

INCREASING FARMER'S ECONOMY – CO-OPERATIVE WAY



Dr. Hitesh Pathak

Veterinary Officer, State Veterinary Dispensary, Patacharkuchi, Barpeta.

How to form a Dairy Co-operative Society(DCS) – Eligibility to become a member

- He shall be a Dairy farmer
- He should be under the area of the DCS
- Age not below 18 years
- At least own one no of share of Society fund.
- He must supply milk to the DCS
- In case of death of the member the share of his money will be handed over to his nominee
- He must attend the General meeting of the society in every 1st week of April. (2/3 of the members must be present to resolve any decision)
- If he is a member of the Executive Committee(EC), he must be present at the quarterly EC meeting (2/3 of the members must be present to resolve any decision)
- Minimum 18 nos of members must be there to form a DCS

Existing Co-operative Societies of Pathsala area



How to initiate a DSC – By Law of a DCS

- **Preliminary Meeting**
- **President of Preliminary meeting**
- **Aim of DCS**
- **Name of the DSC**
- **Area of operation**
- **Entry fee and individual share(Money)**
- **Open a bank Joint Account of the DCS to transect the regular money (operated by Secretary & President /Treasurer)**
- **Proceeding register, Milk collection register, Member's register, Pass book for individual members and Cash book etc.**
- **5 copies of preliminary meeting minutes, Bylaws and form for registration of Co-operative Society with Promoter list will be submitted to the Registrar, Co-op Society office.**

Functioning and testing of milk in Society office



Structure of the members

Executive body-

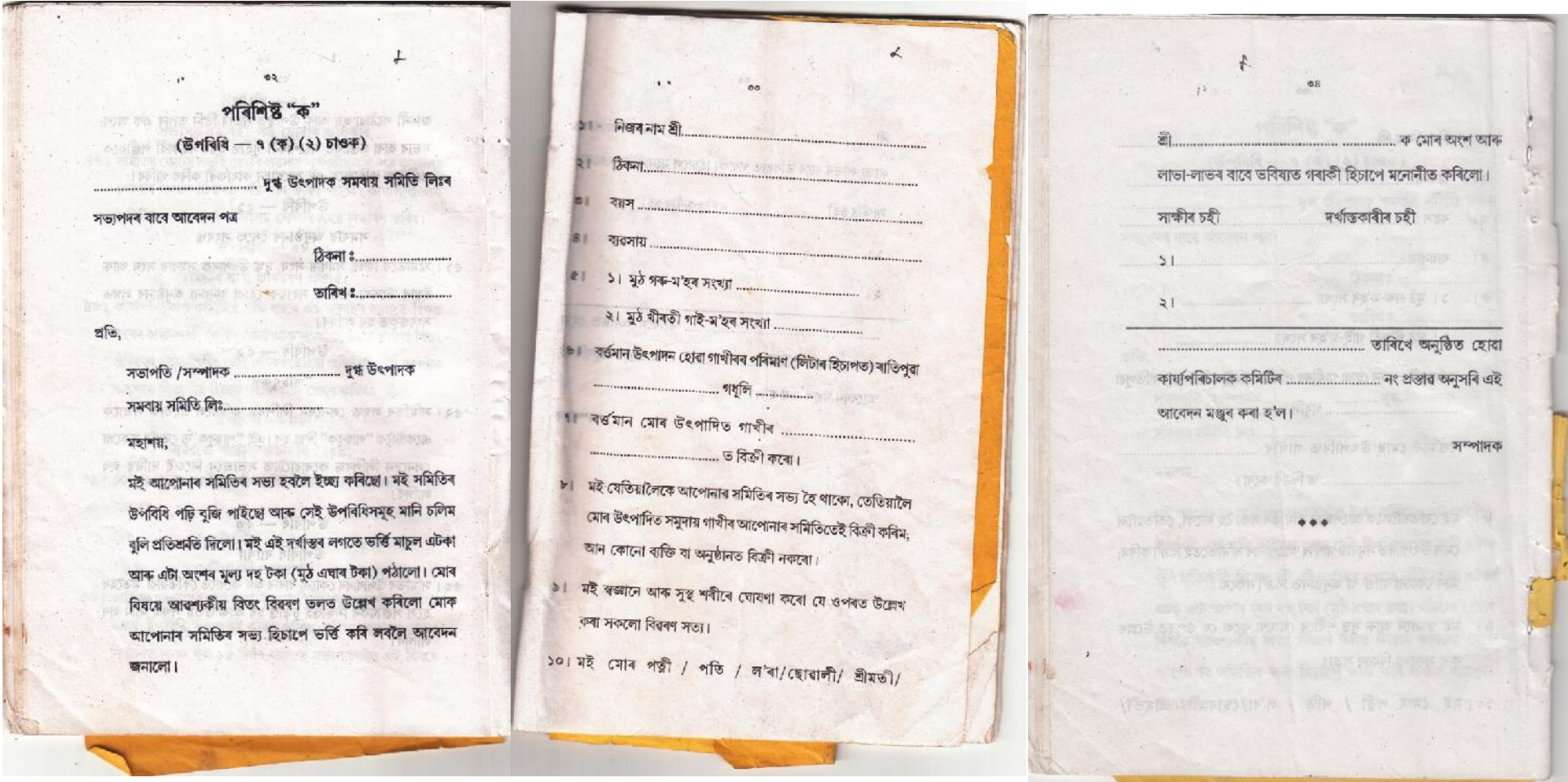
- **President(a producer farmer from the society members), selected by selection process or voting in the general meeting.**
- **Secretary(a non producer from out side the society members under payroll of the DCS) selected by decision from the General meeting.**
- **Executive members(7 - 9 nos from the producers of the society) selected among the members of the general meeting must be free from any judicial proceedings .**

Structure of the members

Members of the DCS

- **Members must be a Dairy farmer producing milk and contributing to DCS inhabitant under the jurisdictional area of the DCS willing to comply the terms and conditions of the society by law.**
- **May be categorized as Active members & Sleeping members**
- **Active members contributing milk regularly to DCS whatever is the amount.**
- **Sleeping members are also dairy farmers contributed to the DCS but presently not contributing milk to the DCS) due to some legitimate reasons and will contribute again after overcoming the said crisis.**
- **Active members have voting power in the meeting and sleeping members does not have voting power. Once the sleeping member starts to contribute milk again to the society --- becomes active member.**

Format of Application of membership of DCS



AIM OF THE DCS

- Supply of clean and unadulterated milk to customers.
- **Oversee the scientific implementation of Dairy herd management for economic and sustainable production by the members of the DCS**
- **Capacity building of the members on clean milk production, Preparation of Dairy By products and Effective manure management or waste disposal system**
- **Ensure regular supply of concentrated cattle feed, min mix , calcium supplementation in regulated price to the members of the DCS**
- **Ensure regular supply of fodder seeds , fertilizers etc to the farmers**
- **Development of a hygienic milk collection and marketing chain with proper traceability in a sustainable way**
- **Help the farmers to get the benefit of Govt or Bank's Convergence programmers.**
- **Encourage and handhold the society members for uptaking analogous projects like Bio- gas production, Vermicompost production etc**

Organized Milk collection, Local Feed preparation and bulk collection and distribution of feed to society members



WHAT IS A FPO

- **Farmer Producer's Organization(FPO) is a generic name for organizations formed by the primary producers.**
- **A producer organization (PO) can be Producer Company, a co-operative society or any other legal form, to undertake business activities and sharing of profits/benefits among the members.**
- **A PO is called as Farmer's Producer Organization(FPO) , if it is formed by the farmers / primary producers of agricultural commodities, including allied activities such as Dairy, Poultry, Piggeries and Fisheries etc.**

What are the legal forms of FPO

FPO can be registered under any of the following legal provisions

- Co-operative Societies Act/Autonomous or Mutually aided Co-operative Societies Act of the respective state.
- Multi-State Co-op Societies Act 2002
- Producer Company under Section 581(C) of Indian Companies Act, 1956 as amending in 2013.
- Process of registration should not be too demanding in terms of time and resources
- The legal form needs to fit into its business needs, organizational priorities, social capital and management capacity.

Which legal form of FO is preferable

- Organization, registered as co-operative societies and producers companies have legal provisions for sharing of profit earned by the FPO **by way of dividend.**
- The other legal forms provide for FPOs to promote common interest of members /producers and reinvest the surplus to grow the business but do not explicitly provide for profit sharing among the members in form of dividend.

Is Registration of FPO mandatory ?

- **It is preferable for funding** , as legal entities can only enter into legally valid contracts including mobilization of fund from other institution
- **Flexibility** - Depending on the Goals and objectives, an FPO can migrate from one legal form to other legal form
- Primary producers should benefit from the surplus generated by the FPO
- FPO under all legal forms can offer better price for the produce it procures from the members
- It can also procure inputs/raw materials in bulk and sale to its members with low margin thus benefiting its members.

How much expenses will be incurred for the registration of FPO

- It depends on the legal structure of the FPO.**
- It is about Rs 40,000.00 for establishment of a FPO involves stamp duty, registration fee, preparation of document, facilitation charges etc.**
- The average expenditure for registration under the Co-operative Societies Act ranges from Rs 10,000.00 – Rs 15,000.00 depending upon the state where state is registered.**

THANKS