

Multi-state cooperative export society

There are 8.54 Lakh registered cooperatives¹ in the country having more than 29 Crore members especially from the marginalised and lower income groups in the rural areas.

2. Cooperatives have presence in almost all sectors viz. agriculture (food grains, pulses, oilseeds, etc.), horticulture (fruits, vegetables, flowers, aromatic products, etc.), dairy, poultry, livestock, fisheries, sugar, spices (cardamom, pepper, clove, saffron, turmeric, etc.), organic products, fertilizer, handloom, handicraft, textile, tea/coffee, minor forest produce, ayurvedic/ herbal medicines, processed food, leather, etc.

3. Cooperatives contribute substantially in various sectors e.g. cooperatives contribute 28.80% in fertilizer production, 35.00% in fertilizer distribution, 30.60% in sugar production and 17.50% in procurement of marketable surplus of milk in the national economy. Many of these products have a huge demand in many countries but in the absence of an umbrella cooperative society, the export potential of cooperative products/services remains hugely untapped.

4. Sufficient finance, export orientation, adequate infrastructure, standardization, market awareness, certification of products, etc., are some of the factors needed for growth of exports by cooperatives. Proper institutional support for aggregation of exportable domestic surplus, working capital, logistics, technical know-how and training are required by the cooperatives to make significant contribution to the country's export basket. As a result, despite the widespread presence of the Indian cooperative sector and its substantial contribution in the economy, only a few cooperatives are directly involved in exports. For example, though cooperatives contribute to one third of country's total sugar production, direct exports by cooperatives sugar mills is less than 1% of total sugar exports.

5. Four leading cooperatives viz. Indian Farmers Fertiliser Cooperative Limited (IFFCO), Krishak Bharati Cooperative Limited (KRIBHCO), National Agricultural Cooperative Marketing Federation of India Limited (NAFED), Gujarat Cooperative Milk Marketing Federation Limited (GCMMF) and National Cooperative Development Corporation (NCDC) have come together to establish a national level multi-state cooperative society for exports by contributing ₹100 Crore each and it will be registered under MSCS Act and Rules, 2002. The society will be notified as a national cooperative society by amending Second Schedule under section 116(1) of the MSCS Act.

6. The society will have an authorized share capital of ₹2,000 Crore and will be established with initial paid-up share capital of ₹500 Crore. It will have area of operation all over the country. Initially, the registered office will be at New Delhi. Cooperatives at all levels, including from primary to national, which are interested in export activities will be eligible to join the proposed society as members. The

proposed society will function in accordance with cooperative principles for social and economic betterment of its members through export promotion.

7. This society will promote exports through various activities including procurement, storage, processing, marketing, branding, labelling, packaging, certification, research and development, etc., and trading of all types of goods and services produced by cooperatives and related entities. The proposed society will also help in arranging finance, provide technical guidance, help in training and capacity building, develop and maintain market intelligence system, implement related government schemes and undertake any other such activities which will increase exports from the cooperative sector and other related entities.

8. The national level multi-state cooperative export society will provide thrust to exports from cooperative sector by acting as an umbrella organisation for carrying out and promoting exports. This will help in unlocking export potential of Indian cooperatives in global markets. This will also help cooperatives in getting benefits of various export related schemes and policies of different ministries of Government of India in a focussed manner through 'Whole of Government Approach'². This will further help in achieving the goal of "Sahakar-se-Samriddhi" through the inclusive growth model of cooperatives where the members would benefit both by realization of better prices through export of their goods and services and also by dividend distributed out of the surplus generated by the society.

9. The setting up of this society resonates with the observations of Prime Minister that all efforts should be made to leverage the strengths of cooperatives and transform them into successful and vibrant business enterprises as cooperatives hold the key to rural economic transformation in the country especially in agriculture and allied sectors with the promise of growth with equity. It is important for the cooperatives to think globally and act locally to leverage their comparative advantage in areas of agriculture, horticulture, dairy, poultry, livestock, fisheries, sugar, spices, organic products, fertilizer, handloom, handicraft, textile, tea/coffee, minor forest produce, ayurvedic/ herbal medicines, processed food, leather, etc across the globe.

² Letter of cabinet secretary to all ministries