

NATIONAL COOPERATIVE UNION OF INDIA

REPORT AND RECOMMENDATIONS



The poster features a central green globe with a white grid. A stick figure wearing glasses is climbing a ladder to the right of the globe, holding a piece of the globe. To the left, a group of colorful stick figures (red, green, blue, purple) are holding hands. In the top left corner is the NCUI logo, and in the top right is the 'COOP' logo. The text is centered and reads: 'Webinar on "Challenges before Cooperatives in the wake of COVID-19 Pandemic and need of IT Intervention - focus on Dairy, Credit and Sugar Sector" for West Zone States'. Below this, the date and time are listed: 'Date : August 10, 2021' and 'Time - 11:00 AM'.

Webinar on

“Challenges before Cooperatives in the wake of COVID-19 Pandemic and need of IT Intervention - focus on Dairy, Credit and Sugar Sector”

for

West Zone States

Date : August 10, 2021

Time - 11:00 AM

REPORT

OF THE WEBINAR ON COOPERATIVE DEVELOPMENT FOR WEST ZONE STATES OF GOA, GUJARAT, MAHARASHTRA, DADRA AND NAGAR HAVELI & DAMAN AND DIU HELD ON 10.08.2021.

The Webinar on the topic “*Challenges before Cooperatives in the wake of Covid-19 Pandemic and need of IT Intervention- focus on Dairy, Credit and Sugar Sector*” for the West Zone States of Goa, Gujarat, Maharashtra, Dadra and Nagar Haveli & Daman and Diu was held on 10.08.2021.

Objective:

The objective of the Webinar was to review the growth, achievement, issues and problems before the cooperative movement in the region in the wake of COVID-19 Pandemic and need of IT Intervention and to chalk out an effective road map for the future.

Opening remark

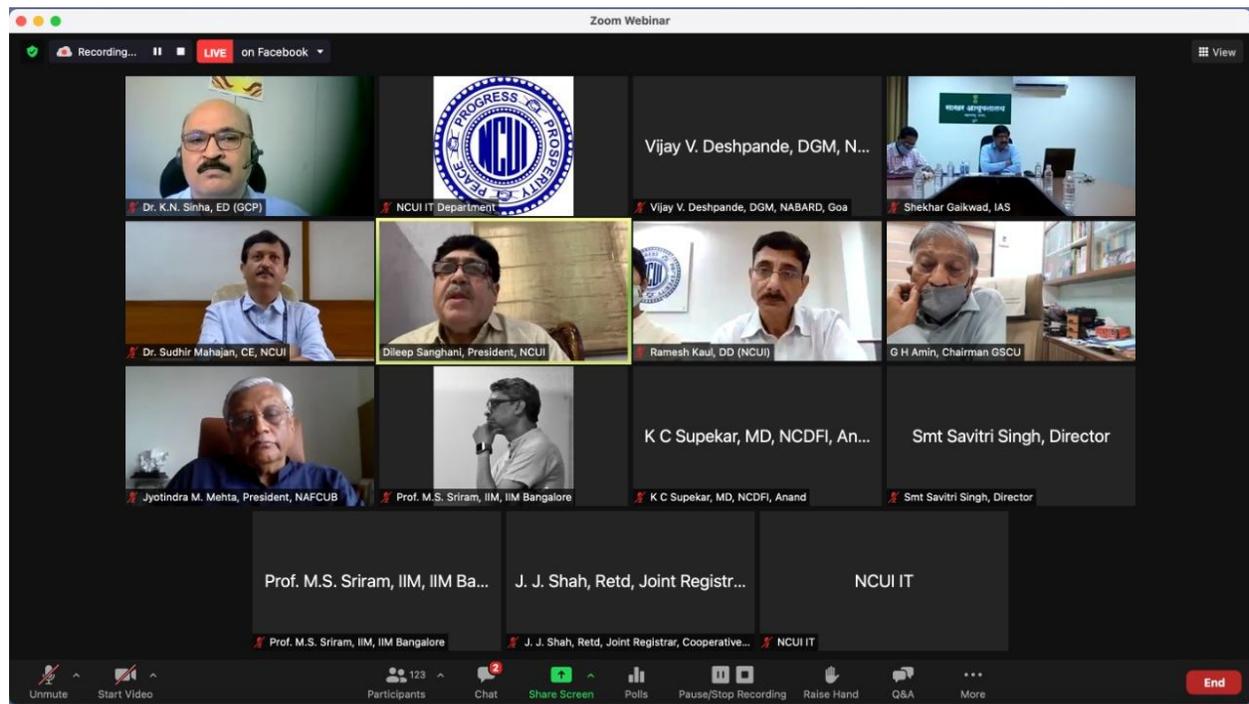
Dr. Sudhir Mahajan, Chief Executive, NCUI welcomed all the Cooperators, Governing Council Members, panellists, Govt. officials and officials from NCDC, NABARD, RCS offices, RRBs and officials from NCUI Cooperative Education Field Projects, State Cooperative Unions/Federations and said that this programme was originally scheduled to be held in physical form in the year 2019, however had to be postponed due to the Pandemic which badly affected the lives and livelihood of people. Cooperative Organisations are the best tools for socio-economic development must utilize technology to the best possible extent for the provision of efficient services downtrodden society. Dr. Mahajan further said that technology brings transparency and improves efficiency and hence urged upon the cooperative organisations to adopt and implement its use to maximum extent for better result and to minimize the extent of already incurred losses.

Inaugural

The webinar was inaugurated by Shri Dileep Sanghani, President, NCUI. In his presidential speech Shri Sanghani said that NCUI has been organising regional conferences regularly to deliberate upon the problems faced by cooperative organisations in these regions and the recommendations of these conferences are communicated to the Government and other concerned agencies for redressal of issues.

Sh. Sanghani said that cooperatives faced the brunt of COVID Pandemic successfully and lauded the role of Amul which served people despite hardships on account of transportation, less demand and manpower etc. He further said that cooperatives help the rural poor to improve their socio economic conditions and with the adoption of technology in particular the intervention of IT shall ease the hardships faced by cooperative sector and hoped that the new Cooperation Ministry shall help in generating more employment.

Technical Session



Speakers:

❖ Shri G.H. Amin, Governing Council Member, NCUI and President, Gujarat State Cooperative Union.

Shri G.H Amin said that the zonal conferences of all the five zones are held once in two years and the purpose of holding these conferences is to know about the achievements and problems faced by the cooperative of the respective zones and effective measures are recommended for redressal of the issues. As COVID effected the economy of the world as well as our country. He thanked both the centre and State Governments which came forward to help and mitigate the sufferings of the poor by announcing various economic packages.

Dairy

Shri Amin hailed the efforts of AMUL as the brand leader in Asia having crossed the production limit of 53 thousand crore liters in production and thus being ahead of all the FMCGs and other multinational companies and private companies. 35 lakhs farmers are associated with AMUL and it disbursed an amount of Rs. 80 to 90 crores to these farmers on daily basis during COVID.

Effects of COVID -

Amul has its own fleet of transportation and since its 8 thousand outlets were open during the pandemic, hence its business was not affected as it could easily transport milk from producers to consumers. However due to closure of food outlets and limited warehousing some business was effected. Information and technology helped in online sale and further by associating with online sale companies like Amazon and Big basket, helped it to reach the door steps of consumers,

Sugar

Shri Amin said that Gujarat is the only state in India where there are no private sugar mills and all the 22 sugar factories are under cooperative umbrella. A number of 4.5 lakhs farmers are associated with this sector having a turnover of 400 crores. A

number of 5.5 lakh people are employed in this sector. Bhardoli Sugar factory with a crushing capacity of 10 thousands meters tonnes capacity is the largest sugar crusher in Asia.

Problems due to COVID

Transport and labour was the major issue during COVID however both these problems were overcome by employing more number of machines and manpower as a result the target of crushing of 98 lakh tonnes during the previous year was overcome by 100 lakh tonnes during the year of COVID (2019-2020).

I/T Intervention

Information and Technology helped to monitor the weight, pricing and registration of sugarcane and even helped to make online payment to the farmers thereby helping them to avoid travel during the time of Pandemic.

Credit

The Cooperative Banks and Gujarat State Cooperative Bank through its 18 District Cooperative Banks provided loans to 3 lakh farmers at 0% during the time of Pandemic thereby helping the needy and deserving.

Suggestions

Information and technology should be spread to the far flung areas to help in the value addition of the products of the rural artisans so as to help them to improve the quality of their products to compete with the best in the trade.

❖ Shri Jyotindra M. Mehta, President, NAFCUB

Shri Mehta said that organising this meeting virtually to discuss the challenges in the wake of COVID-19 itself proves the role of technology having revolutionised the working pattern. As it has not only saved the expenditure of holding this meeting in physical form but also brought a sufficient number of co-operators from different places together in one platform. As the working pattern got changed due to COVID in phases I

and II, the use of technology is itself covered in the word **Pandemic as Pendamic and** abbreviated this as follows:

P- Painful

E- Element

N-Not

D- Desirable

A-Available

M-Material

I-I/T

C-Cooperative

meaning as:

Painful element not desirable but available material as I/T for Cooperative. For Cooperatives to reach and serve more number of people, technology plays a tremendous role and needs regular innovation to strengthen the cooperative.

Credit

Cyber security is a must as the entire credit system can be hacked by merely leak of password. Quoting the example of Bangladesh Bank wherein lots of funds were siphoned without leaving any mark/footprints by the hackers.

It is a good opportunity for Urban Cooperative Banks, District Cooperative Banks credit Societies and 1544 urban cooperative banks working under the principles of cooperative amongst cooperative to work under one umbrella.

Hailing the work of officials of these Banks as front line warriors for their praise worthy uninterrupted service during COVID-19 as they even worked from home and virtually to serve the public towards their banking services.

Foreseeing the condition of unorganised sector after the process of unlocking particularly the condition of small business entrepreneurs viz; riksha puller, beauty parlour owners etc. a virtual meeting was organised with Hon'ble Chief Minister of Gujarat and it was apprised that cooperative sector can provide loan @ interest of 8% to which Hon'ble Chief Minister of Gujarat assured that 6% interest shall be borne by the State Government and the needy will have to pay interest of 2 % only and loan amount upto Rs. 1 lakh was provided to 2.05 lakh workers and in total a sum of Rs. 2,500 crore was disbursed by Cooperatives banks. Cooperatives changed the lives of peoples effected by Pandemic and helped them to restart their business.

Suggestion

Cooperatives in particular credit cooperative should adopt the latest I/T techniques by sharing the cost involved in regular upgradation by working under one umbrella so as to serve the society in the most efficient manner.

Prof. M.S. Sriram, Chairperson Centre for Public Policy, IIM Bangalore,

Speaking on this occasion Prof. M.S. Sriram said that COVID Pandemic has given us a chance to look for opportunity in crisis, however we need to be careful about the deep structural problem. As regards in the focus sectors of sugar milk and credit sectors he said: -

Sugar is not a very transaction intensive sector in comparison to milk and credit. During COVID Agricultural sector performed positively as it being a stable factor there cannot be any lockdown in this sector in true sense, as it cannot be stopped by human intervention. Technology plays its role in terms of research as well as farm practices in agricultural sector for better yield. The gap between producers and consumers was bridged by roping in companies like amazon and big basket thereby we moved from unorganized sector to organized sector. As during COVID -19 these organized sectors had the license and facility to do business while as local dealers and distributors had to suffer due to lockdown. The best part was that the role of middlemen was removed.

Suggestions

Since cooperative is more about people than capital, hence we need to quickly move back towards people backed services.

Credit

It is transaction intensive like milk. I/T works at 2-3 levels like MIS at data capture, payment technology, digital money and monitoring of records etc.

Since COVID has ensured that people should not come together except forms of virtual meetings. Cooperatives even help lend to person with no collateral as we know the person in person. The usage of technology makes us to loose this bond and personal feelings. We must not loose cooperativeness viz; human aspect in adopting the technology. In the end Prof. Sriram reminded that this is the year of Centenary celebration of the Milkman of India Dr. Verghese Kurian and NCUI should celebrate this occasion on some platform.

❖ *Shri Shekhar Gaikwad, Sugar Commissioner, Maharashtra*

Shri Gaikwad presented a descriptive presentation focused on sugar sector starting from the challenges faced by the administrative aspect of cooperatives viz; decision making, belongingness and unprofessional management etc. resulting in taking over of the sick sugar cooperatives on lease or purchasing them in the course of liquidation by private bodies to fluctuation in production resulting in the less production of sugar. Further MPI issues and delayed payment caused a big shrinkage of area under sugar cane cultivation. Dominance of large farmers, huge losses reporting negative NDR's as 40% sugar mills are sick and 10% are in profit, hence mostly mills are unable to raise capital for diversification.

Use of I/T

Modernisation shall be the road map of cooperatives through e-tendering, mobile cash transfer, record keeping and monitoring.

Challenges

- Emerging challenges from privatization.
- ❖ Increase in number of private mills.

Challenges during COVID

- i) Movement of labour
- ii) Fear of health concern
- iii) Extra cost of transportation
- iv) Inability to sell the products
- v) Need of I/T intervention

I/T is under utilized in cooperative sugar mills while as private players are much ahead in the race. Their manpower is more skilled in data application and entrepreneur resource planning.

❖ **Dr. Hema Yadav, Director, VAMNICOM, Pune**

Thanking NCUI for providing the opportunity to place the facts and figures faced by cooperative during COVID -19 Dr. Yadav presented a descriptive and illustrated presentation before the august gathering.

Dairy

West Zone produces more than half of the total milk procurement in the country. Gujarat is at the top by procuring 229 lakh kg per day followed by Maharashtra, Tamilnadu and Rajasthan. Milk is an important and a stable source of income for the farmers of India. 70 million farmers are involved in dairying. 38% milk is consumed at source itself. 66 % of the surplus milk is handled by unorganised sector. Specifying the supply chain issues during COVID, production was in excess while as there was less consumption. The processing of surplus milk was a big challenge.

ICT Intervention

The location and mapping introduced by Gujarat Cooperative Milk Marketing Federation proved a big boon as several online business to business and market places such as Agro star and gold farm were launched for better and safer producers to consumer delivery.

Sugar

The production and consumption of sugar during 2019-2020 and 2020-2021 was at par at 26 million tonnes. Corona impacted the overall sugar consumption by 1.0 to 1.5 M.t. with a fall in demand the reduced consumption and demand led to fall in price globally. A number of sugar factories supplied oxygen to various hospitals through their oxygen plants during COVID.

Credit

Share in credit flow in agriculture diminished considerably over the years as 64% in 1992-1993 to 11.3 % in 2019-2020. RBI has advised for comprehensive cyber security frame work of UCBs.

ICT Intervention

- Helping in continuity of operations by customers
- Reengineering process by digital transformation and reducing physical contact through use of technology.

Credit monitoring

In India cooperative organisations have made generous progress in adopting ICT during COVID and excelled in their performance. Dairy Sugar and Credit have come up with innovative solutions like disinfection tunnels, safety precautions digitalisation etc. while continuing to serve the people in rural and semi-urban areas.

Suggestion

A strategy road map is needed to be formulated to undertake reforms, workout collaboration, uplift the technology, adoption and achievements of milestone systematically. Post COVID we need to march ahead with renewed commitment, well devised plans etc. ICT training frequency is needed to be increased. Capacity building is required. Speed of report generation and resilience of the medium of automation in the accounting application. Youth learn quickly and can teach others. ICT can equally make the agricultural sector more attractive to young people. Training services be increased through modern technology.

❖ Shri J.J. Shah, Retd. RCS, Goa

Shri Shah highlighted the issues of the topic related to Daman and said that there is not enough encouragement for dairy, Sugar and agriculture sectors in Daman. As there is no much agricultural land.

Credit

Cooperative banks did a wonderful job by doing both bonding and business with customers during COVID.

Suggestion

We need to replicate the brands of Amul of milk sector in other sectors as sugar is equally consumed as milk. Amul did online business involving both youth and technology to do business during Pandemic.

Agricultural sector – As there was no impact on agricultural sector due to COVID and there was growth in some of the agricultural produce.

Credit Sector

There was growth in the performance of cooperative banks in the form of loans , interest on deposits, CD share etc. compared to Nationalised Banks.

Problems due to COVID

Transportation, labour, crushing and processing of sugar, depreciation in sale, interest on loan were the major problems effecting the balance sheet.

I/T intervention and suggestion

- We must provide efficient service to customers.
- Provide timely and accurate information to farmers about farm practice, demand and sale information etc.
- Try to replicate the data of Amul automated machines for other sectors.
- NCUI should conduct more seminars on online basis for awareness of members.

❖ Shri V.V. Deshpande, DGM, NABARD

Shri Deshpande said that COVID-19 had its impact on all the sectors globally and credit sector was equally affected. Retail loan took a back seat and accordingly the interest rates were decreased to help in provision of loan to help the needy. Credit had its share of problems like:

- 1 More you borrow – More time you take to repay.
- 2 More you lend- More the delay in recovery.
- 3 Digital risk
- 4 Effective CD ratio of 60 % as there were no investment avenues, deposit, advances, borrowing and investment got effected.

The major risk was operational risk of human resource i.e. health of employees both physical and mental.

I/T intervention for Credit, Dairy and Sugar

- CBS had to be automated
- Computerization of PACS was a challenge
- Gopala Act gives a comprehensive report of cattle health.
- Census of animals giving milk.

Suggestion

Model farming should be introduced, automation of data be upgraded, integration of IOT in respect of cattle viz; health checkups, lactation be recorded.

❖ **Shri K.C. Supekar , Managing Director, NCDFI**

Shri Supekar said that this year is being celebrated as Centenary year of Dr. Verghese Kurian and suggested that his Grand Contribution towards Milk Revolution popularly called as White Revolution should be celebrated by NCUI on the National platform. Shri Supekar highlighted the NCDFI e-market which is an electronic trading platform for dairy cooperatives as a C to C (cow to consumer) dream of Dr. Verghese Kurian.

I/T intervention

Illustrating the linkages of societies to federations and highlighting the turn over and function of dairy federations as

- 1 To create National Milk Grid
- 2 Supporting in Institutional sale
- 3 Monitoring and supply of inter-state, movement of milk
- 4 Collaborating with stakeholders
- 5 Capacity building for manpower development.
- 6 Supporting in procurement of cattle feed ingredients etc.

The robust cooperative structure was best utilized during CORONA Pandemic and could sustain as:

- The transactions are transparent and in-line with market rates.
- Buyers and sellers crossed barriers for trading the products
- Nil/low charges for members.
- Digital transformation was introduced.

Problems during COVID

- Closure of Mandis
- Labour crises
- Transport restrictions
- Non-availability of impact services.
- Payment related issues
- Increased procurement
- Reduced demand
- Initial high inventory level
- Initial drop in bulk prices

Innovation during COVID

- Door step delivery
- Immunity boosting products like Tulsi Doodh, ginger doodh, haldi milk,
- Brand promotion
- National Animal disease control programme FMD was launched for 100 % vaccination of cattle, SMP export subsidy, procurement of milk at fixed price.
- E- market help
- Held e- auctions uninterruptedly.
- Conversion auctions
- Arrangement of transport to various destination
- Procurement of cattle feed
- Procurement of packaging material
- Labour contracts etc.

E- portal provided awareness to both the cooperatives as well as members for quality pricing and quantity etc.

Vote of thanks

Summing up the events, Dr. K.N. Sinha, Executive Director (GCP) thanked all the panellist for their valuable suggestions and comments based on their vivid illustrations about the topic and potential of enormous growth with the intervention of I/T and assured that the recommendations shall be forwarded to the concerned organisations/agencies for redressal.

RECOMMENDATIONS

“Challenges before Cooperatives in the wake of Covid-19 Pandemic and need of IT Intervention- focus on Dairy, Credit and Sugar Sector”

- 1 Working under one umbrella, Cooperative Organisations must adopt latest IT techniques by sharing the cost involved for regular upgradation to provide uninterrupted and result oriented services to its members.
- 2 Cooperative should make tie-ups with the sales and marketing companies to market their produce/products on online platform during emergent situations like COVID.
- 3 Cooperative Banks and other financial institutions must introduce cyber security to ensure safe transactions and security of the amount deposited by members.
- 4 Cooperative organisations must recruit /employee I/T professionals to help in monitoring of the production, marketing, accounting and value addition of the produce at various stages.
- 5 Cooperative must replicate the administrative and operational procedure adopted by successful cooperatives like AMUL, IFFCO in other cooperatives.
- 6 There should be maximum I/T intervention in particular computerisation and networking of all the PACS spread all over the country.
- 7 NCUI should conduct more number of online programmes for members awareness and implementation of modern technology.