CHAPTER III

COOPERATIVE FARMING IN INDIA: RETROSPECT AND PROSPECT

In the past four types of cooperative farming societies were organised in India viz., cooperative better farming societies, cooperative joint farming societies, cooperative tenant farming societies and cooperative collective farming societies. At present they are grouped into two types; cooperative joint farming societies and cooperative collective farming societies. Pattern of organisation of cooperative farming societies was left to local leadership, though the Second Plan assured extending of financial assistance to the organisation of those societies whose primary aim was pooling of land and joint management.

TYPES OF COOPERATIVE FARMING SOCIETIES

The idea of cooperative farming societies can be traced back to the Advisory Board of Imperial Council of Agricultural Research which suggested in 1944 cooperative farming. The subject also received attention in Bombay Plan in 1944. Based on the recommendations of XIVth Registrars Conference, Committee on Cooperative Planning in 1946 suggested cooperative farming as a measure to enlarge the unit of cultivation for more economic use of land.

In this connection the committee suggested four types of cooperative farming societies, i.e; (i) Cooperative Better Farming Societies; (ii) Cooperative

---

Tenant Farming Societies; (iii) Cooperative Joint Farming; and (iv) Collective Farming Societies².

Better farming societies is organised to introduce improved methods of farming. It may undertake joint purchase of inputs as well as sale of the produce besides joint ploughing, harvesting watch and ward and use of machinery. The society may undertake one or number of functions. Each member of the society is, however, independent except for the specific purposes for which he joins the society. Patronage divides are given to members at the end of the year.

Tenant farming society is formed on lands held by it on free-hold or leasehold. This holding is divided into smaller holdings and distributed to members and the society arranges for the supply of farm equipment. The tenant pays fixed rent for its holding. Profits of the society, after meeting all expenses and providing for reserve fund, are distributed among tenant members in proportion to the rent paid.

In cooperative joint farming society, to have an economic farming, land of the members in separate holdings is pooled. Members work on the pooled land jointly and receive wages for the daily labour. Each member retains ownership of land and receives dividend in proportion to the value of his land. The produce of the land, raised collectively, after meeting expenses of cultivation including payment for use of land, is shared by the members in proportion to the wages earned by each one. Distinctive feature of the society is to have the subsidiary

agreement between the society and each member that if any cost of improvement made on his plot of land will be repaid by him when he ceases to belong to society.

Collective farming society holds the land either on free-hold or lease-hold basis besides other means of production. It also undertakes joint cultivation. Profits are distributed in proportion to work done by the members. These societies are organise usually on government land or land newly brought under cultivation. But these societies cannot be confused with collective farms of erstwhile soviet union.

In service cooperative societies ownership and management of land are with family. Only marketing, supply, credit, processing and other services are provided to members by the society.

These forms of cooperatives represent different degrees of cooperation. Service cooperatives and better farming societies represent one end of the continuum with lesser degree of cooperation whereas joint farming and collective farming societies represent the other end of continuum with high degree of cooperation.

CONCEPT OF COOPERATIVE FARMING SOCIETIES

According to Koli, standard cooperative farm as a unit of operation is one in which several individuals and families voluntary contribute land and other

Samucdin, Cooperative Farming and Its Impact on Rural Industries, Aligarh Muslim University, Aligarh, pp.33-55.
productive assets, work and manage their lands jointly and get a payment for their work in proportion to their efforts and profit or dividend in proportion to their property they contribute. Contribution of land and joint management are essential conditions of cooperative joint farming.

According to FAO documentation, cooperative land use includes any form of cooperative cultivation of land and pooling of resources by farmers in a cooperative organisation to promote efficient production, purchase and a sale of farm produce and supplies as well to provide needs of farmers⁴.

PATTERNS OF AGRICULTURAL ORGANISATION AND CRITERION FOR CHOICE

In modern world a number of alternative patterns of agriculture organisation have been in vogue in different countries at different times with varying degrees of success. This patterns can be analytically presented under the five heads: (1) small peasant farms; (2) estate or capitalist farming; (3) state farming; (4) collective farming; and (5) cooperative farming. A cursory reference to the essentials of these farms is made hereunder.

Peasant farming refers to small scale private enterprise in agriculture. A tiller is the proprietor possessing permanent inheritable and transferable land. Using family labour, the peasant plans independently, produces the crop and sells or retains the produce without interference. As the production unit is small,

the degree of mechanisation is negligible or small. The erstwhile ryotwari system
was a close approximation to peasant farming. Later on intermediaries
multiplied. As a consequence this system degenerated into tenant farming.

In what is variously known as capitalist or a state or corporate farming
land is held in large areas by private capitalist, corporations or syndicates, and
is managed like a modern industrial enterpreneurs. It is run like a joint stock
company with use of hired labour and high degree of mechanisation. So most of
the produce is meant for a market, keeping a small portion for seeding purposes
and feeding the animals. It is mostly evident in USA western Europe and in
India where plantation crops are grown. In what is called state farming, state
enterprise is applied to agriculture. Government is the owner and manager and
hires labour. Like in estate farming cultivators have the status of mere wage
 earners. This system though found in several countries including in India typical
existed in erstwhile USSR.

Collective farming as a pattern of organisation of agriculture came into
prominence in erstwhile USSR. MEXICO, PALESTINE. The distinctive features
of this farm can be put under three broad aspects viz., ownership, production
and distribution. Relating to ownership of the land stock and capital, community
is the owner with no individual holdings and no private property in land. As a
partial exception in some cases, limited livestock and small strips of land are
allowed to be cultivated on individual basis. Since the whole farm is treated as
one unit for production and management, the scale of operations is large and
mechanisation high. Members carry work jointly with little use of outside labour.
Managers appointed either by the Government or bureaucracy or elected from
among members constitute board of management, which plan and administer operations. With respect to distribution the share of a member is determined on the basis of standard labour days taking into account the output turned out by him. In brief, under this system production is collectively undertaken and distribution and consumption are on individual basis.

Though cooperation has a long history cooperation as applied to agriculture is relatively a recent innovation. In a number of countries in Eastern Europe, Mexico and China the system has been experimented. As a result the concept has acquired high elasticity of meaning. To some it is joint use of some essential services without pooling and joint management of land making it not so different from peasant farming. To some others it is collective farming in which there is joint ownership and cultivation. Hence this is source of confusion and controversy as to the nature of cooperative farming. It is but pertinent to note some of its following essential features. Cultivators in a given area voluntarily associate together to pool their individual holdings for the purposes of cultivation and to manage the whole farm as one unit under an elected management. Individual ownership in land is retained which is recognised when each number is paid dividend in accordance with land and other assets contributed by him. Besides the member working on the farm receives wages at stipulated rates for work done by him. After meeting the wage and other costs including interest costs from the sale proceeds, gross profit is arrived at, a part of which is used for building up of reserves and the rest distributed among members. Its prominent feature is combining incentive of individual ownership with size economies possible in agriculture. So it enables small farmers to share
the economies of scale while retaining individual ownership in their lands. In another sense the term cooperative farming is used to refer to a system where land is individually owned and managed and principles of cooperation are applied for non-farm operations. This may be termed as partial cooperation known under such names as better farming, cooperative servicing and individual farming on cooperative lines. But this should not be confused with cooperative farming whose attributes have already been discussed.

CHOICE OF THE FARM OF AGRICULTURAL ORGANISATION

A set of criteria should be used while formulating policy as to the form of agriculture organisation. Undoubtedly the first and foremost criterion should be that of making agriculture efficient and progressive. In other words, yields per acre should be increased and cost per unit of output be decreased. In Indian situation while there is high scarcity of land this criterion seems to be key criterion. But to attain efficiency the organisation of agriculture must be incentive-oriented for mass of produces, who are small and marginal peasants. Another criterion is to bring an increase in marketable agricultural surplus which is essential for capital formation. Thus the pattern that increases the market surplus should be preferred. Yet another criterion is generations of employment. The system that provides increased employment is a clear preference in country like India where there is more unemployment and under-employment with bleak prospects of industry absorbing them. Yet another criterion is the realisation of social values accepted as desirable by the community like equality, freedom and democracy.
NEED FOR COOPERATIVE FARMING

Mohite's report on Cooperative Farming in 1947 supported the establishment of cooperative farming societies in Bombay State as suggested by Cooperative Planning Committee. It pointed out the operational holding of land in India was of smaller size. It reasoned out the need for cooperative farming, for only through this scale economies, use of modern machinery, specialisation of labour for mixed farming would become available to smaller farmers. It also came to the conclusion that the Government waste land and forest land should be used for starting cooperative farming and initial expenditure should be borne by the Government and later recovered from the cooperatives.

Reserve Bank of India's publication on Cooperative Farming, 1949, argued for the organisation of cooperative farming as an institution that enables small farmers to increase production while reducing work expenses. In the social sphere cooperative farming develops social sense and group spirit among members. It also serves as a method of closer cooperation between Government and farmers. Though RBI put faith in cooperative farming, it warned realisation of cooperative farming was no means easy and first steps we take have to be slow, cautious and correct.

The publication of Ministry of Agriculture in 1945 argued for cooperative farming on the following grounds; (i) it provides better economic security to the farmers; (ii) it gives better adjustments of production to market needs and acts as a valuable agency for the state; and (iii) the value of agriculture cooperatives
as a social institution bringing erstwhile individualistic elements into a common fraternity would be great.

PREFERENCE FOR CERTAIN TYPES OF COOPERATIVE FARMING SOCIETIES

The Congress Agrarian Committee appointed in the year 1947 on the unanimous suggestion of Revenue Ministers Conference held at Delhi, submitted its report, endorsing the cooperative joint farming societies and cooperative better forming societies while rejecting the other two types. The committee recommended compulsory cooperatives and joint forming for cultivators whose holdings were below the basic size and who constituted 40 to 50 per cent of Indian farmers. While recommending some form of compulsory cooperative better farming for the rest of cultivators, the committee favoured compulsion only after fair trial of voluntary principle. It accorded greater importance to co-operative joint farming society, discussing at length its organisational aspect, distribution of income, state assistance and several other conditions for its success.

OTTO SCHILLER’S VIEW

He dispassionately advocated individual farming on cooperative lines, observing that nowhere in the world could be found the agriculturists voluntarily giving up their individual use of land and pooling their lands for joint farming. Therefore, he suggested the cooperative society for improved individual farming.

Under this scheme benefits of cooperative farming can be achieved by confining cooperative methods with individual use of land.

TRADITIONAL FORM OF COOPERATION IN FARMING

Traditional form of cooperation in farming has a long history in India. It has taken different forms. Joint cultivation of land has been practiced in DAN district in Bombay in many adivasi areas. Temple lands and village common lands were also cultivated jointly in Nagpur and Vidarba regions of erstwhile Bombay. The agriculture operations were undertaken jointly in Punjab also. A system of joint work at the time of weeding and harvesting operations existed. In western parts of Kolhapur district of Bombay State, now forming part of Gujarat, joint farming is widely practiced in sugar cane cultivation by pooling together resources of land, labour and equipment. The net amount, after meeting the working expenses, was divided equally among members. But this joint farming known as "phade" were not registered as cooperative farming societies. In Gooty taluk of Ananthapur district in Andhra Pradesh joint cultivation was practised on traditional lines known as "Goonchi". In Karimnagar district of A.P, protected tenants have been cultivating the land jointly to the extent of 145 acres for the last 40 years. From the preceding analysis it is clear that joint cooperative farming is not altogether new to Indian farmers.

Government of India laid broad guidelines for organising the societies in pilot project areas. These guidelines, among other things, included; (1) the

---


7 Ibid, pp.57-59.
society should be organised voluntarily with small cultivators or landless labourers or both as bulk of their members; (2) Societies organised merely for securing financial assistance should not be encouraged; and (3) the programme of consolidation of holding should be coordinated with cooperative farming.

Following the recommendations of these guidelines cooperative farming societies were organised in pilot projects during the Third Five Year Plan. This cooperative farming societies programme was linked with community block activities to augment overall rural development.

The main findings of two surveys conducted in Madhya Pradesh on the functioning of the societies, revealed the following facts. All the new societies were started without adequate preparation. Majority of the members were not knowledgeable about cooperative farming societies and their functions. The main motives for joining farming societies were to obtain cheap credit, to secure government aid for reclamation of land and irrigation, to obtain legal rights over the land already occupied, to evade land ceiling or to protect share cropping, etc. Coming to pooling of resources, it was noticed best land was retained for personal cultivation and only the inferior or cultivable waste was pooled into the society with the hope that the society would develop the land. Relating to working of the society in most of the cases, there was neither joint nor common management.

---

COOPERATIVE SOCIETIES ACT

The first cooperative societies act was passed in 1904 after which the number of societies came existence, but the act was found inadequate to cover various non-credit activities. The Cooperative Societies Act of 1912 was passed with an objective of giving legal protection and facilities for the formation of cooperative societies for promoting thrift and self-help among agriculturists, artisans and persons of limited means. This Act prohibited the use of cooperative to any business concern except societies registered under this act. Many new types of societies like cattle insurance, sale of produce, the purchase of manure and retailing of farmers implements and common necessaries sprang up after this Act.

Under the Government of India act 1919 cooperation was transferred to the Provincial Governments and since then it was state subject. After this a series of provincial cooperative society acts were passed. From 1935 to 1939 two main developments took place in cooperation viz, the need for development of long-term credit through cooperative land mortgage banks was stressed and the concept of primary societies being organised as multipurpose cooperatives was increasingly accepted.

Between 1939-45 cooperatives movement began paying attention to production and distribution. A number of cooperative stores like milk supply, cane growers, fruit and vegetable growers, weavers and other industry were developed in this period. Later on the cooperative Planning Committee in 1945, while submitting its report, recommended for more financial help to the cooperative movement and introduction of cooperative farming.

---

9 Sami Uddin, Cooperative Farming and Its Impact on Rural Industries, Aligarh Muslim University, Aligarh, pp.53-55

98
EARLY EXPERIENCES IN OPERATION OF COOPERATIVE FARMING SOCIETIES

One of the primary motivating factors for joining the Cooperative joint farming Societies was to avail of cheap and easy credit. The imbalance between the demand for credit and supply was contributory factor to the failure of the societies to earn economic benefits. The following are the important observations of the studies conducted in joint farming societies; lack of experience and absence of proper guidance in holding ancillary undertaking on cooperative basis; absence of proper communication and technical know-how; absence of long-term and phased development of land and of common interest of members; inability of many societies to produce adequately for want of machinery; and low crop yield due to dependance of rainfed crops in the absence of irrigation. These studies also highlighted the benefits of cooperative farming societies. Some of those are: increase in the income of farmer members of the societies which could not have been possible at an individual level; creation of better employment opportunities to the members and better economic returns; cultivation opportunities to small farmers by reclaiming new and barren lands; and in the success of many cooperative farming societies, coordination among societies and external agencies helped a lot.10

PROGRESS OF COOPERATIVE FARMING DURING THE FIVE YEAR PLANS

First Plan

The First Plan recognised the small holdings below the basic or floor level constituted the most difficult problems in the organisation of Indian agriculture. The Planning Commission also recommended the practice of cooperative farming for the whole village, when majority of holders representing at least half the total area under cultivation desired to establish society. In a nutshell the objective of this plan was cooperative village management using land, manpower and other sources of village for the benefit of village community. To start the plan envisaged to bring both medium and small farmers into cooperative farming societies. Gradually cooperative farming should evolve to cover the entire area of the village, both cultivated and uncultivated. The plan recommended planned experiment in evolving suitable methods and techniques of cooperative farming under Indian conditions. State Governments were requested to draw the phased programme to cooperative farming. But overall result was failure.

In the light of the experience of the First Five Year Plan, planning commission appointed a committee to study Chinese experience for developing cooperatives. Recommendations of the committee were as follows: (i) as a part of demonstration programme of cooperative farming, there should be established at least one society for every 50 villages in the next four years. This would result in roughly around 10,000 societies; (ii) as many societies as possible should be organised in community project area and national extension blocks; (iii)
Voluntariness should be scrupulously adhered to; (iv) Government land available should be settled with cooperatives consisting of landless agricultural labour as members, (v) if agreed by small owners and tenants to pool their land they should be admitted as members; and (vi) after survey of the existing society only genuine society should be retained.

Targets set by the plan were achieved due to the Government policy of leasing out agricultural waste land to cooperative farming societies and certain provisions of tenancy legislation conferring exemption on non-cultivating members of the cooperative farming societies. Most of these societies organised were located in Bombay, Punjab, Uttar pradesh, Rajasthan and West Bengal. All four types of cooperative farming societies were encouraged during the plan period.

Second Plan

Having an aim of development of cooperative farming over a period of 10 years to bring substantial portion of agricultural land under cultivation on cooperative lines, the following steps were recommended. (1) pilot projects in cooperative farming should be undertaken in each district at the first instance and later in each national extension community project area to evolve better methods of management and organisation. (2) Surplus area that becomes available over and above ceiling should be settled along cooperative lines. Holdings below basic size should be brought into cooperatives to which surplus land is allotted, provided the owners agree to pool their lands. (3) Special attention should be directed to put on healthy lines those societies functioning
indifferently so that their success may act as a incentive to others to farm cooperative farming societies. (4) Cooperative farming societies should be provided with technical and financial help for starting nonfarm ventures so that non-farm employment can be provided to the members and others associated with them. (5) In tribal areas also agriculture on cooperative lines should be developed. (6) Training in cooperative farming should be organised.

As a result of the best efforts of the Government to encourage cooperative farming, the number of cooperative farming societies increased from 2,000 at the commencement of the second plan to 5,409 in 1960. As there was no preference for particular type of cooperatives in providing assistance by the government many societies other than joint farming and collective farming increased from year to year, enjoying the government facilities.

Third Plan

The detailed programme for the development of cooperative farming in the Third Plan provided for the organisation of 318 Pilot projects comprising in all 3,180 cooperative farming societies, at the rate of one pilot project per district and each project having 10 societies. Central and State Governments shared equally the finances that should be provided to encourage organisation of cooperative farming societies in pilot areas. Central assistance was also provided for organising cooperative farming societies in non-pilot areas. By the end of December 1965, 2,485 and 2,527 societies were functioning in pilot and non pilot areas covering 2,64,245 acres and 2,80,840 acres respectively. A notable feature in the plan was the suggestion that the development of agro-industry should be
included in the production plan formulated by cooperative farming societies. If the progress of cooperative farming societies in pilot and non-pilot areas is juxtaposed, it is obvious that progress is more in non-project areas than in project areas.\textsuperscript{11}

Fourth Plan

The Fourth Plan suggested that cooperative farming should be an integral part of the schemes for achieving new advances in agriculture. Further the plan wanted to promote cooperative farming as one of the important instruments of assisting poorer sections of farming community. The Committee of Direction appointed under the chairmanship of D.R. Gadgil (1965) recommended that special attention must be paid to consolidation rather than expansion of cooperative farming societies. However, the Fourth Plan set the target of covering about 1.5 million acres of land under existing or would be set up cooperative farming societies at the end of the plan. To meet the target the plan wanted to have 10,000 new societies phased out as follows: 700 in 1966-67, 1,500 in 1967-68, 2,000 in 1968-69, 2,500 in 1969-70 and 3,000 in 1970-71. The committee felt the future of cooperative planning was closely linked with land reform programme.\textsuperscript{12}

\textsuperscript{11} Sami Uddin, Cooperative Farming and Its Impact on Rural Industries, Aligarh Muslim University, Aligarh, p.72.

\textsuperscript{12} Ibid, pp.63-72.
IN FAVOUR OF COOPERATIVE FARMING

The Panel on Land Reforms which submitted its report in 1958, suggested that the steps should be taken in the next ten years to ensure bringing of substantial portion of the land area under cooperative farming. Indian Delegation on Agrarian Cooperatives which visited China in 1957 submitted its report to the Planning Commission focusing on working of the cooperative farming in that country. The majority of the members of delegation opined that cooperative farming was only the alternative if India was to achieve speedy progress in economic development. The delegation in its report pointed out India had large size of unemployed population with large work-potential in its agriculture sector. Further scarcity of capital was noticed and in uneconomic farms capital remained underutilised. Keeping these facts of Indian agrarian situation in view the report considered service cooperatives as useful instruments in providing supplies and funds to individual farms. But this was a limited role for the service cooperatives. Cooperative farming, if adopted, would enable fuller utilisation of economic resources, reduce cost, mobilise rural savings and make capital formation in Indian agriculture easy. Favouring voluntarism in organising cooperative farming societies, it recommended in the next four years a programme for organising about 10,000 cooperative farming societies and state should help them in the form of credit, guaranteed prices and expert guidance on technical matters.

Nagpur Congress Session in the year 1959 passed a resolution, saying in future agrarian pattern in India should be that of cooperative farming in which the land would be pooled for joint cultivation, farmers retaining their property
There is no specific status providing for medical confidentiality in India. Section 126 of the Evidence Act, protects from disclosure, professional communications between lawyers and their clients. No such provision exists in the case of doctors. However, the common law doctrine would apply, under which because of the relationship between doctor and patient, the patient reposes confidence in the doctor and passes on all personal and confidential communication to the doctor,¹ the law protects it from disclosure to third parties. The right of confidentiality to disclose confidential medical information on the part of Doctors, clinicians are not absolute and however subjected to certain exceptions.

3.3.2.1 WAIVER OF PATIENT RIGHT

A patient may waive his right of medical information by giving absolute consent, and this is a unilateral act on his part. Either patient may waive his right of confidentiality or right to institute legal proceedings for damages against erring physician. This is a waiver by contractual obligation.

¹ Country Scan no update NACO Publication, New Delhi, 1996
AGAINST COOP.ERATIVE FARMING

The brochure of the Indian Cooperative Union was the first of its kind to argue against cooperative farming. The reasons given for this was that the cooperative principles should not be extended to the extent of pooling of land holdings and joint management. In its argument against cooperative farming it was felt that large scale farming was likely to be uneconomic in India and cooperative farming which would result in larger sizes of the holdings was found to create a tendency for mechanisation leading to the problems of unemployment and foreign exchange. Another shortcoming shown by the union was changing the owner cultivator into a status of mere worker a loss which could not be compensated by the increase in income of the members of cooperatives.

Charansingh was another person who opposed cooperative farming seeing no difference between cooperative farming and Russian collective farms. The two grounds he offered to this opposition are: (i) as cooperative farms get mechanised, the problem of unemployment would accentuate; and (ii) this farm would adversely affect the productivity of land as the farmer would have no incentive in cooperative farming as he is likely to have in the cultivation on the individual basis14.

14 Ibid, p.80.
EMPIRICAL STUDIES ON COOPERATIVE FARMING

The empirical studies, unlike the preceding studies which were theoretical in nature, present practical problems. The studies were conducted by the Government appointed committees, individual researchers and private bodies.

The Working Group on Cooperative Farming under the chairmanship of Nijalingappa, deserves special mention as it is the first and foremost among empirical studies conducted by Government appointed committees or work groups to study empirically the cooperative farming in India. The work group visited and studied 34 societies in 8 states. The group found inter-state differentials in their performance in Punjab and Uttar Pradesh. The percentage of societies working in these states on existing cultivated land was substantial whereas in Bombay and Orissa the societies were established on Government waste lands.

One interesting observation of the Working Group was that motivation for farming societies was not to reap economies of scale by pooling the land but the motives were like to get Government lands and to get financial assistance. Applying two main tests viz., economic improvement and improvement in social condition, to judge the performance of the societies, it deserved the societies improved the condition of backward classes and landless workers. The Group expressed belief in cooperative farming as an effective method and agency of improving the conditions of small and medium farmers. After visiting a number of successful farming societies, the Working Group felt the farmers were not conscious of the benefits of cooperative farming since its advantages had not
been fully demonstrated under local conditions and techniques of operation, management and organisation were not widely known. To dispel the misgivings of the farmers about the cooperative farming societies the Group recommended organisation of cooperative farming societies as planned pilot projects. The proposals of the Group were accepted by the National Development Council in 1960 and formed the basis for programmes undertaken in the Third Five Year Plan.

The Committee of Direction studied cooperative farming in Gujarat. Examining the work of 83 societies, out of which 24 were intensively studied. Members of 10 societies were studied in detail to know the impact of cooperatives farming on their economic conditions. The majority of the societies in Gujarat had been formed of backward people due to preferential policy of Government in granting lands to them. The main findings of the study were: (i) the enthusiastic response to cooperative farming in Gujarat in 1949 was due to government policy and efforts of nongovernment agencies; (ii) average membership varied from 22 to 45 with average command area of 284 acres per society; (iii) Government assistance was given to societies to meet current as well as long-term requirements; and (iv) there was a change in income and employment of the members of the society.

The Committee of Direction on Cooperative Farming appointed by the Government of India for the assessment of progress and evaluation of pilot projects, made the following observations in its report; (i) cooperative farming had not yet taken firm roots in India despite registering a few achievements; (ii) as a result of achievements of pilot projects in certain areas, clusters of potential
growth developed; (iii) majority of the societies took measures to increase irrigation potential and to improve the land without which the societies members would not have been able to do individually; (iv) adoption of improved practices increased with formation of societies; and (v) both gross value of production per acre and employment improved. The committee also drew attention to the following problems: absence of non-official leadership; motives differed in joining the society i.e. evasion of land ceiling laws; all members drawn from one or two families to avail of assistance given to the societies; individual cultivation by the members in many societies; inadequate technical and financial support both from Government and cooperative agencies. Pooling of the part of the land by members that too inferior quality; and economies of scale not derived due to scattered holdings.

Programme Evaluation Organisation, after having studied the programmes of resettlement of agricultural labourers, submitted its report in 1968. In its observations, nearly 40 per cent of the societies were reported to have not been functioning properly. Therefore, emphasis on consolidation of the programme rather than its expansion. Fourth Five Year Plan maintained a balanced view when it stated special efforts should be made to activate weaker societies and new societies would be formed wherever potential for growth was ample.\textsuperscript{16}

\textsuperscript{16} Ibid, pp. 88-84.
NASCENT MARGINAL FARMERS

A special category of cooperative farming societies have to be formed with the nascent marginal farmers, who have been given settlement of vested lands recovered by Government through land ceiling laws. As they are given lands of poor quality from the point view of situation and productivity, loans for various development of lands operated by the societies from the institutional agencies be sanctioned.

NEW FOCUS ON AGRICULTURE GROWTH

Small and marginal farmers including tenants might increase total agriculture output to a greater extent by contributing their share of increased output per unit of land, if facilitated by credit and service support. This became the focus of plan exercise. So with this objective in view and also egalitarian dispersion of growth, land ceiling, tenency laws, joint cooperative farming were galvanised in all states in the country to create a stake in agrarian development at micro level.

The ever increasing number of landless agriculture households is an obvious indication that surplus land available under ceiling laws had to be distributed to landless agricultural labour. This redistribution of land ensures increased output per unit of land by fuller employment of family labour. This is possible technologically, since output is farm size neutral. Hence the constraints

in obtaining optimum scale of output per acre in small and marginal farmer, is not technological constraint but the institutional constraint like supply of credit and farm of organisation.

The need for land reform was cogently observed by Gunnar Myrdal when he said "in the absence of effective land reform all other institutional reforms - like community development, agriculture extension and credit cooperation will continue to be perverted to serve the interests of better off". It is also being increasingly recognised as desideratum that vast army of marginal farmers accompanied with nascent farmers who are being settled on waste land need to be brought under the institutional format like cooperative farming. For the inability of existing marginal farmers and nascent marginal farmers settled on vested lands recovered under the ceiling laws, cooperative principles should also extend. This also prevents alienation of lands from the hands of nascent marginal farmers for the simple reason that land units are non-viable on individual basis.

Cooperative farming is an important devise of restructuring the agrarian system of the country. If it is possible to re-organise on cooperative lines, it can be easily shown that all the desiderata that an efficient and equitable agrarian system is expected to posses, can be obtained at least in principle. Cooperative farming is consistent with the maximisation of output with generation of adequate employment as well as sufficient marketable surplus even when property rights are recognised. Rules of allocation of work and product under a cooperative can be worked out on the basis of exact specification of the kind of cooperative set-up than one would like to introduce.
The institution of cooperative farming on Government lands would convert numerous landless agricultural households into marginal and sub-marginal households. With the massive inclusion of marginal farm households which would form the significant chunk of rural population, their viability assumes the importance of being treated as major policy issue. Three alternative forces of action may be taken for the viability and consequent continue growth in agriculture: (1) consolidation of holdings leaving farm operation purely to private enterprise; (2) the form of statutory collectivisation; and (3) joint farming having cooperative character on the wide basis of marginal and small farmers. Consolidation of ownership may not last for long due to the existing law of inheritance in vogue in our country. The second alternative, statutory collectivisation of holdings also suffers from lack of massive administrative machinery required to be pressed into service for running them. Therefore, a mass base of farming cooperatives needs to be built up on a national scale. From the preceding analysis it is consistent with a prevailing socio-economic conditions in India to have cooperative organisation in either of the two forms, a better farming society or a Joint farming society.\footnote{ibid, pp.249-255.}

**AGRARIAN REFORMS AND COOPERATIVE FARMING**

For development of agriculture two sets of measures are required, one set relates to technical facilities necessary for meeting the requirements for scientific agriculture and the second relates to the creation and maintenance of suitable institutional frame work. Scientific agriculture should follow the institutional change.
Many an expert committee in the distant years lent support to the cooperative farming. The Policy Committee on Agriculture, Forestry and Fisheries (1945) recommended the undertaking of pilot schemes and different types of farm organisation, so that comparative advantages of the different organisations might be determined and suitable one be evolved for wider application. In 1946 a similar view was expressed by the Cooperative Planning Committee when it advocated experimental ventures and types of cooperative farming in two selected village in each district. This view was endorsed by Indian Cooperatives Congress (1952) when it advocated that state and cooperative movement should take steps to organise cooperative farming societies wherever their formation was feasible and desirable. Indian Delegation to China on Agrarian Cooperatives expressed its emphatic view on cooperative farming as a desirable and necessary form for successful reorganisation of Indian agriculture. Indian Planning Commission had a similar view on cooperative farming as an essential form for bringing into existence sizable farm units facilitating application of scientific knowledge, increasing capital investment and raising land productivity. This view is reflected in different five year plans.

The studies conducted on the theme cooperative farming, brought to light glaring weaknesses and departures from genuine cooperation. Some of them were: management of the societies in the hands of biggest partner who was all in all, and only a few of cooperative partners undertook manual work, the proportion of relatives in total membership was predominant giving the colour of family nature of this organisation; wide disparities between lands held by the largest and smallest partners were noticed; strong correlation could also be
noticed between the size of each partner's land contribution and his relationship with the main partners or managers who were entrusted with the administration of cooperatives; in practice most of this cooperatives were really the capitalist farms and estate farms organised with motives other than genuine cooperation; there were genuine cooperatives which were few and far between; though they were started with genuine cooperative motives they suffered from defects like incompetent manages, uncertainty of land tenure, etc.

CONCLUSION

To enlarge the unit of cultivation for more economic use of land four types of cooperative farming societies namely cooperative better farming societies, cooperative tenant farming societies, cooperative joint farming societies and collective farming societies, were suggested by the Committee on Cooperative Planning in 1946. These forms of cooperatives represent different degrees of cooperation. Though cooperation has long history its extension to agriculture is relatively a recent innovation. Mohite's report in 1947, RBI's publication in 1949, the publication of Ministry of Agriculture 1945 and the Congress Agrarian Committee, 1947 - all suggested cooperative farming. Otto Schiller, a German professor, also advocated individual farming on cooperative lines.

Origin of cooperative farming during plan era can be traced to guidelines issued by the Government of India which included voluntary organisation of small cultivators or landless labourers as members in cooperating farming and linking of consolidation of holdings to cooperative farming. First Five Year Plan, recognising the problem of holdings below basic level, envisaged to bring both
medium and small farmers into cooperative fold. Targets set by the plan were achieved due to the policy of leasing out agricultural waste land to the cooperative farming societies. A 10 year plan was drawn by the Second Five Year Plan to bring substantial portion of agricultural land under cultivation on cooperative lines. As a result there was a spurt in number cooperative societies which increased from 2,000 at the commencement of the plan to 5,407 in 1960.

The Third Plan had drawn a detailed programme for reorganisation of 3,180 cooperative farming societies in 318 pilot project areas at the rate of one project for a district. By the end of 1965, 2,485 and 2,527 societies were functioning in pilot and non-pilot areas respectively. The Fourth Plan felt that cooperating farming societies should be an integral part of schemes for achieving new advances in agriculture. The plan set a target of setting up of 10,000 cooperative farming societies and of covering 1.5 million acres of land under cooperative farming societies. A debate on cooperative farming ensued centering on the suitability of its form for Indian conditions.

Empirical studies on cooperative farming revealed many interesting facts. Motives for starting the societies were other than joint farming. The results were mixed blessing. By 1968, 40 per cent of the societies had not been functioning properly. In the recent years cooperative farming societies were formed with nascent marginal farmers from SCs, STs and BCs who were assigned government waste lands or surplus land under land ceiling laws or both. In the years to come more societies need to be promoted to bring them as well as the land assigned to them into their fold.