

Strengthening cooperatives

Computerisation of PACS, GeM platform push are positives

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The Union Cabinet, through notification dated July 6, 2021, created a new Ministry of Cooperation. In one year of its formation, the Ministry has initiated significant steps to strengthen cooperative societies.

The aim is to deepen cooperatives as a true people-based movement reaching up to the grassroots and develop a cooperative based economy model to realise the Prime Minister Narendra Modi's vision of 'Sahakar se Samridhhi'.

The cooperative movement has fostered a membership of 270 million and a network of 8.5 lakh stretching across rural India. And this potential is being leveraged by three recent steps:

Computerisation of PACS: In a significant move, the Government, on June 29, 2022, approved the computerisation of 63,000 Primary Agricultural Cooperative Societies (PACS). This will provide a technology-enabled level playing ground for PACS that serve rural areas, particularly small and marginal farmers.

The computerisation will be backed by cloud-based common software with cyber security and data storage, digitisation of existing records including maintenance support and training. This software will be in vernacular language having flexibility of customisation as per the needs of the States.

Computerisation will bring transparency and accountability to their operations and facilitate PACS to diversify their business and undertake multiple activities and services. This will make PACS competitive and enable them to integrate with physical, commodity and e-markets, thereby enabling greater market access to small and marginal farmers.

Procurement of cooperatives on GeM: Yet another considerable pathway has been procurement by cooperatives on Government e-Marketplace-Special Purpose Vehicle (GeM-SPV). The Ministry of Cooperation is encouraging Multi State Cooperative Societies and Cooperative Societies registered under State Cooperative Acts to join the GeM platform for the benefit of their members.

Purchases through GeM will provide the following benefits: (i) The cooperatives would get competitive prices through an open and transparent process, and this

would be economically beneficial to the members of the societies.

(ii) The cooperative societies can procure from about 45 lakh authenticated sellers/service providers available across the country on a single GeM platform.

(iii) Following the standard procedures on GeM would lead to saving of time and reduction in the administrative burden.

(iv) It would enhance the credibility of the cooperatives as complaints of mismanagement of funds will get reduced.

GeM will provide a dedicated on-boarding process for cooperatives, technical infrastructure to support additional users on the existing portal, and assistance to cooperatives through available contact centres, in-field training and other support services.

Marketing, branding and export: The next step in the framework of enabling the ecosystem of computerisation and on-boarding of cooperative societies on GeM is having a market plan with branding as a core strategy. Cooperative products have a huge potential in the domestic as well as global market as they are products by entities where people and community are at the core.

They can be market positioned and subsequently branded in a unique way which brings out the strong aspects of a cooperative business model like cooperative identity and cooperative value of concern for the community. Branding can be a reflection of the cooperative identity which will bring customer loyalty and increase the number of members in a business ambit.

The sales proceeds are directly or indirectly used for member benefits and this can serve as a core positioning strategy. With a marketing and branding plan, cooperatives could be ready for exports by proper identification of sectors, products and export markets.

Making cooperative societies ready to compete in the international market will require training to adhere to grades, standards, compliances to sanitary and phytosanitary measures, etc. A concrete step in this direction has been the initiation of training on agri-exports and making a directory of cooperative brands to showcase the strength of cooperatives as socially embedded business enterprises of India.

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