



# Initiatives for Agricultural Cooperative Societies

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## Why in News?

Recently, the [Ministry of Cooperation](#) has taken a series of **initiatives** for the development of **cooperative societies** in agriculture including **Multipurpose Primary Agricultural Credit Societies (MPACS)**.

## What is MPACS?

- **About PACS:** PACS are **village-level cooperative credit societies** that provide **loans and collect repayments** from rural agricultural borrowers.
  - PACS are registered under the **respective State Cooperative Societies Act** of the state and are administered by the **State Registrar of Cooperative Societies (RCS)**.
- **Constitutional Backing:** [97th Amendment Act, 2011](#) added the word **cooperatives** in [Article 19\(1\)\(c\)](#) under **Part III** of the Constitution.
  - A new [Article 43B](#) was added in the [Directive Principles of State Policy \(Part IV\)](#) regarding the **promotion of cooperative societies**.
- **About MPACS:** MPACS provide a **wide range of services** beyond agricultural credit, addressing multiple needs of rural communities.
  - It includes credit societies as well as **dairy and fisheries cooperatives**, and is engaged in **32 activities**, including **storage and distribution** of manure, gas, fertilisers, and water, making them more **versatile and effective**.

## What are the Recent Initiatives for Development of Cooperative Societies in Agriculture?

- **Multipurpose PACS:** 10,000 newly established **Multipurpose [Primary Agricultural Credit Societies \(MPACS\)](#)** were inaugurated along with **Dairy and Fisheries Cooperative Societies**.
  - India has set a target of creating **2 lakh PACS in 5 years** under a vision to have a presence of **cooperatives in every panchayat** across the country.
- **National Organic Cooperative Limited (NOCL):** Farmers were urged to **connect with [NOCL](#)** to increase their incomes through **organic farming**.
  - NOCL is an **umbrella organization** for aggregation, procurement, certification, testing, branding and marketing of organic products of the **co-operative sector**.
    - NOCL has been registered under the [Multi-State Co-operative Societies Act, 2002](#).
- **Mobile Rural Marts Initiative:** It was launched in collaboration with [NABARD](#), to provide essential items like **pulses, rice, and wheat flour** at affordable prices under the **[Bharat brand](#)**.
  - The Bharat Brand offers essential goods to the **middle class at subsidized prices**.
- **Micro-ATMs:** Cooperative societies are being equipped with [RuPay Kisan Credit Cards](#) and **Micro-ATMs** to access **low-cost loans**, facilitating **financial inclusion** and support.

# Co-operative Agriculture Credit Structure



Development Banks  
(SCARDB/PCARDB)

State/Central Co-operative Bank  
(SCB)

District Central Co-operative Bank  
(DCCB)

Primary Agriculture Credit Society  
(PACS)

## UPSC Civil Services Examination, Previous Year Question (PYQ)

### Prelims

**Q. With reference to 'Urban Cooperative Banks' in India, consider the following statements:**

1. They are supervised and regulated by local boards set up by the State Governments.
2. They can issue equity shares and preference shares.
3. They were brought under the purview of the Banking Regulation Act, 1949 through an Amendment in 1966.

**Which of the statements given above is/are correct?**

- (a) 1 only  
(b) 2 and 3 only  
(c) 1 and 3 only  
(d) 1, 2 and 3

**Ans: (b)**

**Q. Consider the following statements: (2020)**

1. In terms of short-term credit delivery to the agriculture sector, District Central Cooperative Banks (DCCBs) deliver more credit in comparison to Scheduled Commercial Banks and Regional Rural Banks.

3. One of the most important functions of DCCBs is to provide funds to the Primary Agricultural Credit Societies.

**Which of the statements given above is/are correct?**

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

**Ans: (b)**

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