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Topic : Cooperative Farming

Definition of Farming:

Farming refers to the practice of cultivating land, growing crops, and raising livestock to produce food, raw materials, and other agricultural products. It is a primary sector activity that plays a crucial role in sustaining human life and supporting economies worldwide.

Cooperative Farming:

Cooperative farming is a system where farmers come together to pool their resources—such as land, labor, machinery, and capital—and work collectively to achieve better productivity and profitability. Each farmer retains ownership of their land but collaborates in farming activities to reduce costs, increase yields, and share profits fairly.

Key Features of Cooperative Farming:

1. **Collective Ownership:** The cooperative is owned and managed by its members, who share both responsibilities and benefits.
2. **Voluntary Participation:** Membership is voluntary, and farmers join to improve their economic conditions.
3. **Shared Resources:** Farmers share machinery, irrigation facilities, fertilizers, and other inputs, reducing individual costs.
4. **Democratic Management:** Decisions are made collectively, usually through a democratic process where each member has an equal vote.

5. **Profit Sharing:** Profits are distributed among members based on their contributions and the cooperative's policies.

Advantages of Cooperative Farming:

- **Economies of Scale:** By pooling resources, farmers can reduce production costs and increase efficiency.
- **Access to Credit and Subsidies:** Cooperatives often receive government support, credit facilities, and subsidies, which individual farmers may find difficult to obtain.
- **Improved Bargaining Power:** Cooperatives can negotiate better prices for both inputs and outputs, enhancing members' incomes.
- **Knowledge Sharing:** Farmers benefit from collective learning and the exchange of farming techniques and innovations.
- **Risk Sharing:** Risks related to crop failure, market fluctuations, and natural calamities are shared among members, reducing the financial burden on individuals.

Disadvantages of Cooperative Farming:

- **Management Challenges:** Poor management or internal conflicts can affect the cooperative's success.
- **Unequal Contribution and Benefits:** Differences in members' contributions may lead to disputes over profit-sharing.
- **Dependence on Collective Decisions:** Individual farmers may have limited freedom in decision-making, which can be frustrating for some.

“Co-operative holding of the land with cultivation on individual holding as before. The individuals hold their plots of land on payment of rent to their own co-operative society.”

Cooperative farming refers to an organisation in which:

1. Each member-farmer remains the owner of his land **individually**.
2. But farming is done **jointly**.
3. **Profit** is distributed among the member-farmers in **the ratio of land owned** by them.
4. **Wages** distributed among the member-farmers according to the number of days they worked.

In other words, Cooperative farming= pooling of land and practicing joint agriculture. Cooperative farming is not a new concept in India. Since ancient times, Indian farmers have been giving mutual aid to each other in weddings, harvesting etc. Examples

Traditional Cooperative Farming System	Region
● Phad	Kolhapur
● Gallashi	Andhra

Origin of Cooperative farming ;

The first agricultural cooperatives were created in **Europe** in the **seventeenth century** in the **Military Frontier**, where the wives and children of the border guards lived together in organized agricultural cooperatives next to a funfair and a public bath.

The first civil agricultural cooperatives were created also in Europe in the second half of the nineteenth century. They spread later to North America and the other continents. They have become one of the tools of agricultural development in emerging countries. Farmers also cooperate to form mutual farm insurance societies.

Also related are rural credit unions. They were created in the same period, with the initial purpose of offering farm loans. Some became universal banks such as Crédit Agricole or Rabobank.

● **Why Cooperative farming ?**

Because it gives following benefits/advantages/potential:

1. Economies of scale:

- a) As the size of the farm increases, the per hectare cost of using tube-well tractors comes down.

- b) Small farms=some land is wasted in forming the ‘boundaries’ among them. When they’re combined into a big cooperative farm, we can also cultivate on that boundary land.
- c) Overall, Large farms are economically more beneficial than small farms.
- d) Solves the problem of sub-division and fragmentation of holdings.
- e) Cooperative farms have more man-material-money resources to increase irrigation potential and land productivity. Members would not have been able to do it individually on their small farm.
- f) Case studies generally point out that with cooperative farming, per acre production increases.

Features :

In case of cooperative farming , following features are relevant:

- (a) Joining of the farmers in this system is voluntary;
- (b) Farmers retain their right to land;
- (c) Farmers pool their land, livestock and other implements
- (d) The entire farm is managed as a single unit and the management is elected by all the members; and
- (e) Each and every member earns a share of the total produce in accordance with their land contribution and labour performed.

Advantages of Cooperative Farming (In brief)

Co-operative farming has various advantages as given below:

(i) Economies of Scale:

Co-operative farming can solve all the problems of small and uneconomic holdings.

By pooling all the small and marginal farms, members of cooperative farming can reap all the benefits of large-scale farming. While purchasing agricultural inputs like seeds, fertilisers etc. the society can purchase in bulk quantity and thus it costs less. Big machineries like tractors, harvesting machines can now be purchased by the society and the agricultural operations can now be managed in a more scientific basis.

Agricultural implements will be fully utilized and there will be no under-employed farmers as they will be gainfully employed in the co-operative farms.

(ii) Marketable Surplus:

The marketable surplus of food grain and industrial raw materials can be transported and marketed on a bulk basis suitably by the society and also can fetch remunerative prices.

(iii) Release of Workers:

Higher productivity in co-operative farming will pave the way for release of workers from agricultural to non-agricultural operations, whose scope expands considerably with economic progress.

(iv) Administrative Convenience:

Co-operative farming is advantageous for the government from an administrative point of view so as to collect taxes, distribute subsidies and also for introducing improved methods of production.

(v) Creditworthiness:

Co-operative farming can attain higher creditworthiness as compared to that of individual farming as such large scale farming can attract greater amounts of finance for its productive activities.

(vi) Social Arguments:

Co-operative framings are having some social and political arguments in its favour as it can inculcate the spirit of cooperation among the various members of the society. Moreover, co-operative farming can create mutual confidence, feeling of fraternity and friendship

among the members and thus it facilitates collective thinking and collective action among the members of the society.

Thus, the very foundation of modern democracy depends on the very spirit of cooperation

Criticisms:

(i) Inequality:

Co-operative farming failed to make a frontal attack on the prevailing inequality in the economic structure as the traditional status distinction of land owners, landless labourers and sharecroppers are still being maintained.

(ii) Improper Work Style:

Co-operative farming societies are following the work style of joint-stock farming and thus helping to develop capitalist farming in India. Co-operative farming in India has not favoured any redistribution of income in favour of landless cultivators.

(iii) Poor Support:

Indian bureaucracy has no faith and support in favour of co-operative farming, community developments etc.

(iv) Lack of Professional Skills:

The management of co-operative farming societies are lacking professional skills. There is an absence of work culture in these societies. Moreover, lack of proper administration and corrupt practices have been eroding the confidence of the members towards co-operative farming.

(v) Unemployment:

Mechanisation of agriculture through co-operative farming will squeeze the scope of employment and is likely to make workers redundant in the rural areas.

(vi) Better Alternatives:

Co-operative farming is not the only method to raise agricultural productivity. There is the availability of better alternatives like adoption of HYV seeds, fertilisers, implements etc. for raising the productivity of agriculture.

□ Conclusion:

Cooperative farming is a powerful approach to improving agricultural productivity and rural livelihoods, especially in developing countries like India. By promoting collective effort and resource sharing, it helps small and marginal farmers overcome financial and operational challenges, contributing to food security and sustainable development. However, its success depends on effective management, transparency, and the active participation of all members.