relations from directors.
They also expects having social status, regularity in recovery of loans, having awareness about problem of farmers and supporting relations from political sector. The directors should be well aware about the problems of farmers / members.

13. The farmers / members expected from secretary, he should be well aware about farmer's problems, well educated and trained and good service from secretary and other clerical staff.

14. The farmers / members measured the efficiency of primary agriculture co-operative credit societies on the basis of no delay in loan sanctioning dividend for farmers, sufficient working capital, total funds and share capital.

15. Only 78 farmers/ members (23.64% ) out of 330 are participate in agriculture exhibition organized by the various authorities and organizations. There is no awareness in farmers. They do not think that exhibition can help them in any way in their farming.

16. The 63.64 % farmers (210 out 330 ) are reported that there is a political interference in the working of primary agriculture co-operative credit societies. The local factor involved in politics also affects the functioning of the sample primary agriculture co-operative credit societies.

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17. The majority of farmers (73.33%) are watching the TV and Radio. They watch TV programmes related to agriculture and farming. It is observed that farmers/members watch and listen to TV and Radio programmes more than they read printed materials. Oral and visual communications can pass the information and demonstrations more effectively to the farmers.

18. The farmers/members are not aware about the seminar and workshops regarding agriculture. Only 10.99% farmers are participate in to the training, workshops and seminars of farming.

19. It is observed that the primary agriculture co-operative credit societies do not regularly and effectively organize the training programmes for development of farmers and for farming. Only 7.88% societies do organize training, workshops and programmes related to farming.

20. The farmers/members do not bother to get information form printed sources. They do not read books, journal for agriculture development. Only 25.45% farmers do read such written materials. It is also observes that such written materials are not easily available.

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21. The loan given by the primary agriculture co-operative credit societies are of three types that is short term loan, medium term loan and long term loan.

22. The 48.48% farmers/members showed a good opinion about the management of sample primary agriculture co-operative credit societies 28.79% farmers/members showed fair opinion and 22.73% farmers/members are not in favor of management of the primary agriculture co-operative credit societies.

23. The 66.06% farmers/members were told that the working of primary agriculture credit co-operative society were carried on democratic principle but 33.94% members showed their response negative that is working of primary agriculture co-operative credit societies were not on democratic principle.

24. It is observed that the farmers/members are expected to increase the amount of loan, minimize the rate of interest, guarantee rate should be adopted, loans should be exempted in case of drought and loan should be sanctioned in time from the society/district central bank and the government.
25. Out of the sample primary agriculture credit co-operative society 15.15% societies are provided the seeds, pesticides and fertilizers 12.12 % societies provide the facility of farm implements 21.21 % societies provides the rationing facility and only 3.03% societies provides the veterinary services. In short the services provided by the primary agriculture credit co-operative society are very less.

It is observed that services other than loan such as veterinary services, rationing facilities farm implements seeds and fertilizers, services of transport are not sufficient to farmers/members.

26. There are good relations between farmers / members, secretary and other staff. It helps to solve the difficulties of the farmers of the society.

27. It is observed that the secretary and other clerical staff as well as directors of societies guide to farmers while getting loan from the society.

28. The percentage of members using loan facilities is 69.63 %. It means that 30.31% members are just nominal members of the society.

29. During the course of interview it was observed that members repaid the loan to money lenders and traders first & if any surplus was left then they repaid the co-operative loans, that is loans taken from the society, because it is less pressing.

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30. The farmers have given different reasons for failure to repay loan in time, these are -

- Failure of monsoons, adverse seasonal conditions and crop failure.
- Social & religious functions.
- Repayment of accumulated debts to traders, money lenders, government etc.
- Increase in household expenditure & general price raise.

31. **Unnecessary expenditure** :- Unnecessary expenditures is incurred on social obligations, festivals, marriages etc. which weakens the financial position of farmers/members. It results in non payment of loan which leads to increase in bad debts.

32. **Misconception of the farmers** :-

The farmers have a misconception that the loan given by the societies is not a loan but the help or a small gift, and they are not punctual in respect of repayment of loans. But the Societies have not been able to clear this misconception from the minds of the farmers. These farmers do not repay the loan in time. Therefore the proportion of over dues are higher. However, this is one of the reason of over dues.

33. The directors have started the primary agriculture cooperative credit societies with an object of fulfilling the financial needs of middle class farmers/members.
34. The directors faces several difficulties in recovery of loans such as low repaying capacity, not giving attention to reminders, mentality to non-payment of loan, high rate of overdues, local relationship, negligence of employees etc.

35. The participation of women and backward class directors in the working of primary agriculture co-operative credit societies was nominal. The women/ backward class directors do not take keen interest in the working of primary agriculture cooperative credit societies.

36. The directors felt the need of their role in working of primary agriculture cooperative credit societies and they also felt the need of training for themselves in the area such as co-operative law, book keeping and accountancy, recovery of bad debts financial management, developing social relationship etc.

37. The directors took into account the opinion of the staff while decisions making. However, there was no staff representative – other than secretary on the board of primary agriculture co-operative credit societies.

38. The directors have taken steps for recovery of outstanding loan such as issue of the reminders to farmers/ members to meet the loan. The directors also meeting the farmers personally for recovery of loan.
39. The secretaries, clerks and peons of the societies get low salary. They did not get sufficient salary. They do not satisfy with present salary. Efficient employees must be given some monetary incentive.

40. **Over dues** :- Even though the crop loan is inadequate, over dues are not reducing, this is primarily because of the absence of mechanism of linking credit with marketing.

41. **Lack of efficiency** :- Managerial inefficiency of the society is the obvious reason for persistent over dues. The collection of the loans advanced is the responsibility of managing committee but they shift their responsibility to central co-operative bank.

42. **Lack of administrative efficiency** :- It is observed that, there is a inefficient administration in sample primary agricultural co-operative credit societies.

43. The 13 sample societies (39.39 %) out of 33 sample societies have full time secretary and 60.61 % societies do not have full time secretary. Infect it is essential requirement.

44. **Rate of Interest** :- It is observed that the present rate of interest of the society is 11% to 12% for crop loan. According to 81.21% sample farmers says that, the rate of interest on crop loan is high while 18.79% farmers opinion is that the rate of interest is reasonable.

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45. The secretaries working in primary agricultural co-operative credit societies are untrained and with inadequate qualification. The 58.59% of the secretary and other clerical staff of primary agricultural co-operative credit societies was not trained through training programmes. The secretary and other clerical staff emphasized the need for training.

46. There was no problem of labour turnover because there was no change in employment and nobody left the job. It was because of the unemployment problem.

47. There was no specific provision for emergency expenses. They had provided the amount for emergency expenses as and when funds were available.

48. The employees other than secretary of primary agriculture co-operative credit societies did not get any perquisites or facilities like provident fund, loans at lower rates etc.

49. The secretary and other clerical staff of the primary agriculture co-operative credit societies felt the need of training in Book-keeping and Accountancy, Banking, Co-operative law etc.
50. The secretary and other clerical staff of primary agriculture co-operative credit societies complaints what the directors are engaged in their own work. The some of the directors are using the post of directors just as a social status.

51. It is found that only 12.12 % sample primary agriculture co-operative credit societies were received ' A' grade of audit from auditor. Out of 33 sample societies 12 societies (36.36%) received 'C' grade of audit and 51.52 % societies received ' B' grade of audit. A few members of primary agriculture co-operative credit societies can perform up to the mark and achieve optimum level.

52. The only ten (30.30%) primary agriculture co-operative credit societies have their own building for office.

53. The 90.91% sample primary agriculture co-operative credit societies raised the building fund and 100% societies were raised general fund.

54. The bad and doubtful debts are observes generally 5 to 20% hence it is clear that ,the societies are not be efficient in their functioning.

55. The reasons for bad and doubtful debts are long-term illness of the farmers, political influence and death of a farmers/ members of the society.
56. Very few i.e. only 18.18% sample societies had given loan to purchase cattle, which are supplementary to agriculture.

57. The directors stated that death of the livestock's, diseases to livestock inadequate veterinary services are reasons for over dues of cattle loan.

58. During the course of interview with directors, secretary and bank inspectors it was observe that near about 46.25 percent members did not utilize full part of the loan for intended purpose.

59. It is observed that there is lack co-ordination and team work among the directors, farmers, secretary and other staff of the sample primary agricultural co-operative credit societies.

60. It is observed that, there is a lack of farmers participation in decision making and in the activities of the society.

61. There is a lack entrepreneurship in management of the primary agriculture co-operative credit societies.

62. There is a lack of internal check and control of daily working of the society.
63. The farmers / members of the primary agriculture co-operative credit societies are not aware about the importance of co-operatives, because they are dominated by influence persons in that particular village who work for their personal benefits.

Hypothesis:

Testing of the hypothesis – The findings and conclusions of the study have proved that the hypothesis of the present study. “The services rendered by primary agriculture co-operative credit societies are not sufficient” is tested.

8.2 Recommendations:

1. Raise in the Limit of the crop loan:

The amount of crop loan supplied by primary agriculture co-operative credit societies is insufficient to meet the production cost. It should be increased. The crops loan given to the members should be given on the basis of production cost.

2. Minimize the unnecessary expenditure:

Try to minimize the unnecessary expenditure that is expenditure on social obligators, festivals, marriages etc. The farmers may minimize expenditures by doing a “Group Marriages”
3. **Due care should be taken for recovery of loans:**

Loans are recovered in the usual manner. As a result, percentage of arrears / over dues is very high.

In order to recover the loans more efficiently, the societies should make special efforts and give priority to the recovery of loans.

4. **Linking of credit with marketing:**

In the study area there is a lacuna in linking credit to marketing. It is expected to check and control the likely misutilisations of credit which is being advanced. There is a need of linking credit with marketing.

While distributing crop loans, it is taken in to account that the recovery of these loans will be done through the sale of crops. But farmers sell their goods such as fruits, vegetable, etc. themselves in the market whereas the borrowers sell their goods in others names.

For this reason very little recovery is made through the marketing committee. Marketing of produce through marketing society should be made compulsory to farmers, so that the recovery will be more easy and percentage of arrears will be reduced.
5. The societies should undertake the marketing of agricultural produce. The agricultural produce cultivated by the farmers is not marketed through the societies. The farmers have to depend on the dealers for the marketing of their produce. But if the societies themselves undertake the marketing or arrange the sale of agricultural produce, farmers will be able to get a better price for their produce. Besides, the most important advantage is that the societies can make an immediate recovery or the loans given from this sale proceeds.

6. **The utilization of loans should be supervised:**

The major reason for loan arrears is that the loans are not utilized for the purpose for which they are taken.

So, there should be a proper supervision on the utilization of crop loans. The supervision by the staff of district central co-operative bank and the primary agriculture co-operative credit societies should see and ensure for the crop loan is utilized for the purpose for which it is sanctioned. In this connections, the recommendations are as follows:

- There should be a provision of proper field staff.
- There should be effective training programme for staff regarding supervision.

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- There should be co-ordination between staff of district central co-operative bank and the management of the primary agriculture co-operative credit societies regarding supervision.

- To prevent the misuse and diversion of agriculture credit, the loan should not be given one time but two installments should be allotted. Only if the earlier one is properly utilized.

7. **Personal contacts and guidance to borrowers:**

   The secretaries of the primary agricultural credit societies should keep constant personal contact with the borrower member. They should also give them guidance regarding the repayment of their loans. A written notice in advance should be sent to the members. Also, they should send reminders to the members periodically. Members should also be told how it is beneficial if the repayment of the loan is made in time. As a result of the establishment or personal contacts with the member and proper guidance recovery position will improve.

8. **Efforts to increase deposits.**

   All societies should accept deposits on a large scale from the members as well as from the public. This will help the members to develop the savings habit and to meet the need of funds.
Also, the societies will not have to depend on the district central co-operative bank. To achieve this objective, the societies should give a reasonable rate of interest on the deposits and try to attract deposits through different saving schemes. Primary agriculture co-operative credit societies should collect the deposits from members and public for increasing funds for sound financial position.

9. **Training programmes**:

Well trained secretary should be appointed for each society and continuous training is to be needed to secretary of the society. The societies should made available various types of training programmes to farmers, secretaries and the directors.

10. **Appointment of full time secretary**:

For effective administration of the primary agriculture co-operative credit societies, the full time secretary should be appointed. If full time secretary is appointed, he can concentrate on a particular societies working and can manage whole administration smoothly.

It is pointed out by our study that a single secretary is required to work in more than one society which hampers his efficiency. So we feel that the government should try to appoint one full time trained secretary for each society separately.
11. **Minimize the rate of interest:**

The researcher suggested that there is a need to minimizing the rate of interest.

12. **Effort to Increase percentage of borrowers:**

All primary agriculture co-operative credit societies should take special efforts for increasing the percentage of borrowers. Make them aware about crop loan.

The sample primary agriculture co-operative credit societies should concentrate on increasing the user members. Loan and business policies of the societies need to be looked in to achieve higher borrowing membership.

13. The directors must develop business attitude for better progress of the society to face the challenges of globalization. It is a co-operative organization so, they must have social obligations and commitment for better progress of the societies and to face the challenges of globalization directors must develop business attitude.

14. The directors should try to keep the various expenses minimum such as administrative expenses and revenue expenses.
15. The primary agriculture co-operative credit societies should think for welfare fund, development fund along with building and general fund.

16. The management of primary agriculture co-operative credit societies should treat the employees in a best way that they should give best service to the society. The satisfied and efficient staff is the assets of the society.

17. The concept co-partnership can be implemented by giving a chance to the representative of staff on the board of directors. This will increase the confidence and good relationship between employees and management.

18. The steps taken by directors for recovery of outstanding debts were observed and it is suggested that they should concentrate more for this purpose. The responsibility of recovery should be personally accepted by directors.

19. In the era of globalization, the directors, secretary and even farmers should change their mind set. They should have positive attitude.

20. In the age of information and technology. There is a need of not only doing a hard work but also doing smart work by the secretary, clerical staff and the directors of credit societies.
21. Reduction in overdue can be achieved through supervised lending linking credit with marketing emphasis on recovery of loans. For recovery of overdue the directors should give effective steps against willful defaulters.

22. Primary agriculture co-operative credit societies have to develop their own management system including information technology to face the emerging competitive environment. The government must prepare a new national policy on co-operative with the help of academicians and thinkers.

23. Self help group attached to primary agriculture co-operative credit societies:

For the weaker sections of society and women, the self-help groups could be set up by the primary agriculture cooperative credit societies. Self help groups can raise the deposits.

24. Need to examine the lines of business:

Primary agriculture co-operative credit societies needs to examine the lines of business which are viable, profitable such as godown services, inputs supply marketing of crops, retail stores etc. These businesses need to be viable and meet members requirement.
25. **Audit of primary agriculture co-operative credit societies**: -

With availability of qualified accountants it is not necessary that only co-operative auditors be utilized for audit the books of accounts of primary agriculture co-operative credit societies. Chartered accountants should be doing the annual audit while for larger primary agriculture co-operative credit societies concurrent audit could also be done. This will ensure that professionalisation of primary agriculture co-operative credit societies staff is possible.

Audit programme should be arranged regularly and there should not be gap for better control by the co-operative department.

26. **Primary agriculture co-operative credit societies could take loans from district central co-operative bank or co-operative bankers on business terms.** As for as possible, they should try to collect members deposit in the form of saving deposit, term deposits or even current deposits. This will enable primary agriculture co-operative credit societies to reduce cost of funds.

27. **Government should not adopt loan freeing policy in future, due to this policy overdues tendency increase day by day and economically good farmers are also not repaying the loans.**
In the era of liberalizations, privatization and globalization this policy is not desirable. Government should appoint special recovery officer for overdue recovery.

28. District central co-operative bank should sanction loan to these societies within short and proper time. Then and then only society can sanction the loans to the farmers within the short and proper time.

29. Primary agriculture co-operative credit societies should try to adopts new loan schemes for the farmers such as loan for farm house constructions, loans for purchasing cattle and other farm related activities.

30. Establish proper co-ordination between society and district central co-operative bank for recovery of loans.

31. Crop loans should be given in cash as well as in kind. The distribution of loan in the form of seeds and fertilizers should be made through the primary agriculture co-operative credit societies at the right time and at reasonable rates.

32. In state co-operative banks and the district central co-operative banks development action plan has already been introduced. But is incomplete as no development action plan has been introduced at grass root level. There is a need to introduce it.

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33. To increase share capital hundred percent coverage of membership shall be insure by introducing doorstep banking.

34. There is a urgent need to introduce value based education for directors and co-operative leaders at village level.

35. For efficient management and overall functioning of primary agriculture co-operative credit societies it is advisable to educate the members and directors in co-operative principle and to educate them the value of co-operative and their socio-economic importance.

36. The current method of functioning including maintenance of accounts by the primary agriculture co-operative credit societies should be modernized by considering the importance of information technology in order to achieve the ethics of co-operations in a beautiful manner.

37. The administrative delay in sanctioning loan is the current functional cause for mis-utilisation of credit. This should be avoided by granting loans according to the requirement of the farmers/members to enable them to undertake their activities in a right way in right time and in right manner.
38. Co-operation between the management and employees is essential for the success of primary agriculture co-operative credit societies. The staff of the society must be honest one who are very loyal to the society, so that, the society can achieve its desired common goal.

39. Primary agriculture co-operative credit societies are the best suited organization to tackle the problem of rural poverty if they are able to expand their areas of operations and diversify in to new fields.

40. It is necessary that women and backward class directors should be active insure progress of primary agriculture co-operative credit societies. To overcome this difficulty they should be assign specific duty to which they are responsible to ensure attendance of every director. It he/she is absent for three meeting suitable steps should be taken against him/ her. The society and concern people would help to improve the awareness for active participation through informal education.

41. The need of the hour is that the board of directors and secretary should play the role of trustee. This will enhance the positive relationship between the farmer/ members and directors. Finally this will creates the positive picture of the society.
42. The government should form agriculture entrepreneurship centres at each taluka place to inform the new technology of agriculture produce, processing of agricultural produce its marketing and financial availability.

43. Secretary of primary agriculture co-operative credit societies is a soul of the society. He is a main and responsible administrator. He is the dynamic life given element of the society. Success of the society is depending up on his leadership and efforts, so he should be a well trained, efficient and dynamic one. Pune district central co-operative bank and co-operative department should arrange works-shop seminars and training programmes for secretary.

If, the recommendations given above will be fulfilled, the functioning of primary agriculture co-operative credit societies shall be improve and finally the members will be benefitted.