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SOCIETY SUPERVISION - GUIDELINES
AND SUPERVISION FORMAT

The day-to-day work of an oilseeds growers' cooperative society involves commitment of procurement of oilseeds, sampling, weighing, testing and procurement of oilseeds offered by its members and allied activities. The staff of society (may be a Secretary and a helper) though supposed to look after the working of the society and related problems of members, they are constrained due to knowledge of certain specific subjects, particularly in the initial stages. A society therefore needs a teacher, guide for its proper working and development. Society Supervisor therefore assumes a very important position to teach and guide and supervise the staff of society and serve as a live wire link with the Federation. The job of society supervisor involves several responsibilities such as:

- To supervise the procurement of oilseeds from the oilseeds grower members.
- To check the oilseed purchase, payment and test registers and other books of account of the society and help the staff in their proper and up to date maintenance.
- To help the members, staff and managing committee members in solving day-to-day working problems and also certain specific problems within his scope.
- To check the weighing, sampling and testing equipment of the society, and actual sampling and grading done by society staff (Secretary) or Federation's field staff.

Right type of supervisor shall be the one who has a thorough knowledge of all procedures and practices for efficient working of a cooperative society, its records and registers and their maintenance and who will be able to guide and advise the staff concerned. The society supervisor should keep in mind the following points to carry out supervision of societies;

1. Allocation of time for various aspects of supervision, for example; for supervision of records, check sampling and testing, checking of sampling and testing equipment etc., he will have to devote more time whereas, for introduction of new concepts to the farmers, he may spend less time.

2. The supervision report should be completed and any specific problems identified in his evaluation, should be followed up.
3. He may use previous supervision report as an extension material for sorting out the problems.
4. The supervisor himself or the field assistant should participate in the general meeting and once in 3 or 6 months a managing committee meeting to discuss and sort out the problems, if any.
5. He should make use of extension media like film, newsletter, lectures, posters etc. according to the need.
6. The special individual problems may be dealt by him during specific fixed time. For answers not known, he may refer the problem to subject specialists.

..... COOPERATIVE OILSEEDS GROWERS' FEDERATION LTD.

Report No.

Name of the Supervisor/
Field or Procurement Assistant:

Area/District/Divisional Office:

Tour Diary from: To

Date	Society visited	Time of arrival	Departure from society Date Time	Brief note on the work done and observations made
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..... COOPERATIVE OILSEEDS GROWERS' FEDERATION LTD

REPORT NUMBER

NAME OF THE SOCIETY

SUPERVISOR, / FIELD ASSISTANT:

TOUR DIARY FROM:

(Date)

TO

(Date)

SUPERVISION REPORT

DATE OF VISIT: FOR THE MONTH OF: REPORT NO:
(MONTH & YEAR)

1. GENERAL INFORMATION

1. Name of the society :
2. Taluka & District, Address :
3. Code No. of society: Reg. No.:
4. Route No. Area/Dist. office :
5. Name of the Chairman :
6. Name of the Secretary :
7. Number of members :
8. Status of OGCS (whether affiliated to Fed.)

Groundnut
Kharif Summer

Sesamun

Soyabean

Rapeseed

9. Members area under diff. oilseeds (seasonwise).
10. Average yield for diff. oilseeds.
11. Members' expected oilseeds production (cropwise & seasonwise).
12. Oilseeds stock lying with members (during procurement season only).

B. OILSEEDS COLLECTION

Crop & Variety	<u>From Members</u> Qty. Numbers	<u>From Non-members</u> Qty. Numbers	Total Collection	Total despat- ches to Fedrn.	Remaining stock with society	Any short- age or excess.
_____	_____	_____	_____	_____	_____	_____

Details of shortage or excess complaint lodged with Federation

Date	Ref.No/Commit & despatch memo No.	Truck No.	Qty.supplied to Fedrn.	Qty.recei- ved at Fedrn.	Shortage or excess	Whether Solved or not.	Date and ref. No.
_____	_____	_____	_____	_____	_____	_____	_____

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<u>System of purchase</u>	<u>Outright</u>	<u>Janged</u>	<u>Pooling</u>
Minimum standard utara			
Average price paid			

C. SAMPLING AND TESTING

Sampling procedure :	Correct or Incorrect
Weighing of oilseeds	Correct or Incorrect
Determination or Refraction (Karada)	Correct or Incorrect
Grading or Determination of shelling percentage (utara).	Correct or Incorrect
Highest shelling percentage or grade :	
Average shelling percentage or grade :	
Lowest shelling percentage or grade :	
Quantity of oilseeds above prescribed grade or shelling percentage :	
Quantity of oilseeds below prescribed grade or shelling percentage :	
Highest Refraction :	Kg/bag
Lowest Refraction :	Kg/bag
Average Refraction :	Kg/bag
Record of variation, if any :	

Date	Sr.No.	Members Name	Qty Supplied	Society's Test		Federation's Test		Remark
				Shelling % Grade	Refraction kg/bag	Shelling % grade	Refraction kg/bag	
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____

1
2
3
4
5

Samples Taken and Tested by the Supervisor

Date	Sr.No.	Name of Member	<u>Shelling Percentage/Grade</u>		Variation and Remarks
			As done by Secretary or Field Asstt.	As done by Supervisor	
	1				
	2				
	3				
	4				
	5				

Testing Procedure for Damaged Produce :

Members' Opinion about sampling and testing :

Storage facility available (capacity and ownership) :

Storage and transport problem, if any :

D. Testing and Weighing Equipment

Source of supply (initial)

Any replenishment : Item Source Number Rate Price

Whether equipment purchased
is of standard quality or not

Yes/No

Verified/Not

Accuracy of weighing equip-
ment, general condition of
equipment.

Stock of oilseeds samples as
per the sample stock record.

Disposal of samples: Procedure Rate Quantity Amount received

E. Records and Registers

Passbooks of Members whether
maintained accurately

: Yes/No.

Whether entries in the oilseeds
purchase register and members
passbook tally (for any ten members)

: Yes/No.

Pooling/purchase register

: Updated/Not

Oilseeds Test Register

: Complete/Not

Individual Member's Ledger Updated

: Yes/No

Payment Register

: Complete/Not.

F. Books of Account

1. Cash Book

<u>Upto Date</u> (last date of entry)	<u>Whether signed by</u> <u>Secretary/Chairman</u> <u>on cash closure</u>	<u>Opening Balance</u> <u>on day of visit</u>	<u>Cash in</u> <u>society</u>	<u>Whether amount</u> <u>within permi-</u> <u>ssible limits</u>
Yes/No	Yes/No			Yes/No

PARTICULARS OF LAST WITHDRAWALS

Date

Date

Date

- i. Opening Balance:
- ii. Other Receipts
- iii. Withdrawal from Bank
- iv. Purchases
- v. Other expenditure
- vi. Closing balance

2. Others

Whether Trial Balance
prepared every month/
quarter

If not, reasons thereof:

Yes/No

G. Other Trades/Inputs: Vegetable oil Ghee Seeds Fertilizer Chemicals

System of Sale (Cash/Receipt)

Members Demand

Date of last receipt

Present Stock:

Quantity sold (From:
To:

Stock of empties,
if any:

Disposal of empties
(Procedure)

Amount realised:

Whether Sale stock register Yes/No.
updated:

Problems faced:

H. Audit

System of Audit:
Date of last Audit:
Remarks of Auditors:

Class of Audit:

Whether Audit objections
complied to date, if not Yes/No
why

Local auditor appointed & Date: Yes/No

Name of Local Auditor:

I. Administrative and other Records

Membership Register	:	Complete/Incomplete	
Share Ledger	:	Complete/Incomplete	
Share Register	:	Complete/Incomplete	
Share Certificate issue	:	Complete/Incomplete	
Resolution Book	:	Complete/Incomplete	
Whether meeting held regularly & Date of last meeting	:	Managing Committee General Body	: Yes/No : Yes/No
Minutes of meeting recorded properly or not	:	Managing Committee General Body	: Yes/No : Yes/No

Details of last three Managing Committee Meeting	Sr. No.	Date	Members present	Important Resolutions
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Details of the last general
body meetings:

Staff Position of
Society

S.No.	Designation	Pay Scale/ Salary	Resolution No. & Date	Appointment letter ref.	Date of Duties joining	Training
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Attendance of staff:

Regular/Not

Secretary's trained or not:

Yes/No (whether attended any refresher
training programme)

J.	<u>Fund Utilisation during the month:</u>	<u>Name</u>	<u>Purpose</u>	<u>Approval</u>	<u>Resolution No. & Date</u>
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Quarterly or
Monthly

K. Extension activities

1. No. of demonstrations conducted
(indicate crop variety and type of demonstration)
2. Area under demonstrations
3. Result of demonstration plot (yield/ha)
4. No. of farmers visited the demonstration
5. No. of farmers trained under different training activities of Federation;

:3:

E. Book of accounts and records to be maintained at POGCS.

1. Money Receipt Book.
2. Resolution Book (two, one for MC and other for AGM).
3. Member information card.
4. Cash Book.
5. General ledger.
6. Individual member ledger.
7. Oilseeds purchase and payment register.
8. Acknowledgement/Receipt for oilseeds received.
9. Direct purchase/Jhangad purchase register.
10. Pooling purchase register.
11. Despatch memo.
12. Collection book (oilseed collection and fund position statement)
13. Gunny bag stock and despatch register.
14. Inward and Outward register (or receipt and despatch register)
15. Stock register - General
16. Input viz. Seed, Implement, Insecticides and culture Stock and supply register.
17. Fertilizer stock and supply register.
18. Soil sample register.
19. Demonstration Register.
20. Incentive and Subsidy register.
21. Membership application forms.
22. Share transfer application forms.
23. Commitment forms.
24. Share certificate.

sns/mcn

RECORDS & BOOKS OF ACCOUNTS
MAINTAINED AT THE SOCIETY

The society will be required to maintain and periodically update a number of records. These records would be in bound form and initial supply would come from the
 The records can be classified as follows:

A. ORGANISATIONAL RECORDS

- (1) Receipt Book
- (2) Member Register
- (3) Share Register
- (4) Share Ledger
- (5) Individual Ledger
- (6) Individual Member Pass Book (7) Proceedings book

(One for General Body Meetings and Other for Management
 Committee Meetings)

B. FINANCIAL RECORDS

- (1) Cash Book
- (2) General Ledger
- (3) Bonus & Dividend Register
- (4) Payment Register
- (5) Cash/Credit Memo

C. PROCUREMENT RECORDS

- (1) Commitment Form
- (2) Despatch Memo
- (3) Oilseeds Collection Statement
- (4) Oilseeds Quality Testing Register
- (5) Oilseeds Purchase Register
- (6) Empty Gunny Bags Register
- (7) Oilseeds Stock Register
- (8) Oilseeds Pool Register

D. GENERAL/MISC. RECORDS

- (1) Dead stock Register
- (2) Input Supply Register

All the above mentioned books & registers, except "Oilseeds Quality Testing Register", ~~one~~ originating from the Secretary of the concerned society. The Quality Testing Register should be written and signed by the concerned Representative who carries out the quality tests on behalf of federation.

X.....X

OVOW:VBW:MV:50:23/9/81

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R E C I E P T			
Book No:.....		Bill No:.....	
..... OILSEEDS GROWERS' CO.OPERATIVE SOCIETY LIMITED			
NAME			
VILLAGE		DATE	
CODE NO. OF THE SOCIETY			
We have received the amount from you as per the details mentioned below :			
SERIAL NO.	PARTICULARS	AMOUNT	
		Rs.	Ps.
1.	Entrance Fee		
2.	Share Amount		
3.	Deposit		
4.	Others		
TOTAL			
In Words :			
Seal :		SIGNATURE OF RECEIVER	

(Duplicate)

RECEIPT BOOK

Receipt is to be prepared in duplicate-original is given to the member/those who have deposited the amount. Duplicate copy is retained with the society. This receipt book can be used for receipt of entrance fees, share amount, deposits etc.

OILSEEDS GROWERS' CO-OPERATIVE SOCIETY LIMITED

Member Register

S.No.	Name	Address	Age	Date of receipt of Entrance Fee	Date of membership	Total number of shares taken	Management Committee resolution number	Name of heir and his relationship to member	Remark

It helps in obtaining information about a particular member. It details the information on number of shares held by a member, the dates and also records the name and address of his heir/heirs to whom the share/s may be transferred in the event of his death. Names of the members are recorded initially at the start of the society, subsequently whenever a member joins the society.

Share Register

Share Register : This registers helps in determining the information about the total shares held by a member, also details about the transfer of shares and information about transferee.

Share Register : This registers helps in determining the information about the total shares held by a member, also details about the transfer of shares and information about transferee.

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..... Oilseed Growers' Co-operative Society Ltd.

SHARE LEDGER

Name of the Shareholder :

Address :

Date	Cash Book Folio No.	Number of shares	Returned/Transferred by whom transferred Sr.No. Name & Address	Balance + shares held (nos)	Deposited	Returned	Transferred	Balance	Remark
		Issued to member Sr. No. of shares issued Nos.			Rs. Ps.	Rs. Ps.	Rs. Ps.	Rs. Ps.	

NOTE :

This is meant to record the details of Shares purchased by each member of the Primary Oilseed Growers' Co-operative Society. Information recorded here is used in completing individual record.

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..... Oilseeds Growers' Co-operative Society Ltd.

INDIVIDUAL LEDGER

NAME :

ADDRESSES :

Date	Weights in Qtls.	Crop Variety	Price Rs. Ps.	Amount Payable Rs. Ps.	Amount Paid Rs. Ps.	Remarks

NOTE : This ledger includes details of business transacted by an individual producer

CASH BOOK

CREDIT

DATE	GENERAL L/F No.	HEAD OF A/C	PARTICULARS	RECEIPT No.	AMOUNT Rs. p ^{ts} .	TOTAL AMOUNT Rs. Ps.

DEBIT

DATE	GENERAL L/F No.	HEAD OF A/C	PARTICULARS	VOUCHER No.	AMOUNT Rs. Ps.	TOTAL AMOUNT Rs. Ps.

NOTE :- This book is used to record the daily financial business transactions of the society. This book will have both pages of the register for one entry. The page on left will have entries for the income (credit side) where as the right side will have the entries for the expenditure (debit side).

Every day the first entry on the left side will start with opening balance and will close on the right side with cash in hand. The cash in hand on the close of a particular day should tally with the opening balance of the next day and the total income (total of all credit entries) and total of the expenditure and cash in hand should tally.

PROCEEDINGS BOOK FOR GENERAL BODY/MANAGEMENT COMMITTEE

NAME OF SOCIETY

DATE	PROCEEDINGS

Proceedings Book should be maintained in each society to record the proceedings of the General Body/Special General Body/Managing Committee Meetings. The book for General Body and Managing Committee should be separately maintained. Recording is done each time a meeting held. Proposals as per agenda of the meeting and the resolutions against each proposal are entered in this book.

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100

100

12

B.2

HEAD OF A/O

[illegible]

NOTE: This register is maintained to record the financial business transaction of the society under a separate account heads. The details of the register are recorded at the end of each day when the cash book is closed for the day.

PAYMENT REGISTER

SERIAL NO.	DATE	NAME OF THE FARMER	VILLAGE	TOTAL NO. OF BAGS	WEIGHT IN Kg-Gms	VARIETY OF CROP	RATE PER UNIT OF PRODUCE Rs. Ps.	AMOUNT PAID Rs. Ps.	CHEQUE & CASH MEMO NO.

NOTE : Details of payments, made for the purchase of oilseeds by the society, are recorded in this Register. Usually, in an Oilseed Growers' Co-operative Society payment is made through cheque. In that case, the cheque No. is mentioned in the last column along with the cash memo number.

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CASH/CREDIT MEMO

OILSEEDS GROWERS' CO-OPERATIVE SOCIETY LIMITED

NAME :

VILLAGE : TALUKA: DATE :

Sr.No.	Particulars	Weight in Quintals	Price/rate		Amount		Cheque No.	Date
			Rs.	Ps.	Rs.	Ps.		

Signature of the Supervisor

Checked by Secretary

(Signature or Thumb impression
of receiver)

Witnessed by Shri :

Signature :

Address :

Date

Note : This gives the details of amount paid to the producer by cheque (gives cheque number) against the total oilseeds supplied, (There is no need for 20 paise revenue stamp, if the value exceeds Rs.20/-).

CO-OPERATIVE OILSEEDS GROWERS' FEDERATION LIMITED

COMMITMENT FORM

No. :

.....Co-operative Oilseeds Growers' Society

Date:

Price:Per.....

NAME OF MEMBER	Approximate number of bags	Commitment Rate (based on standard Quality)	Quality (grade or Shelling %)	Rate Payable	Signature of member	Remarks

Representative

....Co.Op. Oilseeds Growers' Federation Ltd.

Chairman/Secretary

..... Co.op. Oilseeds Growers' Society Ltd.

Note : This is prepared in single copy. This form is a bind of agreement between the oilseed supplier and the society/federation representative about the supply of his produce to the society/federation at the committed rate based on quality.

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DESPATCH MEMO

To

Truck No. Lorry Receipt No.....

.....Transport company.

Oilseed Collection Statement		Q U A N T I T Y				Net Weight of Oilseed (Tonnes)	REMARKS
Serial	No/Date	Bags	Gross Weight (Tonnes) exclusive of gunnys bags weight	Refraction (Inert matter) per bag Kg. Gms.	Total Refraction (Inert matter) Kg.. Gms.		
TOTAL							

(Triplicate)

REPRESENTATIVE

CHAIRMAN/SECRETARY

..... CO-OP. OILSEED GROWERS SOCIETY LTD.

Despatch memo is prepared in triplicate - Two copies should be sent to the Federation along with the truck (one copy will be sent to the Store section of the Federation and another copy will be sent to A/c section for the payment to the truck); third copy is retained with the society.

Representative from the Federation may be the District Officer/Area Officer/Procurement Asstt/Extension Worker.

..... CO-OPERATIVE OILSEEDS GROWERS' FEDERATION LTD.

..... VILLAGE TALUKA DISTRICT

OILSEEDS COLLECTION STATEMENT

SERIAL NO.

TRUCK NO. DATE

Dear Sir,

..... Co-Operative Oilseeds Growers' Federation Ltd.

SERIAL NO.	NAME OF MEMBER	BAGS	Q U A N T I T Y				Co COMMITMENT	
			Gross wt. in tonnes excluding gunny bags	Refraction (Inert matter) per bag Kg. Gms.	Total Refraction (inert matter) Kg. Gms.	Net Weight (Tonnes)	Commitment Form No.	Details DETAILS Rate per unit Rs. Ps.
TOTAL								

Quality (Grade of for shelling %)	Advance amount to be paid per ton	Total a Advance to be paid	D E S P A T C H			Remarks
			Date	Transport Details	Place to be despatched	
TOTAL						

(Triplicate)

REPRESENTATIVE

..... CO-OP. OILSEED GROWERS' FEDERATION LTD.

CHAIRMAN/SECRETARY

..... CO-OP. OILSEED GROWERS' SOCIETY LTD.

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OILSEEDS QUALITY TESTING REGISTER[illegible]

NOTE : It is to be prepared in duplicate and one copy is to be given to the producer. This register gives a detailed account of transaction done by the society with its member. It contains the record of total quantity of oilseeds supplied by various members and other quality test parameters viz. moisture %, Foreign matter, Net weight of oilseeds supplied.

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PURCHASE REGISTER

..... Oilseeds Growers' Co-Operative Society Ltd

Name of the Purchase Centre :

Sr.No.	Date	Name of the member	Village	Crop & variety	No. of bags	Purchase price Rs.Ps.	Gross weight with bags Qts.	Weight of empty bags	Moisture %	Amount to be paid Rs.Ps.	Refraction (Inert matter) Kg.	Net weight of oil seed (Grade or shell- ing %)	Quality (Grade or shell- ing %)	Re- marks

Checked by

Area Supervisor

NOTE :

This register contains the information about the total amount of oilseeds supplied by various members and the quality of it. It also gives the information on how much amount to be paid to the grower and the moisture %, quality and net weight of oil seeds supplied by them.

..... Oilseeds Growers' Co-operative Society Limited

EMPTY GUNNY BAGS STOCK REGISTER

DATE	OPENING STOCK	NO. OF BAGS RECEIVED FROM FEDERATION	PURCHASE	TOTAL	BAGS GIVEN TO THE FARMERS	NO. OF BAGS RETURNED/ REJECTED TO FEDERATION	CLOSING STOCK	RESOLUTION NO. OF MANAGEMENT COMMITTEE	REMARKS

NOTE : This register gives a clear picture about the number of gunny bags received from the D Federation, returned to Federation and at hand. Regular maintenance of this register will avoid the mishandling of bags by the society staff.

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OILSEEDS STOCK REGISTER[illegible]

NOTE : This register gives the position of oilseed stock with the society.

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OILSEEDS POOL REGISTER

Page No.:

Co-Operative Oilseeds Growers' Society Ltd.
CO-OPERATIVE OILSEEDS GROWERS' SOCIETY LTD.

Village : Taluka : District :

SR. NO.	DATE	NAME OF OILSEED GROWER		NO. OF BAGS	Qt of oilseed supplied by member for process- ing. Exclusive of wt. of gunny bags (In Tonnes)	Refraction (Inert matter) per bag Kg. Gms.	Total Refraction (Inert matter) Kg. Gms.	Net weight (in Tonnes)	Quality (Grade or shelling %)
		Name:	Address:						

COMMITMENT		Advance amount to be paid per ton of oilseed	ADVANCE AMOUNT		DETAILS OF RECEIPT		REMARKS
Form No.	Rate per Unit		Total advance received	Date	Cheque or Draft No.	Signature of Receiver	

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DETAILS OF LAST ADJUSTMENT OF ACCOUNT RECEIVED ADJUSTMENT OF FROM FEDERATION		Amount received for the oilseeds supplied for processing	Advance amount paid	DETAILS OF BALANCE AMOUNT				REMARKS REA
Letter No.	Date			Date of payment	Cheque/Draft No.	Amount	Signature of Receiver	

NOTE :

This register comprises all the details about the business transacted by each member. The day-to-day entries with reference to oilseed purchase made in the cash book should coincide with the particulars entered in this register. This Register serves as an acknowledgement for the receipt of cheque by the member.

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DEAD STOCK REGISTER

[illegible]

NOTE : This register keeps a record of articles such as furniture, table, chairs, weighing balances, and other equipments belonging to the society.

TALUKA :

[illegible]

MODEL BYE LAWS FOR A PRIMARY OILSEEDS
GROWERS' COOPERATIVE SOCIETY

I. Introduction :

- (1) The name of this society shall be
Oilseeds Growers' Cooperative Society Limited and its
registered address shall be at
Taluka District Any
change in this address shall be notified to the District
Registrar, Cooperative Societies, within thirty days. Change
in the address can only be done by making amendment in the
bye-laws.
- (2) The objective of the society shall be as under:
 - (i) To launch necessary activities to produce oilseeds
and increase its production per hectare of land and
to give necessary guidance and assistance to the
members to carry out these objectives.
 - (ii) To provide facilities for more profitable marketing
of oilseeds through the federation.
 - (iii) To undertake all necessary agricultural extension and
specially oilseed production activities to maintain and
improve the quantity and quality of oilseeds crops.
 - (iv) To undertake suitable steps to arrange supply of
Fertilizer, seeds, pesticides and allied services to
increase the production of oilseeds.
 - (v) To sell vegetable oil, edible oil and cattle feed
manufactured by the Federation.
 - (vi) Subject to fulfilling the required conditions, the
members will be arranged with technical inputs which
will be as loan in kind.
 - (vii) To take up all other necessary activities for carrying
out the above objective for the development of the
business.

II. Funds :

(3) Funds of the society may be raised by :-

- a) Issue of shares
- b) Receiving deposits :
 - (i) From members
 - (ii) From non-members, but residing within the area of the limits of the village/villages
- c) Raising loans
- d) Donation and
- e) Entrance fees

(4) The amount of share capital to be raised by shares shall not exceed Rs.1.00 lac and the face value of the share shall be Rs.50/- which may be paid with the share application, or in instalments as may be decided by the Managing Committee.

(5) (i) Amount on fixed or current deposits may be received at such a rate of interest and for such a period as may be decided by the Managing Committee, but the rate of interest on this fixed and saving deposits should be one percent less than the rate of such deposits offered by the banks.

(ii) The total loans and deposits should not exceed ten times the total amount of share capital, accumulated reserve fund and building fund, minus the accumulated losses.

(6) The funds of the society when not utilised, shall be deposited as per section 71 of the State Co-operative Societies Act 1961.

Note:- Building constructed/to be constructed for society/
godown will fall under the prerogatives of the society.

III. Membership :

- (7) a) No person shall be a member unless :
- (i) He is a resident of the village, has completed 18 years of age and is competent to contract.
 - (ii) His written application in the prescribed form for membership has been approved by the majority of the Managing Committee (for this see Schedule-A)
 - (iii) He has land on his name in Revenue records and producing oilseeds
 - (iv) He has taken at least one share and paid an entrance fee of one rupee.
 - (v) He is not dealing in the business of oilseeds or its processing in any way.
 - (vi) He has agreed (in writing) to supply oilseeds produced by him on his land to the society only.
 - (vii) He is not bankrupt and is not legally disabled.
 - (viii) He is not criminally convicted for moral turpitude
- b) A person who has qualifications shown in 7(A) shall be entered as a nominal member by paying Rs.1/-.

- Note:
- (i) Those who have signed the original application shall be exempted from bye-law No.7(a)-(ii)
 - (ii) A nominated person, authorised by a share holder to receive the share and/or interest in the society after his death or his legal successor shall be exempted from bye-law No.7 (a)-(iv), provided the Managing Committee approve his application for membership.

- (8) a) The liability of a member shall not exceed any unpaid amount on shares subscribed.
- b) Any member :-
- (i) If he has dues with the society
 - (ii) If he ceases to have any of the qualifications for membership prescribed in bye-law 7(a)
 - (iii) If he has supplied oilseeds to the society less than 800 Kgs. in the previous cooperative year, shall not enjoy any other right other than receiving bonus, dividend and other monetary benefits such as getting seeds at subsidised rates etc.
- (9) Any member may withdraw from the society at any time by submitting his resignation to the Managing Committee and getting it approved but such approval shall not be given while he is in debt to the society or is a surety to another member. In case a member has no outstanding dues with the society or he is not a surety to another member his resignation will be considered and accepted after one month from the date of his resignation even if the Managing Committee has not approved it.
- (10) A member of the society may be expelled by a resolution passed by 3/4 majority of the members entitled to vote from among those who are present at a General Meeting for the following reasons:-
- (i) If he is a persistent defaulter
 - (ii) If he willfully deceived the society by false statements.
 - (iii) If he intentionally does any act likely to injure the credit of the society.

- (iv) If he persistently dishonours the suggestions and resolutions of the Managing Committee.
- (v) If he produces oilseeds and sells to some other party or if he deals in sale and purchase of oilseeds and its processing.
- (vi) If he does not reside in the area of operation of the society regularly or ceases to possess any of the qualifications for becoming a member.

But, before expelling a member he shall be given an opportunity to present his case before the General Meeting and the resolution of the general meeting meets with the approval as per section 36 of the State Co-operative Societies Act.

- (11) (a) The membership of a person shall be treated as discontinued for or any one of the following reasons ; but the concerned member or his nominee shall be informed of this decision within 15 days.

- (i) On death,
- (ii) If his resignation is accepted by the Managing Committee;
- (iii) If shares belonging to him are transferred to another member,
- (iv) If he is expelled as per bye-law No.10,
- (v) If he is expelled according to Section 23 of the State Co-operative Societies Act.

- (b) When a person ceases to be a member, the society shall refund all his dues within six months.

- (12) Application for share shall be made in writing and shall be disposed off by the Managing Committee.

- (13) Share certificate/s having separate serial numbers shall be issued to every share holder. If a share holder fails to pay the share amount/instalment of it, as decided by the Managing Committee within 30 days, such share/s shall be forfeited as may be decided by the Managing Committee and the share amount of such forfeited share/s shall be credited to the reserve fund. However, before forfeiting such shares, the share holder shall be intimated in writing 15 days in advance.
- (14) A member, after holding share/s for one year, with the approval of the Managing Committee, can transfer his share/s to another member/s; but for this he shall have to apply 15 days in advance in the prescribed form showing the acceptance of the buyer of the share/s.
- Share transfer shall not be completed unless an entry is made in the share transfer register and a transfer fee of 25 paise is paid to the society.
- (15) Share/s of members expelled as per bye-law No.10 shall be forfeited by a resolution of the General Meeting-
- (16) A member is entitled to receive back the amount worth the value of his share/s after completion of two years of his possession of the share/s, but before making the claim the person shall have to give three months prior notice to the society. However, the total amount of such refundable share capital shall not exceed 1/10 of the total paid up share capital as shown on 30th June of the previous year.
- (17) No member shall have claim or any interest on the shares of the society exceeding 1/5 of the paid up share capital or Rs.5000/- whichever is less.

- (18) A member of the society can nominate any person except an employee or officer of the society to receive his share, interest and other dues from the society after his death. No fee shall be charged for the first such nomination, but thereafter, for any transfer or change, a fee or 25 paise shall be charged. Such nomination paper shall be signed by him in presence of two witnesses.
- (19) On the death of a member, the amount standing to his credit by way of share or order, subject to deductions on account of his liabilities, shall be paid to his heir nominated by him or in the absence of such nomination, to any other person who according to the Managing Committee is entitled to receive the amount as heir or legal representative of the deceased member on his executing a deed of indemnity to the society. The amount of fixed deposit shall be paid back at the expiry of the period in such case.

IV. General Meetings :

- (20) The General Meeting of the society shall have the supreme powers subject to the State Co-operative Act, rules bye-laws. The first general meeting of the society shall have the same powers as are herein given to the Annual General Meeting.
- (21) The Annual General Meeting shall be held within a period of three months after the end of the cooperative year. Its functions shall be as under.
- (i) To elect the Chairman of the meeting, and to confirm the minutes of the last general meeting.
- (ii) To receive from the managing committee a report on the working of the society for the preceeding year together with the statements of trading account, profit and loss account and balance sheet for the year and to sanction the appropriation and distribution of profit.

- (iii) To declare the names of the managing committee members who are elected by ballot system as per appendix-B (for the ensuring year)

Note: (This will not apply to the first general meeting as the managing committee shall be elected by the same).

- (iv) To appoint the Internal Auditor and to sanction the budget for the next year if deemed necessary.
- (v) To consider and take necessary decision on the audit memo and other correspondence received from the District Registrar, the State Cooperative Oilseeds Growers' Federation and the District Cooperative Bank.
- (vi) To fix the limit of funds to be raised under bye-law 5 (ii).
- (vii) To make necessary arrangements for the collection and transport of oilseeds according to the instructions of the federation.
- (viii) To make necessary amendments, additions, alterations, decisions etc. in the bye-laws of the society.
- (ix) To dispose off any other work proposed reasonably. The proceedings of the General Meeting shall be recorded in the minute book of the General Meeting.
- (22) A special General Meeting of the members may be convened at any time by a majority of the Managing Committee, or on receipt of a requisition from 1/5 or 50 members or from the direction of the District Registrar, or on the requisition of the Board of Directors of the federation. It shall be the duty of the Chairman of the society to call such a meeting within a month of the receipt of such a requisition.

- (23) In case of the Annual General Meeting, 10 days notice and in case of Special General Meeting, 7 days notice shall be given by publication of a written notice outside the office of the society and other conspicuous places that may be convenient, within the jurisdiction of the society. The notice shall specify the date, time and place fixed for holding the meeting and shall state the nature of the business to be transacted at the meeting.
- (24) With the permission of the $\frac{2}{3}$ of these present at the General Meeting any member may bring forward a proposal regarding any matter not specified in the notice of the meeting, provided he may not propose the expulsion of another member or any amendment in the bye-laws.
- (25) $\frac{2}{5}$ of the total members or 20, whichever is less shall form a quorum at the General Meeting. If, on the day of the General Meeting, there is no quorum, the meeting shall be held on another day and at the time notified before. If on the day to which the meeting is adjourned, no quorum is obtained after waiting for 30 minutes, the business shall be disposed off without a quorum. The notice for the adjourned meeting shall be published outside the office of the society, specifying date, place and time. If on the day of the General Meeting all business is not completed, the remaining business may be adjourned to another day.
- (26) At all General Meetings, the President shall be elected by the members present.
- (27) Each member shall have one vote. The President shall have a casting vote in case of tie on any point.

- (28) No resolution passed in the Annual General Meeting can be put for change or cancellation within six months from the date of the resolution. But if $2/3$ of the member of the Managing Committee are of the opinion that a particular resolution requires to be changed/ or altered in the interest of the society and if the District Registrar agrees to such a change, the Managing Committee may call a Special General Meeting within six months for carrying out such work.

V. Managing Committee :

- (29) a) The elected Managing Committee of the society shall be of nine members according to schedule (b) of the bye-laws of the society, of which $1/3$ of the members shall retire every year.
- b) The presence of more than one half of the members of the Managing Committee shall form a quorum (5 members).
- (30) The members having the following qualifications shall only be eligible for election or can continue as a member of the Managing Committee.
- (i) If he is not in default to the society in respect of any overdues from him.
- (ii) If he has no direct or indirect interest in the current agreement with the society or the property purchased or sold by the society or in any other dealings with the society (except the investment made by him in the society).
- (iii) If he is not disqualified by any legal procedure and is not convicted for any misappropriation of money or mismanagement in the society or any other institution

- (iv) If he is not found liable for any responsibility of any other society under section 82, 90 and 93 of the State Cooperative Societies Act or is not convicted for any offence under section 147 of the State Cooperative Societies Act.
- (v) If he is not a paid employee of this or any other society and is not relative of any of the paid employees of the society according to section 6 of the State Co-operative Societies Act.
- (vi) If he, or any member of his joint family does not carry on business of the kind carried on by this society (including contract or sub-contract) nor has partnership interest in such concerns.
- (vii) If he has grown oilseeds on his land and has sold the same through the society in the previous co-operative year.
- (viii) If no legal steps have been taken against him to collect dues of the society from him during the last three co-operative years.
- (ix) If he has not performed duty as a paid employee for the last three co-operative years.
- (X) If he is not considered responsible for any offence under section 146 and 147 of the State Co-operative Society Act.
- (xi) If he does not have any other disqualification other than the ones fixed as per the rules of the election.
- (31) Any member of the Managing Committee automatically ceases to be a member for the following reasons :
 - (i) By submitting his resignation and getting it approved by the Managing Committee.

- (ii) When he ceases to be a member of the society due to death or any other reason.
- (iii) When he ceases to possess any required qualification as a member of the Managing Committee.
- (iv) If he remains absent in the Managing Committee meeting for three consecutive times.

The Managing Committee shall have to take note of it in its meetings and this resolution shall be effective from the date on which such note is taken. It will be the duty of the committee to inform the member about the details of this resolution. Such information will be considered as valid even when it is displayed on the notice board of the society.

- (32) (i) Every year the Managing Committee shall elect a Chairman from its members within 10 days after the General Meeting.
- (ii) Chairman will preside over the meetings of the committee when he is present. In the absence of the Chairman, the members present shall elect another member as the Chairman for the meeting.
- (iii) The committee shall take decision by a vote of majority. When there is a tie over any subject, the Chairman of the meeting shall have a casting vote in addition to his usual vote.
- (33) The committee shall meet as many times as is necessary to transact the business but it shall meet atleast once in a month. (If possible, the week and day of the month will be decided in the previous meeting so that all members know about it in advance).
- (34) No member shall remain present and vote on any matter in which he has personal interests, but if any decision is to be taken against his interests he shall be given an opportunity to explain.

- (35) Vacancies on the Managing Committee occurring during the year by death or any other reason may be filled up by co-option by the Managing Committee till the next Annual General Meeting.
- (36) All acts done by the Managing Committee or by any person acting as member of the Managing Committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of such committee or person, be considered as valid, as if the committee or such person has been duly appointed.
- (37) All the decisions of the Managing Committee shall be recorded in the separate minute book alongwith the proceedings of the meeting and the signatures of the members present.
- (38) If the District Registrar finds serious mismanagement in the society he can suspend the Managing Committee and appoint an administrator and meanwhile all the officers of the society shall cease to hold any post.
- (39) Over and above these decided elsewhere under the bye-laws the duties, rights and responsibilities of the Managing Committee shall be as under :
- (i) To approve the minutes of the previous meetings.
 - (ii) To deal with applications for membership, resignations, demand for shares, transfer of shares and refund of shares and to take necessary steps to recover the unpaid instalments of shares.
 - (iii) To raise necessary funds for the working of the society and to decide the conditions to receive deposits and to invest the excess of the funds of the society according to section 71 of the State Co-operative Societies Act.

- (iv) To appoint not more than two sub-committee for specific work and to allocate necessary duties and powers to them.
- (v) To open necessary accounts in the Co-operative Bank in the name of the society and to delegate necessary powers to transact money.
- (vi) To depute representatives, as and when required to the co-operative institutions to which the society is affiliated.
- (vii) To verify the member register, books of accounts and other registers and to take necessary actions to have these written systematically and completely.
- (viii) To inspect the account of society, to verify the cash physically and to authorise the Chairman or another member of the committee to sign the cash book regularly.
- (ix) To decide date, time, place and agenda of the General Meeting to make necessary arrangements to call special General Meeting according to section 78 of the State Co-operative Society Act and to see that annual General Meeting is held in the prescribed time limit.
- (x) To prepare annual report and accounts in time and to authorise the Chairman or any member of the Committee to publish them and to recommend the distribution of profits in the General Meeting.
- (xi) To file claims, protect and compromise legal suit and hear other complaints and dispose them off.
- (xii) To hire buildings and/or godowns for the office of the society and/or for storing or selling goods; or to build or purchase these by getting prior approval of the General Meeting and the Co-operative Department.

- (xiii) To frame administrative rules not contrary to the Co-operative Act, Rules and bye-laws and resolutions of General Meeting for the efficient running of the society. Such administrative rules should be recorded in the minute book of the Managing Committee and shall come into force only after getting the approval of the General Meeting.
- (xiv) To furnish, in time, all statements and other necessary informations asked to by the Co-operative Department.
- (xv) To take note of audit reports of this society and arrange to execute the instructions given in the audit notes. To rectify the defects shown in the audit reports and to send rectifications report within a month after receiving the same. This report along with rectifications will be presented for approval in the next General Meeting. To furnish necessary facilities, informations and statements to auditors and other officers of the Audit Department, bank and authorised officers of the federation.
- (xvi) To recommend to the General Meeting for amendments, alterations and cancellation in the bye-laws of the society.
- (xvii) To demand from the Secretary of the society the monthly statements of accounts of the society such as income and expenditure, sales and purchase, stock of goods etc. for inspection and approval and to approve the expenditure within the limit of the budget provisions approved by the General Meeting.
- (xviii) To fix specific responsibilities for records, equipments, goods stock etc. of the society.
- (xix) To take package insurance policy at reasonable rate against loss of cash and other commodities.

- (xx) To arrange the purchase/sale of oilseeds Vegetable Oils etc. as per the instruction of the State Co-operative Oilseeds Growers' Federation and to carry out all the instructions of the Federation.
- (xxi) To take necessary steps to recover any outstanding debt of the society.
- (xxii) To take all steps to increase oilseeds production and conduct necessary crop husbandry activities including varietal trials as per the directives of the Federation.
- (xxiii) To dispose off the disputes which have not been settled by the Chairman.
- (xxiv) a) To appoint the Secretary of the society and all other paid employees and to relieve them or to dismiss them or take necessary disciplinary action against them.
b) To fix the pay scales, conditions of services and qualifications of all paid employee of the society and to fix duties, authority and responsibilities of all the employees.
c) To get the surety bonds executed from all the employees of the society and to keep these surety bonds in the District Central Co-operative Bank for protection and to obtain the receipt for the same in the committee.
d) To frame staff Provident Fund rules for the employees of the society and to execute them after approval of the General Meeting and the Co-operative Department.
- (xxv) The Managing Committee can appoint or can allow a person having the following qualifications to continue as an employee of the society over and above the conditions mentioned elsewhere in the bye-laws of the society.

- a) If he is not dealing in any business or contract independently or in partnership which is related to the objectives of the society, such as of oilseeds and its processing, transport of oilseeds etc.
- b) If he is not holding any position as a paid employee of any other honorary position in any local institution (or in any other society).
- c) If he is not found convicted for moral turpitude.
- d) If he is not found guilty for misappropriation and misadministration in this or any other society.
- e) If he is not found violating any provision stated in section 35 of the State Co-operative Societies Act.

If any employee of the society is found not observing the above conditions at any time during his service, the Managing Committee shall terminate his services immediately.

- (xxvi) The Managing Committee may invest money within the limits of section 71 of the State Co-operative Societies Act, but if such investment is to be made in building, it can not be done without the prior approval of the District Registrar.

VI. Chairman/Secretary:

- (40) The duties of the Chairman, over and above those mentioned already in the bye-laws will be as under:-
 - (i) To execute through the Secretary the resolutions passed by the Managing Committee and the General Meetings.
 - (ii) To supervise the daily routine work of the Secretary.
 - (iii) To deposit in the Banks surplus amount exceeding the limit as specified in the bye-laws. To ensure that the cash in hand does not exceed more than the amount fixed by the resolution of Managing Committee.

- (iv) To verify or get verified the stock of goods, equipments dead stock, etc., atleast once in three months and to take note of having done the same in the Managing Committee by a resolution.
 - (v) To see that the work of the society is conducted according to the Act/Rules and bye-laws.
 - (vi) To take necessary actions immediately to rectify the objections mentioned in audit notes, inspection memos and visit notes.
 - (vii) To arrange to furnish immediately all the details and information asked for by the Co-operative Department, the Bank and the federation.
 - (viii) To dispose off the complaints, wherever possible and to place such a complaints before the Managing Committee with his findings.
- (41) Duties of the Secretary, over and above those mentioned already in the bye-laws, will be as follows:
- (i) To call meetings of the General Body, Managing Committee according to the instructions of the Chairman and to remain present at these meetings and to record the proceedings of such meetings in separate minute books.
 - (ii) To spend, withdraw and recover money according to the instructions of the Managing Committee.
 - (iii) To receive all communications addressed to the societies and to draw the attention of the Chairman and committee on any important matter.
 - (iv) To prepare all receipts, vouchers, annual reports, balance sheet and other necessary statements for the society, and to furnish in time the required informations, records etc. to the Co-operative Department, the Bank and the Federation.

...OS...

- (42) In the absence of the Secretary, Managing Committee can authorise any other person to attend to the work of the Secretary, if such authority is not given by the Managing Committee the next person whose salary is less than that of the Secretary, may be responsible for the secretarial work.

VII. Distribution of Profit

- (43) The gross profit of the previous year shall be declared in the Annual General Meeting and the following deductions shall be made from it.

- (i) Interest payable on loans and deposits.
- (ii) Working expenses of the society.
- (iii) Losses.
- (iv) Depreciation on building and other assets.
- (v) Bad debts sanctioned by the Managing Committee and approved by the District Registrar.
- (vi) Contribution, if any, to staff provident fund and staff gratuity.

A. The balance remaining after these deductions shall be treated as net profit. The net profit shall be distributed as follows:

- (i) A sum not less than 25% shall be taken to the Reserve Fund.
- (ii) To pay the share holders as dividend a sum not exceeding 12% of the paid up share capital.
- (iii) To set aside contribution for the Education Fund in accordance with section 69 of the State Co-operative Societies Act. The society shall pay dividend only after the Education Fund is paid to the State Co-operative Federation.

...OS...

- (v) To do the necessary correspondence pertaining to the routine administration of the society and to furnish all the required informations to members and to correspond, with the prior approval of Chairman, in special matters.
- (vi) To place before the Managing Committee, without delay, the audit reports and to rectify immediately the discrepancies shown in the report and submit the same to the Auditor within one month after getting it approved by the Managing Committee.
- (vii) To guide the other employees of the society and to supervise and control their work and to inform the Managing Committee regarding their work and to fix up their duties and responsibilities in consultation with the Managing Committee.
- (viii) To write or get written the cash book and other books of accounts of the society regularly.
- (ix) To disburse money for the oilseeds purchase as per the policies fixed by the federation from time to time, day and to collect everyday the sale proceeds from the concerned persons of the society.
- (x) To produce for approval, monthly income and expenditure statements, sale/purchase statement and profit loss records etc. before the Managing Committee.
- (xi) To deposit the surplus cash in the bank.
- (xii) To take necessary steps, subject to the bye-laws for increasing the business of the society.
- (xiii) To see that the dues of the society are regularly recovered and if it is not possible, to prepare required statements for legal action in consultation with the Managing Committee.
- (xiv) To do all other works as directed by the Chairman and the Managing Committee.

B. The balance, after the above deductions, shall be distributed as under:

- (i) 65% as bonus to the members in accordance with the value of oilseeds supplied by them to the society.
 - (ii) 10% to be set aside for the Agriculture Development Fund.
 - (iii) 10% to be set aside for the charity.
 - (iv) 10% as bonus to the staff (bonus to the staff shall be given as may be decided by the committee but the amount should not exceed more than two months pay in each). The excess of amount left from this will be credited to the succeeding year.
 - (v) 5% to be set aside for the Co-operative Propaganda Fund.
 - (vi) The balance remaining after these deductions shall be carried over to the reserve fund.
 - (vii) If it is found necessary to make any change in the above pattern of the distribution of profit, it can be done only for one year and that also only with the sanction of General Meeting and the approval of the District Registrar.
 - (viii) The Managing Committee shall frame the rules for the utilisation of these funds and shall spend only after the approval of these rules by the District Registrar.
- (44) In addition to the sums prescribed under section 67 of the State Co-operatives Societies Act, all admission fees, fines, share transfer fees, forfeited amount of share capital and donations shall be carried over to the reserve fund.

VIII. Miscellaneous :

- (45) Accounts and records shall be maintained in the forms prescribed by the Registrar with such addition and alterations as the Managing Committee thinks necessary.
- (46) The Chairman or one or more members of the Managing Committee and the Secretary as may be authorised by the committee, have the power jointly to execute documents, grant receipts, sign share certificates, make transactions with the bank and sign cash book on behalf of the society, while all the receipts issued by the society shall be signed by the person authorised by the Managing Committee.
- (47) Any member of the society may inspect any of the registers or records during office hours so far as it relates to his own business transactions and shown in section 33 of the State Co-operative Societies Act. For this the Managing Committee shall decide the office hours for the society.
- (48) Before the 31st of July every year the Managing Committee shall prepare statements showing the receipts and expenditure, assets and liabilities, balance sheet and the report of the previous year. A copy of these statements shall be submitted to the Government Auditor before the 15th of August.
- (49) The notice which is to be served to any member shall be considered as properly served only when it is sent to the registered address of the member.
- (50) Subject to the rules framed by the State Government bye-laws can be amended provided a notice of the amendment has been given to all the members atleast ten days prior to the meeting. Amendments shall come into effect only after they are registered by the District Registrar.

- (51) The society shall be affiliated to _____, District Central Co-operative Bank and State Co-operative Oilseeds Growers' Federation and such other institutions which are useful to promote the objectives of the society.
- (52) Each member will be given a pass book and all his transactions with the society will be recorded in it, It will be the responsibility of the member to get it recorded regularly.
- (53) In case any difference of opinion arises in the interpretation of these bye-laws, the decision of the District Registrar shall be the final and binding on both the sides.

Place :

Date :

Month :

Year :

Signature of more than 10 promoters of different families:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.

Approved

Registrar
Co-operative Societies

SCHEDULE 'A'

See Bye-law No 74(2)

Application for member of theOilseeds
Growers' Co-operative Society Limited.

Place :

Date :

Chairman/Secretary :

..... Oilseeds Growers' Co-operative Society
Limited. I desire to be a member of your society. I have
read the bye-laws of your society and I hereby undertake to
abide by them. Herewith, I am presenting Rs. 1/- as entrance
fee and Rs 50/- as a value of one share (total Rs.51/-)

Other necessary details pertaining to me are given below.

I request you to enroll me as a member of your society.

Full Name(with surname) :

Place:

Age :

Profession :

Name of the Village :

Land holding in Acres.

Last year production of oilseeds ;

How these oilseeds are desposed off at present

I assure that I undertake to sell oilseeds produce on my farm to the society and not to other person/or party-parties till I remain a member of the society.

I guarantee that the above given details are proper and correct.TS...

I hereby nominate Shrimy son/daughter/wife as my heir.

Signature of the witness

Signature of the applicant

.....

The application is approved in the Managing Committee by resolution No..... dated

Secretary

SCHEDULE 'B'

Oilseeds Growers' Co-operative Society
Limited.

Election Rules as per the Bye-laws:

- (1) These rules shall be called the election rules of the Managing Committee of Oilseeds Growers' Co-operative Society Limited.

This shall come into force from the date of sanction by the Co-operative Department. The first election of the Managing Committee shall be conducted in the first General Meeting of the society after its registration. The members present in the meeting only are eligible to get elected into the Managing Committee.

- (2) If it has not been made clear about these terms else-where:

(i) The 'Law' means the State Co-operative Societies law 1961 and acts which are in force under the same.

(ii) 'Bye-laws' means the bye-laws which are in force with additions and amendments of Oilseeds Growers' Co-operative Society Limited.

(iii) 'Election Officer' means the officer who is appointed by the Managing Committee for the election purpose.

(iv) 'Assistant Election Officer' means the person who is appointed by the Election Officer to assist him in the work relating to election from the staff member of the society or any other person who is not a member of the society.

(v) 'Voter' means a member who is qualified to vote as per bye-laws as on 30th June.

(vi) Society means Oilseeds Growers' Co-operative Society Limited.

(3) Notification of Election Roll :

- i) The Secretary shall prepare a list of existing members from the members register as on 30th June who are qualified to be the member as per bye-laws section 8 (B), and he will display the list on the Notice Board of the Society with his signature within the time limit of election schedule prescribed by the Managing Committee.
- ii) If any member has any objection to the above list, the reason for the same may be conveyed to the Secretary in writing.
- iii) The Election Officer, after scrutinising the objections, shall arrive at proper decision and shall display a final list of voters on the Notice Board of the society in the prescribed time limit of election schedule as decided by the Managing Committee.
- iv) The persons whose names are included in this final electoral roll shall be entitled to contest, get elected as office bearers of the society, vote in the election, put proposals and second the proposals subject to the conditions mentioned in sub-section (5) given below:
- v) Over and above the specifications contained in the society's bye-laws, if any member has :
 - a) Any dues of the society recovered by arbitration during the last three years.
 - b) Any amount over due since last three years, and is a debtor.
 - c) Engaged in a business similar to that of the society personally or through any family member of his joint family, independently or in partnership.
 - d) Relation to any paid employee of the society or to any nearest relative of such employee.

- e) Supplied less than 800 kgs. of oilseeds to the society during the last co-operative year.

He will not be eligible to vote or contest for the Managing Committee membership.

4) Declaration of Vacancies

- i) $1/3$ of the total members of the Managing Committee will retire every year. For the first two years the members shall retire either by mutual understanding or by putting chits.
- ii) The name and number of such vacancies shall be decided by the Managing Committee every year. According to the list of names decided by the Managing Committee, the Election Officer shall publish the same on the Society's Notice Board as per the election schedule. The members who retire shall be entitled to be re-elected.
- iii) In case vacancy arises within the year, the same may be filled in as per rule for the period for which it was to be continued.

5) Filling up the nomination forms :

- i) According to the time schedule of the election programme decided by the Managing Committee, the nomination forms in form 'A' shall be received and acknowledged by either the election officer or the Secretary, at the office of the society between 9 am to 12.00 noon.
- ii) A voter may file his nomination for a vacancy in the Managing Committee.
- iii) A voter may propose only one candidate for the Managing Committee and shall be allowed to second only one.
- iv) After taking acknowledgement, the nomination forms shall be supplied free from the office of the society during the working hours. However, no member would be supplied with more than one nomination form.

(v) Nomination form shall have to be filled up separately and neatly.

(vi) As per the election schedule fixed by the Managing Committee, the Election Officer shall verify the nomination forms in the presence of the candidates, and he shall consider the objections received in this respect or he himself shall approve or disapprove the nomination forms. The reasons for not approving the nomination forms shall be recorded on the forms.

The nomination forms can be disapproved only subject to the Cooperative Rules/Act and Society's bye-laws and the reasons furnished in the election rules.

vii) The list of candidates prepared out of the approved nomination forms shall be duly signed by the Election Officer and published on the same day on the Notice Board of the society.

viii) If any candidate desires to withdraw his nomination form, he may withdraw the same by giving written information to this effect to the Election Officer on or before the date prescribed for the same in the election schedule fixed by the Managing Committee.

ix) In this manner if any nomination form is withdrawn, a final list of the remaining candidates shall be prepared by the Election Officer duly signed by him and shall be published as per election schedule on the notice board of society.

x) If the number of candidates is equal to the number of vacant seats declared by the Managing Committee, these candidates shall be declared elected uncontested by the Election Officer and this may be notified in the annual report of the society and shall also be notified on the notice board of the society.

- xi) If the number of candidates is more than number of seats declared open for election, the election will be conducted and symbol to each candidate shall be allotted by the Election Officer.
 - xii) In case the number of nomination forms received fall short of the number of vacant seats, seats lying vacant shall be filled by nomination in the first governing body meeting or in the first Managing Committee meeting thereafter, for the full term.
- (6) Voting :
- i) If election is to be conducted, voting shall be at the place and time fixed by the Managing Committee as per schedule of the election.
 - ii) Voting shall be exercised in the prescribed form 'B'. The names of the candidates in the ballot paper shall be arranged alphabetically (without surname).
 - iii) Every voter shall be entitled to franchise his vote to the extent of the number of vacant seats of Managing Committee, however he shall not exercise more than one vote to a single candidate.
 - iv) Voting shall be exercised by marking a cross in the column shown against the name of each candidate.
 - v) Voting shall be carried out by secret ballot system and the Election Officer shall arrange for the same.
 - vi) In the presence of the candidates, the ballot boxes shall be sealed before fifteen minutes of the commencement of actual voting and the same shall be kept in the possession of the Election Officer.
 - vii) The ballot paper with the cross marked secretly in the election booth shall be dropped in the ballot box in the presence of the Election Officer.

- viii) During the period of voting nobody shall be allowed to canvas in an area around 100 meters from the election centre.
- ix) At the election centre if any voter due to his physical inability, is unable to exercise his vote, the Election Officer shall help him.

7) Counting of Votes :

- i) Immediately on completion of voting, the counting of votes shall be carried out in the presence of the candidates, if they are present, and immediately on completion of the counting, results shall be declared. Those who have secured more votes shall be considered as elected.
- ii) The results, duly signed by the Election Officer, shall be declared on the same day at the office of the society. In the annual General Meeting also this result shall be announced and the same shall be recorded.
- iii) The Election Officer may reject the ballot papers only under the following conditions:
 - a) If a candidate is given more than one vote.
 - b) When the cross mark is not clear to decide to whom the vote is cast.
 - c) If the ballot paper is tampered with
 - d) If the number of candidates for whom the votes were exercised is not equal to the number of candidates to be elected.

However, the Election Officer should show reason for the rejection of such votes. with his signature on the ballot paper.

- iv) In case any two of the candidates have secured equal number of votes, the Election Officer in the presence of both candidates shall draw a chit and thus declare the name of the elected candidates.
 - v) If any candidate desires recounting, he shall apply to the Election Officer in writing immediately after completion of the counting.
 - vi) Immediately on receipt of such application, the Election Officer shall recount the votes and declare the result on the same pattern as above.
- 8) Miscellaneous :
- i) On completion of the counting of votes and after declaring of the result, all the documents pertaining to the election shall be kept in the ballot box and sealed by the Election Officer. The ballot box shall be kept in a safe place under the supervision of the Secretary.
 - ii) In case of dispute in connection with the Election procedures a voter may ask for arbitration under section 96 of the co-operative rules.
 - iii) If a voter has gone for arbitration, 2 months after the settlement of the same, and if no voter has gone for the arbitration, two months after the declaration of the result of election, the documents of election shall be destroyed by the Secretary in the presence of the Chairman of the Society.
 - iv) The election schedule showing the date and time shall be decided by the Managing Committee. But due to any special reason or in special case if it is found proper the Managing Committee may change the dates except the date of election. However, the election schedule and changes therein may be displayed on the notice board of the society duly signed by the Election Officer.
 - v) In case of any dispute in the interpretation of these rules the decision of the District Registrar shall be the final.

ELECTION SCHEDULE

(As per section (84) of Election Rules)

<u>Sr No.</u>	<u>Particulars</u>	<u>Date</u>	<u>Time</u>
1.	Publication of the first electoral roll and the vacant seats with the names.		
2.	Last date to submit objections on the electoral roll.		
3.	Publication of final electoral rolls		
4.	Last date and time for acceptance of the nomination forms.		
5.	Date of verification of nomination forms.		
6.	Publication of the approved nomination forms.		
7.	Last date for the withdrawal of nomination forms.		
8.	Publication of the final list of candidates.		
9.	Date of election, time to-----hours.		
10.	The date of counting the votes (immediately after voting is over)		
11.	Date of declaration of result.		

Election Officer

FORM 'A'

..... Oilseeds Growers' Cooperative Society Limited.

For the nomination of the
election of Managing Committee

The Election Officer

..... Oilseeds Growers' Co-operative Society Ltd.

1. Full name of the candidate :
2. Sr.No. of the candidate in the electoral roll :
3. Seat for which he is contesting :
Member of the
Managing Committee
4. Full name of the proposer :
5. Sr.No. in the electoral roll
of the person who has proposed
Signature of the
person who has seconded

The details furnished above are correct. If I contest and get
elected I shall work as a member of the Managing Committee and
accept the responsibilities of the same.

Date : Signature of the Candidate

This nomination form is received today (day)..... the
(Date)..... at (time).....

Signature of the
Election Officer

Sr No.

Receipt

Received from Shri the form for
nomination as a member of the Managing Committee.

.....
Signature of Promoters

- | | |
|----|----|
| 1 | 6. |
| 2 | 7. |
| 3 | 8. |
| 4 | 9. |
| 5. | 10 |

Signature
Election Officer

FORM 'B'

.....Oilseeds Growers' Co-operative Society Limited.

Sr.No.of the voter :

Signature or thumb impression
of the voter.

..... Oilseeds Growers' Cooperative Society Limited		
BALLOT PAPER		
Sr No.	Name or Symbol of the candidate	Space for putting Cross
1		
2		
3		
4		
5		

SCHEDULE 'C'

Application for registering the society (Form as per rule 3) :

To :

The District Registrar
Co-operative Societies
at

We the undersigned, whose names and address are mentioned below are desirous of being formed into a Co-operative Society with limited/unlimited liability and we hereby make an application as per section 8 (1) for registration under section 9 of the State Co-operative Societies Act 1961. We are enclosing herewith four copies of the proposed by-laws accepted and duly signed by us.

The detailed particulars regarding the proposed society are as under :

1. Name of the proposed society :
2. Address to be registered
(including the nearest Post Office)
3. Is liability limited or unlimited :
4. Area of operation :
5. Objectives of the society :
6. State whether the applicants belong to different families and whether they have relations with each other such as wife-husband, father-mother, grand-father, grand-mother, step-father, step-mother, son-daughter, step-daughter, grandson-grand-daughter brother-sister, brother's wife.
7. If the capital is to be raised by shares, state the value and the number of shares to be issued, alongwith the list of shares subscribed unpaid up amount for that:
8. State the total amount of share capital collected and the amount deposited in a Bank or its branch and state whether the Bank balance certificates is enclosed with the application.

9. In case of federal societies, where the applicants are societies and companies, state whether they have enclosed copies of the resolution authorising them to sign the application and the bye-laws and state whether they are the promoters or the members of the Managing Committee of their society or company. If the applicant is a firm, state whether the signee is a partner of that firm.
10. State the details of the preliminary expenditure incurred by the promoters upto the date of application and also the estimate of expenditure likely to be incurred by them for getting the society registered.
11. State the name of the chief promoter and his address to which the correspondence is to be directed.
12. State the language in which the books and accounts will be maintained by the society.

Supervision and checking of the records and registers maintained by a Primary Oilseeds Growers' Cooperative Society

1. Day Book :

This covers all the daily financial and business transactions of the society giving details of opening balance, purchases, sales, different types of income and expenditure and closing balance, on the left side enter all the credit or income and on the right side all debit or expenditures.

Points to remember when the cash book is checked

- a) Check with whether all the entries, credit or debit, have been made with proper receipts, vouchers, certificates or by resolutions of the Managing Committee or by other records authorising the incomes and debits.
- b) Note the opening balance, cash in hand and confirm that the amount in hand is not more than the Rs.100.00 or as prescribed by the Management Committee resolution.
- c) Verify the stock of sales, fertilizers, equipments, pesticides oil, vanaspati Ghee etc. and confirm with cash in hand, deposits or withdrawals or purchase etc. to ensure that the no money or stock in rolling or unaccounted.
- d) Note updating the cash book and stock register results in rolling of money and so see that these two records are upto date.
- e) Check all the withdrawals from and the deposits in the Bank. Never keep this work pending.
- f) Note whether all paid up share amounts of members or accessor incomes like sample sales or money coming from the custom service offered by the society to its members for pesticide spraying, ploughing etc. (Through receipts and other records) have been written against the appropriate dates in the cash book.
- g) Confirm whether the receipts, vouchers or certificates produced for incomes and purchase of materials are reasonable and whether that material is present or not (Physically).
- h) Go through all remaining registers like payment registers and other compare the entries with the cash book to confirm the society's dealing are true and fair.

General Ledger.

Gives a cross reference to the cash book by giving all the financial or business transactions of the society under separate account heads, thus helping to arrive at the cumulative total for each item, so as to facilitate the preparation of the trial balance, trading account, profit and loss account and balance sheet.

Points to Remember:

- a) All the account heads in cash book will be written on separate pages in the General Ledger.

- b) The amount of all entries from the cash book will be posted in regular dates under respective heads.
- c) See the postages are made closely and specifically without any change of heads (credit and debit side). Also note that monthly totals are made.
- d) See that all postings tally with the cash book so that the trial balance will tally.
- e) Most important thing to be checked in stock is Gunny bags position.

Apart from above two register following are important registers to be checked at society:-

ORGANISATIONAL:

- | | |
|---------------------------------------|---|
| 1. Share book | 2. Share ledger/share register |
| 3. Individual members Register | 4. Member's land details Register |
| 5. Minit book (General body meeting). | 6. Minit book (Managing Committee meeting). |

PROCUREMENT :

- | | |
|-------------------------|--------------------------------|
| 1. Committment Register | 2. Out right Purchase Register |
| 3. Jhangad Register | 4. Pooling Register |
| 5. Collection Register | 6. Despatch book |
| 7. Despatch Register | |

FINANCIAL :

- | | |
|----------------------------|---------------------------|
| 1. Cheque book | 2. Pass book |
| 3. Payment Register | 4. Cheque inward Register |
| 5. Cheque outward Register | 6. Sales tax bill book |
| 7. Voucher's book | 8. Sample sales Register |
| 9. Labour charges Register | |

MISCELLANEOUS :

- | | |
|---|------------------------------|
| 1. Gunny bag stock Register - with Federation | |
| 2. Gunny bag issue Register - " Farmer's | |
| 3. Sample Stock Register | 4. Attendance Register |
| 5. Dead Stock Register | 6. Letter inward Register |
| 7. Letter outward Register | 8. Telephone - call Register |
| 9. Postate - stamp Purchase Register | 10. Visit book |

INPUT REGISTERS :

- | | |
|---|---|
| 1. Soil sample Register | 2. Aerial Spray Register |
| 3. Pesticides Stock Register | 4. Equipment Stock Register |
| 5. Custom service how (Equip-
ment) register) | 6. Seed stock and Distribution Regis-
ter. |
| 7. Fertilizer stock and distri-
bution register | 8. Demonstration Register |

In addition to above referred registers following are some of the important files for references maintained by the societies.

- | | |
|--|--|
| 1. Voucher File | 2. Commitment File |
| 3. Unit report File | 4. Balance sheet File |
| 5. Audit report and rectifi-
cation File | 6. Circular and notice letter from
Federation File |
| 7. Supervision reports and
rectification File | 8. Nomination Form File |
| 9. Member application File | 10. Correspondence with Cooperative
department File |
| 11. Agenda book for Managing
Committee and General body
Meeting File | 12. Bye-laws File |
| 13. Security paper of staff,
non-judicial stamp agreements | 14. Rent paid vouchers File |
| 15. Correspondence with Feder-
ation File | 16. Member's suggestion/Complaints
File |
17. Miscellaneous Correspondence File:-
Viz: Resignation forms, application forms, leave reports,
share withdrawal File.

AUDIT REPORTS

- | | | |
|--|---|--------|
| 1. Date of last auditing | : | |
| 2. Audit class | : | |
| 3. Audit rectification Date | : | |
| If not why | : | |
| 4. If there any very important
point (of agrave concern)
in audit report | : | |
| 5. Cash book upto date | : | Yes/No |
| If no then upto date | : | |
| what edate | : | |
| 6. Ledger upto date | : | Yes/No |
| 7. Monthly statement ready | : | Yes/No |
| 8. Cash in hand is in a limit | : | Yes/No |

CASH BOOK

1. Upto date (last date of entry) : Yes/No
2. Signature of Chairman/Secretary : Yes/No
in each closure
3. Opening balance on the day of visit :
4. Is the cash in society within the : Yes/No
permissible limits
(Mention limit and actual cash) :
5. Particulars on the date of last : 1 2 3 4
four withdrawals
- a. Opening balance :
- b. Total receipts :
- c. Bank withdrawals :
- d. Other expenditures :
- e. Closing balance :

OTHERS :

1. Whether trial balance prepared : Yes/No
every month
2. If no in above indicate reason :

RECORDS AND REPORTS:

1. Pass book maintained regularly :
2. Entries of pass book and purchase/ :
payment register tally for last
ten times
3. Following registers upto date or not:
 - a) Stock Register : Yes/No
 - b) Individual Members Register : Yes/No
 - c) Member's land Register : Yes/No
 - d) Minut book (General body meeting): Yes/No
 - e) Minut book (Management committee : Yes/No
meeting)
 - f) Commitment Register : Yes/No
 - g) Purchase Register : Yes/No
 - h) Jhangad Register : Yes/No
 - i) Pooling Register : Yes/No
 - j) Despatch Register : Yes/No
 - k) Payment Register : Yes/No
 - l) Cheque-in-ward Register ; Yes/No

- | | |
|-------------------------------|----------|
| 14. Sample sales register | : Yes/No |
| 15. Labour charges register | : Yes/No |
| 16. Gunny bag stock register | : Yes/No |
| 17. Dead stock Register | : Yes/No |
| 18. Postage-Stamps Register | : Yes/No |
| 19. Telephone call Register | : Yes/No |
| 20. Staff attendance register | : Yes/No |

REQUIREMENT:

- | | |
|--|------------|
| 1. Mini balance & condition | : Good/Bad |
| 2. Weightbox (full of few weights are missing) | : |
| 3. Big balance & Condition | : Good/Bad |
| Weights
(full or few weights missing) | : |

STOCK :

- | | |
|------------------------------|-----------------------|
| 1. Stitching thread (kg) | : |
| 2. Fertilizer stock register | : Complete/Incomplete |
| 3. Seed Sale Register | : Complete/Incomplete |
| 4. Pesticides Stock Register | : Complete/Incomplete |
| 5. Demonstrate register | : Complete/Incomplete |
| 6. Soil testing Register | : Complete/Incomplete |
| 7. Seed drill stock Register | : Complete/Incomplete |
| 8. Equipment Stock register | : Complete/Incomplete |
| 9. Oil stock Register | : Complete/Incomplete |
| 10. Ghee stock Register | : Complete/Incomplete |
| 11. Empty tin register | : Complete/Incomplete |

IMPT

DEV-8.3

DEV-8.5

Village Survey

Survey form is used to obtain data to determine the potentiality of an area for organisation of "Primary Oilseeds Growers' Cooperative Society" (POGCS) and to assess infrastructural facilities available in that area.

Importance of survey:

1. It provides data to determine the viability of a society.
 2. It helps in identifying the location of a POGCS office and the Procurement Centre.
 - ✓ 3. It gives an idea of transportation facilities available so that possible procurement routes can be chalked out.
 - ✓ 4. It helps in identifying the potential leaders from the village.
 - ✓ 5. It helps in assessing the receptivity of villagers to co-operative movement.
 - ✓ 6. It also gives a picture of communication facilities existing in that area or region.
 - ✓ 7. It gives an overview of :
 - a) Different oilseed crops being grown in that region.
 - b) Land holding pattern.
 - c) System and type of farming.
 - d) Irrigation facilities.
 - e) Average production of oilseeds/unit area (yield)
 - f) Total production of oilseeds.
 - g) Procurement potential.
 - h) Demographic details.
 - i) Problems in oilseeds cultivation in the area.
 - ✓ 8. Existing credit and marketing facilities.
- Pre-requisites of survey:
- i) Survey-form should not create any doubt in the respondents' mind: Investigators should explain in detail the objectives of the survey so that the respondent answers each question frankly and without fear.
 - ii) Survey form should be in local language.
 - iii) While surveying it is always advisable to take the help of local leaders, panchayat/revenue staff.

SURVEY FORM

Name of Surveyer Date of Start of Survey
Date of Finishing the Survey
Name of Village Panchayat Taluka District

1 2 3 4 5

- ✓ Names of Villages within 8-10 KM radius
- ✓ Distance from main village
- ✓ Distance from Taluka H.Q.
- ✓ Distance from District H.Q.
- ✓ Number of Families
- ✓ Total Population

PUBLIC FACILITIES:

- ✓ Post Office; If 'NO', the nearest Post Office & its distance (KM)
- ✓ Electricity; If 'NO' nearest village having electricity & its distance (KM)
- ✓ Telegraphic Office; If 'NO' nearest one and its distance (KM)
- ✓ Drinking Water Facility; If 'NO' nearest place having drinking water & its distance (KM)
- Education Facility; If 'YES' upto which standard....., If 'NO' nearest village & its distance (KM)
- ✓ Bus Facility; If 'NO', nearest village having bus & its distance (KM)
- ✓ Railway Station; If 'NO', nearest R.S. & its distance (KM)

BANK FACILITIES:

- ✓ Commercial Bank; If 'NO' (Nationalised) nearest one & its distance (KM)
- ✓ Co-operative Bank; If 'NO' nearest one & its distance (KM)
- ✓ Tar/Rough Road
- [Place of weekly marketing
- [H.Q. of Gram sevak
- [Nearest City

EXISTING MARKETING FACILITY :

1 2 3 4 5

Details regarding marketing of oilseeds

Is it through Coop./Private market merchant/
regulated market

No. of Oilseeds Traders in nearby villages

Wholesale merchant/Retailer

Nearest city for selling oilseeds

If regulated market, name of regulated
market yardRATE OF OILSEEDS FOR LAST THREE YEARS.

1st (19.....)

2nd (19.....)

3rd (19.....)

PROCESSING PLANT NEAR BY : YES/NO

✓ If 'YES', its daily capacity

How & Where from do they purchase oilseeds?

COOPERATIVE INFORMATION✓ Is there is other village Cooperative
If 'YES', Where is H.Q.?

Activities of Cooperatives.

- (1) Credit, (2) Fertilizer, (3) Seed,
- (4) Plant Protection Chemical
- (5) Liasion activities

Credit for Oilseeds/ha in Cash

Credit for Oilseeds/ha in kind

Storage Facility, if any; If yes,
its capacity✓ Can society hire a godown for storage
of oilseeds? If so, available space
and approximate rent✓ Opinion of farmers' community
for Cooperatives✓ FARMERS :

No. of Cultivators

No. of Agricultural Labourers

✓ No. of Cultivators having 2.5 acres
between 2.5 & 5.0 acres
5.0 acres

✓ AREA:

1 2 3 4 5

Total cultivable land (.....)

Irrigated area

Facilities of Irrigation

No. of wells & area covered in ha

Area covered by tube well ~~rrr~~.....

Canal Irrigated

Any other source irrigated area

Kharif area

Rabi area

Pasture land area

MAIN CROPS & THEIR AREA :

Groundnut

Soybean

Other Oilseeds

Total area under oilseeds

KHARIF : Groundnut

Soybean

Other oilseeds

RABI : Groundnut

Soybean

Other oilseeds

OILSEEDS PRODUCTION :

Groundnut

Soybean

Other oilseed

Total production of oilseeds

VARIETIES : Groundnut

Soybean

Other Oilseeds

AVERAGE YIELD : Groundnut

in Qtl./ha

Soybean

Other oilseed

PRODUCTION FOR LAST THREE YEARS :

		1	2	3	4	5
Groundnut	-	78-79				
		79-80				
		80-81				
Soybean	-	78-79				
		79-80				
		80-81				
Other	-	78-79				
oilseeds	-	79-80				
		80-81				

PACKAGE OF PRACTICES :

Source of seed, variety & approximate price

Source of fertilizer and approximate price

Source of culture & approximate price

Source of insecticides & approximate price

Major diseases & pest prevalent in that village & Name of crop

AGRICULTURAL IMPLEMENTS :

Number of Tractors

Other improved implements

Sprayers

Dusters

Others

Is suitable accommodation for society available?

Is there any other institution purchasing oilseeds?

What is the opinion for farmers for forming society?

Is there anybody educated available to work as secretary?

VILLAGE SURVEY FORM

This survey form is meant to test the feasibility of forming an Oilseeds Growers' Cooperative Society in a particular village. It helps in getting necessary informations on gross area and production under Oilseed Cultivation in a year, present system of marketing the produce, response of villagers to formation of society, infrastructural facilities etc. These particulars will be useful for Spearhead Team to select certain villages, having favourable factors to make the societies viable.

Is there any person to initiate ☐
the formation of society? ☐
If 'Yes', name ☐

Any other relevent information :

Surveyer's opinion for formation of Oilseeds
Growers' Cooperative Society.

Signature of Surveyer

Name :

Restructuring Edible Oil Economy

Although India had been an important exporter of oilseeds and vegetable oils a few decades ago, the oilseed and vegetable oil sector has been on the verge of a crisis during the last few years. The production of oilseeds has remained virtually stagnant since the mid-sixties except for erratic fluctuations from year to year. Vegetable oil consumption -- about 12 grammes per day per person has remained at approximately a third of the minimum nutritional requirements.

Soaring edible oil prices during recent years in relation to other essential food commodities have been straining the family food budgets especially of the poorer. And since the increase in prices (groundnut oil prices for example have risen from Rs.1,983 per tonne in October, 1963 to Rs.11,700 in October 1979) had not been adequately reflected in the prices paid to oilseed producers, there was very little hope of making any substantial improvements in the functioning of the oilseed economy.

But the picture has not been entirely one of unrelieved gloom. Very high yield levels, comparable to those in any other oilseed producing country, have been achieved on demonstration farms. As against the average groundnut yields of 700-800 kg/hectare in the country, yields achieved on these farms have been between 3,000 and 6,000 kg/hectare indicating that a small region such as Saurashtra in Gujarat alone can meet the entire country's deficit in groundnut production. The advances that have been made in oilseed processing technology provide the hope that the existing outmoded and inefficient plants can be vastly improved upon. And perhaps most important of all, the principles evolved in our dairy development programme - Operation Flood - provide the model on which to bring about the modernisation and restructuring of the oilseed and vegetable oil economy.

At the suggestion of the Government of India, the National Dairy Development Board which is the project authority for Operation Flood, has designed a project for restructuring edible oil and oilseed production and marketing. The main objective of the project is the establishment of a modernised industry based on oilseed growers' co-operatives, so that processing and marketing will be carried out by the producers themselves. They will undertake the procurement and marketing of vegetable oils - both imported and indigenously produced -- so as to bring about a stabilisation of vegetable oil supplies and their price levels and thus benefit both the consumers and the producers.

The low and stagnant consumption of edible oils is mainly due to an absence of a positive yield growth rate in most of the oilseeds which in turn has been caused by several other factors. One of the most important factors is the absence of high yield-cum-high stability technology in oilseeds vis-avis other crops. This has pushed oilseed cultivation mainly to regions with inferior soils affected by saline, alkali or semi-alkali conditions, with low and highly irregular rainfall and meagre facilities of canal or lift irrigation. Oilseed yields are mainly influenced by rainfall which happens to fail frequently in these dry or semi-dry regions.

For example, the coefficient of variation of rainfall in Saurashtra is as high as 38 per cent whereas in all other regions including Rajasthan, it is 18 to 22 per cent. As a result, yields have fluctuated from as low as 200 kg/hectare (1972-73) to as high as 1,200 kg/hectare (1975-76). And also, returns received by oilseeds farmers are often unremunerative and excessively chancy. In Saurashtra, gross incomes of groundnut farmers was only Rs.50 crores in 1974-75 as against Rs.200 crores in the previous year. Consequently the use of insecticides, fertilisers and other production inputs has been very low. The absence of crop insurance schemes has further aggravated the existing situation.

With regard to the efficiency of processing and marketing systems also the situation is highly unsatisfactory. The oilseed processing industry is characterised by a large number of small-sized widely scattered units, which while taking full advantage of exemptions from government licensing, taxes and so on, do not contribute at all to the welfare of the farmer. The outdated machinery (The Indian expeller is 40 years behind current developments) and an absence of modern cake treatment and conditioning methods results not only in a lot of wastage of oil during crushing but also of valuable protein from oilcakes.

The existence of a large number of intermediaries in the oilseeds and oils trade both in the domestic as well as export markets contributed to the high instability of edible oil market through hoarding and speculation. A speculator aiming at all times at maximising his own profits will permit the market forces to operate until the gap between demand and supply is fully reflected in increase or decrease in the price as the case may be. During periods of short supply this implies that a speculator will keep cornering supplies in the face of rising prices and will unload in the market at a time when the price is at or near the peak. When many speculators undertake such operations, an artificial scarcity arises by their acts of withholding stocks and this results in a peak price higher than would have been the case under competitive conditions. In a relatively good year the speculators will allow the price to fall as the excess supply position would require in order to clear the market before they start buying and once again their collective behaviour will accentuate the downward fall in the prices of oilseeds.

Such instability affects particularly the poorer sections of the consuming public. Households in the higher income classes are estimated to consume 10 times as much oil as do the lowest income classes. Since they generally purchase in bulk at the beginning of the season, the burden of high prices at the end of the season largely falls on the middle and poor income classes, who purchase monthly or even daily.

Severe price fluctuations of oilseeds and oils, which are caused more by speculative forces than production changes, will not be conducive to rational decision-making on the part of farmers. It is estimated that prices of oil-seeds received by the farmers are only 21 to 24 percent of edible oil prices and that 10 per cent rise in annual edible oil price will raise the farm harvest price of oilseeds only by 6 per cent over time. This low and declining share of farmer in the edible oil price perhaps makes their response to farm prices for oilseeds very low as this implies that the oil price rises required to induce a given rise in supply would be very large indeed.

Another factor to be emphasised is that relatively small increases in the incomes of the low income groups results in a more than proportionate increase in their expenditures on essential food items such as edible oils. Hence, any increase in prices of these commodities has a highly adverse and serious implications for consumers who have to curtail their already very low level of consumption.

Groundnut is a highly remunerative crop. In a normal year it can fetch as high an income as any other crop like improved variety of wheat or cotton or sugarcane; but as a result of high yield fluctuations, average gross income of groundnut farmers remains relatively low.

This brings into sharp focus the need for increasing the oilseed production on the one hand and improving and modernising the facilities for processing the oilseeds on the other in a manner that will assure a reasonable return to the farmer for his efforts and the consumer to enjoy the benefits of enhanced production.

The NDDB project envisages the application of the principles of co-operative organisation in the restructuring of the edible oil industry — alongwith of course, such on-line corrections which are deemed necessary in the light of certain fundamental differences between the nature of the two businesses.

The basic strategy of promoting growers co-operatives will help curb speculative and manipulative practices and streamline the market system by eliminating the dominance of large growers/traders/processors combinations and multiple layers of middlemen. It is estimated that a 15 per cent share of the market with such co-operatives will make them effective instruments of restructuring the oilseeds and oil economy.

Funds worth Rs.150 crores required for the project would be generated through the sale of donated oils received from the Co-operative League of the USA (CLUSA) and from other friendly countries.

The oilseeds growers co-operatives will have a two-tier structure:

- i) village-level oilseed growers' co-operatives
- ii) state-level federations of village-level co-operatives

Several village-level co-operatives will join together to form a State-level federation. The main characteristic of a village co-operative will be that the membership will consist of only those growers who will sell their own produce to the co-operative and will not engage in oil business on their own account. The growers will be paid fair and stable prices after sampling and testing each member's crop for oil and moisture content. The growers will through the State-level federation own and operate their own processing facilities and undertake the marketing of finished products. The village-level co-operatives will arrange with the help of the federation, the supply of inputs and services.

The NDDB's Oilseed and Vegetable Oil Project is being implemented in the first phase in eight districts. This phase will last between two to three years. The project will then be reviewed and in the second phase from the third to seventh year another 12 districts will be covered.

The major thrust of the project will be on its production enhancement programme as the root cause of the low average productivity is the lack of research and development and extension. There will be an agronomic centre in each major oilseed growing area to conduct applied research in oilseed production methods and to produce foundation seeds. A district farm will be established to multiply foundation seeds - and to be the base of mobile teams - in each district covered by the project. On an average, two demonstration-cum-seed multiplication farms will be established in each village covered by the project.

In an average village covered there will be two to four village-level co-operative representatives who will visit the district farms once every two weeks to receive instructions in agronomy, soil chemistry etc. from concerned specialists. These specialists will also serve as members of mobile teams. Each mobile team will be responsible for providing training and supervision to about 20 villages. These villages will be visited by the mobile team once every two weeks.

An important aspect of the project is the creation of a "Sinking Fund" which will be used to protect the interests of the growers and their co-operatives in "bad" years when the growers find it difficult even to recover the cost of productions of inputs.

The production enhancement programme will ensure a proper interface between the growers and the various delivery systems. The quicker transfer of technical knowhow from agricultural research stations to the growers, supply of quality seeds, farmers' training, dependable arrangement for transportation and storage and similar

other steps would decrease the vulnerability of oilseed crops to climatic variation, while also raising yields and offering year-to-year stability to growers and thereby increase their incomes.

An operation research study is being carried out by the Oilseeds and Vegetable Oil Wing of the NDDB (which is responsible for executing the project) to detail out the requirement of processing capacity to be created under the project. Besides, the study would also detail out the requirements for organising oilseed growers co-operatives, inputs required for the production enhancement programme, product and process development and the technologies that should be adopted to ensure maximal returns to oilseeds growers.

It is estimated that in the first phase the project will benefit approximately 3.5 lakh growers in 8,000 villages spread over eight districts in the major oilseed producing states. Ultimately, the project will benefit 8.5 lakh growers in 20 districts in the country. The major beneficiaries will primarily be small farmers who grow the bulk of edible oilseeds on unirrigated and marginal land. The project will also provide opportunity for employment to a large number of people in the rural areas. It is estimated that some 4,50,000 people including a large proportion of woman will be employed. The HPS programme will provide employment mainly to women.

Gujarat being a major oilseed producing state has a high place in the edible oilseeds and oil project. The estimated production of 5 to 6 lakh tonnes of edible oils in the state leaves a surplus of 3 to 4 lakh tonnes after local consumption. Much of the surplus is from groundnut oil produced in the Saurashtra region. Saurashtra accounts for nearly 90 percent of groundnut production in Gujarat.

A modest beginning of the project implementation has been made in Saurashtra. Seventy-three oilseed growers' co-operatives, with a total membership of 2,625 growers have been formed in 200 villages. Total procurement of oilseeds from these co-operatives stand at 3,300 tonnes for crushing purposes and 400 tonnes for seed purposes. Three mobile teams have started working in the area. A large number of oilseed producers have undergone farmers induction programmes at NDDB's headquarters at Anand. State-level Federations of oilseed growers co-operatives have been set up in Gujarat as well as in Madhya Pradesh. Several other State governments are working out plans for implementation of the project in their respective areas.

The major impact of the programme, in its first phase alone will be in the form of an increase in the production of oilseeds by 4 lakh tonnes. At the same time growers will be able to earn larger margins, from 23.4 per cent at present to about 30 per cent by 1984-85. This will enable them to make greater investments in the production of oilseeds.

Even though there is a limited possibility of achieving any remarkable breakthrough in oilseed yields, the spread of existing knowledge itself through production enhancement programme can raise average yields to levels comparable to those in other countries.

In the absence of a project such as the present one, prices of edible oils are likely to rise to at least Rs.15-16 kg by 1984-85. A buffer stock of upto 15 per cent of the vegetable oil available in a given year should be sufficient to keep the prices within moderate limits. Once the modus operandi is established a programme with a two-to-three times greater coverage will be needed to close the gap between supply and demand completely.

The principal attraction of the project is that the funds proposed to be invested in the restructuring of the oil industry - amounting to nearly Rs.150 crores - will be generated out of gifted oil. In the absence of the project funds for such purposes would have had to be drawn from the overall funds available for national development. In as much as such projects permit the influx of additional funds without taxing the government reserves they must be considered welcome additions to our development efforts.

The task of restructuring the edible oil and oilseed economy is a difficult one with seemingly unsumountable problems to be overcome. Some of these problems are, admittedly, unique to the oilseeds sector. Still, any progress that is made is not likely to be confined to the sector alone. Every step forward in this area will surely have wider and lasting impact on the entire rural economy of the country.

IMPORTANT POINTS/TIPS FOR PROCUREMENT,
SAMPLING, GRADING, PAYMENT AND TRANS-
PORTATION OF OILSEEDS THROUGH OGCS.

The following points should be kept in mind by the procurement and other field staff responsible for procurement activities.

Procurement sampling, testing, transportation.

1. If the produce (groundnut, soyabean, mustard etc.) offered for sale to society is observed to be mouldy, damaged or adulterated, or if it tastes bitter (aflatoxin affected) should not be accepted. Only good produce without any of the above mentioned defects should be accepted.
2. Small clear dots on the surface of pods indicate good oil content in the groundnut.
3. Black dots/mottles on the innerside of the pods of groundnut also indicate maturity and filling and good oil content. Oil content can also be observed by pressing nail into kernels.
4. Thin testa on the kernels indicates better quality. If testa does not get easily separated from kernels, it indicates higher moisture content.
5. Moisture content can also be observed by crushing the kernels or grains under teeth. If they break crisply, it means no excessive moisture.
6. During determination of shelling (utara) the farmer should not be allowed to deshell the pods or weigh the kernels to check the unfair practices (such as addition of one or two kernels, changing the pods etc.). However, this may be done in his presence at the collection centre of society.
7. In case of doubt/dispute, the weight of kernels and broken shells should be taken separately and if it makes the same as original it should be acceptable to the member.
8. Determination of refraction or karada should be done very carefully. Necessary care should be taken to check any mischief or unfair practices by the farmer, labour or errors by society staff in weighing of the foreign matter. Utara and Karada should be properly recorded.

9. In case of dispute over Karada at society level, one bag selected at random by the farmer should be considered for taking weight of Karada. Then the average weight of the Karada of the two bags (one selected by the society secretary or procurement assistant and one selected by farmer himself) should be final and binding.
10. In case of further doubt about Karada or weighing, the process may be repeated at the cost of the concerned farmer.
11. The jute (gunny) bags supplied for procurement should be checked before filling to ensure that these are not coated with mud inside or do not contain stones or brick pieces.
12. The weights and balance should be standardised. These should be checked before starting weighing. The empty pans should not show any variation. Procedure for weighing should be uniform in all the societies.
13. Necessary details pertaining to the sample drawn (such as name and address of the farmer, date, crop and variety, weight, shelling, etc.) along with the sample should be retained in the society for about a month for reference if necessary. Afterwards, the kernels may be sold as decided by the Managing Committee.
14. The small balance (Nanavate balance) and fractional weights used for determination of shelling or grade should be kept properly in the society to avoid their rusting etc.
15. If the produce has to be left overnight with the farmer or the society due to non-availability of the truck or some other unavoidable reasons, the farmer or society, will be responsible for any loss in weight or damage.
16. At the time of loading the bags into truck, the counting should be done carefully to avoid any dispute with the truck driver/transporter. If necessary, some of the bags selected at random should be weighed in presence of the driver and his signature be obtained on the despatch memo for record. The society secretary should also obtain signature of the driver on the office copy of the despatch memo for official record.
17. For identification of the produce supplied by individual members, different code numbers should be marked by society staff on all the bags.

18. To ensure proper sampling determination of refraction and shelling at the plant level, necessary supervision should be done. Random retesting should also be exercised. Weight shortages if any beyond the permissible limit should be recorded and the signature of driver obtained for making deduction from transport bill.
19. Names of the societies/members and figures of amount in the cheques should be written accurately and legibly to avoid delay in release of payment from banks (preferably in words).
20. Information about any dispute, damage or pilferage etc. of the produce procured, stored or transported should be immediately given to all concerned.
21. The society secretary/procurement staff should check against supply of the produce of non-members or traders by the members to the societies. Such instances should be brought to the notice of the Managing Committee of the society for disciplinary action.
22. The purchase receipt must be issued to the members to acknowledge receipt of the oilseeds supplied to society.
23. The weight, refraction, shelling or grade, amount of payment and advances made to society members should be recorded in the purchase register.
24. Signature or thumb impression of the members should be obtained wherever necessary in the records of the society for issuance of empty gunny bags, sieve etc. and for advance payments.
25. Records of outright, Jangad & Pooling purchase should be maintained separately.
26. The produce procured should be kept under watch and ward in absence of proper storage facilities. At plant level it should be ensured against fire, theft, etc.
27. The produce should be protected against loss by rodents in the godown or store.

SOME IMPORTANT POINTS FOR CONSIDERATION OF STAFF CONCERNED WITH OILSEEDS COOPERATIVE FORMATION.

For organisation of the Oilseeds Growers' Cooperative Societies, their smooth working and procurement of oilseeds from society members, the concerned field staff should take care of the following important points.

Initial contact with the oilseeds growers

1. To initiate contact with the farmers the mobile team members should as far as possible communicate with them in their language. Knowledge of their cultural and social background, local customs and traditions will be useful for effective communication.
2. Relevant information about the progressive farmers, opinion leaders or important persons, if collected before contacting them will be helpful in initiating the dialogue with them. Area statistics of oilseeds and information on cultivation practices should be obtained from the concerned departments.
3. Personal contact with the progressive farmers/opinion leaders in the villages can be very helpful to communicate the plan and programme to be implemented.
4. Care should be taken that while collecting information from the farmers or during the course of communication/discussion with them, the team members avoid imposing their knowledge or skills on the farmers.
5. It is advisable to avoid identification with any of the local groups or politically influential persons.
6. For carrying out the survey work, help of local acquaintances, village level workers, patwaries and staff of Panchayat, agriculture/cooperation department may be sought.
7. The farmers should be motivated to take up the programme with their maximum participation.
8. For organisation of societies, the mobile team staff of the federation should be properly trained and exposed to the Anand Pattern cooperatives.

9. Necessary spade work must be done in the potential or identified villages by the mobile and spearhead teams to convince the oilseeds growers and to create confidence in them before actual start of societies.
10. Working of the OGCS should be organised fully on the lines and philosophy of Anand Pattern and the model bye-laws recommended for societies should be adopted by them.
11. To avoid group politics or influence in the society, members of managing committee should be so selected that each locality/community is represented.
12. Proper liaison should be maintained with the officials of Government Departments and agencies concerned, to know the latest developments, policies and programmes for agricultural development or information on any subsidies available for the benefit of agriculturists and societies. Proper contact should be made with the Primary Agriculture Cooperative Societies (PACS) to get inputs for the members.
13. Staff for society (secretary and helper) should be selected by the Managing Committee and if necessary in consultation with federation. They should preferably be matriculates or SSC or diploma holders in cooperation/agriculture and belong to the society village.
14. Society staff should be properly trained in the oilseeds procurement system, procedures of weighing, testing, storage, transportation, payment, maintenance of records and correspondence with federation, cooperative department etc.
15. The mobile team with the guidance and help of spearhead team should organise the training of society staff, managing committee members/chairman & farmers and make necessary arrangements for their training.
16. The society staff and managing committee members should know the quality standards of oilseeds and the rates proscribed by the federation and procedures of sampling, determination of refraction and shelling percentage or grade of oilseeds.
17. The society staff should be very careful in testing of the material procured as any serious errors will affect the viability of society.

18. Necessary sureties/securities of the society staff should be obtained by the Managing Committee.
19. Standard weighing, sampling, testing equipment, stationery, registers, furniture and other specified material must be supplied to societies prior to commencement of procurement.
20. Replacement of equipment should be obtained from federation and in consultation of the federation to procure only standard equipment.
21. Frequent and close supervision of societies should be done after their start for a reasonable period to be followed by regular routine supervision.
22. For registration of societies, the registration application should have recommendation of the spearhead/mobile team and for speedy clearance, necessary follow up should be done with the district Registrar.
23. For review of the progress, programme implementation and problems if any, regular meetings of the field staff and managing committees should be organised.
24. The society staff and managing committee members should understand details to be recorded in various registers maintained by societies, issuance of collection statements, purchase receipts and despatch memos for transport of the procured material to plant/godown.
25. It should be ensured that the truck driver signs the despatch memo's copy retained by society and the difference in the weight of material delivered by him to federation is recorded for payment.
26. The federation's concerned staff and mobile team should ensure that payment to OGCS/members is made without any delay.
27. Society secretary should verify the payments received or issued for any errors.
28. The samples taken at society and tested and also at the plant should be preserved for about a month for retest or reference.
29. Important instructions, guidelines and circulars should be issued in writing to OGCS for information and action of societies.
30. Pass books must be provided to members to record their transactions with the society.
31. The OGCS must get affiliated to federation after its registration.

DUTIES/RESPONSIBILITIES OF CHAIRMAN AND SECRETARY OF OGCS.

The Chairman being an elected representative of the oilseeds grower members and the Secretary a paid employee of the society are the key persons in the general administration, management and working of an oilseeds growers' cooperative society. Individually as well as jointly, they have to fulfill several responsibilities of the societies and perform several duties to make the society run economically, smoothly and successfully to the benefit of the members and village community in general. They have to discharge all those duties/responsibilities to achieve the aims and objectives of the society. Some of the important duties/responsibilities of the Chairman and Secretary are indicated below:

Duties of the Chairman

1. To remain present in the society at the time of procurement of oilseeds for solving problems or dispute, if any, on the spot.
2. To supervise the routine working of society staff and to ensure following up of the Act Rules and byelaws. Also supervision of books of accounts with the help of other managing committee members.
3. To get implemented the resolutions/decisions of the Managing Committee and General Body.
4. To verify or arrange verification of goods, material, equipment and deal stock at least once in three months.
5. To take action for rectification of the objections in the audit notes, inspection memos and supervision or visit notes.
6. To arrange to furnish immediately all details and progress or general information called for by the oilseed federation/union and the cooperative department, the bank and the multipurpose cooperative society.
7. To arrange disposal of the complaints wherever possible or to place before the managing committee for their solution.

8. To get the production enhancement programmes, schemes or instructions of the federation implemented.
9. To get prepared from the Secretary of the society the statements of accounts such as income and expenditure, sales and purchase, stock of goods and Annual Report for approval of the Managing Committee/General Meeting.
10. Framing administrative rules in consultation with the managing committee in keeping with the Act/Rules, bye-laws for efficient working of the society.
11. To deal with applications for membership, registration, issuance/transfer and refusal of shares with the concurrence of managing committee.
12. To check the cash in hand with the Secretary and to sign the cash-book everyday.

Duties of the Secretary

Over and above the duties of the Secretary for compliance as instructed by the Chairman/Managing Committee or those laid down in the byelaws, some of the important duties of the Secretary may be as under:

1. To call meetings of the Managing committee, General body as when instructed and to record resolution/minutes thereof.
2. To remain present at the time of oilseeds procurement in the society and to carry out its sampling and testing/trading at the society level and to follow instructions of the federation or its representative (the Procurement Assistant) present at time of procurement.
3. To arrange gunny bags, twine for procurement of oilseeds and payment thereof from the federation.
4. To withdraw, recover and spend money from society funds or income according to the instructions of the Managing Committee.
5. To take legal action as directed by the managing committee for recovery of any dues and other disputes if any.

6. To receive and act on all communications or instructions received from federation/Cooperative Department with the knowledge and decisions of the Managing Committee.
7. To look after necessary correspondence pertaining to routine working, administration of the society and to provide all the required information to members and to correspond with prior approval of the chairman.
8. To prepare all receipts, vouchers, Annual Reports, Balance sheet and other necessary statements of the Oilseed society and to furnish in time the required information, records, clarifications etc. to the federation/Union, Cooperative Department, Bank and Multipurpose co-operative society.
9. To write and maintain financial books of account and other records of the society regularly and produce these records for supervision, audit and inspection.
10. To guide and control other employees of the society and to supervise their work and to fix up their duties, responsibilities in consultation with the Managing Committee.
11. To report the working, attendance to duty and performance of society staff to the managing committee.
12. To implement/help the members in implementation of production enhancement programmes, schemes and instructions thereon received from federation.
13. To arrange/organise extension activities as instructed by the federation or its representative like meetings, film shows etc.
14. To do all other works as directed by the Chairman and the managing committee.

Responsibilities of society members.

Basically any cooperative society is by the members, of the members and for the members. It is therefore the members who can contribute their best individually and collectively for success or failure of the society apart from the overall management, administration and control of the managing committee. The General Body comprising members of the society has the Supreme

powers to run the society. It would therefore, be relevant to say that any amount of success of the oilseeds growers cooperative society will largely depend on active and right participation and cooperation of its members. The society members should thus, consider themselves responsible for the following points.

1. The oilseeds growers, interested to obtain and continue their membership of an oilseeds society, must know the essential conditions in the bye-laws for society membership. Interested farmers may thus obtain copies of the byelaws, read these before seeking membership and make sure that they fulfil all the conditions.
2. They should obtain the duly signed money receipts for the entrance fee and share money paid from Secretary of the society and preserve these for record. They should also obtain and preserve the share certificates.
3. Members should obtain pass books from the society and see that their transactions with society are properly entered into the passbooks. The pass book should be kept properly by the members.
4. Members interested in contesting election must know whether they fulfill the necessary conditions for voting rights and contesting election to the managing committee of the society.
5. They should cooperate in all matters particularly relating to planning and implementation of procurement schedule. They should keep in mind the spirit and principle of one for all and all for one for proper working of the society.
6. Members should have faith in the working of the society staff and managing committee particularly in weighing, sampling and testing. They should not interfere or pose any hurdle into their working. However, in case of any doubt or dispute, they should have their doubts/disputes cleared as per the recommended norms.
7. Members should not supply the produce of non-members or any traders as their own produce to the society.

8. Members should not divert their produce of oilseeds to the private trade or market yards as this will not be in the interest of the society.
9. Members should not indulge into any default, make false statements, dishonour resolution or decisions of managing committee of the society.
10. Members should follow instructions/guidelines circulated to them by the society/federation from time to time regarding implementation of cultivation practices, production enhancement, demonstration programme, incentive schemes and any procurement and inputs campaigns.
11. They should extend their maximum cooperation and participation in the extension activities organised by the society/federation.
12. Members should attend group or mass meetings or general meetings as and when called and respect and cooperate in implementation of decisions taken at such meetings.
13. Members though can have direct access to the chief executive/Board of the federation, it will be desirable if they contact the society secretary, Chairman or members of managing committee, the officials/staff concerned in the nearby office of the federation in case of any problem or dispute related to society or payment etc. rather than approaching them directly.
14. They should have faith in the policies of the oilseed federation.

PROBLEMS RELATED TO PROCUREMENT, GRADING AND TRANSPORTATION OF OILSEEDS

The Cooperative Oilseeds Growers' Federation procures oilseeds (groundnut, soyabean, mustard, rapeseed etc.) offered by oilseeds growers through the oilseeds growers cooperative societies. The produce committed or offered by grower members is weighed, tested at the society as well as the plant level of the federation and payment is determined on the basis of quality and not only quantity. From societies, the oilseeds are transported to the storage godown/warehouse or processing unit of the federation by hired or contractual transport. The weighing at the village societies is done by hired labour in the presence of society secretary and procurement staff of the federation. Variations, in weight and quality of oilseeds, if not checked/minimised to the satisfaction of the members, are likely to pose serious management problems. These problems therefore, assume great importance in oilseeds procurement. Some of these are described below.

1. Weight difference at society and plant level

The oilseeds supplied by individual members are weighed at the society or at members' house and the weight is recorded in the purchase bill and purchase register maintained by society. If the weight of oilseeds received at the plant or godown of federation is reported to be less than the weight recorded by society, the member will suffer a loss. The difference in weight can occur due to any of the following reasons.

- i. Due to loss of moisture (and hence in weight) during the period of storage at village society and transportation to the plant

Upto a certain limit as fixed by the Federation (say for example upto 30 kg per truck carrying about 7 tonnes of groundnut) the weight loss may be permissible. Any shortage above the permissible limit will have to be borne by the transporter. It will therefore be desirable that the transport contractor or his driver makes a random weight check before lifting the produce from societies and signs the truck challan memo issued by the society.

ii. Due to inaccurate weighing and error in recording weight figures at the society.

The weight of produce may be wrong due to faulty weighing by labour, inaccurate weigh scale (the weight of two pans may not be equal), sub-standard weights or higher weight figures are recorded in respect of some members by the concerned staff. This could be controlled through supervision of weighing at the time of procurement by federation's procurement staff/supervisor.

iii. Due to unfair practices by the member-suppliers

If the produce after weighing has to be retained at the house of the farmer due to delay or failure in arrival of transport vehicle or if it has to be stored unprotected for want of proper and adequate storage facilities with society, some farmers may fall prey to the temptation of stealing some groundnut from the weighed bags and add inferior quality produce or stones or dust or any other foreign matter and even water to make up the weight. Instances of painting the innerside of gunny bags with mud or clay may also come across. In such cases the member concerned should be held responsible, warned or punished as per the bye-laws or decision of the federation. However, the procurement and extension staff of federation must advise the members not to indulge in such unfair practices.

iv. Due to mischief of transporter or driver

Shortage in weight due to pilferage and sale of produce enroute may be caused by the transporter or driver. To check such mischief surprise checks may be done enroute by staff of federation and the weight figures recorded in the truck challan should be tallied with the weight observed at plant and godown. Difference observed should be recorded and informed to the society or area office concerned. Shortage occurring enroute should be recovered from the transport contractor or adjusted from amount of transport bill.

2. Unrepresentative sampling

Though seed triers are available for drawing samples of small sized grains or seeds, generally samples are drawn by hand by the concerned staff. Despite all the care taken to draw a sample from all sides of a big heap (lot) of oilseeds offered by individual members, it is difficult to draw the grains or pods from the bottom layers of

the heap. Some of the farmers may dump the inferior quality produce at the bottom of the heap. Therefore, it becomes difficult to take a truly representative sample from big heaps or from bags. Determination of quality (for example shelling percentage or utara in case of groundnut) by analysis of an unrepresentative sample of oilseeds may be misleading (i.e. may be unduly higher or lower than the prescribed standard). In absence of a suitable trier for pods, care should be taken to draw sample from all sides, middle and bottom layers as far as possible.

3. Difference in quality testing at society and plant

Groundnut supplied by members is tested for its quality (foreign matter or karada and shelling percentage or utara as per the procedure laid down by federation) at the society. Soyabean is also tested for determination of its quality on the basis of its purity, foreign matter and moisture content. However, the amount payable to society/members is determined at the plant/godown of the federation. Inaccurate determination of shelling percentage and refraction in groundnut and grade of soyabean or mustard by the staff of society or federation in the collection centre and at the plant, is likely to infuse resentment and complaints from societies and members. It should be therefore, ensured that quality testing is done very carefully, properly and accurately by the concerned staff in the absence of any quality testing machines at the village level. The weigh scale should be properly cleaned and checked for determination of shelling percentage. Refraction and shelling percentage determination done at the plant level should be supervised. The concerned senior officer may do random re-testing in addition to routine testing.

4. Interference or pressurisation by influential members

Existing procedures for quality determination do not permit any member farmers to do the testing themselves. Neither are they allowed to participate in refraction, shelling or grade determination. They may however, remain present at the collection centre to see the testing being done by the concerned society/procurement staff. But some of the big or influential farmers may attempt to influence or pressurise the staff to determine higher quality of their produce. Failing in their motive they will tend to interfere into the working of society or staff and instigate other members to raise undesirable disputes or controversies. Such elements should be curbed through motivation and persuasion or by taking action against them as per the prescribed rules and regulations.

5. Unfair tactics of farmers

During the course of quality testing of oilseeds some of the members may play mischief or unfair tricks to get advantage of higher quality. For example - they may add one or two kernels in the kernels extracted by deshellng the weighed groundnut pods by deceiving the tester to increase the weight of kernels or they may replace shrivelled and small kernels with good ones. They may hide extra weight in empty gunny bags to blame the procurement staff on the pretext of weighing extra quantities of their produce. Some of the farmers may indulge into these undesirable tricks at the instance of certain private oilseed traders operating in the area as well. Such elements or tricks if noticed should be strongly condemned and suitable action can be taken against them by society.

6. Supply of non-members' or traders' oilseeds to society by members

Unless the federation has a policy to procure only members' oilseeds produce, some of the non-members also supply their produce to societies. However, if only members' oilseeds production is to be procured as per federation's policy, some of the non-members or even private traders or mischief mongers try to push their produce to society with the help of some unscrupulous members. Such cases, if observed need be dealt with properly by the managing committee of the society. In case of doubt, the members' register indicating the area of production records can be referred to.

7. Backing out from commitment to supply oilseeds to society

Due to temptation/ higher prices offered by private traders some of the members may tend to supply their produce to traders. They will therefore back out from the commitment made earlier for supply of produce to society. Such members should be persuaded not to divert their produce to other channels for temporary temptations whatsoever. However, persistent defaulters may be warned and called for disciplinary action by the managing committee.

8. Failure of the transport company or agent to provide trucks as requisitioned.

Generally the trucks for transport of oilseed from collection centres to federation's plant/godown are requisitioned by the federation or its authorised representative keeping

in view the daily procurement expected from societies. On certain occasions, the transport company or the agent fails to send the trucks to the village collection centres as promised or requisitioned. The reasons of failure on the part of transport company/agent could be several including diversion of vehicles to more remunerative trade or pressing for higher rates than the precommitted rates etc. Failure on their part will pose problem to the federation for making alternative arrangement and risk prone storage of the procured material at village level in absence of proper storage facilities. The arrangements for transportation should better be made on contractual basis and events of failure should be penalised according to agreed terms and conditions.

9. Lack of storage facilities

Lack of storage facilities with the societies causes a serious problem during the procurement season. If the oilseeds procured on any day cannot be transported to the processing unit of the federation or due to peak arrivals, the societies have to leave the procured material at the farmers' house or keep it wherever possible. Sometimes societies are left with no alternative than to scale down procurement or store the material just in the open which involves great risk. The produce left at farmers' door is exposed to pilferage, admixture or adulteration. Necessary arrangements therefore should be made to store the raw material at society level.

10. Improper drying of produce

Weight losses during the course of exposed storage and transit occur due to reduction in the moisture content. Such losses will arise dispute over accuracy of weighing the produce. Alternatively, the societies will tend to weigh a little more than the exact quantity to be weighed. To avoid this problem, the members have to be advised on method of drying the produce after harvest and advantages of supplying the produce without excessive moisture content.

11. Tamptations of the private traders;

Procurement of oilseeds from the oilseeds growers through their own cooperative societies at remunerative price poses a serious set back to spurious operations of the private traders in the villages. They find it quite uneconomical to operate. However, some of them try to disrupt the working of societies by distracting some of the members by not only offering them a higher price (may be only once) for their oilseeds but also arran-

gins to lift even unclean produce from farmer's door without determining its quality or grade, as they can afford to save their margin in several ways. Or, they would supply that produce to the society as a non-member or in the name of a member with his connivance to challenge the testing done by society's/federation's staff. They also try to convince the farmers of the disadvantages of testing or grading done at society. If such cases are observed, the members should be advised to shun temptations of the private traders and their exploitative designs. Advantages of grading should also be thoroughly explained to them.

12. Difficulties related to payment to members:

Unlike the milk payment system, the members cannot be paid cash (except under emergent circumstances) by societies at the time of oilseed procurement as the amount involved is considerably large. Payment to members is made by cheques to their individual bank accounts. As many farmers cannot get the cheques encashed on the day these are issued, it takes them a couple of days to get the payment from bank. Whereas, in the market yard or from the traders, they get cash payment on the spot.

To avoid delay in payment to farmer-members from the bank, the implementing agency should make some arrangement with the bankers (such as Immediate Bank Payment). In some of the bank branches having limited daily cash transaction facility, the banking authorities should increase the limit to meet the requirement of farmers.

13. Error or omission in the cheques:

Errors or omissions may creep in while writing the required information in the cheques. Sometimes there may be errors or overwriting in the amount figures of the cheques issued by societies. The society secretary should be very careful in this aspect to avoid inconvenience to farmer-members in getting payment from the bank.

14. Complaints by the vested interests.

The vested interests sometimes, complain against the managing committee or secretary of the OGCS and staff of federation through anonymous letters. Sometimes, the members do so at the instance of traders to create problems in working of the society or against policy decisions of the federation. The concerned officers or staff should look into the genesis of such complaints to analyse the genuine ones and fictitious complaints to clarify the matters. However, if unnoticed,

the complaints may lead to unwanted complications.

15. Delay in supply of equipment other material required for procurement

Generally, all the equipment, stationery, registers and other material such as gunny bags etc are supplied to societies prior to start up of oilseed procurement. Delay in making supply of these items, arrangement of adequate amount of funds and completion of formalities with banks for payment to societies ~~after~~ announcing the date of procurement could result into low procurement.

INDIAN DAIRY CORPORATION

The Indian Dairy Corporation (IDC) was set up under company's Act, on 13th February 1970. It is a Government of India undertaking. The immediate need to set up IDC was to handle the commercial and financial transactions of 'India-WFP Project-618', popularly known as 'Operation Flood'. Thus it became mainly a financing-cum-promotional agency of the Central Government.

Objectives

The main objectives of IDC are:

- (1) To promote dairy industry in the country.
- (2) To assist the State Government and other organizations including cooperative societies interested in the promotion of dairy industry to meet the requirements of milk and milk products.
- (3) To provide a package of technical inputs for enhancement of milk production.
- (4) Resettlement of city based cattle in the rural areas.
- (5) To assist in expanding the capacity and operations of existing dairies in big cities and rural areas.
- (6) To assist in development of allied industry required to meet the needs of dairy development.
- (7) To act as liaising agency of Government of India, with foreign agencies and institutions.

Organizational Structure

Board

Chairman

Managing Director

Finance &
Accounts

Personnel &
Administra-
tion

Movement &
Storage

Projects

In order to have better coordination and smooth implementation of dairy development projects in India, the Government of India decided to have a common Board and Chairman of both IDC and NDDB. IDC carries out its activities through head office at Baroda, and regional offices at Delhi, Calcutta, Bombay, Madras and Bangalore. The regional offices take care of respective regions for implementation of projects. The NDDB acts as the Technical Consultant to IDC on all matters related to dairy development.

Activities

IDC is mainly involved in the implementation of Operation Flood projects. As such the main jobs of IDC are:

- (1) Indenting the commodities (WFP gifted skim milk powder SMP) and Butter Oil (BO) and indigenously manufactured SMP and Butter,

- (2) Receiving the commodities,
- (3) Quality control and storage of commodities,
- (4) Distribution of commodities as per requirement to different dairies,
- (5) Accounting,
- (6) Ploughing back the funds so generated to the rural areas for dairy development.

This way the IDC is helping the Indian Dairy Industry to grow without taxing the Indian public and simultaneously improving the economy of rural areas.

Progress

- (1) The IDC has built a special nutrition fund to cover the children upto three years of age through subsidized distribution of double toned milk,
- (2) A Paper Laminating Plant with a total outlay of Rs.4.78 crores is being established at Itola near Baroda.
- (3) Aseptic milk packaging stations are being set up, one each at Jaipur, Bhopal, Surat and Guntur.
- (4) Foot and Mouth Disease Vaccine Plant at a total cost of Rs.18.11 crores is being established at Hyderabad. This will manufacture 2.5 million quadrivalent doses of vaccine per year.
- (5) Animal Disease Diagnostic Laboratory and Surveillance Unit at a total cost of Rs.74.75 lakhs has been established with NDDB at Anand.
- (6) National Milk Grid has been established, connecting major milksheds through broad gauge, meter gauge & road milk tankers. These tankers are also fabricated in India now.

- (7) The IDC is also channelising the funds for the IDA funded projects in Karnataka, Madhya Pradesh and Rajasthan.
- (8) A pilot milk marketing project (Sugam Unit) has been established in Baroda.

This unit is helping in the quality manufacture and popularisation of traditional Indian milk products, like Shrikhand, Gulab Jamun, Peda, etc. The experience gained at Sugam Unit will be utilized in other urban areas to develop traditional markets.

- (9) The IDC has set up a Dairy Machinery Manufacturing Company at Vidyanagar, Anand.

Likewise IDC is progressing in all spheres.

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NATIONAL DAIRY DEVELOPMENT BOARD

At the time of inauguration of Cattle Feed Factory at Kanjari in October 1964, the late Shri Lal Bahadur Shastri, the then Prime Minister of India paid an unscheduled visit to Milk Producers' Co-operative Society, Ajarpura and stayed there overnight. Impressed by the socio-economic changes brought by milk cooperatives in Kaira District, Shri Shastri desired to have a national level organisation to replicate Anands in other parts of the country. Thus the National Dairy Development Board was set up under the aegis of the Ministry of Agriculture and Irrigation, Government of India in September 1965, under the societies Registration Act 1860 and the Bombay Public Trusts Act 1950. Its Board of Directors including Chairman are nominated by the President of India. Secretary, NDDB is the Chief Executive of the organisation who is supported by professionals to carry out Board's activities.

Objectives

1. To promote projects of general public utility relating to dairy-ing, animal husbandry, food and agriculture, fisheries and cold storage.
2. To make available, on request, the information, skills and technical services needed to increase production of milk and dairy technical inputs and to speed up procurement, processing and distribution of milk.
3. To prepare initial feasibility studies and to design, plan and start-up of operations.
4. To provide manpower development services for dairy and allied projects by organising technical programmes for training personnel.
5. To help in the selection of equipment and undertake bulk procurement services.

6. To offer consultation services on dairy and allied operations in the field of planning, control, including quality control, organisation and marketing, back up, wherever necessary by research within the NDDB and outside, in other organisations.
7. To serve as international liaison to other National Dairy Boards and International agencies and to facilitate the exchange of information and personnel as also to assist other countries dairy development, and
8. To conduct research in the field of dairying and animal husbandry.

The package of services which the NDDB offers helps in the creation of viable cooperative farmers organisations with facilities for procuring, processing and marketing of milk and milk products.

The NDDB's above approach towards the modernisation of dairying has been well accepted under India's various Five Year Plans and the World Bank aided projects in India and abroad. The 'Operation Flood' is the largest dairy development project in the world, conceived, planned and implemented by NDDB.

Structure

The National Dairy Development Board carries out its functions through its seven functional divisions.- Planning, Engineering, Purchase, Manpower Development, Applied Research & Development, Farmers' Organisation and Animal Husbandry and Computer Services. These functional divisions are supported by the Administration Division, Accounts Division, Audit Section, Management and Economics Unit, and Sugam Unit. The NDDB also has an Oil Seeds & Vegetable Oil Wing for restructuring oilseeds and edible oil production and marketing on the model of Operation Flood.

The NDDB carries out its activities through its head office at Anand and its regional and cell offices at Delhi, Calcutta, Bangalore, Bombay, Madras and Bhopal. Projects in the Western States like Gujarat, Maharashtra and Goa are managed directly from NDDB's Head Office.

Projects in Tamil Nadu, Kerala, Andhra Pradesh & Karnataka are managed by Regional Office, Bangalore. Projects in Uttar Pradesh, Haryana, Punjab, Rajasthan, J&K and Himachal Pradesh are managed by the Regional Office, Delhi. Projects in Bihar, Assam, Sikkim, West Bengal, Orissa and states covered under N.E.C. are managed by the Regional Office, Calcutta. Dairy and Vegetable Oilseed Projects in Madhya Pradesh are managed by the Regional Office, Bhopal.

Activities

To achieve its objectives, the NDDB undertakes activities such as Project planning, Manpower Development, Procurement of equipments and supplies, Design Engineering, Product & Process development, and consultation through its various functional divisions.

The NDDB has been involved in the execution of dairy development projects all over the country. In most cases, the projects have been basically integrated in nature consisting of milk plant, cattle feed plant, and farmers' organisation for rural milk procurement and marketing of technical inputs.

The Engineering division is engaged, besides dairy projects, in other projects such as the Goa meat complex, frozen storage, Foot and Mouth Vaccine Plant, Paper Laminating Plant, installation and maintenance of liquid nitrogen plants. In addition, it also undertakes design and development of new or improved equipment for dairy and cattle feed plants and encourages small industries to indigenously manufacture the equipment required for dairy and cattle feed plants. The designs developed by the NDDB include the Bulk Vending system for milk, for which the NDDB was awarded a silver shield for import substitution. The bulk vending units have been installed in Delhi, Madras, Calcutta, Baroda, Jaipur and many other places in the country.

The Purchase division of the NDDB procures equipment, materials and supplies to the various projects being handled by it and for its client organisations. The NDDB has formulated a bulk purchase scheme

which has not only helped the dairies to standardise their requirement of equipment and obtain them at lower costs, but also helped the manufacturers to streamline their production activities. The NDDB has obtained important licences to import equipment not available locally.

The NDDB offers consultancy services on dairy allied operations. These include the preparation of master plans in different area, feasibility studies, market research studies and inplant studies of dairy and cattle feed plants to recommend suitable strategies to improve their performance. The NDDB undertakes market studies as per requirement. These studies provide the basis for the build up of milk processing and marketing facilities in towns/cities. The NDDB also conducts rural and urban household survey to assess the impact of technical inputs services rendered under Operation Flood. The NDDB also helps the Indian Dairy Corporation in monitoring the progress of "Operation Flood". The Computer Services division works on development of systems related to feasibility studies, milk production, procurement and technical inputs, least cost cattle feed formulation, etc.

The FO&AH division of the NDDB provides trained persons to assist in field work involved in the setting up of Cooperative Farmers' Organisations in different milksheds for procurement and marketing of milk and provision of Technical Inputs for milk production enhancement. Such teams have provided assistance in organising "Anand Pattern" Cooperatives at Gurgaon, Rohtak, Alwar, Bikaner, Ludhiana, Bhatinda, Jalgaon, Erode, Beldanga, Darjeeling, Midnapur, Manipal, Patna, Meerut, Varanasi, Patiala, Jullundur, Sangrur, Ropar, Sangamjagarlamudi, Bangalore, Mysore, Tumkur, Hassan, Bhopal, Indore, Ujjain, Kolhapur and Gangtok.

A veterinary Diagnostic Laboratory and Disease Surveillance Unit has started functioning on a pilot basis at Anand. The laboratory will also serve as a training centre for technical manpower development for monitoring the health of developing population of improved milch animals under Operation Flood.

The NDDB's research and development activities also include product and process development. A well equipped laboratory and pilot plant has been established for undertaking such work. The laboratory has been set up with a view to carry out analytical work on milk and milk products including, standardization of analytical methods. The work on process standardization and mechanization of indigenous dairy products is in progress.

The NDDB is also working on distribution of Solar Energy and utilization of Gobar gas energy for milk processing activities.

The manpower development division of NDDB has developed facilities for imparting training to personnel at various levels of technical and managerial cadre involved in implementation of integrated cooperative dairy enterprise. These training programmes are organised at four places i.e. NDDB's headquarters at Anand, Mansinh Institute of Training at Mehsana and Sabarmati Ashram Gaushala Bidaj and Regional Demonstration and Training Centres at Erode, Siliguri & Jullundur supported by A.I. Training Centre at Surat. For practical training macro centres are established in the cooperative societies in the milkshed nearby all the training centres. For job training the facilities of district milk producers cooperative unions in different States are utilised. The training facilities of NDDB have also been availed of by many developing countries.

NDDB also organises national and international workshops and seminars for the benefit of the developing countries.

On behalf of the Government of India, the NDDB organised the XIX International Dairy Congress in Delhi in December 1974. This was the first such congress to be held in a developing country.

On request from the Government of India and respective state governments, NDDB is managing the Mother Dairies at Delhi and Calcutta, and Feeder Balancing Dairy at Patna.

The NDDB took over the management of the Sabarmati Ashram Gaushala from its trustees in July 1973 for a period of 20 years. The unit is developed as a model for maintenance and enhancement of productivity of cattle and agriculture farm, production of high yielding cattle & crop seeds for farmers, adoption of new agricultural technology and modern technique of animal husbandry, and dissemination of knowledge gained in these fields.

On the suggestion of the Government of India, to apply the principles of the Operation Flood in other sectors of agriculture a project entitled "Restructuring Edible Oil & Oilseeds production and marketing" was prepared. The project proposed by the NDDB envisaged a National Federation of Oilseed Growers' Cooperative supported by the primary societies at village-level in major oilseed production areas of the country. The project funds are being generated through the sale of 2,50,000 MT of donated oil to be received by the NDDB over a period of seven years from the Cooperative League of the USA (CLUSA) and Cooperative Union of Canada (C.U.C.). The project is of 7 years duration having an outlay of Rs.150 crores meant to cover 8 project districts in 6 States of the country. By the end of project period it is estimated that some 3,47,000 oilseed growers will participate in the programme.

In order to train young executives in cooperative management and integrated rural development, an Institute of Rural Management has been set up at Anand with active promotion by the Government of India, the Government of Gujarat, the NDDB and the IDC. This institute will also provide consultancy services to cooperatives and other agencies engaged in economic and social development of rural communities, with special reference to rural poor.

*

COMPOSITION OF MOBILE TEAMStrength of a Mobile Team/P&I Wing for 100-125 OGCS

<u>Designation</u>	<u>No.</u>
District Manager/District Officer	1
Area Officers/Production Officers	6
Procurement cum Technical Assistants	20
* Accounts & Office Assistants	3
<u>② Size of a Mobile Team for one Area Office 20-25 OGCS</u>	
Area Officer/Production Officer	1
③ Procurement cum Technical Assistants	5-6

* May be on temporary basis but not as a component of the P&I Staff recruited by Federation.

③ Number of Production Cum Technical Assistants may be decided on the basis of number of villages covered in one society.

NATIONAL DAIRY DEVELOPMENT BOARD'S PROJECT ON OILSEEDS GROWERS' COOPERATIVES

Introduction

Close on the heels of foodgrains, edible oils constitute the most important source of calories in the Indian diet. However, the per capita consumption of fats and oils in the Indian diet is less than half the assessed nutritional requirement. Even though, a sizeable area (about 16 million hectares) is under oilseeds cultivation, the per hectare production is extremely low and stagnant, resulting in dependance on the import of over one million tonnes of edible oil, every year, to meet the country's growing demand. Grown on marginal lands, under rainfed conditions, without improved technology, unsupported by proper and timely credit-input-extension facilities, and faced with highly unstable product prices, oilseeds in India are considered to be "orphan" crops. Oilseeds processing is highly inefficient, with per unit production costs considerably higher than the world average. It has also failed to tap the high protein content of oilseeds, which can help the farmer to obtain stable, remunerative returns, and for consumers a quality product.

Background

95 % area by Grnutt
mustard.

The major oilseeds grown in India are groundnut, rapeseed and mustard, sesamum, castor, linseed, sunflower, soybean etc. Among the edible oilseeds, groundnut accounts for nearly 65 percent of the area, and nearly half of the indigenous edible oil production. This is followed by rapeseed-mustard which accounts for nearly 30 per cent of the area. In the post-green revolution period, yields of rapeseed-mustard improved, but groundnut yields have not experienced such improvement, except in irrigated areas and in certain tracts, where improved farm practices are applied. During the planning period, the overall groundnut production has increased slightly above 2 per cent per year but progress has been uneven. For example, Saurashtra Region of Gujarat State recorded a rise of about 5 per cent, while in vast tracts of Maharashtra, Karnataka and North Gujarat, production has declined, in recent years.

Highly unstable yields and highly fluctuating prices are the crux of the groundnut problem. The unstable trends in groundnut yields are due to

its total dependence on rainfall, which itself is erratic, spatially as well as temporally. This, in turn, makes the returns from groundnut, low, very risky, and highly volatile. Therefore, the farmer does not invest in much needed inputs, such as improved seeds, seed treatment chemicals, rhizobium culture, pesticides and fungicides, fertilizers etc. which are very necessary to raise the per hectare yield. To encourage him to invest in these inputs, it is necessary not only to make him aware of the benefits of such inputs, but make all of them available at the right time, and in appropriate quantities, at a price which is within his reach. The farmer also needs to be assured of reasonable prices for his produce. This may be realised only if the oilseed processing and marketing of oilseed products, are done by the farmers themselves.

Speculative marketing practices and high profit margins characterise the industry. The traders and other intermediaries have a powerful hold in the oilseeds and oil trade, both in the domestic, as well as export markets. They have contributed to the high degree of instability in the edible oil market, through hoarding, illegal forward trading and speculation. The speculative operations of the private trade has deleterious effects on the incentive of the farmers during the years of good production and on the welfare of consumers in a period of shortages. Oilseeds in general, are grown as a rainfed crop, resulting in marked seasonality in arrival of the crop in the markets. The bulk of the crop is received in the "mandis" during October-November, when the traders, by collective action, depress prices. The price decreases all the more if there is a bumper crop, as in 1975-76. They tend to avoid purchases till the farmers are ready to accept prices dictated by them. The farmers, unable to withhold their produce, as they need cash immediately after harvest, are at the mercy of the hardened traders. The reward for increasing production is often ruin. The intermediaries take double advantage of seasonality of oilseeds crops when they artificially jack up prices, especially of edible oil, in the off-season period, and particularly more when the oncoming year is not expected to be a normal one. Thus the marketing of oilseeds and their products are subject to a high degree of exploitation, and is self degenerating. These problems are too complex to be solved by ad-hoc measures, and call for an integrated approach towards restructuring the complete edible oil sector - oilseeds production, processing and marketing - so that growers' are not robbed of their returns, and consumers are also saved from exploitation.

The Anand Model

A similar situation though of lesser intensity, prevailed in the case of milk about 30 years ago, when the exploitive nature of middlemen had forced the milk producers to sell milk at 'throw-away' prices. The answer for such a situation, was found, in developing a system which would enable the milk producers to own and operate not only their processing facility, but also the inputs delivery machinery, and the marketing of finished products. The integrated approach had proved very successful in Kaira - AMUL - and, in fact, the Operation Flood programme, aimed at establishing similar farmers organisations in 18 districts in the country. The programme, when implemented, did face some preliminary problems, but then caught up, so much so that when the International Bank for Reconstruction and Development and the World Bank came forward to finance dairy projects in Karnataka, Rajasthan and Madhya Pradesh, they saw to it that similar farmers' organisations were created in milksheds of these States. The result was that 12 milk producers' cooperative unions were established in these milksheds. Based on the success of these 30 unions - the farmers' owned body - the other phase of dairy development - Operation Flood II - is being implemented, to bring the total number of such district unions to 155, and cover some 10 million farmers. The success of these 30 unions have further demonstrated that such problems can be best solved if the agency implementing it, is owned and operated by the producers' themselves (only then can it be sensitive to their needs), who employ the best professionals to carry out their policies. It has also proved that the responsibility of such an organisation is not only to guarantee a remunerative market for the rurally produced commodity (milk in this case), by its member producers, but also guarantees a package of inputs for enhancing production (milk) and ploughs back the profit for further development.

Again, in case of milk, since marketing of the product (especially milk for city supplies) was largely controlled by middlemen/traders/cattle keepers, etc. who were capable of using any means (fair or foul), the organised dairy was not in a position to make a commanding share of the market (thereby enabling them to pay a better price to the milk producers). Market intervention was therefore required, which would enable these dairies to supply milk to the consumers at reasonable prices. This was the first time when food aid (skim milk powder and butter oil in this case) was used to prime the pump of the modern dairies in 4 metropolitan

cities (Calcutta, Bombay, Delhi and Madras), and permit them to meet the demand on a much larger scale. The funds generated out of the sale of this food (skim milk powder and butter oil) was used to build up farmers' organisations in the milksheds, which fed these metropolitan cities.

At about the same time, the Government was viewing the situation of the edible oil industry, very seriously. Wide fluctuations in the prices of edible oils and oil cakes produced repercussions in the dairy sector (and thus, on the total availability of fats and oils in the Indian diet) - and had also resulted in stagnancy in the production of oilseeds. The question was, could the experience gained in milk be utilized for oils and oilseeds as well? Although the nature of production and the commodity itself was quite different from milk, other situations, such as lack of bargaining power of the producers, the organised actions of the traders/middlemen, allowed the situation to continue in their favour. An integrated approach to the entire situation indicated that the experience gained by the National Dairy Development Board in organising milk producers and using the food aid, to prime the pump, as well as generate funds for further investments in the programme can very well be utilized to restructure the oilseeds/oil industry as well.

The Project

At the request of the Government of India, the NDDB formulated a project "Restructuring of Oil and Oilseeds Production and Marketing" in October, 1977 again using food aid (edible oils) to generate funds and use it for agricultural development in the oilseeds sector with the following objectives:

- (1) To coordinate the modernisation of oilseeds production, processing and marketing of vegetable oils and oilseeds and by-products, in areas covered by the project.

- (2) To procure and market imported vegetable oils, in such a way, as would contribute to the stabilisation of supplies at levels which will be fair to consumer and growers.
- (3) To increase the opportunities for productive and remunerative employment in the selected major oilseeds growing areas.
- (4) To generate the funds required for the establishment of a modernised oilseeds and vegetable oil industry based on oilseed growers' cooperatives, which will put the functions of oilseeds processing and marketing into the producers own hands and;
- (5) To devise and implement a programme of investment and development which will enable growers to increase their oilseeds production, and their returns, while also increasing the efficiency of the processing and marketing functions, through the growers' own cooperatives.

It is expected that oilseeds production in the areas covered by the project would increase by about 30% by the end of the project period.

The Scope of the Project

The project spreads over a seven year period with a total outlay of around Rs.2500 million, and has two phases. (Earlier the project was of Rs.1500 million but looking at the current issue price of donated oil, it is estimated that over Rs.2500 million would be generated). The first phase of the project is of three years, and will cover eight contiguous areas, each having approximately 2,50,000 hectares under oilseed cultivation. At the end of Phase I, the progress made under the project will be reviewed, and, may be extended to cover another twelve contiguous areas in major oilseeds growing States. At the end of the project period, it is expected that the project will cover 3,50,000 oilseeds growers organised in about 8,000 villages, located in the States of Gujarat, Madhya Pradesh, Andhra Pradesh, Tamil Nadu, Maharashtra and Orissa.

The requisite funds (around Rs.2500) would be generated through the sale of 2,50,000 tonnes of gifted edible oils, received during the seven year period. The funds generated from the sale of these commodities would be invested on the following action items:

<u>Sr.No.</u>	<u>Action Items</u>	<u>Investment(Tentative)</u> (Rs. in million)
<u>First Special A/c</u>		
1.	Creation of Processing Facilities	900.00
2.	Operations Research & CIS Studies	20.00
3.	Market Research & Testing	25.00
4.	Oilseeds Growers' Cooperative Organisation & Production Enhancement	450.00
5.	Product and Process Development	12.00
6.	Manpower Development	33.00
7.	Project Implementation	120.00
		<u>1560.00</u>
<u>Second Special A/c</u>		
1.	Federation Share capital	83.00
2.	Procurement support	11.00
3.	Operational losses	50.00
4.	Management training	3.00
5.	Cooperative development	3.00
		<u>349.00</u>

The project was approved by the Government of India in September, 1978. It was launched in Gujarat, in July 1979, in Madhya Pradesh in October, 1979, in Andhra Pradesh in October, 1980, Tamil Nadu in January, 1981 and Orissa in May 1982. Maharashtra and Karnataka are also going to be covered shortly.

The project envisages the setting up of village level primary oilseeds growers' cooperative societies, affiliated to a State level cooperative oilseeds growers' federation. This farmers' organisation will not only own and operate the facilities for procurement, processing and marketing of oilseeds and their products, but will also have ties for provision of technical inputs for increased production of oilseeds (mainly through rise in the current per hectare yield in the project area). The project envisages that the growers members, through their elected Boards of producers will control and manage, with the help of hired professionals, all activities, right from production to processing, so that the producers' interests are represented all along the hierarchy. All the functions that the traders and other intermediaries were performing will be taken over by the farmers own organisation, in the interests of

farmers themselves. The bye-laws of the village level oilseeds growers cooperative societies and the State level Federations have been drawn in a manner so as to ensure participation of only genuine oilseeds growers in the running of the cooperatives. One third of the members of the Board retire each year by rotation, thereby providing an opportunity for entry of new leadership through democratic process. In case a member does not supply a specified minimum quantity of oilseeds to the village cooperative or engages himself directly or indirectly in trading activities, he loses voting rights. Continuous and concurrent audit is yet another feature which would make such cooperatives more aware of the need to follow strict financial practices in their day to day operations.

The State level Cooperative Oilseeds Growers' Federations created as implementing agencies under the project have two major components for investment.

1.0 Creation of Processing Facilities

The funds allocated, Rs.900.00 million - would be spent for hiring existing processing facilities, renovating them if necessary, and for creating modern processing, storage, movement and packing facilities. The money would be advanced to the project implementing agency - State level Federations - on a 30 per cent grant and 70 per cent loan basis. It is expected that by the seventh year of the project farmer owned oilseeds processing units would handle some 1.5 million tonnes of oilseeds.

2.0 Growers' Cooperative Organisation and Oilseeds Production Enhancement Programmes

The funds allocated, Rs.450 million would be made available to the Cooperative Oilseeds Growers' Federations to enable them undertake a number of activities at the micro and macro levels of project operations.

2.1 Cooperative Organisation and Supervision

The first step in the production enhancement process will be to organise the oilseed growers into village level cooperative societies. A promotional and educational effort will be undertaken by a "Mobile Team", which normally consists of technicians, cooperative specialists, and

agricultural extension workers etc. Generally, a mobile team will be required to look after 20 villages. The mobile team will hold meetings with villagers, exhibiting film showing how milk producers have been able to form and operate their 'Anand Pattern' Cooperatives. Eventually, two or more receptive farmers will be selected to participate in NDDB's Farmers' Induction Programme (which has already trained over 15,000 farmers in the last decade). These farmers will be brought to Anand, or any other similar training centre for about 2-3 days - to see for themselves how 'Anand Pattern' Cooperative functions, and what benefits they provide to their members.

Normally, a Village level Cooperative Oilseeds Growers' Society will cover an area of approximately 400 hectares. Initially, societies will be assisted by the NDDB Mobile Team in organising its business, and in their record keeping system (which consists of trading, financial and operational activities). A local resident is hired by the society to be its paid manager (called Secretary). The project provides an initial two year subsidy for expenses on salaries of the Secretary, his helper, and rent of office building, to help it become viable, relatively quickly. The village level oilseeds growers cooperative society undertakes procurement of oilseeds from grower members based on quality and also provides the much needed infrastructure enabling the oilseeds growers federation implement production enhancement programme.

2.2 Arranging Production Enhancement Inputs

An effort will be made to mobilise the resources already available from various agencies, especially the Government. The purpose is to avoid duplication in manpower and financial investments. In fact, most of the inputs available are not properly utilised by the farmers for various reasons. The aim is, therefore, to assure maximum utilisation of the available resources, laying a strong foundation for future utilisation of the inputs envisaged in the project, at the optimum level. The oilseed growers cooperatives will arrange supply of improved seed, rhizobium culture, fungicides for seed treatment, fertilizer, insecticides, and other inputs on cash payment basis or in kind. Where such facilities do not exist, mobile team members will assist oilseed growers to obtain finance from other sources for input purchases.

The technical input programme of the oilseeds federation involves a three pronged action involving oilseeds growers, extension and other professional staff hired by the growers own organisation, and links with existing and on going research institutions at the State and National level.

2.3 Demonstration Plots

In each village or in each cooperative society, one or more village cooperative representative will be selected to serve as a demonstration oilseed grower. Two demonstration plots of about one acre each, will be established in each village, to demonstrate the advantages of improved oilseed cultivation techniques. The plots will be periodically supervised and inspected by the agricultural specialists of the mobile team. During the growing season, 'field-day' demonstration programmes will be organised at the demonstration plots to introduce cooperative members to innovative practices and test results. The grower demonstrator will be given a subsidy (in various forms) upto, approximately, 25 per cent of his total cost of production or Rs.500/- per acre. The produce from these demonstration plots, if meeting the prescribed field standard, will be procured as seed material on an incentive price of, say, 5-10 per cent over the market price. After cleaning, grading and testing for physical purity and germination, these seeds will be supplied to the members of the society.

2.4 Management Subsidies and Equipment/Storage Grant

(a) Each organised cooperative society, during its first two years of operation, will be provided an organisational and managerial subsidy, equivalent to Rs.3,000/ year. This is to assist the society in hiring a Manager(Secretary), and in meeting start-up costs. Each cooperative also receives equipment e.g., large hanging bar scale for weighing the oilseed produce, a moisture meter, a small balance - for testing produce to Calcutta calculate shelling percentage, refraction, and impurity discounts. This provision has been made mainly to help ensure the viability of village level cooperatives in their initial years of operations, when the oilseeds procured through these societies may not be adequate to generate incomes earned in the form of society commission from the federation to meet their running costs. Grants to develop local storage facilities are also given to the cooperatives.

6500 Rs/
society

b) Weighing and testing equipment grant

When the societies are organised and before procurement of oilseeds starts, in the society, a set of weighing equipment, generally consisting of 100 kg beam scale, with weights, a small pan balance of 200 gms, with a set of weights and sieves of required size, as may be necessary, are provided by state federations. After the federations obtain necessary acknowledgements from societies, along with the fund utilisation certificates from the federations, certified by a firm of chartered accountants, the bills received at OVOW are forwarded to the Accounts division of NDDB, authorising the release of funds to the federation. The fund utilisation certificate proforma is prescribed by OVOW. Under this grant, a provision of Rs.5,000 each, for the growers co-operatives, is made under the project.

c) Storage subsidy

A provision of Rs.5,000 per society is made in the project for creating small scale storage facility at the village level. The federations will prepare, on an annual basis, a plan for building of storage facilities at the societies, with details of capacity, schedule of completion, list of materials required, etc. These plans will be submitted to OVOW for appraisal and approval, OVOW will then scrutinise the proposals and advise NDDB Accounts division for release of funds to the federations. On completion of work, the federations will send to OVOW, fund utilisation certificates, as certified by a firm of chartered accountants, in the prescribed proforma, along with a certificate of work completion by a technically qualified person.

2.5 District Farms

In each contiguous area of 2,50,000 hectares, where project implementation will be initiated, the project authority will seek to acquire a farm of 300-400 hectares (to be donated by the State Government) to serve the purpose of a District Farm. In the absence of such large farms, the project envisages to have a cluster of smaller farms, belonging to rural community councils (Panchayats), State Department of Agriculture, Agricultural High Schools, etc. to be operated on a joint management basis. These farms are expected not only to demonstrate improved cultivation methods and ways of dealing with local cultivation problems, but also serve as a training base for farmers and extension workers

serving on the mobile teams and would play an important role in multiplication of foundation seeds.

2.6 Area Agronomic Centres

It is planned to establish one Area Agronomic Centre during Phase-I of the project and one to two additional centres during the 3rd-7th year of the project.

The Area Agronomic Centres will serve several purposes. First, they will help in applied production research by conducting local trials of oilseeds technology developed at regional and possibly international agronomic research stations. Second, they will produce foundation seeds for multiplication by the District Farms. Third, they will disseminate recent research findings in oilseeds to project participants. Land for these centres are to be provided by the State Governments. Each centre is proposed to have a total land area of about 500 hectares.

In the project, provision has also been made to meet expenditure likely to be incurred on Operations Research Studies, Market Research and Testing, Product and Process Development etc. The manpower development component of the project provides funds to meet training costs of farmers, staff employed by the federations and also for setting up centralised training facilities.

Transactions of Primary Oilseed Growers Cooperative Society

Prepare the cash book, general ledger, trial balance, trading account, Profit and loss account and balance sheet on the basis of following transactions of Bhadrod Oilseeds Growers Cooperative Society Ltd.

- | <u>Date</u> | <u>Transactions</u> |
|-------------|--|
| 1.1.83 | <ol style="list-style-type: none"> Received share capital and entrance fee from 55 oilseed grower members, amount of share and entrance fee are Rs.50/- and Rs.1/- each respectively. (Receipt No. 1-55 issued to members). Weighing equipments worth of Rs.2000/- received from 'GROFED' as an equipment grant (voucher No.1). Stationary purchased worth of Rs.200/- from Bharat Stationary Mart. |
| 2.1.83 | <ol style="list-style-type: none"> Furniture purchased worth of Rs.800/- from Godrej Company on credit (Bill No.254). Deposited Rs.2805/- in current account opened in Branch of Bhavnagar District Cooperative Bank (Voucher No. 4). Received a sum of Rs.2000/- as an advance from the Chairman, Shri Pithabhai Hirabhai (Receipt No. 56). Travelling allowance paid to secretary for visiting 'GROFED' area office, Mahuva in connection with settlement of groundnut deal (Voucher No. 5). |

- 3.1.83 Purchased groundnut pods from the following members.

Name	No. of bags	Net weight	Shelling %	Amount
1. Tulsi Gopal	100	2900.00	71.0	12963.00
2. Ranchhod Hira	200	5800.00	69.0	18560.00
3. Kanji Jadav	50	1450.00	73.0	6597.50
4. Ramji Iaxman	150	3450.00	68.0	14835.00
	<u>500</u>	<u>13600.00</u>		<u>52955.50</u>

On the same day the above mentioned quantity of groundnut pods was sold to 'GROFED' at a rate of Rs.91.00 per 20 kg as base price and same price given to members. 'GROFED' has fixed to provide service 1% charges and Rs.0.50 per bag as a labour charges to the OGCS.

(Groundnut was despatched to 'GROFED' in two trucks. There was shortage of 25 kgs in the first truck and excess of 29 kgs in the second truck.)

4.1.83 (a) Soybean purchased from the following members.

	<u>Name</u>	<u>Bags</u>	<u>Net weight (Kg)</u>	<u>Amount (Rs.)</u>
1.	Tulsi Ganda	10	700	2100.00
2.	Bhavji Shiva	20	1400	4200.00
				<u>6300.00</u>

(b) Mustard purchased from the following members.

1.	Vira Manda	100	6000	21000.00
2.	Raghunath Anand	50	3000	10500.00
				<u>31500.00</u>

5.1.83 Above mentioned quantity of Soybean and Mustard sold at the same price as fixed by 'GROFED'. Federation fixed 1% service charges and Rs.1/- per bag as labour charges, for the society.

6.1.83 Rs.566.00 paid to Shri Ghanman Pohmal as labour charges @ Rs.0.70 per bag of groundnut and 0.20 per bag of soybean and mustard.

7.1.83 Groundnut purchased under 'Uhangad' system from the following members and supplied to 'GROFED'.

	<u>Name</u>	<u>No. of bags</u>	<u>Net weight (kg)</u>	<u>Shelling %</u>
1.	Harji Chabu	100	3000	68.0
2.	Ram Natha	200	6000	71.0

8.1.83 1. Rs.5/- paid towards the expense of framing the society's registration certificate.
2. Rs.20/- and Rs.15/- paid towards licence fee of fertilizer and groundnut oil sale respectively.

9.1.83 1. Deposited Rs.500/- in the post office for purchase of National Saving Certificate vide cheque No.78380 of Bhavnagar District Cooperative Bank.
2. Received a cheque of Rs.52955.50 from 'GROFED' for the groundnut sold on 3.1.83 and the cheque deposited to Bhavnagar District Cooperative Bank. (Cheque No. 783802 to 783805) were issued to the members for payment of their groundnut sold to PGCS on 3.1.83.

10.1.83 1. Purchased 200 bags of DAP fertilizer from 'GROFED' on credit (Rate Rs.284.45 per bag, transportation charges paid by GSFC). Labour charges @ Rs.0.20 per bag paid by the society.
2. Issued cheque (No. 783806) of Rs.525/- towards entrance fee and one share of 'GROFED' for becoming member.

- 11.1.83 1. The cheque received worth Rs.400/- towards service charge from 'GROFED' and deposited in bank.
2. Received cheque worth Rs.430/- from 'GROFED' towards labour charges and deposited in the bank.
3. Received Rs.46400/- as advance from the members towards the supply of 'KIRAN' groundnut oil.
4. Sent a draft of Rs.46400/- to 'GROFED' and paid Rs.5/- to the Bank for its commission.
- 12.1.83 1. Received a cheque, value of Rs.37800/- from 'GROFED' against the soybean and mustard sold on 5.1.83 and the same amount was distributed to respective members.
2. Rs.10.00 paid to secretary towards his travelling expenses to sales tax adviser in connection with sales tax certificate.
- 13.1.83 1. DAP fertilizer 10 bags sold @ Rs.187.45 (since this fertilizer was sold to the members, a cash discount of Rs.1/- per bag was given and remaining amount was deposited in the B.D.C. Bank.
2. Received 200 tins of 'KIRAN' groundnut oil from 'GROFED' @ Rs.230/- per tin. Rs.200/- paid towards transport charges and Rs.20/- to Shri Pohmal towards labour charges. These all tins were sold to members who deposited advance on 11.1.83 at the rate of Rs.232/- per tin. A sum of Rs.20/- paid towards travelling expenses.
- 15.1.83 1. Sesamum (Til) purchased from following members.

Name	Bag	Net weight	Amount (Rs.)
1. Devashi Vira	150	9000	58,500.00
2. Kala Ganda	100	6000	39,000.00
			<hr/> 97,500.00

The above quantity sold to 'GROFED'. 'GROFED' fixed the commission @ 1% and labour charges @ Rs.1/- per bag to be paid to society.

- 16.1.83 Groundnut purchased from the following members.

Name	No. of bags	Net weight(kg)	Shelling %	Amount (Rs.)
1. Dhira Vira	200	6140	72.0	27691.40
2. Chaku Kala	100	3000	71.0	13530.00
3. Phula Vitthal	100	3000	71.0	13530.00
4. Jagmal Vithal	200	6140	72.0	27690.40
5. Tri Kam Kuraji	60	1200	67.0	5100.00
6. Magan Bharmal	40	1200	67.0	5100.00
7. Chhagan Prabhu	200	6140	68.0	26402.00
				<hr/> 121683.80

The above quantity of groundnuts sold to the 'GROFED' with Rs.0.50 per bag as labour charges and 1% commission on the sold quantity.

- 17.1.83 1. Received cheque for the sum of Rs.22,500/- from 'GROFED' towards the 'Jhangad Advance' for the groundnut supplied on 7.1.83.
2. Issued two cheques to Shri Harji Chaku and Shri Ramu Natha for the sum of Rs.22,500/- and Rs.7500/- respectively/against the groundnut supplied in 'Jhangad' on 7.1.83. /as advance
3. Cheque value Rs.10,000/- recd. from Shri Ratilal Motilal Seth as a donation towards the construction of society building and deposited in B.D.C. Bank.
- 18.1.83 1. Received Rs.97,500/- and Rs.250/- towards the sesamum supplied on 15.1.83 and labour charges respectively. Cheque was deposited in B.D.C. Bank.
2. Rs.250/- paid in cash for labour charges (sesamum).
- 19.1.83 1. 100 bags of DAP fertilizer was sold to non-members @ Rs.187.45/- bag in cash and money was deposited in the B.D.C. Bank.
2. Rs.97,500/- paid to the members supplied sesamum on 15.1.83.
- 20.1.83 1. Received membership application from 15 groundnut growers and membership was granted with the collection of Rs.50/- and Rs.1/- as share capital and entrance fee respectively from each.
2. Received cheque from 'GROFED' towards the groundnut sold on 16.1.83 (Rs.1,21,683.80).
3. Received cheque for the sum of Rs.450/- from 'GROFED' towards labour charges. Cheque deposited in B.D.C. Bank.
4. Paid Rs.450/- in cash to Ran. Mal towards labour charges.

21.1.83 Following members supplied groundnut in pooling.

Name	No. of bags	Net weight	Shelling %
1. Donsang	100	3000	67.0
2. Nanji Kanji	200	6000	72.0
3. Kana Mana	50	1500	71.0

Above quantity of groundnut despatched to 'GROFED' for pooling.

- 22.1.83 1) Drawn a draft for Rs.36,000/- in the favour of 'GROFED' from Bank towards the payment of balance of fertilizer purchased. A sum of Rs.3.50/- was deducted by the bank as a commission for the draft.
- 2) Rs.15/- paid in cash for the subscription of 'Sahkar' magazine.

23.1.83 Shri Ramu Natha who supplied groundnut (200 bags) on 7.1.83 in 'Jhangad' sold his produce to society at the rate of Rs.91/- (base rate). The total amount payable was Rs.27,360/-. On the advance already taken (Rs.15,000/-) an interest @ 15% for the period of $\frac{1}{2}$ month (Rs.93.75) was deducted by the 'GROFED' and cheque for the balance amount Rs.12,266.25 was given which in turn was paid to the member.

- 24.1.83 Rs.15/- paid in cash for the ^{tea} served during Managing Committee meeting.
- 25.1.83 Issued cheque for the sum of Rs.200/- in the form of Bharat Stationary Mart against the stationary supplied earlier.
- 27.1.83 1. Purchased 10,000 kgs. of groundnut seed variety JL-24 (on credit) from GROFED @ Rs.5.50 per kilogram.
2. Distributed sweets to children on the occasion of Republic Day (expense Rs.25/-).
- 28.1.83 1. 5000 kgs of groundnut seed sold to the members (JL-24) @ Rs.6/- per kilogram (Total amount Rs.30,000/-) and 1000 kgs of groundnut seed sold to non-members @ Rs.6.50 per kilogram and the money was deposited in B.D.C. Bank.
2. Draft drawn in the favour of 'GROFED' for a sum of Rs.35,000.00 against the seed (JL-24) purchased on 27.1.83. Rs.3.59 paid to the bank as commission.
3. Received cheque for sum given below as advance for the groundnut supplied in pooling on 21.1.83.

<u>Name</u>	<u>Amount (Rs.)</u>
1. Dansang Virsang	10,500.00
2. Nanji Kanji	21,000.00
3. Kana Mana	5,250.00
	<u>36,750.00</u>

The money was paid to the respective members as given above.

- 29.1.83 1. Received cheque for Rs.23,428/- from 'GROFED' rebate @ Rs.0.20 per kilogram for the groundnut (1,17,140 kgs) supplied during 1981-82 and deposited in B.D.C. Bank.
2. Cheques issued for the 25% of the total money received as rebate and for the balance amount (75% or Rs.17,500) shares issued to the members. A cheque of Rs.17,500 issued to 'GROFED' for the purchase of additional shares.
- 30.1.83 1. Sold 3000 kg and 1000 kg of groundnut seed to members and non-members at the rate of Rs.6/- and Rs.6.50 per kilogram respectively and money deposited in bank.
2. Paid Rs.50/- for electricity bill.
- 31.1.83 1. Following amount was paid (in cash) for the expenses incurred in the month of January 1982.
- | | | |
|------------------------------------|---|-----------|
| Office rent | - | Rs.100/- |
| Salary (Secretary) | - | Rs.300/- |
| (Clerk) | - | Rs.150/- |
| Sweeper/attendant | - | Rs. 30/- |
| Newspaper (Phoolchap) | - | Rs. 19.10 |
| "Co-operative acts" book purchased | - | Rs.15/- |
2. Received 4% sales tax from GROFED on the Groundnut, Mustard, Soybean and sesamum sold during January 1982 and same amount was deposited with Sales tax office.

extra
DEV 8.18

Transactions of Primary Oilseed Growers Cooperative Society

Prepare the cash book, general ledger, trial balance, trading account, Profit and loss account and balance sheet on the basis of following transactions of Bhadrod Oilseeds Growers Cooperative Society Ltd.

<u>Date</u>	<u>Transactions</u>
1.1.83	<ol style="list-style-type: none">Received share capital and entrance fee from 55 oilseed grower members, amount of share and entrance fee are Rs.50/- and Rs.1/- each respectively. (Receipt No. 1-55 issued to members).Weighing equipments worth of Rs.2000/- received from 'GROFED' as an equipment grant (voucher No.1).Stationary purchased worth of Rs.200/- from Bharat Stationary Mart.
2.1.83	<ol style="list-style-type: none">Furniture purchased worth of Rs.800/- from Godrej Company on credit (Bill No.254).Deposited Rs.2805/- in current account opened in Branch of Bhavnagar District Cooperative Bank (Voucher No. 4).Received a sum of Rs.2000/- as an advance from the Chairman, Shri Pithabhai Hirabhai (Receipt No. 56).Travelling allowance paid to secretary for visiting 'GROFED' area office, Mahuva in connection with settlement of groundnut deal (Voucher No. 5).

3.1.83 Purchased groundnut pods from the following members.

Name	No. of bags	Net weight	Shelling %	Amount
1. Tulsi Gopal	100	2900.00	71.0	12963.00
2. Ranchhod Hira	200	5800.00	69.0	18560.00
3. Kanji Jadav	50	1450.00	73.0	6597.50
4. Ramji Laxman	150	3450.00	68.0	14835.00
	500	13600.00		52955.50

On the same day the above mentioned quantity of groundnut pods was sold to 'GROFED' at a rate of Rs.91.00 per 20 kg as base price and same price given to members. 'GROFED' has fixed to provide service 1% charges and Rs.0.50 per bag as a labour charges to the OGCS.

(Groundnut was despatched to 'GROFED' in two trucks. There was shortage of 25 kgs in the first truck and excess of 29 kgs in the second truck.)

4.1.83 (a) Soybean purchased from the following members.

Name	Bags	Net weight (Kg)	Amount (Rs.)
1. Tulsi Ganda	10	700	2100.00
2. Bhavji Shiva	20	1400	4200.00
			<hr/> 6300.00

(b) Mustard purchased from the following members.

1. Vira Manda	100	6000	21000.00
2. Raghunath Anand	50	3000	10500.00
			<hr/> 31500.00

5.1.83 Above mentioned quantity of Soybean and Mustard sold at the same price as fixed by 'GROFED'. Federation fixed 1% service charges and Rs.1/- per bag as labour charges, for the society.

6.1.83 Rs.566.00 paid to Shri Ghanman Pohmal as labour charges @ Rs.0.70 per bag of groundnut and 0.20 per bag of soybean and mustard.

7.1.83 Groundnut purchased under 'Uhangad' system from the following members and supplied to 'GROFED'.

Name	No. of bags	Net weight (kg)	Shelling %
1. Harji Chabu	100	3000	68.0
2. Ram Natha	200	6000	71.0

8.1.83 1. Rs.5/- paid towards the expense of framing the society's registration certificate.
2. Rs.20/- and Rs.15/- paid towards licence fee of fertilizer and groundnut oil sale respectively.

9.1.83 1. Deposited Rs.500/- in the post office for purchase of National Saving Certificate vide cheque No.78380 of Bhavnagar District Cooperative Bank.
2. Received a cheque of Rs.52955.50 from 'GROFED' for the groundnut sold on 3.1.83 and the cheque deposited to Bhavnagar District Cooperative Bank. (Cheque No. 783802 to 783805) were issued to the members for payment of their groundnut sold to PGCS on 3.1.83.

10.1.83 1. Purchased 200 bags of DAP fertilizer from 'GROFED' on credit (Rate Rs.284.45 per bag, transportation charges paid by GSFC). Labour charges @ Rs.0.20 per bag paid by the society.
2. Issued cheque (No. 783806) of Rs.525/- towards entrance fee and one share of 'GROFED' for becoming member.

- 11.1.83 1. The cheque received worth Rs.400/- towards service charge from 'GROFED' and deposited in bank.
2. Received cheque worth Rs.430/- from 'GROFED' towards labour charges and deposited in the bank.
3. Received Rs.46400/- as advance from the members towards the supply of 'KIRAN' groundnut oil.
4. Sent a draft of Rs.46400/- to 'GROFED' and paid Rs.5/- to the Bank for its commission.
- 12.1.83 1. Received a cheque, value of Rs.37800/- from 'GROFED' against the soybean and mustard sold on 5.1.83 and the same amount was distributed to respective members.
2. Rs.10.00 paid to secretary towards his travelling expenses to sales tax adviser in connection with sales tax certificate.
- 13.1.83 1. DAP fertilizer 10 bags sold @ Rs.187.45 (since this fertilizer was sold to the members, a cash discount of Rs.1/- per bag was given and remaining amount was deposited in the B.D.C. Bank.
2. Received 200 tins of 'KIRAN' groundnut oil from 'GROFED' @ Rs.230/- per tin. Rs.200/- paid towards transport charges and Rs.20/- to Shri Pohmal towards labour charges. These all tins were sold to members who deposited advance on 11.1.83 at the rate of Rs.232/- per tin. A sum of Rs.20/- paid towards travelling expenses.
- 15.1.83 1. Sesamum (Til) purchased from following members.

Name	Bag	Net weight	Amount (Rs.)
1. Devashi Vira	150	9000	58,500.00
2. Kala Ganda	100	6000	39,000.00
			<hr/> 97,500.00

The above quantity sold to 'GROFED'. 'GROFED' fixed the commission @ 1% and labour charges @ Rs.1/- per bag to be paid to society.

- 16.1.83 Groundnut purchased from the following members.

Name	No. of bags	Net weight(kg)	Shelling %	Amount (Rs.)
1. Dhira Vira	200	6140	72.0	27691.40
2. Chaku Kala	100	3000	71.0	13530.00
3. Phula Vitthal	100	3000	71.0	13530.00
4. Jagmal Vitthal	200	6140	72.0	27690.40
5. Tri Kam Kuraji	60	1200	67.0	5100.00
6. Magan Bharmal	40	1200	67.0	5100.00
7. Chhagan Prabhu	200	6140	68.0	26402.00
				<hr/> 121683.80

The above quantity of groundnuts sold to the 'GROFED' with Rs.0.50 per bag as labour charges and 1% commission on the sold quantity.

- 17.1.83 1. Received cheque for the sum of Rs.22,500/- from 'GROFED' towards the 'Jhangad Advance' for the groundnut supplied on 7.1.83.
2. Issued two cheques to Shri Harji Chaku and Shri Ramu Natha for the sum of Rs.22,500/- and Rs.7500/- respectively/against the groundnut supplied in 'Jhangad' on 7.1.83. as advance
3. Cheque value Rs.10,000/- recd. from Shri Ratilal Motilal Seth as a donation towards the construction of society building and deposited in B.D.C. Bank.
- 18.1.83 1. Received Rs.97,500/- and Rs.250/- towards the sesamum supplied on 15.1.83 and labour charges respectively. Cheque was deposited in B.D.C. Bank.
2. Rs.250/- paid in cash for labour charges (sesamum).
- 19.1.83 1. 100 bags of DAP fertilizer was sold to non-members @ Rs.187.45/- bag in cash and money was deposited in the B.D.C. Bank.
2. Rs.97,500/- paid to the members supplied sesamum on 15.1.83.
- 20.1.83 1. Received membership application from 15 groundnut growers and membership was granted with the collection of Rs.50/- and Rs.1/- as share capital and entrance fee respectively from each.
2. Received cheque from 'GROFED' towards the groundnut sold on 16.1.83 (Rs.1,21,683.80).
3. Received cheque for the sum of Rs.450/- from 'GROFED' towards labour charges. Cheque deposited in B.D.C. Bank.
4. Paid Rs.450/- in cash to Ran Mal towards labour charges.
- 21.1.83 Following members supplied groundnut in pooling.

<u>Name</u>	<u>No. of bags</u>	<u>Net weight</u>	<u>Shelling %</u>
1. Donsang	100	3000	67.0
2. Nanji Kanji	200	6000	72.0
3. Kana Mana	50	1500	71.0

Above quantity of groundnut despatched to 'GROFED' for pooling.

- 22.1.83 1) Drawn a draft for Rs.36,000/- in the favour of 'GROFED' from Bank towards the payment of balance of fertilizer purchased. A sum of Rs.3.60/- was deducted by the bank as a commission for the draft.
- 2) Rs.15/- paid in cash for the subscription of 'Sankar' magazine.
- 23.1.83 Shri Ramu Natha who supplied groundnut (200 bags) on 7.1.83 in 'Jhangad' sold his produce to society at the rate of Rs.91/- (base rate). The total amount payable was Rs.27,360/-. On the advance already taken (Rs.15,000/-) an interest @ 15% for the period of $\frac{1}{2}$ month (Rs.93.75) was deducted by the 'GROFED' and cheque for the balance amount Rs.12,266.25 was given which in turn was paid to the member.

- 24.1.83 Rs.15/- paid in cash for the ^{tea} served during Managing Committee meeting.
- 25.1.83 Issued cheque for the sum of Rs.200/- in the form of Bharat Stationary Part against the stationary supplied earlier.
- 27.1.83 1. Purchased 10,000 kgs. of groundnut seed ^{variety} JL-24 (on credit) from GROFED @ Rs.5.50 per kilogram.
2. Distributed sweets to children on the occasion of Republic Day (expense Rs.25/-).
- 28.1.83 1. 5000 kgs of groundnut seed sold to the members (JL-24) @ Rs.6/- per kilogram (Total amount Rs.30,000/-) and 1000 kgs of groundnut seed sold to non-members @ Rs.6.50 per kilogram and the money was deposited in B.D.C. Bank.
2. Draft drawn in the favour of 'GROFED' for a sum of Rs.35,000.00 against the seed (JL-24) purchased on 27.1.83. Rs.3.59 paid to the bank as commission.
3. Received cheque for sum given below as advance for the groundnut supplied in pooling on 21.1.83.

<u>Name</u>	<u>Amount (Rs.)</u>
1. Dansang Virsang	10,500.00
2. Nanji Kanji	21,000.00
3. Kana Mana	5,250.00
	<u>36,750.00</u>

The money was paid to the respective members as given above.

- 29.1.83 1. Received cheque for Rs.23,428/- from 'GROFED' rebate @ Rs.0.20 per kilogram for the groundnut (1,17,140 kgs) supplied during 1981-82 and deposited in B.D.C. Bank.
2. Cheques issued for the 25% of the total money received as rebate and for the balance amount (75% or Rs.17,500) shares issued to the members. A cheque of Rs.17,500 issued to 'GROFED' for the purchase of additional shares.
- 30.1.83 1. Sold 3000 kg and 1000 kg of groundnut seed to members and non-members at the rate of Rs.6/- and Rs.6.50 per kilogram respectively and money deposited in bank.
2. Paid Rs.50/- for electricity bill.
- 31.1.83 1. Following amount was paid (in cash) for the expenses incurred in the month of January 1982.
- | | | |
|------------------------------------|---|-----------|
| Office rent | - | Rs.100/- |
| Salary (Secretary) | - | Rs.300/- |
| (Clerk) | - | Rs.150/- |
| Sweeper/attendant | - | Rs. 30/- |
| Newspaper (Phoolchap) | - | Rs. 19.10 |
| "Co-operative acts" book purchased | - | Rs.15/- |
2. Received 4% sales tax from GROFED on the Groundnut, Mustard, Soybean and sesamum sold during January 1982 and same amount was deposited with Sales tax office.

JOB REQUIREMENT OF SUPERVISORS

1. Organisation of Oilseed Growers' Societies.
2. Commitment mobilisation.
3. Streamlining of despatch of procured material.
4. Society supervision.
 - Role of Society Secretary
 - Functions of Management Committee.
 - Proper implementation of bye-laws.
 - Preparing proposal papers for registration of societies.
 - Help the society in meeting other statutory requirements e.g. licences/cess/levy.etc.
 - Implementation of MIS at Society Level.
 - Ensuring implementation of federation's policies.
 - Follow up of Audit Reports.
5. Arranging equipments/material needed by society.
6. Checking of records at the time of each visit to Societies.
7. Reconciliation accounts statements maintained at society.
8. Ensuring for flow and proper distribution of inputs.
9. Extension activities.
 - Farmers' meeting.
 - Individual farmer contact and visit their fields for T&V work.
 - Follow up of recommendations for package of practices at demonstration farms.
 - FIP
 - Bridging between subject matter specialist and farmers.
 - Audio Visuals.
 - Supervision of Soil sampling and conveying results to farmers.
 - Resolution of problems related with grading, quality, weight etc.
10. Conveying/Explaining the federations over all policies with regard to procurement, inputs and also problems faced by federation from vested interests etc.
11. Trouble shooting.

:3:

E. Book of accounts and records to be maintained at POGCS.

1. Money Receipt Book.
2. Resolution Book (two, one for MC and other for AGM).
- ③ Member information card.
4. Cash Book.
5. General ledger.
- ⑥ Individual member ledger.
- ⑦ Oilseeds purchase and payment register.
8. Acknowledgement/Receipt for oilseeds received.
- ⑨ Direct purchase/Jhangad purchase register.
- ⑩ Pooling purchase register.
11. Despatch memo.
12. Collection book (oilseed collection and fund position statement)
13. Gunny bag stock and despatch register.
14. Inward and Outward register (or receipt and despatch register)
15. Stock register - General
16. Input viz. Seed, Implement, Insecticides and culture Stock and supply register.
- ⑪ Fertilizer stock and supply register.
18. Soil sample register.
19. Demonstration Register.
20. Incentive and Subsidy register.
21. Membership application forms.
22. Share transfer application forms.
23. Commitment forms.
24. Share certificate.

sns/mcn

Audit System

In general, audit means checking and the auditor is considered to be a fault-finder or fraud-detector. But, responsibility of an auditor is not confined only finding faults or irregularities, he has to verify books of accounts and other records maintained by the organisation in sufficient details. He is also responsible to see whether the final accounts depict a true picture of the state of affairs of an organisation.

Accounting

Preparation of statement of accounts and maintenance of books and accounts for the transaction entered into by the organisation.

Auditing

Accounting is followed by auditing. "Auditing means systematic examination of the books and records of business or other organisation, in order to ascertain or verify and to report upon the facts regarding the financial operation and the results thereof". It also includes verification of :

1. Assets and liabilities.
2. Whether financial position indicated in the balance sheet and working results indicated in the profit and loss accounts are truly presented or not.

Investigation:- Investigation implies the examination of accounts for special purpose. Hence, the scope of investigation has to be different from that of an audit. An investigation mainly consists of collecting, analysing and presenting facts in a manner which may enable the parties concerned to know the essential facts regarding the matter under investigation.

Objectives of audit

1. Verification of accounts and statements.
2. Detection of errors and frauds.
3. Prevention of occurrence of errors and frauds.

4. To ascertain the exact and correct financial position of the society as on a particular date.

The primary objective of an audit is to establish, by an examination of books, vouchers and other appropriate records that the balance sheet at a given date is properly drawn up so as to show a true picture of the state of affairs of the business and the profit and loss. In the process of such an examination of accounts, certain frauds or errors may be detected. However, it must not be regarded as the main objective of audit. Detection of errors, irregularities and even frauds is only a subsidiary advantage or benefit flowing from audit.

Functions of audit

The functions of audit may be divided into two broad categories:

1. General function
2. Specific functions

1. General functions

- a) To examine the system of internal check.
- b) To check the arithmetical accuracy of the books of accounts by the verification of postings, costings, balancing and by tallying the receipt and payment statement of trial balance.
- c) To verify the authenticity and validity of transactions by an examination of the entries in books with the relevant supporting documents.
- d) To ascertain that a proper distinction has been made between items of capital nature and those of a revenue nature.
- e) To confirm the exercise and value of assets and to verify liabilities.

2. Specific to Primary Oilseed Growers Co-operative Society

- a) To check that register of oilseed purchase and payment, stock & despatch are properly maintained.

- b) To ensure members are correctly paid on the basis of the quality of the produce supplied by them and also in time.
- c) To see that transportation of oilseed from society to godown/ plant is satisfactory and economical.
- d) To see that all statutory requirements of co-operative society's act and rules and regulations prescribed in bye-laws of the society are duly complied with.
- e) To ensure that the records of sample drawn, refraction and testing to determine grade/quality are made everyday by the society.
- f) To ensure that important information or instructions received from federation are properly communicated to members to avoid misunderstanding.

Audit Categories

- 1. Statutory audit
- 2. Internal audit

Statutory audit: In the case of some organisation audit is compulsory under the statute. Audit is compulsory in case of undertakings mentioned below :

- a) Joint stock companies registered under the Companies Act.
- b) Banking companies governed by banking Companies Act.
- c) Insurance companies governed by the Insurance act
- d) Co-operative societies registered under Co-operative Societies Act.
- e) Public and charitable trusts registered under various religious and other endowment acts.

Internal audit: Internal audit is a review of operations, systems and records within a business by specially assigned staff. It may differ in its scope and emphasis, which may be more managerial than accounting in nature as listed below :

- a) To ensure that the standards of economy and efficiency are maintained.
- b) Internal auditor maintain a suitable system of internal control by a continuous examination of accounting, procedures, receipts and disbursements and to provide adequate safeguard against misappropriation of assets.

Audit System

Audit systems are classified into two:

- a) Final audit
- b) Continuous audit

Final audit: It is commonly understood to be an audit which will not be until the books are closed at the end of the accounting period and is then carried on continuously until completed.

Continuous audit: Is the one in which audit staff is occupied continuously in checking the accounts, for whole year around.

Advantages of continuous audit

1. Errors which are discovered at an early stage may rectified in time.
2. Chances of fraud are minimised due to continuous presence of audit staff.
3. Constant attendance of auditors acts as a moral check on employees of the organisation
4. Accounts are always kept up to date.
5. Checking of accounts in detail is possible.
6. Final accounts can be prepared and reported upon much earlier without facing any difficulty.

Since co-operative societies are prone to public criticism due to their democratic set up, it is essential that continuous audit should be done for co-operative societies in order to affirm faith of member-farmers in the management of the society.

Internal Control

It comprises the whole system of controls, financial and otherwise, established by the management in the conduct of the business. It includes internal check, internal audit and various other forms of control, both financial and otherwise.

Internal Check for Co-operative Society

A system of internal check implies organisation of the system of book keeping and arrangement of staff duties in a manner that no one person is allowed to carry through and record every aspect of a transaction.

Its objective is to prevent or bring about an early detection of frauds and errors. Internal check is organised by a proper allocation of authorities and integration of the functions of different members of staff in such a way that they are complementary to one another and thereby each acts as a check upon the other.

While framing the internal check system, the following considerations should be kept in mind :

1. All acts of every employee should, during normal course, come under the review of other.
2. Duties of members of staff should be changed from time to time without any previous notice so that same person does not perform the same function for a considerable length of time.
3. Members of the staff should be encouraged to go on leave at least once a year so that frauds successfully concealed may be unearthed during his absence.
4. Persons having physical custody of assets should not have access to books of accounts.

5. Cash collected from federation or from member farmer from the sale of input or as service charges must be deposited in the bank on the same day or the next day. It should not fall into the hands of persons not responsible for its accounting.
6. It should be ensured that persons duly appointed by the society are paid the salary only for the days they worked. Attendance of each employee must be marked every day.
7. Only printed receipts with serial numbers shall be issued for amounts collected.
8. Amount of cash collected and paid should be checked everyday and physical cash should be reconciled in the entries in the cash book.
9. Payments should be made only after proper verification of documents evidence and authorisation.

Test Checks

If the volume of transactions of the same type is large, the auditor may reduce the extent of inquiry by test checking or sampling some of the transactions.

The following points shall be taken into account for determining the extent of test check.

1. Entries selected for the test check must be representative of the whole.
2. The test check should cover entries of every description.
3. It must lower the work of every official connected with maintenance of accounts.
4. Selection of period or areas should vary and not follow any obvious sequence.
5. Where suspicion is aroused, the auditor must examine the transactions in their entry.

The method of test checking should be applied only when satisfactory internal check system exist in the organisation.

By resorting to test check method, the scope and area of checking can be extended and a moral check on the staff is kept as there is uncertainty regarding the period of work which will be examined.

Auditor has to submit his report after each audit. It is the responsibility of the society management to rectify/clarify the doubts raised in the audit report.

A format to this effect is given in the annexure.

TAM/D/R/L/500

ANNEXURE

Statement of Rectification of Audit Discrepancies

Name of the Society _____

Taluka _____ District _____ Date of Audit _____ Date of receipt of audit
memo by society _____

Paragraph No. of the audit memo	Discrepancies mentioned in the audit memo	The action taken by the society and actions remaining to be taken	Reference of remarks sent to the society	Remarks passed by the auditor to the society or the remarks sent by the Asstt. Registrar in connection with supervision of the society
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IMPORTANT POINTS TO BE TAKEN CARE
OF BY THE MANAGING COMMITTEE, CHAIRMAN
AND STAFF OF SOCIETY FOR PROPER
WORKING OF THE OGCS.

1. Collection centre of the oilseeds growers' cooperative society should be easily approachable by bullock carts, tractors and trucks for transport of oilseeds to and from the society.
2. Office of the society be kept clean and properly maintained.
3. Managing Committee should distribute the work among society Secretary and helpers and observe its proper follow up.
4. Chairman or one of the managing committee members should remain present at the time of procurement of oilseeds by the society to observe the working of the Secretary and helper and solve any dispute, misunderstanding or problem on the spot.
5. The weighing and testing equipment after use should be cleaned and kept properly in the OGCS. Society's name should be written on the weighing scales and other items whichever possible.
6. At the end of a day's procurement, a collection statement should be prepared by Secretary to know the material supplied by individual members and total procurement.
7. Secretary and Chairman must daily sign all such letters, cheques, registers or records wherever their signatures are required.
8. The Chairman/managing committee members should ensure that the records of samples drawn, refraction (Karade) and testing to determine grade are made everyday by the Secretary.
9. They should be also observe and check whether the oilseed purchase register, cash book, ledger etc. are regularly updated by the Secretary or not.
10. Random retesting (for example utara of groundnut) may be got done by the Chairman or managing committee member.

11. The Managing Committee should ensure that the required number of files are opened and maintained by society Secretary subjectwise. The correspondence and voucher files should be properly maintained.
12. Any purchases done by the authorised staff should be checked for their bills/cash memos, quality and price. No objectional purchase should be done by society staff or managing committee members without proper authority and approval.
13. All correspondence should be signed by the Chairman or Secretary of the OGCS.
14. Secretary should check all statement of payment or cheques received from Federation. He should issue correct cheques to the members.
15. Managing Committee members & Chairman should ensure that important information or instructions received from Federation are properly communicated to members to avoid any misunderstanding.
16. The byelaws of society should be studied by Secretary and Managing Committee members for proper follow up and to know any amendments, additions or deletions.
17. Managing Committee should have the Secretary and helper properly trained at Federation's training centre or with the help of mobile team.
18. Society staff must be polite and courteous in their dealings with the farmers and staff and officers of federation and other organisations.
19. In case of detection of any mischief, fraud or misappropriation by the members and society staff, the Managing Committee should take necessary action without delay.
20. All cooperation should be extended to the staff of federation and members.
21. The Managing Committee should ensure that share certificates are issued to members in time.

22. The Managing Committee must meet at least once a month and receive progress and accounts reports from Secretary.
23. Managing Committee should ensure audit of the OGCS.
24. Managing Committee should also ensure that Secretary takes necessary action on supervision reports prepared by the procurement staff.

VIABILITY OF A PRIMARY OLSEEDS GROWERS COOPERATIVE SOCIETY

The word "viable" means capable of surviving or living and hence viability of an oilseeds growers cooperative society, in simpler terms, may be defined as its ability to survive. However, an OGCS primarily a business centre of the oilseeds growers, by the growers and for the growers, should be viable both in social and economic aspects both for itself as the cooperative business entity and for its members. In other words, an OGCS capable of earning sufficient amount from its business activities to meet its expenditure and save a reasonable margin of profit to sustain its existence may be said to a viable society.

For example: Assuming that the land area under groundnut crop in a society village is 1000 acres (or about 400 hectares) and the average production of groundnut is 1 tonne per hectare, the total production of groundnut will work out to be 400 tonnes. Assuming that the society will procure some 150 tonnes (i.e. about 37.5%) of the total groundnut produced for supply to the oilseed federation at an average price of Rs.4,000/- tonne, the total value of 150 each of Diammonium Phosphate (DAP) and Super Phosphate (SP) to its members, the income of society and expenditure incurred by it could be compared as indicated below to know its economic feasibility.

<u>INCOME</u>		<u>EXPENDITURE</u>	
Quantity supplied by society (MT)		Expenditure on salary of society Secretary including benefits @ Rs.200/- month (1x200x12)	= Rs. 2,400.00
150 "		Salary to helper for 8 months @ Rs.100/- month (1x100x8)	= Rs. 800.00
Value of 150 MT groundnut @ Rs.4,000/- MT	Rs.6,00,000	Rent for office building of society @ Rs.50/- month (50x12)	= Rs. 600.00
Commission accrued @ 1% on total value	Rs. 6,000	Travelling/daily allowance expenditure	= Rs. 200.00
Service charge @ Rs.2/- per bag of DAP	Rs. 400	Expenditure on stationary = Rs.200.00 etc.	
Service charges @ Rs.2/- per bag of SP.	Rs. 400	Miscellaneous expenditure @ Rs.25/- month (25x12)	= Rs. 300.00
Saving on incidental charges @ 5 paise per bag on 5000 bags of groundnut (30 kg.each) supplied to Federation	Rs. 250	Profit (+)	= Rs. 2,550.00
Loss :	Rs. -		
Total (1-5)	Rs. 7,050	Total (1-6)	Rs. 7,050.00
	=====		=====

The above example indicates that the procurement level of 150 tonnes of groundnut, the society will earn a profit of Rs.2,550/-. Leaving the amount spent on audit fee or taxes and interests if any, the society is likely to save a good amount.

However, if the managerial subsidy and grant for purchase of statutory items required for office of the society are provided, there will be further saving on the expenditure of the society. Further, some income will accrue from sale of groundnut samples and commission on sale of edible oil or vanaspathies, if any, sold by society.

As such the OGCS may be said to be viable.

Factors affecting Viability of Society

Precisely, the viability of an OGCS will depend upon the system of organisation and procurement itself apart from the approach of the programme implementors and the participants to be benefitted. The factors affecting the viability of a society may therefore be discussed keeping in view the system, the implementors and the beneficiaries i.e. the oilseed growers members of the society.

A. The System:

The systems adopted for organisation of OGCS should be producer-oriented and based on the philosophy and principles of the "Anand Pattern" cooperatives. Care should be taken that the oilseed growers are motivated to accept the system for adoption rather than imposing it on them. The system should be based on certain facts and figures and not alone on wishes or emotions of the producers. Therefore, organisation of society, the following factors should be taken into consideration.

1. Selection of village depending upon its location and area under oil seed production-village(s) should possess a minimum 1000 average under oilseeds to ensure the viability of the society.
2. The minimum membership of society - There should be atleast 51 member as per the bye-laws of the society.
3. Price offered and procurement and payment system - There should be a clear cut policy for price fixation of oilseeds and all payment should be made promptly to ensure the faith or members in society.
4. Society staff:- their selection and training - Farmers of the village should have full reliance in the staff. The selection of those persons should be decided by the Managing Committee and not by those who organise the society. In addition, training of the staff of the society should be undertaken before starting a new society. Hence, no haste should be done in organising and starting.
5. The rules and regulations (bye-laws) which bind the producers, the Managing Committee, the General Body, the workers etc. of the society and the organisation with which society has entered into business (The federation) should be such that oil seeds producers are given the right to operate the business. No unwanted element with vested-interests should be allowed.
6. Quality Control i.e. Sampling and grading equipment used in society for business purpose should be of standard quality to ensure the fair dealing with its members and federation.

7. There should be an efficient communication system between the society and the organisers so that the problem/difficulties of producers/societies can be heard and rectified at the right time. When the producers given faith on the society, and the society workers given faith in the federation, nothing can stop the society from achieving success.
8. Keeping up of commitment and promises - A promise once made with the producers should be fulfilled in due time. False promises may help the organisers to organise more societies and the society to procure more oilseeds but in long turn when growers realise the facts, it is going to be a flop.

B) The Implementors

Implementors means all those who are entrusted or associated with the implementation of the programme of the lines of the system recommended to be adopted. That will include the staff of the federation and society of course with the co-operation of the participants members. All those connected with implementation of the programme should have full faith in the system itself as otherwise they may not be able to contribute to its successful adoption by the members.

While organising the society or during implementation of the programme; the implementors should do their best to avoid political pressures, influences or such interference into their working and working of the society. It will always be advisable to set up a society on the basis of its viability factors rather under any political influence or pressure.

The dedication of the implementors without any personal interest or gain is very important. The staff or officers concerned with the programme implementation should be result-oriented. They should have good relations with other agencies etc.

C) The Beneficiaries

The member of the oilseeds growers cooperative societies will be the beneficiaries. The members should have proper understanding of the system, programme, objectives the role they are supposed to play, their duties and responsibilities.

The members may have to be exposed to the activities of other successful cooperatives (may be through farmers induction programme) in their project area or outside the state for developing their confidence and faith in the system they have to accept for adoption. They should be motivated in the manner to respond to the programme without any feeling of imposition.

The beneficiaries should extend their maximum cooperation in implementing the policies and programme of the Federation.

They should cooperate in running the society on democratic lines without interfere into its working due to personal or political advantages.

ORGANISATION OF PRIMARY OIL SEEDS GROWERS CO-OPERATIVE SOCIETY

Dr. R.K. Gupta
FO&AH

In organisation of primary oilseeds growers co-operative society one should ensure that it has participation from all section in the village and that they all strive together to progress towards a better social and economic good.

Following are the steps involved in organisation of a primary oil seeds growers cooperative society.

1. Village survey
2. Gram Sabha and Selection of promoters.
3. Proposal preparation and Registration.
4. First General body meeting
5. Managing Committee meeting
6. Affiliation with Oilseed growers federation

1) Village Survey: Before organising a society in a particular village, a survey with the help of a questionnaire and other survey formats is carried out. These formats are then subjected for the analysis for viability estimation of the society to be organised there.

2) Gram Sabha and Selection of Promoters: If the analysis of the survey leads to a favourable decision for organising a society, a general meeting of the whole village i.e. Gram Sabha by announcement is held under the Chairmanship of the any popular village leader.

This gramsabha is very vital from the point of view of society organisation and its development. Here federation representative deliver talks on the local problems in oilseed production and marketing, achievement made by cooperative from the experiences gained in Dairy Co-operatives and Socio-economic changes brought by them.

Later, following resolutions are passed :-

1. To elect a Chairman of the meeting.
2. OGCS will be started on the lines of approved bye-laws.
3. A temporary managing committee will be constituted for a period of 3 months i.e. till the society is registered.
4. An acting Chairman (Chief Promotor) will be elected till the society is registered.
5. The Chairman (Chief Promotor) and honorary Secretary will be authorised to transact oil seed business of the society.
6. The joint Bank account will be opened with the nearest branch of the district cooperative bank and only acting chairman and the secretary of the society will be authorised to operate the bank account jointly.
7. The Chairman and the Secretary will have to give a tangible Security with Rs.6,000/- each to become eligible to operate the bank account.
8. The oilseed procurement will be stopped if the oilseeds growers federation directs the society to do so. The conditions and suggestions of the federation will be binding on the society.

9. Only one member from a family can sign as promotor. One male and one female (adult) can be enrolled as a member of a society from one family.
 10. If the transport vehicle can not approach the village, oilseeds will be transported to the nearest truck point for onward despatch to federation godown/unit.
 11. Share capital and entrance fee from interested farmers will be collected and for that acting Chairman and Secretary will be authorised.
- 3) Proposal Preparation and Registration: Proposed society will not have any identity unless it is registered. Registration proposals are prepared by the society and are submitted to ADR office. Following are the documents needed for proposal preparation.
1. 4 Copies of bye-laws duly signed by twelve promoters.
 2. List of members with the number of share held by them.
 3. Copy of resolution of 'promoters meeting' requesting the ADR to register the society.
 4. Copy of the resolution authorising one man as Chief Promotor (Acting Chairman).
 5. Copy of society's bank balance certificate issued from the bank.
 6. Copy of accounts for the period society has operated.
 7. Certificate regarding jurisdiction of village panchayat under which this village falls.
 8. Certificate from Panchayat office regarding area under oilseeds in that village.
 9. Certificate from Chief Promotor - certifying that all promotor belongs to different families and do not have any relation amongs them.
 10. Viability certificate - by Federation representative.
 11. Forwarding letter by Federation's authorised person.

Once above documents are collected, they are submitted to Registrar's office for Registration of the society. Application for registration of the society is to be made on an application form which would be available with the district registrar of co-operative societies. Only the format approved by the District Registrar is to be used to make an application.

Society is considered registered only after a registration number has been issued by the District Registrar.

- 4) First General Body Meeting: After receipt of Registration certificate within 90 days, a first general body meeting is called. To call this meeting a agenda is prepared and apart from displaying it on the village notice board, one copy is send to each of the following:
(a) Federation Office; (b) Registrar's Office and (c) Co-operative Bank's Office.

The general body meeting passes following resolutions:-

- 1) Election of the Chairman of the first general body meeting.
- 2) To accept the registered bye-laws.
- 3) To elect a regular Managing Committee.

4. To enroll new members.
 5. To pass resolution for application with oilseed growers cooperative federation.
 6. To approve the books and accounts of the society.
 7. To pass resolution for the transfer of society accounts in bank from the name of Chief Promotor to the name of society.
- 5) Managing Committee Meeting: Newly elected Managing Committee should sit to frame general out line of running of the society on sound footing. Following are the resolutions passed in it. Selection of Chairman and process of their retirement is also decided in it.
1. To elect a Chairman of the society.
 2. To appoint the office bearers of the society.
 3. To authorise the chairman and the Secretary of the society to operate bank account on behalf of the society.
 4. To approve the amount (cash) can be kept in hand and also the responsibilities of the office bearers of the society.
 5. To pass a resolution to get affiliation with the oil seeds growers federation.
- 6) Affiliation with Oilseeds Growers Federation: After the society is registered, it will seek its affiliation with the concerning federation as per the resolution passed in first general body and managing committee meeting. The affiliation will enable the society to draw all benefits and preivilages declared by the Federation for its ordinary members. To get this affiliation, society will need to purchase at least one share (generally of Rs.500/-) of the Federation. A copy of the concerning resolutions of generally body and managing committee meeting and entrance fee is also attached with the request form.

Some of the important points for consideration in organising and efficient runnin of a society may be put as :-

1. Before starting the society proper spade work must be done in the villages to create confidence in the farmers/producers.
2. When a society is organised in a particular village, the members of the Managing Committee should be elected in such a manner, that each locality/community of the village is represented. This would avoid any party politics and the whole marketable oilseeds produced in that village can be brought to the society.
3. Farmers of the village should have full reliance in the staff, the selection of these persons should be decided by the Managing Committee and not by those who organise the societies.
4. Training of the staff of the society should be undertaken before starting a new society. Hence, no haste should be done in organising and starting.
5. After the start of the society regular supervision should be done every 4th and 5th day for atleast four months.
6. Managing Committee members should meet every month, where profit and loss account, breakage of equipments, miscellaneous expenditure etc. are produced by the Secretary and proper resolution is passed and recorded. For any loss, the person responsible should be punished accordingly.

METHODS AND PRICING OF OILSEEDS PROCUREMENT

Oilseeds occupy an important position in India's agricultural economy. The prices of oilseeds record substantial declines at harvest times and in most cases the farmer/^{is} compelled to sell his produce immediately after harvest either because he does not have adequate storage accommodation or he is badly in need of cash. Moreover, a majority of the producers, especially small farmers are indebted to the local money-lenders cum trader for their need of money.

Speculative marketing practices and high profit margins characterise the edible oilseed industry. The traders and other intermediaries have a powerful hold in the oilseeds and oil trade, both in the domestic as well as export markets. They have contributed to the high degree of instability in the edible oil market, through hoarding, illegal forward trading and speculation.

The farmers need protection from exploitation by the traders and oil millers. This can be overcome by creating single commodity oilseeds cooperative which can play a vital role in creating favourable market conditions for the growers of edible oilseeds. The growers can, through the cooperatives, control and manage all activities right from production to processing with the help of hired professionals.

The NDDB's oilseed project has been taken up with the specific aim to help the growers in increasing their oilseeds production and also fetching a remunerative prices for their produce. The pricing and procurement system in case of groundnut and soyabean as adopted by the Gujarat and Madhya Pradesh Cooperative Oilseeds Growers' Federation are as under:

Procurement pricing of Groundnut as adopted by GCOGF

1. Outright purchases based on quality: This system has been introduced by the GCOGF to safeguard the interest of small and marginal farmers who cannot hold their produce for a long time and are in need of immediate cash to meet their daily necessities. Under this system the primary oilseed growers cooperative society purchases the groundnut outright from the producer members and pay them immediately after despatch of the material (groundnut) so that these

small and marginal farmers have not to sell their produce to local traders/money lenders at distress prices. This system is based on quality parameter viz. shelling percentage (Utara) and refraction (Karada). In addition, physical look of the produce, moisture in the kernels/pods and oil content is also taken into consideration while procuring the groundnut material. After it is decided to procure the material, few random samples, depending upon the number of bags are drawn with the help of a trier or if the produce is stored loose in bulk, samples from each corner and centre of heap are taken out and collected in a polythene bag. The drawn sample is mixed thoroughly and all the foreign materials such as dust particles, stones and thrash are taken out. Then 200 grams of the sample is taken for determining the shelling % (Utara). It is very important that all precautions are taken so as to make the sample a representative one. Any mistake in sampling may result in loss to the society/federation. The 200 gms pods are hand shelled and the kernels are weighed on an accurate weighing balance, called as Na avati Balance which measures upto two decimal point. For cross checking, the empty shells are also weighed just to know whether the weight of kernels and shells put together makes 200 gm or not.

$$\text{Shelling percentage (Utara \%)} = \frac{\text{Weight of kernels} \times 100}{\text{Weight of sample}}$$

eg. if the kernels weigh 150 gms out of 200 gm of pod, then the shelling percentage will be as under:

$$\frac{150}{200} \times 100 = 75\% \text{ shelling (utara percentage).}$$

For determining refraction (Karada percentage) one bag is randomly chosen and the produce is spread on tarpoline or on cloth piece. Stones, dust particles, leaves, mud balls, leaves, twigs and other foreign material are taken out and weighed on the (Nanawati) balance. The weight of Karada per bag is ascertained and deducted from the gross weight of each bag. For example if the refraction material weighed 200 gms per 35 kg bag so that net weight of produce will be 34.800 gms per bag. In case of any dispute about refraction (Karada) or selection of bags/determination of Karada, the another bag may be selected to ascertain the Karada percentage.

Price Fixation: The base price of groundnut is obtained from the nearest market yard. The price to be paid to the farmer is linked with the market price prevailing in the nearest market yard.

Fixing the price of groundnut: Based on prevailing market prices, the cost of groundnut per metric tonne or per 20 kg is fixed by the federation as under:

Shelling standard (Utara standard)

<u>Season</u>	<u>Type of variety</u>	<u>utara %</u>
Kharif	Erect(Bunch)	75%
	Spreading	72.5%
Summer	Erect(Bunch)	72.5%
	Semi spreading/spreading	70.0%

For every one percent decrease or increase in the shelling percentage, as per the base standard, specified above, 80 paise for 20 kg for each point is reduced or increased depending upon the shelling percentage. Upto 68% shelling (Utara) the deduction is considered at the rate of 80 paise per point. If the Utara is less than 68 percent then the deduction is done @ Rs.1/- per point for all the points less than 72.5%. For example at 64.5 percent utara, the deduction of Rs.8/- will be made for 8 points (8 points below 72.5 percent). If the shelling percentage(utara) is as per the above standard, then full price is paid. Full price means the minimum price prevalent in the nearest market yard on the previous day minus Rs.2/- for (20 kgs) eg. transportation charges. The rates declared in the local newspaper are considered as mill delivery rates. Suppose a market price for bunch type groundnut for standard shelling%(utara) is Rs.88/- then the rate admissible to the member would be Rs.88.00 - Rs.2.00 = Rs.86.00 per 20 kg produce.

Jangad System: Oilseeds cooperatives as well as few private traders adopts this system. It is uniquely designed system in which the payment of the produce is not based on any particular fixed price but based on any particular days price (any days price upto 30th June for Kharif harvested produce and 31st August for summer harvested produce) whichever the producer chooses. Under this system, the producer delivers his produce to the cooperative or traders at any date and observes the trend of market price and then decides to sell his produce. The main feature of this system is that it helps the producer to have some share in the profits of the buyer arising out of the rise in prices. There

are many variations to this system. Some agencies, private traders give 70-75% advance against the goods based on base rate (predicted price) and the balance is settled as and when the farmer finally wants to sell his produce. A rate of interest varying from 12-15% is charged from the farmers. Under the Gujarat Cooperative Oilseeds Growers Federation's Jangad system, an advance payment @ Rs.50/20 kg or 70% of the base price is paid to the member farmer of primary oilseeds growers cooperative society. The interest @ 15% per annum is charged from the member farmer for a period not less than 15 days or at 12% per annum plus 25 paise per bag of groundnut per month towards storage and insurance premium.

Pooling system: This is one of the ideal methods of disposal of the produce by the members. Under this system the ownership of the groundnut remains with the members till it is processed and sold as finished products. About 75% of the amount is paid as advance against the groundnut supplied by the members and the rest is paid at the end of the year after the Oilseeds Growers Federation declares the final price. Under this system, the members get the benefit of profit in terms of price difference. The actual incidental, processing charges etc. is deducted from the final payment. Under the GCOGF pooling system, the advance of Rs.70/- per 20 kg of groundnut is released seven days after despatch of the produce. Godown charges and interest on the advance paid is not charged. The average rate will be fixed after 31st October (Federation year is 1st November - 31st October). While making payment, the average rate and the shelling % (utara) will be taken into consideration.

Market Yards: Market yard is a common place for buyers and sellers. In market yards, auction takes place and the highest bidder gets the produce. The producer has to bear the expenses, like transport (cost of bringing the produce to the market yard, commission, loading, unloading and other miscellaneous charges). This is better than selling the produce to a private trader, as there is open auction of the produce, weighment is done by the market yard employee, account of sale proceeds is taken, payment is made on very same day, no octroi is paid by the farmers. The auction timings in the market yards are 8-12 noon and 2-6 PM in the evening. At the time of auction, the buyers (registered merchants) judge the quality of the produce by taking the sample from the lot by hand and assess the shelling % (utara) by inspection, based on their practical experience.

The various market yards come under State Agricultural produce Marketing Act. Every market yard has one marketing committee which consists of representation of producers, traders, bank representative, local authority and Govt. nominee. Elections are held every four years. The functions of this committee is to regulate sale and purchase of the produce which comes to the market yard.

Procurement, pricing of Soyabean as adopted by MP Oil Federation

The procurement system and rate fixation of soyabean by MP Cooperative Oilseeds Growers Federation are as under:

The procurement system of Soyabean from the members of the Oilseeds Growers' Cooperative Society is based on quality parameters. It consists of SAQ(Superior Average Quality), FAQ(Fair Average Quality) Grade I and Grade II.

1. SAQ(Superior Average Quality) The produce of superior average quality of soyabean falls under this category. The produce should not have any foreign material, no wrinkled seeds, no damaged and immature seeds. The moisture percentage of the seed should be less than 12%.
2. FAQ(Fair Average Quality) The produce of fair average quality falls under this category. The standard fixed for this quality is the limit to the extent of one percent of foreign material, limit to the extent of two percent of the damaged seed, upto 5 percent of the mechanical damage (grains split into two and converted as dal) and upto 12% of the moisture in the seed.
3. Grade I: The standard fixed for this grade is the limit to the extent of 2 percent of foreign material, upto 3 percent of the discoloured and weeviled affected, upto 7% of the mechanical damage and upto 12% of the moisture.
4. Grade II: The standard fixed for this grade is the limit to the extent of 3% of foreign material upto 5% of the discoloured and weeviled seed and upto 10% the mechanical damage and 12% of the moisture level.

If the moisture in the soyabean seed is more than 12 percent, the deduction in price by 1% of the total value is made. Incase, the moisture limit increase beyond 14%, the material is rejected and not procured by the oilseed growers cooperative society. The moisture soybean seed is tested by breaking the seed under the teeth. If the seed gives cracking sound, this indicates about 12% moisture. If the seed breaks without making any sound, this indicates moisture presence of more than 12 percent. Accurate moisture estimation can be done with the help of stenlite moisture tester.

The price to be offered to the members of OSGS depends on the grades of soybean delivered by him.

SAQ(Superior Average Quality): Market rate per animal of the Superior Average Quality of Soybean - Rs.2/- per quintal

FAQ(Fair Average Quality) : The rate per quintal as admissible for SAQ - Rs.3/- per quintal

Grade I: The rate per quintal as admissible for FAQ - Rs.2/- per quintal

Grade II: The rate per quintal as admissible for Grade I - Rs.2/- per quintal.

Each Oilseeds Growers Cooperative Society get a commission at the rate of 1 percent of the total amount of Soybean procured by them. In addition the Oilseeds Growers' Cooperative Society also gets the incidental charges @ Rs.1.25 per quintal for weighing, stacking and loading charges.

BYE-LAWS OF GUJARAT COOPERATIVE OILSEEDS GROWERS' FEDERATION LIMITED

1.0 NAME AND ADDRESS

1.1 The name of "Federation" shall be Gujarat Cooperative Oilseeds Growers' Federation Limited and shall be referred to hereinafter as the Federation.

1.2 The registered address of the Federation shall be at Bhavnagar, Post Bhavnagar, Taluka Bhavnagar, District Bhavnagar.

Any change in this address shall be notified to the Registrar, Cooperative Societies, Gujarat within 30 days and shall also be published in at least one local Newspaper.

1.3 The area of Operation of the Federation shall be the State of Gujarat.

2.0 DEFINITIONS

2.1 "Act" means the Gujarat Cooperative Societies Act, 1961.

2.2 "Board" means the Board of Directors of the Federation constituted as per the bye-laws.

2.3 "Chairman" means the Chairman of the Federation.

2.4 "Commodities" include all kinds of oil seeds and oils including vegetable, deodorised and hydrogenated oils as also oil products and articles of which oil or oil products form a part; vegetable goods or chemical or medicinal and pharmaceutical preparations or perfumes and perfumeries and other articles as can be manufactured from oil or oil produce; oil seed cakes; deoiled cakes; cattle feed; all kind of soaps; and all other kind of saponaceous and oiligenous substances; auxilliary products; hyproducts and waste products; raw or processed agricultural product; packaging material; equipment and machinery required for the manufacture or preparation of oil and allied products.

2.5 "Consultative Committee" means the consultative committee constituted as per the bye-laws.

2.6 "General Meeting" includes ordinary or special general meetings.

2.7 "Managing Director" means the Managing Director appointed as per the bye-laws.

2.8 "Member" means members enrolled in the Federation as per the bye-laws No.5.1.1; 5.1.2 and 5.1.3.

2.9 "NDDB" means the National Dairy Development Board, Anand

2.10 "Registrar" means the Registrar of Cooperative Societies, Gujarat State, as defined in the Gujarat Cooperative Societies Act, 1961.

- 2.11 "Rules" means the rules made under the Gujarat Cooperative Societies Act, 1971.

3.0 OBJECTIVES

- 3.1 The objectives of the Federation are to carry out activities conducive to economic and socio-economic development of Agriculturists by organising effectively production, procurement, processing and marketing of commodities.
- 3.2 To achieve the aforesaid objectives, the Federation may:
- 3.2.1 purchase, pool, process, manufacture, distribute and market imported and/or locally produced commodities from the members or other sources, without affecting the interest of member;
 - 3.2.2 purchase and/or assist in purchasing raw materials, processing and packaging materials etc and manufacture these or collaborate with others for the same when required;
 - 3.2.3 purchase, erect and/or hire buildings, plants and machinery and other assets, etc;
 - 3.2.4 own or hold on lease or hire movable or immovable properties to carry on the business of the Federation and to dispose off the same when not required for the business of the Federation;
 - 3.2.5 organise and develop primary oil seeds growers cooperative societies and to take over their management partially or fully when necessary and if appointed as an administrator by the Registrar or at the request of the members;
 - 3.2.6 suggest measures for increasing the productivity of the commodities of the members and assist in implementing the same;
 - 3.2.7 provide/arrange seeds, fertilizers, pesticides and other technical inputs either directly or through any approved association;
 - 3.2.8 advise, assist, guide and control the members in all aspects of management, supervision and audit function and for that purpose fix and collect service charges;
 - 3.2.9 render financial, technical, administrative and other necessary assistance to the members and enter into collaboration agreements;
 - 3.2.10 market its products under its own and other Trade-mark/ Brand-name;

- 3.2.29 settle all matters of common interest of the members and further their interest;
- 3.2.30 carry out negotiations with the Government and other National and International Agencies/Organisations;
- 3.2.31 subscribe to the shares of cooperatives and other institutions if required for the business;
- 3.2.32 generally do whatever is necessary and proper or conducive or incidental to the attainment of any of the objectives and purpose of the Federation.

4.0 FUNDS

4.1 Funds may be raised by:

- 4.1.1 shares;
- 4.1.2 debentures;
- 4.1.3 deposits;
- 4.1.4 loans;
- 4.1.5 grants, aids and subsidies;
- 4.1.6 donations; and
- 4.1.7 entrance fees.

4.2 The authorised share capital of the Federation shall be rupees five crores divided into 100,000 shares of Rs.500/- each and shall be paid in full on allotment.

4.3 The funds of the kind specified in 4.1.2; 4.1.3 and 4.1.4 above shall not exceed twelve times the total of the paid up share capital and Reserve Fund less accumulated losses as provided in the Act and Rules.

5.0 MEMBERSHIP

5.1 The Federation shall have the following categories of members;

- 5.1.1 ordinary;
- 5.1.2 special nominal;
- 5.1.3 nominal.

5.2 Ordinary member.

- 5.2.1 Any registered primary oil seed growers' cooperative society. The bye-laws of such primary societies should be in conformity with the model bye-laws prepared by the Federation.
- 5.2.2 The National Dairy Development Board, Anand *500 + 25*
- 5.2.3 The NDDB will continue to be a ordinary member till it holds the shares of the Federation and has any financial arrangement and/or assistance/collaboration of any kind with the Federation.
- 5.3 The special nominal member.
- 5.3.1 Multipurpose cooperative societies and/or Agricultural Cooperative Credit Societies dealing in/or pooling the oil seeds produced by their members and delivering entirely these to the Federation on their behalf. *100 + 25*
- 5.3.2 Special Nominal Members shall be eligible for all such benefits as are available to the ordinary members regarding provisional and/or final price.
- 5.4 As and when the Primary Oil Seed Growers' Cooperative Societies would be organised in the area of operation of the special nominal members, such special nominal membership shall cease automatically.
- 5.5 A review for the continuation of such special nominal membership will be carried out by the Board as per the norms laid down by them.
- 5.6 The Nominal Members. *no vote rights*
- 5.6.1 Persons having financial dealings with the Federation such as supplies, contractors, selling agents and their sureties.
- 5.7 The special nominal members and nominal members shall have to apply in writing to the Federation for enrolment in the prescribed form along with an application fee of Rs.25/- and the membership fee of Rs.100/-. These members will not be required to hold the shares and will have no right to vote or participate in the management of the Federation or in the distribution of its profits. They shall continue only so long as they have business relations. They shall incur no liabilities in the event of the Federation being wound up.
- 5.8 Registered primary oilseed growers cooperative societies who have signed the bye-laws and the application of registration of the Federation will be deemed enrolled as ordinary member.
- 5.9 Ordinary members, other than those covered in bye-laws No. 5.8 shall have to apply in writing for membership to the Federation and shall have to pay an entrance fee of Rs.25/- along with the amount to purchase the required nos. of shares.

Co-operative TRIBUNAL

- 5.10 The Federation shall have the right to call upon ordinary members subscribe either to share capital and/or debentures in proportion to the business transacted through the Federation, as may be prescribed by the Board from time to time.
- 5.11 If the amount of share and/or debentures remain unpaid for more than six months from the due date, the Board may take suitable action against the ordinary members as it may deem fit.

6.0 LIABILITY

- 6.1 The liability of an ordinary member shall be limited to the extent of the share capital subscribed by him.
- 7.0 A share certificate with distinctive numbers shall be issued for the shares subscribed.
- 8.0 Duplicate share certificate/s shall be issued in the event of loss of the share certificate/s by an ordinary member with the approval of the Board on payment of Rs. 1.00 per share, against an indemnity bond to be furnished by the ordinary member.
- 9.0 No member once affiliated can seek disaffiliation without the recommendation of the Board and the approval of the Registrar, unless it is dissolved.
- 10.0 Subject to the provision of the Act, any ordinary member may be expelled by a resolution passed by 3/4th majority of the members present and voting in a general meeting for the following reasons.
- 10.1 If it is a persistent defaulter and/or habitually fails to carry out its obligations to the Federation.
- 10.2 If it wilfully deceives the Federation.
- 10.3 If it does any act likely to injure the reputation of the Federation.
- 10.4 The Board shall give such member fourteen days written notice of proposal to expel so as to give it an opportunity to represent its case in the General Meeting.
- 10.5 Expulsion may involve forfeiture of all shares held by the members.

11.0 SHARE HOLDINGS

- 11.1 Every ordinary member shall hold at least one share.
- 11.2 At the initial stage, at least more than 51% paid up share capital shall be held by NDDB as an ordinary member. The remaining paid up capital being held by the cooperatives.
- 11.3 The National Dairy Development Board shall hold more than 51% of the paid up share capital of the Federation till such time as it is agreed upon between the Federation and NDDB.

12.0 TRANSFER OF SHARES

- 12.1 With the development of the Primary Oilseed Growers' Cooperative Societies and the growth of the ordinary members, NDDDB shall redeem its shares by transferring the same to these primary societies on the terms mutually agreed to between the Federation and the NDDDB.
- 12.2 An ordinary member may transfer the shares after holding the same for at least one year to another ordinary member with the approval of the Board.
- 12.3 No transfer shall be considered complete, until the name of the transferee has been entered into the share transfer register and a fee of Re.1.00 for transfer of shares paid.

13.0 CESSATION OF MEMBERSHIP

- 13.1 An ordinary member shall cease to be a member;
- 13.1.1 on resignation;
- 13.1.2 on liquidation;
- 13.1.3 on expulsion;
- 13.1.4 on failure to fulfill the obligations mentioned in the bye-laws No.14.
- 13.1.5 on failure to pay the shares and/or debentures as called upon by the Board.
- 13.2 An ordinary member ceasing to be member shall be entitled to get back the amount not exceeding the actual sum paid by it, on account of shares within a period of one year from the date of cessation of membership.

14.0 OBLIGATIONS OF THE MEMBERS

- 14.1 Every member shall:
- 14.1.1 Supply to the Federation all commodities procured or pooled from its members in which Federation is dealing.
- 14.1.2 Buy shares and or debentures as may be called upon by the Board with the provision that the maximum amount to be so prescribed shall not exceed 20% of the value of commodities supplied by it to the Federation during the previous accounting year.
- 14.1.3 Follow directions issued by the Federation with regard to delivery of commodities such as place of delivery, time of delivery, mode of transport and the like.
- 14.1.4 Collect commodities in pure and unadulterated condition from its members, and enforce quality/grading norms fixed by the Federation.

- 14.1.5 Follow such directions as the Federation may issue from time to time and provide whatever information the Federation may find necessary for the promotion of its objectives.
- 14.2 Failure on the part of the members to fulfill the above and such other obligations shall make them liable for consequential losses to the Federation as may be decided by the Board.
- 14.3 The NDDB not being an oil seed grower society, would however be exempted from these obligations.
- 15.0 GENERAL MEETING
- 15.1 General Meeting shall consist of the following:
- 15.1.1 Members of the Board.
- 15.1.2 Delegates from the different districts as per the bye-law No.22.0
- 15.2 The supreme authority of the Federation shall be vested with the General Meeting, subject to the Act, the Rules and the bye-laws.
- 15.3 The Chairman of the Board will preside over the General Meeting. In the event of his absence, the Chairman will be elected from amongst the members present.
- 15.4 The General Meeting shall be called once in every year within the quarter ending on 31st January. This shall be called the Annual General Meeting.
- 15.5 A special General Meeting may be called at any time:
- i. by a majority of the Board; or
 - ii. by the Board within one month.
 - a. on requisition in writing from not less than 1/5th of the ordinary members of the Federation.
 - b. on requisition from the Registrar.
- 15.6 The first general meeting of the ordinary members after registration shall have the same powers as are given to the Annual General Meeting.
- 16.0 NOTICE FOR GENERAL MEETING
- 16.1 The annual general meeting of the Federation shall be called by the Board with not less than 14 days' notice which shall include the date, time, place and the agenda. The notice shall be placed on the Notice Board of the Registered Office of the Federation and will also be sent for publication to at least one local newspaper.
- 16.2 A special general meeting of the Federation may be called with not less than 7 days' notice, stating the date, time, place and the agenda.

- 16.3 The accidental omission in sending a Notice or the non-receipt of a notice by any member to whom it should have been given would not invalidate the proceedings of such meeting.

17.0 ANNUAL GENERAL MEETING

The annual General Meeting shall, among other things, deal with the following:

- 17.1 To confirm the proceedings of the previous General Meeting.
- 17.2 To approve the excess expenditure over the sanctioned budget.
- 17.3 To receive from the Board the Annual Report together with the Balance Sheet as on 31st October and profit and loss account for the preceding financial year of the Federation and to sanction the appropriation of profits.
- 17.4 To approve budget and programme of activities of the Federation for the next year as recommended by the Board.
- 17.5 To consider audit memorandum and audit rectification report received from the Board and any communication from the Registrar.
- 17.6 To fix the allowances to be paid to the members of the Board and the delegates for attending the Board meetings and other meetings.
- 17.7 To consider the election rules as recommended by the Board and seek their approval from the Registrar.
- 17.8 To add, alter, vary or amend the bye-laws as and when necessary.
- 17.9 To consider the removal of the Managing Director as recommended by the Board with the prior consent of the NDDB.
- 17.10 To consider the expulsion of members if any, as recommended by the Board in accordance with the provision of the bye-laws.
- 17.11 To appoint auditors and fix their remuneration.
- 17.12 To fix the limit of the outside borrowings which may be incurred subject to the maximum limit fixed in the bye-laws.
- 17.13 To consider any other business brought forward by or with the consent of the Chairman.

18.0 VOTING RIGHTS

- 18.1 For giving weightage to the affiliated primary oilseed growers' cooperative societies the qualifying norms and the number of their votes shall be determined by the Board on the basis of variation in the production of oil seed crop of the farmers according to the season from year to year and its contribution towards the business of the Federation in the respective year.

- 18.1.1 The right of vote shall be exercisable only on the fulfilment of the obligation of the members as specified in the bye-law No. 14.0.
- 18.2 Nominal and special nominal members shall not have voting right.
- 18.3 The Registrar, the coopted expert and the Managing Director shall have one vote each.
- 18.4 The representative of the NDDB will have voting powers equal to the total voting powers of all other delegates.
- 19.0 The quorum of the General Meeting shall be 50 or 1/4th of the members entitled to attend the General Meeting whichever is less.
- 20.0 If at any General Meeting, there is no quorum within 30 minutes from the time fixed, the meeting shall stand adjourned to a date to be fixed by the presiding officer and to be communicated to the members by 7 days notice. At such adjourned meetings, if no quorum is present, the members, present shall form the quorum, but no business shall be transacted other than those specified in the notice of the General Meeting.
- 21.0 Decision shall be taken by a majority of votes. In the case of equality of votes, the Chairman shall have a casting vote in addition to his ordinary vote.
- 22.0 Initially the Board, in consultation with the NDDB, will select 6 districts from the Federation's area of operation. The Chairman of the affiliated primary oilseed growers' cooperative societies in each district shall elect among themselves delegates, not exceeding 20 in number, calculated on the basis of one delegate for every five affiliated primary oilseed growers' cooperative societies ignoring fractions, to represent their districts on the general body of the Federation which will also constitute the electoral college. These elected delegates would elect among themselves one member to represent their district on the Board.
- 22.1 The districts would be reviewed and decided by the Board in consultation with the NDDB from time to time. Five districts of Saurashtra region where the groundnut crop is largely produced and the groundnut growing pockets from other parts of the area of operation, which for the purpose of definition of a district will constitute one district.
- 23.0 BOARD OF DIRECTORS
- 23.1 The Board of Directors shall consist of the following:
- 23.1.1 Six members from the elected delegates representing general meeting as per the bye-law No. 22.0.
- 23.1.2 Registrar.
- 23.1.3 Three representatives of the NDDB

12 Board of Directors

6 - Dec

3 - NDDB - 11

1 - OS expert

1 - nominee of Reg.

1 no of res

1/2

nominate the board

Our 76-2 will advise

- 23.1.4 One Oilseed Expert or Management Expert to be coopted by the Board.
- 23.1.5 Managing Director of the Federation as member-secretary.
- 23.2 The first meeting of the Board after Annual General Meeting shall be called within one month of the Annual General Meeting.
- 23.3 Every year the Board in its first meeting shall elect the Chairman from amongst themselves. The Chairman shall continue to hold office till a new Chairman is elected as per the bye-laws. The Chairman of the Federation shall be an honorary one.
- 23.4 The Chairman shall preside over the meeting of the Board. In case of his absence, the directors present in the meeting shall elect one among themselves as the Chairman of the meeting.
- 23.5 Each Director shall have one vote. The Chairman shall have the right of casting vote in case of equality of votes.
- 23.6 The presence of 50% of the Board members shall form the quorum for the Board's meeting.
- 23.7 The term of the elected directors of the Board shall be for a period of three years, however, every year one third of them shall retire on rotation basis. The retiring members shall be eligible to recontest the election. The basis of retiring 1/3rd directors of the 1st elected Board shall be decided by the lot.
- 23.8 The elections to fill in the vacancy of the retiring director of the Board shall be conducted in the district from where the retiring director was elected.
- 23.9 A casual/interim vacancy(ies), caused amongst the elected directors shall be filled up by the Board from the elected delegates of the concerned district. Such coopted director shall hold office for the remaining period of the terms of the members in whose place he is coopted.
- 23.10 Notwithstanding anything contained in these bye-laws the first Board members including the Chairman shall be nominated by the Registrar in consultation with the NDDB for a period of five years which can be extended for another period of three years by the Registrar in consultation with the NDDB.
- 23.11 Casual vacancies in the nominated Board members shall be filled up by the Registrar in consultation with the NDDB.
- 23.12 No member shall be allowed to participate or vote on the proceedings of any matter in which he has personal, direct or indirect interest. This will however, not be applicable to nominees of the NDDB and Registrar.
- 23.13 In case of urgency when a particular decision cannot await the Board meeting, a decision can be obtained through a circular resolution passed among all its members. Every resolution so approved by a majority of members signing in agreement shall be effective and binding as if such resolution had been passed at a meeting of the Board and shall be included in the minutes and read out in the next meeting.

- 23.14 All acts done by the Board or any person acting in his capacity as a member of the Board, notwithstanding that, it is afterwards discovered that there was some defect/error in the appointment of such person, shall be valid as if the Board or any such person had been duly appointed.
- 23.15 The Board may meet as often as it considers necessary but it shall meet at least once in every two months.

24.0 POWERS, RESPONSIBILITIES AND FUNCTIONS OF THE BOARD

The entire administration, management and control of the Federation shall be vested in the Board. The Board shall have and exercise all powers and enter into all such agreements, make all such arrangements, take all such proceedings and do all such acts and things as may be necessary or proper for the due management of the Federation and for carrying out the objectives for which the Federation is established and for securing and furthering its interest subject to the provisions of the Act and the Rules or such Act as shall hereafter take its place and any Rules which may be passed by the State Government in pursuance of said Act and Rules and subject to these bye-laws and/or any bye-laws which may be duly made by the Federation.

Without prejudice to the general powers conferred by these bye-laws, the following powers and authorities are expressly given to and confirmed upon the Board:

- 24.1 To approve the proceedings of the previous meetings.
- 24.2 To appoint the Managing Director of the Federation, fix his remuneration, terms of service and to suspend him; but not to remove him without the approval of the NDDDB and the General Meeting.
- 24.3 To dispose off applications for membership, shares, debentures and transfer of shares.
- 24.4 To call upon the members to subscribe to share capital and/or debentures as per bye-laws No 5.10 in proportion to their business with the Federation.
- 24.5 To fix the qualifying norms and determine the number of votes of ordinary members as required in the bye-law No 18.1.
- 24.6 To raise loans, debentures, accept deposits. The board shall take prior approval of NDDDB in case at any time, the properties, assets etc are to put into charge as security against the loans to raise funds for the business of the Federation. The Board shall also determine the terms and conditions thereof in consultation with NDDDB, except in matters relating to short-term advances in working capital.
- 24.7 To purchase or take on lease or otherwise acquire land and construct building or buildings for value exceeding Rs 1.00 lakhs up to Rs 10.00 lakhs. All cases involving a capital expenditure exceeding Rs 10 lakhs shall be referred to the NDDDB for approval before authorisation, but in cases where detailed project reports have been prepared with estimates and duly approved by NDDDB, the Board shall be fully competent to authorise the undertaking of all

works covered under the approved projects, including variations in the approved estimates, provided particular component parts of the project and involve no substantial change in the scope of the project as approved by NDDB.

- 24.8 To apply for and take out purchase or other-wise by way of licence or otherwise, any patent, patent right of inventions, trade rights copy rights, copy right of secret process or technical aid or know-how which may be useful to achieve the objectives of the federation and to grant licence to use the same.
- 24.9 To approve the administrative set-up and frame necessary service rules of the Federation in consultation with the NDDB.
- 24.10 To create trusts for the welfare of employees and raise funds support and/or assist the same.
- 24.11 To institute, conduct, defend, compound or abandon any legal proceedings by or against the Federation or its officers or otherwise concerning the affairs of the Federation and also to allow time for payment or satisfaction of any debts to settle any claims and/or demands by or against the Federation by Arbitration or otherwise.
- 24.12 To appoint and/or remove or suspend Senior Executives of the Federation.
- 24.13 To recommend to the General Meeting expulsion of any member whose conduct in the opinion of the Board is detrimental to the interests of the Federation by 3/4 majority of the members present and voting at the General Meeting.
- 24.14 To receive Audit Note and approve its rectification report for placing before the next General Meeting.
- 24.15 To approve the Annual Accounts, Annual Reports and to recommend appropriation of profits.
- 24.16 To fix the rate of service charges for manufacturing, processing, procuring and marketing of commodities through the Federation.
- 24.17 To decide taking over the management of primary member societies as and when requested/required.
- 24.18 To approve purchases and erection or hire of plant machinery and other assets for the business of the Federation.
- 24.19 To approve sale/disposal of any land/machinery and other immovable properties if not required for the business of the Federation.
- 24.20 To fix charges for use of Trade-Mark/Brand-Name.
- 24.21 To decide pricing policy for the commodities supplied by the members.
- 24.22 To consider applications for loans
- 24.23 To authorise the Managing Director to sell commodities on credit.

- 24.24 To decide seal of the Federation to be used with the authority of the Board and the Managing Director.
- 24.25 To delegate to the Managing Director and/or any office any of its business and/or powers and/or duties under the bye-laws.
- 24.26 To delegate its powers to Managing Director by a special resolution in case of contingencies or any specific reason.
- 24.27 To frame, election and other subsidiary rules consistent with the provisions of the Act, Rules and Bye-laws for the proper conduct/business of the Federation. The election rules shall be implemented after the approval of the General Meeting Registrar.
- 25.0 Notwithstanding anything contained in these bye-laws, the NDDB so long as it holds more than 51% of the paid-up share capital of the Federation, may from time to time, issue such directives or instructions as may be considered necessary in regard to the finance, conduct of business, functions and affairs of the Federation or of the Directors thereof and in like manner may vary and annul any such directive or instructions. The Board of Directors shall give immediate effect to the directives or instructions so issued.
- 26.0 QUALIFICATIONS OF DELEGATE FOR CONTESTING THE ELECTION OF THE BOARD
- 26.1 No delegate shall be eligible for election as Director unless the Society he represents;
- 26.1.1 has fulfilled all the obligations as mentioned in the bye-law No 14.0.
- 26.1.2 has resolved authorising him to represent, and a copy of the resolution in this behalf is received by the Federation along with the declaration that no other member is representing the society on the Board;
- 26.1.3 is placed in Audit Classification A or B during the last audit;
- 26.1.4 is an ordinary member of the Federation.
- 26.2 No delegate of a primary member society shall be eligible for elections unless he:
- 26.2.1 is the Chairman of the member-society as on 31st October, preceding;
- 26.2.2 is not a paid employee of any cooperative society or of the Federation;
- 26.2.3 is not a defaulter of cooperative society and also no arrears have been convicted for any offence under section 147 of the Act;
- 26.2.4 is not held liable under section 82, 90 and 93 of the Act or is not convicted for any offence under section 147 of the Act;
- 26.2.5 is not dishonest, not proved bankrupt nor declared insolvent;

- 26.2.6 has no direct or indirect interest in any business contact or sub-contract nor does he have a partnership interest in any sale or purchase transactions of the Federation or the member society (except the investments made by him in the primary society);
- 26.2.7 is not directly or indirectly engaged in the business, industry, profession and allied activities similar to that of Federation or who has no interest in any of such activities or shall not be eligible to retain the membership on acquisition of such interest subsequently.

NOTE

A person or society engaged in sale/supply of commodities to primary oilseed growers' cooperative societies or to the Federation, such sale/supply being a part of the Federation activities will not be considered as a person directly or indirectly engaged in the business, industry or vocations similar to that of the Federation.

27.0 MANAGING DIRECTOR

- 27.1 The Managing Director shall be appointed by the Board of Directors with the prior approval of the NDDB. His remuneration, terms of service, suspension, recommendation for approval would be effected by the Board of Directors with the prior approval/recommendations of the NDDB.
- 27.2 The general powers, duties and responsibilities of the Managing Director are as under:
- 27.2.1 He shall have general control over the administration and business of the Federation.
- 27.2.2 He shall purchase or take on lease or acquire any land, any building or other movable/immovable property not exceeding the value of Rs 10 lakhs.
- 27.2.3 He shall be the officer to sue or to be sued on behalf of the Federation and all bonds and agreements in favour of the Federation shall be in his name.
- 27.2.4 He shall have power for and on behalf of the Federation to endorse, sign, negotiate cheques and other negotiable instruments on behalf of the Federation. He shall also sign all deposit receipts and operate on the accounts of the Federation with any Bank.
- 27.2.5 He shall appoint members of staff within the sanctioned scale of establishment upto and inclusive of cadre of officers other than the Senior Executives.

- 27.2.6 He shall award punishment including dismissal from service to employees whom he can appoint.
- 27.2.7 He shall allow credits to buyers within the limit fixed by the Board from time to time.
- 27.2.8 He shall undertake import/export business of the Federation.
- 27.2.9 He shall carry out negotiations with the Government and other National/International Organisations/Agencies.
- 27.2.10 He shall make arrangements for clearance, freight, forwarding, transport and storage of commodities.
- 27.2.11 He shall arrange to insure against risk of all kinds of property of the Federation.
- 27.2.12 He shall arrange the training of the staff members of the Federation and/or its members.
- 27.2.13 He shall enter into agreement or contracts for purchase, sales, lease of land, buildings required for the working of the Federation and to execute documents on behalf of the Federation and to represent it in all legal actions instituted by or on behalf of of the Federation.
- 27.2.14 He shall arrange to maintain proper accounts of the Federation.
- 27.2.15 He shall arrange to prepare annual report, balance sheet and budget for placing before the Board.
- 27.2.16 He shall arrange to convene the meeting of the Board as required under the bye-laws and the General Meeting and such other meetings as and when directed by the Board or found necessary or on receipt of requisition of 1/5th number of ordinary members or upon requisition from the Registrar.
- 27.2.17 He shall act as the Secretary of the Board and the General Meeting and arrange to record the proceedings of the Board and other meetings in the minutes book.
- 27.2.18 He shall suggest service charges for manufacturing, processing or marketing of the commodities to the Board and arrange to collect the same.
- 27.2.19 He shall arrange for adequate security against embezzment, stealing misappropriation, damaged by the employees handling; cash, goods and securities.
- 27.2.20 He shall arrange to examine and verify cash, stock and stores of the Federation.
- 27.2.21 He shall appoint consultants/experts and fix their remunerations.
- 27.2.22 He shall decide the terms for purchase/pool, price structure, rate of commission to be paid to the primary members societies on procurement of ground-nut and other oilseeds.

- 27.2.23 He may delegate all or any of the powers authorities and discretions vested in him, to any employee(s) of the Federation, subject to the ultimate control, authority and responsibility being retained by him.

28.0 CONSULTATIVE COMMITTEE

- 28.1 The delegates of each district as per bye-laws No 22 will elect among themselves seven persons to form the consultative committee for that district every year. An authorised employee of the Federation will be the member secretary of this committee.
- 28.2 The consultative committee would suggest to the Federation for its own district on matters pertaining to encouragement for growing and/or procurement of commodities and/or organising technical inputs.
- 28.3 The consultative committee can meet as and when required but shall meet at least once in two months.
- 28.4 The terms of members of the consultative committee for different district shall be for one year.

29.0 DISTRIBUTION OF PROFIT

- 29.1 At the annual general meeting, the net profit shall be appropriated as follows:
- 29.1.1 25% shall be carried to the reserve fund.
- 29.1.2 To contribute towards the educational fund of the Gu Gujarat State Cooperative Union as required under the Act.
- 29.1.3 Out of the then remaining profit a sum not exceeding 12% per annum shall be distributed as dividend on the paid-up share capital.
- 29.1.4 The balance amount of net profit after above mentioned deductions shall be taken to general reserve and will be distributed as bonus to member societies in proportion to their business of commodities transacted through the Federation or will be utilised for research and development as may be decided by the General Meeting.

30.0 RESERVE FUND AND GENERAL RESERVE

- 30.1 In addition to the amount mentioned in the bye-laws 29.1 all entrance fees, donations, other than those for specific purposes and receipts on account of forfeited shares and fines other than those collected from employees shall be carried to the reserve fund.
- 30.2 Over and above what is provided in the bye-law No 29.1.4 any income other than the normal trading income excess provision and reserves can be carried out to the General and shall be be utilised with the permission of the Board from time to time.

31.0 ACCOUNTS AND RECORDS

31 The accounting year of the Federation shall be from 1st November to 31st October. Books of accounts and other records shall be maintained as prescribed in the Rules and also as directed by the Registrar with such additions as the Board considers necessary.

32.0 Dividend not drawn within six months from the date on which it is announced at the General Meeting may be remitted to the share holders by money orders at their own cost and/or can be credited to their accounts with the Federation.

33.0 In case of absence or provisions or inconsistency or repugnancy in the bye-laws of the primary member societies the bye-laws of the Federation shall prevail subject to the provisions of the Act and the Rules.

34.0 AMENDMENTS

34.1 None of the bye-laws contained herein shall be altered or rescinded and no bye-laws shall be added except by vote of majority consisting of at least 2/3rd ordinary members present and voting at the general meeting. The notice convening the meeting shall specify the proposed alteration, addition or rescission. The amendment shall not taken effect until it is approved by the Registrar.

34.2 Notwithstanding anything contained in these bye-laws, as long as NDDB continues to be a share holder of the Federation, amendment or repeal of any existing bye-laws or the enactment of any new bye-law shall be made by the Federation with the prior approval of NDDB.

35.0 SERVICE NOTICE

Whereby in these bye-laws, it is proposed that written notice shall be given to by member, the despatch of such notice from the office of the Federation at the registered office of any member shall be considered as sufficient service of such notice.

Organisation of Technical Input Programme

The first step in the production enhancement process will be to organise the oilseed growers into village level cooperative societies. The promotional and educational effort will be undertaken by the concerned mobile teams of the federation.

The scope of the project for maximising production of oilseeds was based on increasing the productivity per unit area through launching intensive cultivation measures and double cropping of oilseeds viz. groundnut. The development efforts will also be supported by demonstrations to popularise scientific techniques of cultivation. The two dimension approach may be sought in this direction -- one based on area and the other on the production problems. Former is aimed to attain rapid growth in a relatively short period while the later one consisted of --

- a. Raising productivity per hectare through intensive cultivation measures adopted in high potential areas.
- b. Increasing irrigated area under oilseeds.
- c. Insulating oilseed production from violent fluctuations through suitable agronomic measures and development of draught resistant and non-traditional oilseed crops viz. Sunflower, Soybean etc.

The contribution of improved practices and technical inputs -- including quality seed, fertilizer, pesticides and optimum spacing and other cultivation practices are expected to raise oilseeds

yield (under rainfed conditions) by 30 percent over the period of seven years of the project. According to proposed plan the inputs would be provided either on cash payment or as credit-in-kind for the supply of both inputs and credit to finance them, the project originally proposed that existing cooperative infrastructure already present at village level i.e. multipurpose cooperative credit societies, be utilised to the extent available, with back up from State Cooperative Bank. This will avoid duplication in manpower and financial investments.

In practice the above mentioned reliance on institutions beyond direct project control may apparently result in repeated breakdown in the supply of inputs and credit needed by oilseed growers, because of -

1. Non-existence of cooperative societies in some of these villages.
2. Loan balances outstanding with majority of member oilseed growers.
3. Short supply at peak demand time and
4. When available in sufficient quantity, not suited to local conditions/requirement.

Looking at the above problem it may be advisable for the oilseed federation to procure these inputs from reliable source and supply to its members i.e. Primary Oilseeds Growers' Cooperative Society. The Primary Oilseed Society in turn will arrange supply of seed,

Rhizobium culture, seed treatment chemical, fertilizers, pesticides and other inputs on cash payment or as credit-in-kind to its members at their door step. Where such facilities are not available, mobile team members of the oilseed federation will assist oilseed growers to obtain finance from other sources for input purposes.

The technical input programme of the oilseed federation involves a three dimensional action involving oilseed growers, extension and other professional staff hired by the growers own organisation and links with existing and on going research institution at the state and national level.

The strategy of the technical input programme shall be based on certain information gathered before hand for taking up input programmes which are as under --

1. Cost effective production technology.
2. Extent of awareness created among the farmers for improved production practices and inputs.
3. Arrangement and or co-ordination of the credit facilities to the member farmers through credit institutions.
4. Sources from where these inputs can be procured.
5. Subsidy and/or assistance schemes proposed by State/Central Governments. Some of the subsidy schemes proposed by the State Governments are as under:

I. Tamil Nadu

1. Laying of 0.4 ha. problem oriented demonstration, -- Rainfed condition -- Rs.100.00
-- Irrigated condition--Rs.175.00
2. Distribution of minikits, -- Rs. 320.00 (per 0.5 ha)
3. Mass ground spraying :
 - i. Distribution of plant protection chemicals at 50 percent subsidy. -- Rs. 25.00
 - ii. Operational charges -- Rs. 15.00 (Total Rs. 40/- ha.)
4. Subsidy towards transport, handling and processing charges for groundnut seed procurement. -- Rs. 300/- per quintal.
5. Subsidy for certified seeds of groundnut procured -- Rs. 1.50 per kg.
6. Subsidy for truthfully labelled seeds -- Rs. 1.00 per kg.

2. Gujarat

1. Seed --certified @ Rs.150/- quintal truthful labelled seed @ Rs.100/- per quintal
2. Seed treatment chemicals -- 40% on the cost of chemicals

3. Pesticides -

- a. Groundspraying (i) 50% on the cost of chemical
(Dimecron/Bavisten)
(ii) Rs.15.00 per hectare as operational
subsidy.

- b. Aerial spraying (i) 50% on the cost of chemical
(Bavisten/Dimecron)
(ii) Operational free of cost.

4. Plant protection - @ Rs.200/- or 50% of the cost of
equipment. the sprayer whichever is less .

5. Multipurpose seed drill- @ Rs. 200/- per seed drill.

6. Sprinkler set - Rs. 5,000/- per set.

3. Madhya Pradesh (On Soybean crop)

1. Demonstration plot on improved package of practices
@ Rs.500.00 per hectare on average type of land.
(Total money allocation Rs. 16 lakhs).
2. Demonstration plot on improved package of practices
@ Rs.750/- per hectare on heavy type of soil (Total
money allocation is Rs. 9 lakhs).
3. Control of weeds - Weedicides demonstration @ Rs.415/-ha.
(Total allocation is Rs. 64,000/-).
4. Farmers field days on demonstration of weedicides @Rs.1000/-
per demonstration (Total money allocation Rs. 40,000/-).
5. Minikit demonstration (0.5 hectare) @ Rs.150 per minikit
(Total money allocated is Rs. 12 lakhs).

6. Seeds --(Total money allocated Rs. 72 lakhs).

Certified seeds @ Rs.150/- quintal(on 800 MT seeds -Rs.12 lakhs)

Truthful labelled seed @ Rs.100/- per quintal (On 3600 MT seeds - Rs. 36 lakhs).

Ordinary seed @ 60.00 /- per quintal(on 2000 MT seed - Rs. 24 lakhs).

7. Plant protection programme.

-- Plant protection chemicals @ Rs.50/- per ha.

-- Plant protection equipments @ Rs.300/- per equipment.

-- Weedicide @ Rs.200/- per hectare.

8. In addition the government assistance for training of staff, extension activity -- films, slides etc. is also admissible under the scheme.

4. Maharashtra.

1. Subsidy towards transport, processing

and handling of seed

-- For groundnut and Sunflower

-- Rs. 30/- / Q.

-- Soyabean -- Rs. 20/- / Q.

2. Subsidy on seed :

-- Certified seed -- Rs.150/- / Q.

-- Truthful labelled seed -- Rs.100/- / Q.

3. Subsidy for plant protection: -- 50% on chemical

-- Rs. 15/- per hectare towards operational expenses.

4. Seed treatment chemical -- Rs. 6/- per hectare.

5. Provision for minikits for micronutrients, Rhizobium culture and varieties.

Once the above information is collected, planning for the supply of inputs may be done considering demand of various inputs emerging from the information collected on percentage of seed replacement every year, local reconditions, pest problems etc. Planning for inputs supply will consistute.

- a. Arrangements for procurement of various inputs.
- b. Arrangements of the transportation for various destinations.
- c. Arrangement of finances required for procurement of inputs, transportation, storage etc.
- d. Arrangement for storage at district or society level.
- e. Arrangement for distribution of inputs on cash/credit and settlement of accounts.
- f. Monitering of input distribution.

The supply of technical inputs will not increase the oilseed production unless oilseed growers are trained properly as regards the improved production technology. Therefore, on input programme well supported and linked with effective extension programme can bring the desired results which NDDB's oilseed project envisages in its proposal.

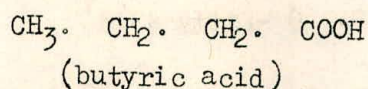
Introduction to Chemical Constitution of Oils & Oilseeds

Groundnut oil is consumed by a large group of people in different parts of the country. Other edible oils like, cotton seed, rapeseed, soyabean and Palm have also gained much importance due to their shortage. Consumer, often, grades other oils except groundnut as low. Therefore, it appears essential to know about the difference among different oils which is related to their Chemical Constituents.

Oils and fats contain two major Chemical Components namely fatty acids and glycerol.

(A) What is fatty acid

Fatty acids contain carbon-hydrogen atoms as groups placed side by side forming a chain ending with a (COOH) group (Acid). In a more simple form it can be represented as



In a chain, the number of carbon atoms may vary from 4 to 22. Usually, majority of oils contain C-18 fatty acids. Therefore, we discuss this fatty acid group here.

Table I C-18 Fatty acids and
their structure

Sr. No.	Chemical structure	Double bonds	Name of the fatty acid
1.	$\text{CH}_3 \cdot (\text{CH}_2)_{16} \cdot \text{COOH}$	-	Stearic
2.	$\text{CH}_3 \cdot (\text{CH}_2)_7 \text{CH} = \text{CH} \cdot (\text{CH}_2)_7 \cdot \text{COOH}$	1	Oleic
3.	$\text{CH}_3 (\text{CH}_2)_4 \text{CH} = \text{CH} \cdot \text{CH}_2 \text{CH} = \text{CH} (\text{CH}_2)_7 \text{COOH}$	2	Linoleic
4.	$\text{CH}_3 \cdot \text{CH}_2 \cdot \text{CH} = \text{CH} \cdot \text{CH}_2 \cdot \text{CH} = \text{CH} \cdot \text{CH}_2 \text{CH} = \text{CH} \cdot (\text{CH}_2)_7 \text{COOH}$	3	Linolenic

- (1) Fatty acids - with no double bonds are known as saturate.
 - with one or more than one double bond are known as unsaturates.

- (2) Fats - contain more saturated fatty acids and are solid at room conditions
- (3) Oils - contain more unsaturated fatty acids and are liquids at room conditions
- (4) Shelf-life -
- i) Fats having more saturated fatty acids have good shelf-life
 - ii) Oils having more oleic acid are stable than other unsaturated fatty acids
 - iii) Oils having more linolenic acid (3 double bonds) are least stable and undergoes faster rate of oxidation
 - iv) Raw oils are more stable than refined.

(B) What is an oil

Usually, fatty acids do not exist in free form. They are combined to glycerol (ester linkage). Glycerol can hold 3 fatty acids which may be of same or different. Then these are known as triglycerides. All oils and fats are tri-glycerides.

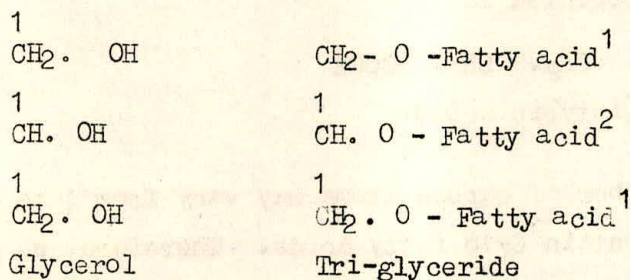


Table II Typical Composition of an oil

Sr. No.	Particulars	%
1.	Try-glycerides	98%
	a) Fatty acids	90%
	b) Glycerol	10%
2.	Free fatty acids	0.5%
3.	Gums or phosphotides	0.5% to 1.0%
4.	Moisture	0.2%
5.	Other compounds like	0.8%
	- Colouring matter	
	- Waxes	
	- Sterols	
	- Partial glycerides	
	- Tocopherols	
	- etc.	

(C) Classification of Oils

Basically, oils and fats are classified as Animal or Vegetable depending upon their origin. Animal fats are marine oils like whale oils, lard and milk fats.

Vegetable oils are either non-edible oils such as Castor, Karanja, or edible oils like groundnut, cottonseed etc.

Figure 1 Classification of Edible Oils

Edible oils	Oleic acid group	- Ex. groundnut oil
	Oleic Linoleic acid	- Ex. Cotton seed oil
	Linoleic acid group	- Ex. safflower Sunflower Sesame Tobacco
	Linolenic acid group	Ex. Soyabean Rubber seed Linseed
	Erucic acid	Ex. Rapeseed Mustard
	Palmitic	Ex. Palm oil

Table III Important fatty acids and their level in common edible oils

Sr. No.	Common oils	Major fatty acid	Level (%)	Special note
1.	Groundnut oil	Oleic	60 to 70	Excellent shelf-life
2.	Cottonseed oil	Linoleic	50	Good shelf-life
3.	Safflower	Linoleic	70	Moderate shelf-life
4.	Sunflower	Linoleic	60	Moderate shelf-life
5.	Tobacco	Linoleic	70	Moderate shelf-life
6.	Sesame	Linoleic	60	Good shelf-life
7.	Soybean	Linoleic Linolenic	40 8 to 12	Develops rancidity (fioshy) during storage
8.	Mustard	Erucic	45	Pungent smell
9.	Rapeseed	Erucic	45	Develops rancidity during storage

(D) Oil seeds

India is a major oil seed producing country. The important oil seeds cultivated are groundnuts, cottonseed, safflower, sesame, and soyabeans.

Table IV Oil content of common oil seeds

Sr. No.	Oil seed	Oil content (%)
1.	Groundnuts	48
2.	Cottonseed (whole)	18-19
3.	Soybean	17-18
4.	Sesame	44
5.	Rapeseed	40
6.	Mustard	40
7.	Palm a) Pulp	45
	b) Kernel	45

(E) Oil Seed Processing

Oil from oil bearing materials is obtained by two methods (i) Mechanical Extraction and (ii) Solvent extraction.

Table V Oil left in cake during processing by different extraction methods

Sr. No.	Extraction methods	Oil left in cake	Special features
1.	<u>Mechanical</u>		
	a) Ghanries	14-20%	Difficult to collect the cake for further processing as they are distributed in villages. Usual to animals.
	b) Expellers	7%	Cake is solvent extracted to the residual oil.
2.	Solvent Extraction (hexane)	0.5-1.0%	Direct solvent extraction of oil seeds is limited only to soybean.

(F) Edible oil processing

Usually includes the steps indicated in the following Table - VI.

Table VI Different stages in refining of edible oils

Sr. Processing No. step	Purpose	Treatment	Bye-product
1. Deguming	To remove gums	Treating with 0.25% phosphoric acid	Lecithins
2. Neutralization	To remove acidity and partly coloru	Sodium hydroxide of different strength and excess	1) Soap-stock 2) Acid oil
3. Bleaching	To remove colour and traces of soap	With 1.5% bleaching earth and 0.2% carbon	Spent bleaching earth (28% oil)
4. Deodorization	To remove odour	Stripping with steam under vacuum	Sterols

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OILSEEDS PROCESSING INDUSTRY AND ITS BYE-PRODUCTS1. STORAGE OF OILSEEDS

For each oilseed, there is a general set of conditions of guidelines which experience has shown needs to be followed if the seed is to be kept for any length of time without deterioration. Most important of these is the moisture content of the seed. Other factors are:

- a) presence of foreign materials such as green leaves, stems, or weed seeds
- b) degree of maturity of the seed
- c) tempering time between harvest and placing in storage and
- d) ambient temperature of the atmosphere at the time of placing the material in storage.

Table I gives moisture levels generally considered safe for storage.

TABLE I

	<u>Maximum moisture (%)</u>
Soyabeans	13.0
Flax	10.5
Sunflore	8.5
Palm Kernel	8.0
Cottonseed	10.0
Mustard/rapeseed	7.0
Groundnuts	11.0

It must be recognised that one of the factors listed above, other than moisture, can be the controlling factor for safe storage. Under correct conditions, it is possible to safe store oil seeds having a higher moisture content than listed as safe, good warehousing practices should include

- a) controlled segregation or placement of various moisture level materials
- b) temperature analysis taken atleast once a week
- c) aeration of higher moisture seed and
- d) good record keeping of the condition of the material going to storage and of succssive temperature shecks.

2. EXTRACTION OF FATS & OILS2.1 Mechanical pretreatment:

- i. Cleaning - To remove sticks, stems, leaves, similar trash, sand or dirt by screening.
- ii. Dehulling and Separation of Hulls - Wherever practicable, oil seeds are preferably decorticated before they are extracted. The hulls of oil bearing seeds are low in oil

content, usually containing not more than about 1%, although contamination with kernels will, of course, increase the oil content with resultant loss of available oil. If the hulls are not removed from the seeds before the latter are extracted, they reduce the total yield of oil by absorbing and retaining oil in the press cake and, in addition, reduce the capacity of the extraction equipment.

- iii. Reduction of Oil Seeds - The extraction oil from oil seeds, either by mechanical expression or by means of solvents, is facilitated by reduction of the seed to small particles.

2.2 Cooking of Oil Seeds:

It is universally recognised that oil-seeds yield their oil more readily to mechanical expression after cooking. It is certain that the changes brought about by cooking are complex and that they are both chemical and physicochemical in nature. The primary objects of the cooking process may be summarized as follows:

- i. To coagulate the proteins in the seed causing coalescence of oil droplets and making the seed permeable to the flow of oil.
- ii. To decrease the affinity of the oil for the solids surfaces of the seed so that the best possible yield of oil may be obtained when the seed are subsequently pressed.

2.3 Mechanical Expression of Oil

- i. Batch Pressing - Oldest method of oil extraction comprises the application of pressure to batches of the oil bearing material confined in bags, cloths, cages or other suitable devices.
- ii. Continuous Pressing - Continuous expeller or screw press are now used to the almost exclusion of hydraulic presses for the mechanical extraction of cottonseed, groundnut, rapeseed in the country. A screw press is essentially a continuous device for gradually increasing the pressure of material fed to it as latter progresses inside a closed barrel with provisions for the oil to drain out as it is squeezed from the feedstock. The first successful mechanical screw press, called an "EXPPELLER" was made by Mr. V.D. Anderson in 1900.

2.4 Solvent Extraction

The cake after breaking, cracking and screening to get homogeneous cake size or soyabean flakes are conveyed to the extraction by a belt conveyor. The extractor consists mainly of a very slow moving articulated band conveyor. Inside a hermetically sealed chamber the mass of cake/flakes forms a slow moving bed. It is washed continuously at various points with a fresh solvent in counter current manner by means of sprayers through the perforated bottom and is finally taken off for distillation. N. Hexane is the commonly used solvent.

The miscella is filtered to remove fines and the solvent is stripped from the crude oil by passage through preheaters using film evaporators and stripping column. The latter are usually packed and are steamed counter currently under reduced pressure remove hexane. The hexane which turns into vapour is led to condensor through an entrainment separator. The distillation of miscella is generally carried out in multistages and in the last stage, open steam is introduced in the miscella, which is under high vacuum to remove last traces of hexane from oil.

For animal feed use the hexane-laden cake/flakes are passed through a desolventizer toaster which removes the hexane and simultaneously toasts the flakes to obtain the nutritive value. The desolventizer toaster is vertical series of steam jacketed compartments with a revolving centre shaft with blades. The blades move the flakes around until they reach an opening in the floor of the compartment and drop into next lower compartment. Steam is introduced to vaporise the hexane and increase moisture content of cake/flakes. As the cake descend, the temperature is gradually increased to 100°C. to lower the moisture to 13 to 15%. After drying and cooling the flakes/cake are ground into meal. The cooking in presence of moisture destroys undesirable enzymes such as trypsin inhibitor. High temperature attained toasts the material. The meal is then cooled, dried and ground. It is subsequently screened and bagged.

2.5

Refining:

- i. Neutralisation - Crude oil from the stripping columns may be dried and sent directly to the refinery. Initially, the suspended matters are removed by filtering the oil through polishing filters. It is then passed for alkali refining. In this process with the treatment of alkali, free fatty acids are converted into soap stocks and removed.

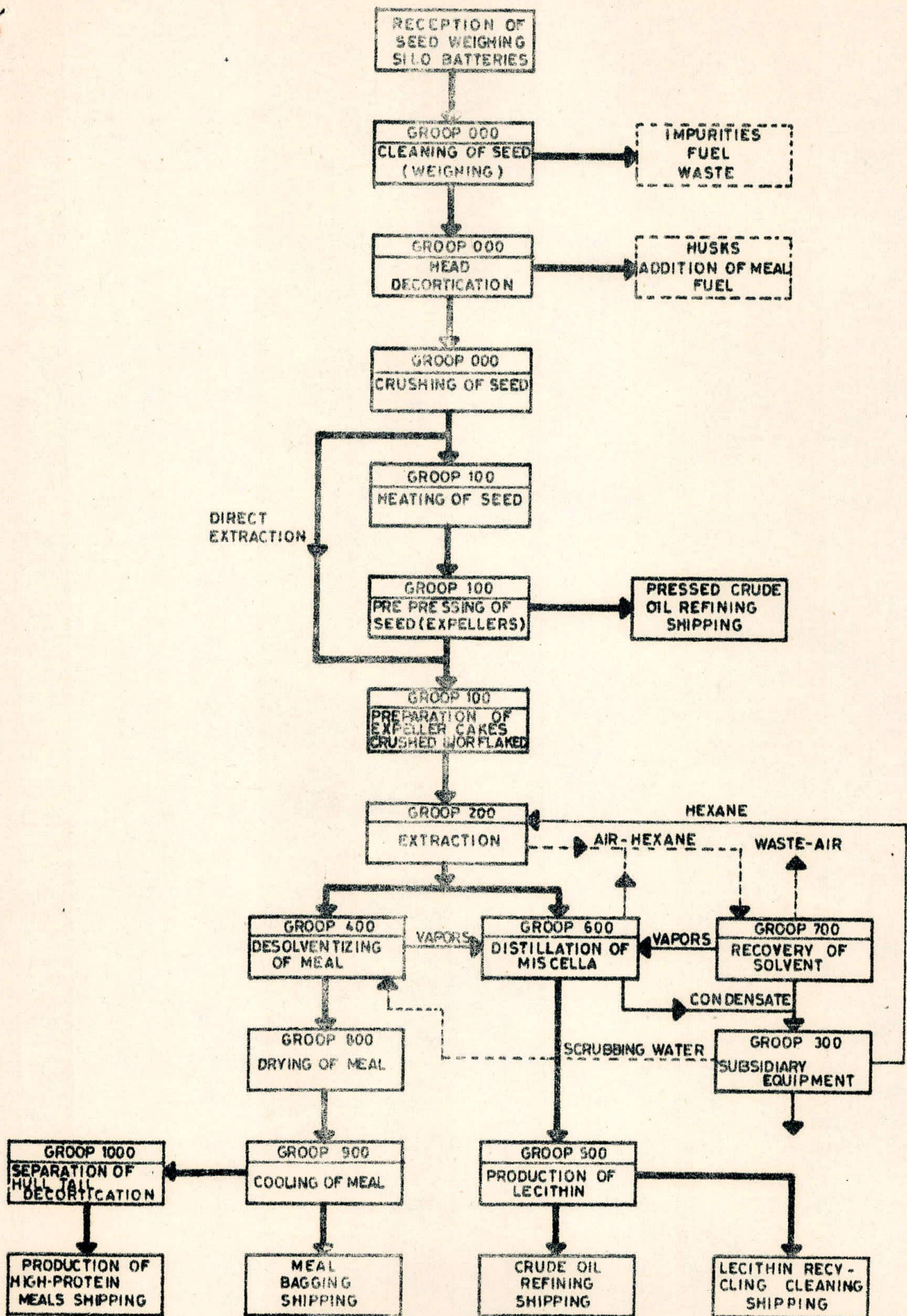
Alkali refining is usually conducted on a continuous basis by caustic soda (NaOH) or soda ash (Na_2CO_3) for a mixture of these. Caustic soda and degummed crude oil are continuously metered into a motor driven mixer. The oil is warmed to 60° to 70°C by passage through a steam heater. A battery of centrifuges separates the soap stock from the oil. Final traces of alkali are removed by washing with 10% water 70° - 80°C. A second washing of dilute citric acid is often given. The washed oil is dried in vacuum flash drier where water is flash evaporated.

- ii. Bleaching - Most of the oils are improved in flavour and stability if they are bleached prior to deodorisation. Since it is easy to bleach oils like SEGN, soyabean etc., natural bleaching earth (such as fullers earths, hydrated aluminium silicate) and activated clays are used for bleaching. Continuous vacuum bleaching is being used. Deaerated and dried oil is continuously mixed with the clay. The slurry is heated to 105 to 110°C for bleaching and sprayed into an evacuated chamber. The oil and clay are separated in closed filter presses. Bleached oil flows directly to either the hydrogenator or to the deodorizer or both in sequence for conversion into edible products.

- iii. Deodourization - Volatile organics not removed by previous processes are removed by steam stripping at low pressure and high temperature. A significant percent of the oil and of volatile oil-soluble constituents are removed from the oil. Much of the material is the more volatile, short chain length fatty acids. Modern deodorizers are continuous multistage systems. From the deodorizer the oil flows through filters to storage tank cars or trucks for bulk shipping. In modern plants nitrogen is used to blanket the oil during cooling shipping and packing.
- iv. Hydrogenation - Many oils are hydrogenated for food purposes to make margarine, base oils, shortening, cooking oils as well as all-purpose cooking and salad oils. Nickel is the preferred catalyst. Almost all the oils hydrogenated commercially is processed in batch equipment. The reactor proper is a tall cylindrical vessel, usually built to hold 20,000 - 60,000 lts. of oil, containing heating coils and a distribution device in the bottom for breaking up the injected hydrogen into small streams. It provides a blower or compressor of large capacity that continuously withdraws hydrogen from the headspace of the reactor, force it through a purification train and sparges it back into the oil. When catalyst is added with the oil charge, as is usual, hydrogenation takes place during the heating period, and thereafter as long as is required to reduce the oil to desired iodine number; water is admitted to the cooling coils to carry away heat of reaction and maintain the temperature within proper limits. At the conclusion of the reaction, hydrogenation is stopped by shutting down the blower, and the finished charge is pumped out through an external cooler to a filter press where the catalyst is removed and thence to postbleaching and to storage.

3. BYE-PRODUCTS OF OILSEEDS PROCESSING INDUSTRY

- i. Acid oil for soap making.
- ii. Lecithin for confectionary, as emulsifying agent and in medicines.
- iii. Protein isolates for human consumption.
- iv. TVP (Texturised Vegetable Products) as a substitute for meat.
- v. De-oiled cake for cattle feed.



SCHEMATIC DIAGRAM OF AN OIL SEED PROCESSING PLANT

(EXCLUDING SUBSIDIARY EQUIPMENT FOR STEAM ELECTRIC POWER WATER ETC)

Confidential

FACTUAL POSITION ON THE POINTS RAISED BY CLAUDE ALVARES IN HIS ARTICLE
"THE WHITE LIE" (ILLUSTRATED WEEKLY, OCTOBER 30 - NOVEMBER 5, 1983)*

1. Objectives of the Project

The major objective of Operation Flood (OF) is to replicate the "Anand Pattern" milk cooperatives in the rural milksheds and link these with the urban milk markets. This is to ensure progressive elimination of middlemen and increase returns to milk producers. Operation Flood I was started in July, 1970 with the objective of setting up 18 Anand Pattern milk cooperative unions and linking them with the four metropolitan cities of Bombay, Calcutta, Delhi and Madras. The project is assisting in the setting up of farmer's own organisation for milk production enhancement, procurement, processing and marketing of milk and milk products on the Anand Pattern. It was never the objective of the project to provide cheap milk to the urban populace.

2. Cost of the Project

Claude Alvares is in the habit of exaggerating his figures to prove his point. In one of his earlier reviews of Operation Flood (Milk: The Commemoration of Anand, Indian Express, August 22, 1982) he had blown up the assistance to Amul Dairy from Rs. 1.36 crores to Rs. 18.6 crores and in this article he has blown up the outlay of Operation Flood from Rs. 480 crores to Rs. 4,800 crores.

3. Dependence on imports

It is alleged that NDDB failed in achieving its objective enhancement of milk production and catering to the needs of the urban consumers. The article creates the impression that the country will become dependent on import of milk powder. In fact, after the Operation Flood programme was introduced there has been a trend in the increase of milk production and availability.

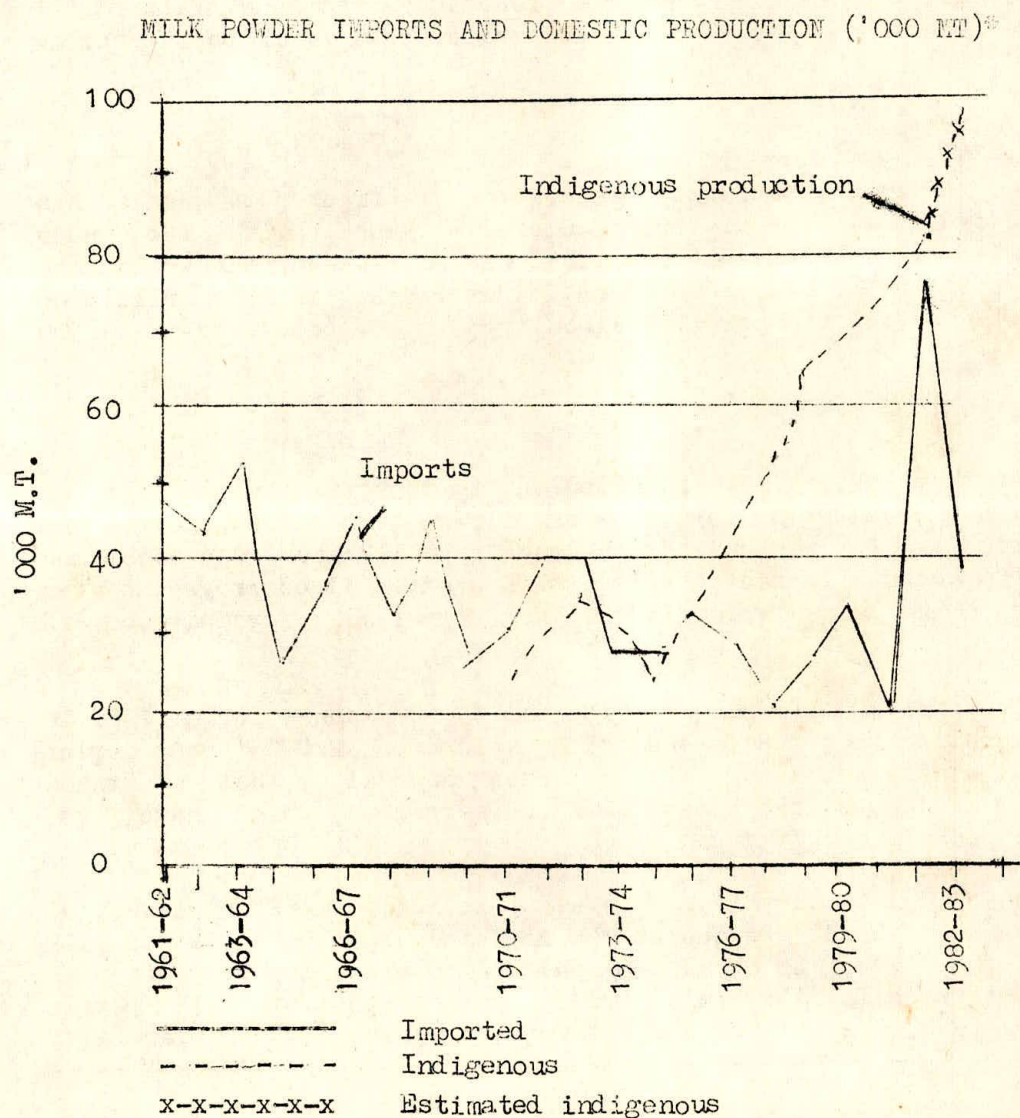
Average annual import of milk powder which was 43,000 tonnes during 1960 to 1969 before Operation Flood decreased to an average of 32,000 tonnes during 1970 to 1979 and is now around 41,000 tonnes annually. Most of these imports prior to Operation Flood were commercial, which have been completely stopped since 1975-76...

The graph drawn by Mr. Claude Alvares does not include commercial import of milk powder. On one hand, he quotes the official graph on import of milk powder and on the other, he shows a graph that combines imports of milk powder and butter oil. The article plays up the import of milk powder during the year 1982, when there was a severe drought and the Indian Dairy

* NDDB Staff Note dated November 29, 1983.

Corporation re-scheduled the imports. It would not be appropriate to pick up one particular year and draw conclusions about the failure of the project from this. The graph below shows the imports of the milk powder and the indigenous milk powder production.

The facilities created under Operation Flood have helped in increasing the production of milk powder from 22,000 MT in 1970-71 to an estimated 100,000 MT in 1982-83. The commercial import, which averaged 40,000 MT/year during the 60's and reached a peak of 53,000 MT in 1963-64 were completely stopped from 1975-76. There have been no commercial imports thereafter. Had this increase in indigenous milk powder production not taken place, our imports would, surely, have been much higher. Imports now constitute less than 1% of the country's milk production. As against this, our imports of vegetable oil and cereals account for 15-30% and 6-8% of their domestic consumption respectively. The current import of milk powder, and that too as a gift remains at an average of 43,000 tonnes annually despite the tremendous increase in milk and milk products consumption in the country. In addition



* Includes commercial imports upto 1975-76. There have been no commercial imports after that year.

the processing facilities created under Operation Flood have helped to increase the production of milk powder from 22,000 tonnes in 1970 to 100,000 tonnes in 1982-83. This is being further increased to 200,000 MT to enable India reduce its imports progressively and substantially over the next few years. What has perhaps not been appreciated is that imports of skim milk powder now constitute less than 1% of the country's milk production. In contrast, while about 12 years ago, no vegetable was being imported into the country, India now imports over 1 million tonnes, draining our foreign exchange to the tune of Rs. 800 crores. We also import some 5 million tonnes of cereals. But our dependence on these commodities is never criticised. Instead, the small quantity of milk powder which is imported and that too as a gift is being repeatedly questioned. Butter was imported freely before 1955. Today India produces 15,000 MT of butter. All the baby food consumed in the country was imported until 1965. Today we produce 40,000 tonnes. Condensed milk, cheese, malted milk food, chocolates were all being imported. Today we make them all and there are no imports. These are major achievements envied by our neighbouring countries.

Food Aid is a double-edged sword -- if not used properly, it can depress local production. Operation Flood has proved that if food aid is used effectively, it can substantially increase indigenous milk production. This is because the commodities received under Operation Flood have been sold at prices close to the prevailing prices for locally produced milk. The milk procurement of the dairies which was less than 10 lakh litres/day in 1970 increased to a peak of 62 lakh litres/day in 1982-83. The earlier imports were essentially used to support the city milk schemes (where the combined throughput hardly exceeded 6-10 lakh litres/day). The organised sector now has a combined throughput of nearly 100 lakh litres/day.

4. Dependence on imports of dairy equipment

It is true that until 1970's India relied heavily on foreign sources and on a few foreign owned Indian Companies for as much as 70% of the dairy equipment. This was generally a monopoly business. In 1970, Operation Flood was launched and it required substantial equipment, for the new dairies and for up-grading the existing ones. Most of the equipment used in the dairy industry is sophisticated and requires very high level of precision in manufacture. Therefore, the NDDB/IDC took great pains in encouraging small enterprises develop their own skills to match the precision requirements of the user industry. In many cases, the NDDB directly assisted private industry in the development and evolution of equipment locally.

Therefore, many local companies diversified to manufacture heavy dairy machinery, allied equipment and ancillary equipment. Operation Flood II gave further impetus to the local manufacturers, because equipment procured under World Bank assistance is treated as deemed export. Therefore, the local manufacturers get substantial export incentives. This helped in increasing investment in the manufacture of dairy equipment. There were only 15 manufacturers of dairy equipment in India before Operation Flood was launched, now there are more than 130 including five large public sector undertakings that are manufacturing dairy and allied equipment.

Under Operation Flood II most of the dairy and allied equipment is purchased through International Competitive Bids and is financed by the World Bank. The global tenders invited, clearly state that "preference will be given to the indigenous goods for easy coordination." When the bids are evaluated, they are compared amongst themselves excluding any customs duty and other import duties applicable, and any sales tax or similar taxes on domestic goods. If the lowest party is non-Indian, the lowest Indian bidder is given the preference by addition of the customs duties and other import levies which a non-exempt importer has to pay on importation of goods, or an amount equal to 15% of the CIF cost is added to the CIF prices.

Therefore, the Indian parties get a substantial preference even though the purchase is made on international basis. In the past 11 years the total import of equipment under Operation Flood has accounted for less than 16% of the total procurement. Nearly Rs. 80 crores worth of dairy equipment has been supplied by local manufacturers against tough competition from the foreign manufacturers.

An export order of Rs.25 crores secured recently by one of the Indian manufacturers would more than balance the total imports of dairy equipment so far made under Operation Flood. It is, however, to be expected that some of the more specialised items like homogenisers, continuous butter making machines, butter packaging machines, ice-cream freezers, etc. would need to be imported until indigenous facilities exist to manufacture them.

5. Factors responsible for increase in milk production

It has been alleged that the milk production increase is merely on paper. Claude Alvares thinks that there is something wrong with the figures and he would rather believe an armchair study supposed to have been carried out by Dr Tandon of ICAR which states that we would need to import US \$ 140 million worth of frozen semen to increase the average milk production of a milch animal from 700 gms to 1 kg. a day. Frozen semen is already manufactured and available aplenty within the country and therefore does not need to be imported in such large quantities. Mr. Alvares should also know that it is possible to bring about short-term increase in production without genetic improvement of the stock. Price incentive, feeding of balanced cattle feed, green fodder, health care and improved husbandry practices can help in substantially increasing milk production.

6. Operation Flood has to draw away milk to the urban areas at the expense of nutrition of the rural population

Claude Alvares has quoted the Union Minister of Agriculture, Shri Rao Birendra Singh at a Seminar in Delhi, entirely out of context. The fact is that the Union Minister in a debate raised in the Rajya Sabha (Starred Question 83 to be answered on 18th March, 1983) has stated, "The aim of this entire programme is to improve the income and standard of living of weaker sections of rural populace. With this, the small farmers, harijans, tribals

and others are benefited in two ways -- one, that they are supplied with improved breeds of animals thereby making cattle keeping profitable. Provision exists for animal health care veterinary services. When they are better fed, there will be increase in productivity and this in turn will raise the income of farmers. This will result in better feeding of their children. The greatest advantage of the programme is that it increases the income of the farmers. If the villagers do not have enough resources, then cattle rearing becomes absolutely difficult. If this programme is not implemented, all the good animals will find their way to towns/cities -- Bombay, Calcutta, Madras and Delhi, etc. The private dairy farms in cities will purchase these milch animals and when go dry, they are culled. They are not returned back to villages. Maintaining animals in cities when they are dry is not economical, therefore mostly they are slaughtered -- degenerating the good breeds. By implementing this programme in villages, milk can be produced there, and sold in cities at remunerative prices making it possible to rear good animals in villages. As a result of these programmes, a revolution is taking place in the villages and the number of improved animals is increasing. They (farmers) are also being provided with all facilities. Milk collected from the villages is supplied to urban consumers, who have the means to pay for this milk. Thus there is a flow of money from urban to rural sector. This will increase the income level in the villages resulting in a change in the life style of the villagers. Their children will be better fed than at present."

It is alleged that there is no improvement in the nutritional status and increase in the income of the farmers in Operation Flood areas. The economic profile of a small milk producer under the traditional system is that of low income, low purchasing power, low food consumption and resultant calorie - protein malnutrition. Operation Flood by providing a regular market and better prices is increasing the purchasing power of the rural poor, thus enabling them to buy foods of relatively higher protein-calorie value than milk. Studies conducted by the National Nutritional Monitoring Bureau prove that per capita protein and energy consumption is higher in the households owning milch cattle than others. This does seem logical because a litre of buffalo milk providing 1,000 kcal and 40 gm protein could be sold at a price sufficient to buy foods yielding 5,250 kcal and 100 gm of protein.

7. Capacity utilisation of milk plants under Operation Flood

While the country is flooded with milk, Claude Alvares wants the reader to believe that all the dairy plants set up under Operation Flood are lying idle. The capacities of the four metropolitan dairies under Operation Flood were enhanced from 10 lakh litres to 31 lakh litres per day. The current throughput of these dairies is 27.5 lakh litres per day. The capacity utilisation has therefore been 89%. The rural milk processing capacities under Operation Flood were increased from 6.6 lakh litres to 71.54 lakh litres. The peak throughput of the rural dairies was 62.51 lakh litres in March, 1983. The capacity utilisation was therefore 87%. Similarly, the powder plants operated on average at 49% of their capacities and touched a peak of 82% utilisation during the flush season.

There are a few milk plants where the capacity utilization has been low particularly in the north and in Bihar. This is primarily because the respective state agencies implementing this project did not organize infrastructure but procured milk through contractors. An example is that of Patna Dairy. In 1981, when the Bihar Government requested NDDB to take over the management of the one lakh litre capacity Patna Feeder Balancing Dairy, the dairy was collecting approximately 300 litres of milk/day through milk contractors. Today 244 viable producer cooperatives have been organised and the dairy is collecting 60,000 litres of milk/day. This was possible by following sound management practices and building up a regular procurement system through cooperatives.

8. Tetra Pak

Several doubts have been raised about the Tetra Pak system. The feasibility of introducing aseptic milk in tetra paks was studied in great detail by the IDC before introducing the system. The system offers the advantage of being able to directly link the rural milk producers with the urban milk consumers. Currently, long life tetra pak milk is being marketed in Bombay at the same price as the milk sold in sachets/bottles. Only about 10% of all the milk marketed under Operation Flood II is expected to be in Tetra paks. To urban consumers, who are currently paying to the traditional trade, prices 20-40% higher than the prices charged by the organised sector, tetra pak offers a much better alternative. It also enables the dairy industry to reach remote areas. The introduction of long life milk in paper cartons was also recommended by the National Commission on Agriculture and the Parliamentary Committee on Public Undertakings.

Ten years ago the Government of India had issued a letter of intent to a private firm (Kant & Co.) for setting up a paper laminating plant in collaboration with M/s. Tetra Pak and the said letter of intent was cancelled at the instance of IDC/NDDB. Since the packaging and marketing of milk is largely with the Government/Co-operative dairies, it was only logical that the paper laminating plant for packaging of milk in tetra pak should be in the public sector.

It is alleged that the plant to produce laminated paper for the project in a special public sector unit was shelved and the contract given to a private unit. Obviously, Mr. Alvares has been wrongly tutored about the project as the plant has already been commissioned by the Indian Dairy Corporation.

9. Cross-breeding policy

The article criticises the import of proven bulls under Operation Flood and alleges that good indigenous breeds are being neglected under the project. Cross-breeding is an accepted policy of the Government, as the fastest way for increasing productivity and this is supported by NDDB. Under Operation Flood, semen of both exotic and indigenous breeds is made available to the

various state cooperative federations depending on their requirements. NDDE also agrees that good indigenous breeds of cows and buffaloes should be improved by selective breeding and arrangements for this have been provided under Operation Flood.

10. Export of milk products from India

Mention has been made that "in 80-82, the Punjab Dairy Development Corporation exported 100 tonnes of ghee to the Gulf countries, thus providing indication of where surplus dairy stocks may soon go." The export of 100 tonnes of ghee over a period of two years is surely too negligible a figure to conclude that the objective of Operation Flood is to export milk commodities to the Gulf countries.

It is a fact that under the Chairmanship of Dr. Kurien, an attempt was made to equalise the price of DMS and Mother Dairy milk. Delhi is dependent on the milksheds of the neighbouring states for its supply of milk and it is only appropriate that the citizens of Delhi should pay atleast the same rates as those paid by the consumers in the towns and cities of these states. Today toned milk is priced from Rs.2.80 to Rs.3.00 in the towns and cities around Delhi as against Rs.2.70 in Delhi. Despite the recent price increase of DMS milk from Rs.1.80 to Rs.2.70, it is significant to note that there has not been any appreciable decrease in the sale of milk through DMS and Mother Dairy which continues to remain around 9.25 lakh litres per day. We are also not aware of any increase in the production of cheese, milk delicacies and ice-cream, since this price increase.

11. Export of oil cake and cattle feed

It is emphasised that export of cattle feed and oil cakes is at the expense of our milk producers. This is not true. Each rural dairy has a balanced cattle feed plant set up under Operation Flood to meet the milk producers' requirements of balanced cattle feed which is provided to them at cost. It is reported that export of groundnut extraction and cottonseed which was around 9.6 lakh MT in 1971-72 came down to 5.0 MT during the period 1981-82.

No export of cattle feed has been made by any cattle feed plants set up under Operation Flood. The export, if any, could only have been made by private sector cattle feed plants.

In any case, the export of oil cakes and cattle feed are matters on which the Government takes its own decision.

12. Operation Flood - Gujarat

Claude Alvares contention that Gujarat is not a natural milkshed is completely wrong. He is also wrong in assuming that Kaira began producing milk in 1900. Milk production has been a major occupation in Kaira for

centuries. The Anand-Bombay link was established 30 years ago long before either Operation Flood or Amul were in existence because Kaira district had surplus milk and served as a link to other places in the country.

It is not true that Gujarat has been favoured at the expense of other States in allocation of Operation Flood funds. Based on coverage of milksheds, original allocation to Gujarat was 9% of the total Operation Flood allocation. However, towards the end of the project, on the advice of the Joint GOI-WFP Mission, it was decided that funds should be released to those States which were able to utilise more funds and complete the project. This was done because many States failed to utilise the allocated Operation Flood funds and any unused funds had to be repatriated to WFP as per agreement. Thus, at the project-end, Gujarat accounted for 19% of the total Operation Flood funds utilised by all States.

This is surely justified by the subsequent contribution made by Gujarat to the success of Operation Flood. Claude Alvares is also wrong in alleging that milk production in Gujarat has declined during the period of Operation Flood. Official figures show that milk production has gone up from 17.86 lakhs in 1971-72 to 23.76 lakhs in 1981-82. These are again official figures and not claims made by NDDB. If Claude Alvares wants to give a distorted picture by taking up a particular year when milk production was affected by drought, it is his prerogative to do so.

13. Operation Flood and Amul

It is alleged by Claude Alvares that Operation Flood was initiated to promote the interests of Amul. In fact it was to replicate Amul all over the country as directed by the late Prime Minister, Shri Lal Bahadur Shastri. After his visit in 1964 NDDB and Operation Flood project were conceived. In fact Amul had a monopoly of milk products market before Operation Flood project which has now created competition for Amul. Amul has provided technical assistance and training facilities in their plant to other cooperatives to promote the true spirit of cooperation.

14. Working of the Mother Dairy, Delhi

Claude Alvares has alleged that Ashish Dairy at Delhi got SMP stocks from Mother Dairy to process into cheese on credit. This is not true and Dr. A.K. Choudhury of the Ashish Dairy in Delhi has already written to the Editor, Illustrated weekly of India that he is seriously contemplating legal action against the author and the publishers. Mother Dairy has never supplied any SMP to the Ashish Dairy either on cash or on credit. Claude Alvares has also alleged that the Delhi Mother Dairy paid the Gujarat Co-operative Milk Marketing Federation prices higher than those paid to dairies in Uttar Pradesh, Haryana and Punjab. Delhi Mother Dairy has to procure fresh milk from the federations in the Northern milksheds. Since these federations are unable to supply sufficient quantity of milk during the lean season, the Gujarat Federation has been approached to meet the

requirement. The Gujarat dairies are part of the Western milksheds and supply liquid milk to Bombay and Ahmedabad, where prices are higher than in Delhi. In spite of this, the Gujarat Federation supplies milk to the Delhi Mother Dairy.

Also the pricing of milk is linked with its availability. Due to these reasons, the basic prices paid to Gujarat Federation as the basic price paid to federations in Uttar Pradesh, Haryana and Punjab. Sometimes, it is more and at other times, it is less. The variation, however, is marginal and does not exceed 10-15 paise/kg. Currently, the basic price being paid to the Gujarat Federation is less than what is being paid to federations of Uttar Pradesh, Haryana and Punjab.

In fact, supply of milk by Gujarat Federation to the Mother Dairy is a favour done to the Mother Dairy in order to ensure a stable supply of milk to the Delhi consumers. After all, a pipeline to a dairy organisation with 25 lakh litres of milk per day is a security to ensure a supply of milk when it is required.

15. Concentration of dairy institutions in Gujarat

Claude Alvares thinks that there is something wrong in having the NDDB in Anand and the IDC in Baroda. He forgets that Dr. Kurien when he was the General Manager of the Amul Dairy was specifically asked to replicate Anand all over the country by the then Prime Minister of India late Shri Lal Bahadur Shastri during his visit to Anand in 1964. And if one has to replicate Anand it is important to show what Anand is. Alvares also somehow believes that dairy development in the country is the responsibility only of the NDDB and the IDC. He does not realise that the implementation of the Operation Flood programme is in fact the responsibility of the State Cooperative Dairy Federations and he also does not realise that there are several other institutions outside Anand who are responsible for the dairy development programme in the country -- like the National Dairy Research Institute at Karnal (Haryana), and its three regional stations in Bombay, Bangalore and Haringhata (West Bengal), The Indian Veterinary Research Institute is at Izatnagar (Uttar Pradesh), and the National Cooperative Dairy Federation of India is in Delhi.

16. Progress of cooperatives organised under Operation Flood

Claude Alvares dismisses the facts and figures brought out by the NDDB and IDC and relies on his figures which, in several cases are as old as five years. Mr. Alvares does not realise that Operation Flood has now covered so much ground that what was achieved in the first seven years (5,000 co-operative societies) of Operation Flood is now being achieved almost every year. Even though he has access to the latest figures, he would not like to use these figures as these do not suit his purpose. It may be pointed out that out of some 25,000 co-operative societies set up under Operation Flood (as of July, 1983), only 7,000 are in Gujarat. The number of societies in other States are: Andhra Pradesh 1600; Madhya Pradesh 1100; Maharashtra 1100; Punjab 2800; Rajasthan 1750; Tamil Nadu 4000; Uttar Pradesh 750 and West Bengal 750.

17. NDDB Computer

It has been alleged that the computer ordered by NDDB was the wrong one for the job. In October 1978 an ICL-2950 third generation computer was received under British Aid and got installed from the International Computers Limited (ICL) at the NDDB. The need for a computer and the specifications were based on a study conducted by a British firm M/s. PA Management Consultants Ltd. The tender was invited on the basis of these specifications and the computer system was selected in consultation with the Department of Electronics, Government of India. During the acceptance tests, carried out jointly with the Department of Electronics, it was discovered that the computer did not meet the specifications ordered. The performance of the computer system was further studied by the Computer Maintenance Corporation -- a Government of India undertaking and M/s PA Management Consultants, who had drawn up the specifications. They concluded that the computer did not conform to the standards specified in the tender. This has been brought to the notice of the ICL, who have agreed to modify the computer and upgrade it to the desired specifications without additional cost.

18. Quality of imported commodities

It has been alleged that the commodities with EEC were denatured and used for feeding calves and these commodities have been gifted under Operation Flood.

The Indian Dairy Corporation has posted a Senior Officer in Brussels who is responsible for checking the quality of commodities before they are shipped to India. Further the agreement between Government of India and EEC stipulates that the skim milk powder to be supplied by EEC should be fresh, manufactured not more than six months before date of shipment and of good keeping quality. The commodities imported are further checked in India by Public Health authorities on receipt at our Ports. The Indian Dairy Corporation Quality Control staff also regularly monitor the quality of these commodities before releasing them to the dairies for recombination.

19. Operation Flood type programme in other countries

Mr. Claude Alvares alleges that the replication of the Anand Pattern Cooperatives on the basis of Operation Flood will make other countries "also" dependent on milk powder "imports." Obviously he does not know that the Philippines is at present commercially importing 97% of its milk requirement. The Philippines Government asked the EEC and the Government of India to send a team to the Philippines headed by Dr. Kurien to help them evolve an Operation Flood type project, the main objective of which is to reduce the milk imports by 10% by stimulating local milk production. In Pakistan, commercial imports of milk powder are made under Open General Licence. In Sri Lanka, milk powder is freely imported and the only milk product manufacturing plant is owned by a multinational which has also been invited to manage the Government controlled Columbo Milk Scheme.

The authorities of all these countries after visiting India and understanding Operation Flood have expressed their admiration at the fact that India has completely stopped commercial import of powder and butter and in the manner in which gift commodities have been used to generate Rs.500 to 600 crores which are being invested in dairy development to increase the production of milk within the country. It is no wonder that these countries now want to judiciously deploy the import of gift milk powder for the development of their own dairy industry on the style of Operation Flood. Both these countries have approached NDDB through the World Bank to assist them in developing Operation Flood type projects.

20. Authenticity of milk production and per capita consumption figures used by NDDB/IDC

All figures quoted at any point of time or used in graphs by NDDB/IDC on milk production and per capita consumption of milk have been official figures published by the Ministry of Agriculture.
