



## Cooperative Agricultural System for the Farmers and Unemployed Peoples

Ashutosh Sharma<sup>1</sup>, Gaurav  
Sharma<sup>1</sup>, Nitin Kumar  
Pandey<sup>2</sup>, Sharwan Kumar  
Shukla<sup>1\*</sup>

<sup>1</sup>Rani Lakshmi Bai Central  
Agricultural University,  
Jhansi, India – 284003

<sup>2</sup>KVK, Lalitpur, Banda  
University of Agriculture and  
Technology,  
Banda, India – 210001



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\*Corresponding Author

**Sharwan Kumar Shukla\***

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### INTRODUCTION

Cooperative farming is the system which is run in cooperation with others in terms of agricultural inputs like machinery, seeds, fertilizers, irrigation system etc. and also in the marketing of agricultural produce through its own organization. Overall, cooperative farming is the system for in which farmer pool their resources. This organization is dedicated to help each other in agriculture for their common interest. Cooperative farming provides strength to the small, marginal and poor farmers for agricultural production. Cooperative farming also enables farmers to establish their own agricultural business for procuring their supplies and services (Monzon and Chaves, 2008). Cooperative system is a legal entity and democratically controlled by its members. The members of the cooperative system have a close association with producers and consumers. In addition to the cooperative farming system, marketing and supply is the main platform of earning to the producers. In India, cooperative system of agricultural support has its origin in last of the 19<sup>th</sup> century with aim to provide relief to the agricultural farmers from clutches of the money leader. In this context, the cooperative movement was introduced in India in the form of state policy under cooperative society act 1904. In India, majority of the cultivated land holdings are too small. Approximately 78.6% of the total land holdings in India are below to 2 hectares and 28.8% of the total cultivated area is engaged in to these marginal and small holdings. So, agricultural production in these small holdings is uneconomic and non-profitable because of more inputs (John and Staatz, 1987). Therefore, cooperative farming system enables them to consolidate their small units of land for better utilization in profitable agriculture production (Cobia, 1989).

Cooperative businesses are typically more productive and long-term durable than other practices. Most of the agricultural cooperatives are organized three primary services i.e. supply, production, and marketing. The supply cooperative supplies their members with agricultural inputs like, seed, fertilizer, fuel and machinery services. The marketing cooperative are established by the farmers to undertake, packaging, transport, distribution and marketing of the farm produce. The largest worker owned cooperative system in the world facilitating inputs to the poor and marginal farmers with aim to provide profits. The cooperative movement has initiated globally by ideas of economic democracy. Particularly, economic democracy is a type of socio-economic philosophy with expansion of decision-making power from a small minority of land holders (Cliff and Cluckstein, 1988). Several approaches including locally managed cooperatives, confederation of the unions, and other communities come into existence for help to each other.

## 2. Purpose of Cooperative system

Agricultural production is the major source of income generation and employment in the rural area. Agricultural cooperative system provide instrumental role in the socio-economic development, national food security, and poverty reduction. They can also provide smallholder farmers with access to agricultural resource. The cooperative system of farming is distinct from owned farming system. The cooperative agricultural system is mainly designed for the farmers with minimum land holdings (Rothschild, et al., 1986). The agricultural cooperative farming system is mainly created in situation where farmers cannot obtain essential inputs of the crop production like, seeds, fertilizers, fuel, irrigation system and agricultural machinery. The practical motivation for the establishment of agricultural cooperative is related to the ability of the poor and marginal farmers to pool resources for the crop production. In most of the situation, agricultural cooperative

systems provide a platform of farming with join in an association through group of the farmers to acquire better income. However, the concept of the agricultural cooperative system is aligned with the concept of “economies of scale” and can also be related with economic synergy (Longo and Costa, 2011).

## 3. Benefits of cooperative system

Cooperative system creates brotherhood and affinity for the associated members because they work for their common interest. Cooperative system of the agricultural production committed to provide benefits to the poor and marginal farming community. Poor farmers cannot purchase the machinery and agricultural implements but cooperative system can easily purchase the various machines related to agricultural practices for crop production. The mechanical farming system through cooperative system will not only reduce the cost of cultivation but will increase the per acre crop yield (Pineiro and Camila, 2012). The proper organized cooperative system has potential to guide the farmers in sense to increase their efficiency of crop production. Cooperative system of farming is on better position to get the adequate and timely supply of essential inputs like good quality seed and fertilizers. Cooperative systems of agriculture have change to bargain in the market for maximum price. Sometimes, the cooperative society facings the capital shortage problem and these are unable to meet the demand of agriculture farming but in most of the cases, cooperative system provide all the necessary inputs related to crop production.

## 4. Cooperative system in India

In India, agricultural cooperative system is working more than five decades in most of the states for establishment of the small and marginal farmers. Agricultural cooperative system is a network a local, regional and state level that assists the farmers for agricultural production and marketing (Patil, 2007). The cooperative system comes into existence as IFFCO, dairy farming on the Anand pattern (AMUL). The successful implementation of

the Anand model has made India the world's largest milk producer. In this cooperative system, small and marginal farmers coupled to produce milk for Anand union. Likewise, sugarcane farming is one of the important systems of cooperative farming for the income generation to the small, marginal, and big farmers. Number of cooperative sugar-mills are working in India and prove benefits to farmers. The production of sugar mostly takes place at cooperative sugar mill limited organized by state government and other private partner for providing benefits to the sugarcane producer (Lalwani, 2008). The shareholders including sugarcane producer can supply sugarcane to the mills over last sixty years are under cooperative system.

### CONCLUSION

Cooperative system of crop production has been implemented successfully in many countries of the world like United Kingdom, India, Germany, Australia, Canada, France, Ukraine, Israel, Netherlands, France, and Sweden. They agricultural cooperative movements would provide beneficial role to farmers with minimum land holdings. It may also play an inspirational role to the marginal and poor farming community in well-organized system for agriculture production. The agricultural cooperative system is one of the important milestones to the small and marginal farmers and also for the unemployed youth in the rural areas that provide strength form the income generation.

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