

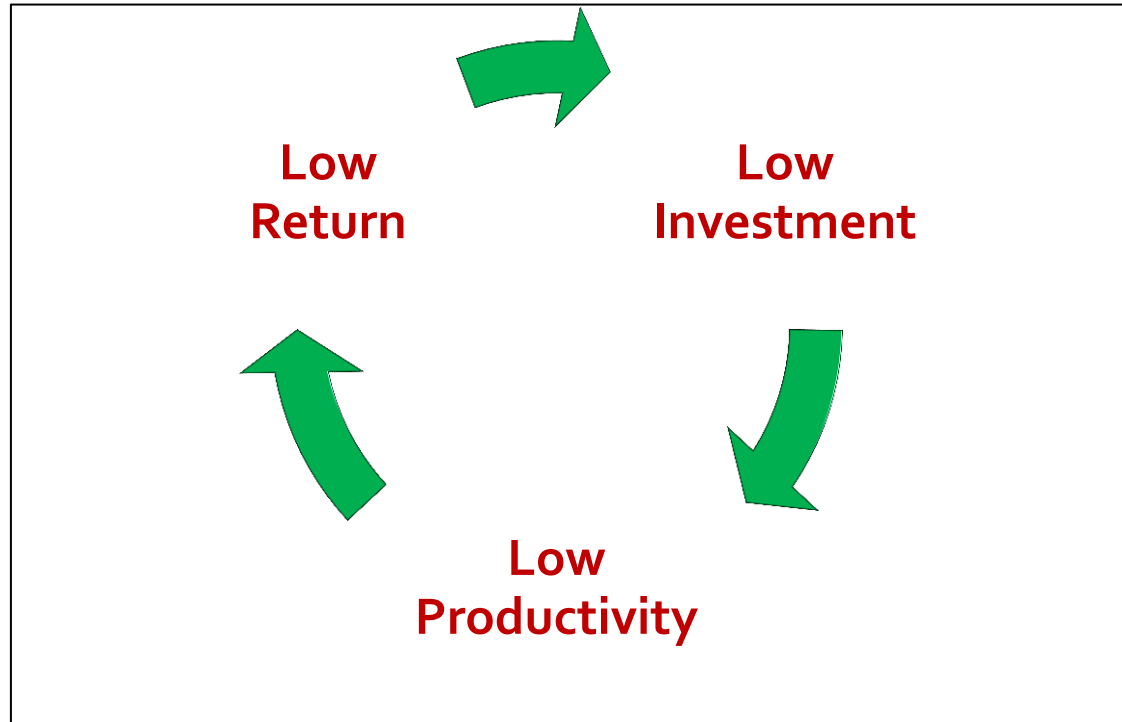
Managing Co-operative Farming: A Case of Gambhira Collective Farming Society

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Indian Agriculture and Farmer

- India achieved self sufficiency in food production. However, the condition of producer has not changed significantly
- Farmers committing suicides
- Average size of holdings has decreased 2.3 ha in 1970-71 to 1.15 ha in 2010-11
- Small and marginal holdings constitute 85.01 % (2010-11)
- NSSO (2005):
 - 27% farmers did not like farming as it was not profitable
 - 40% farmers were ready to take up other career, given a choice

Vicious Cycle



- Govts tried to address the symptoms and failed
- Farming cooperatives have universally failed (Deshpande, 1977)

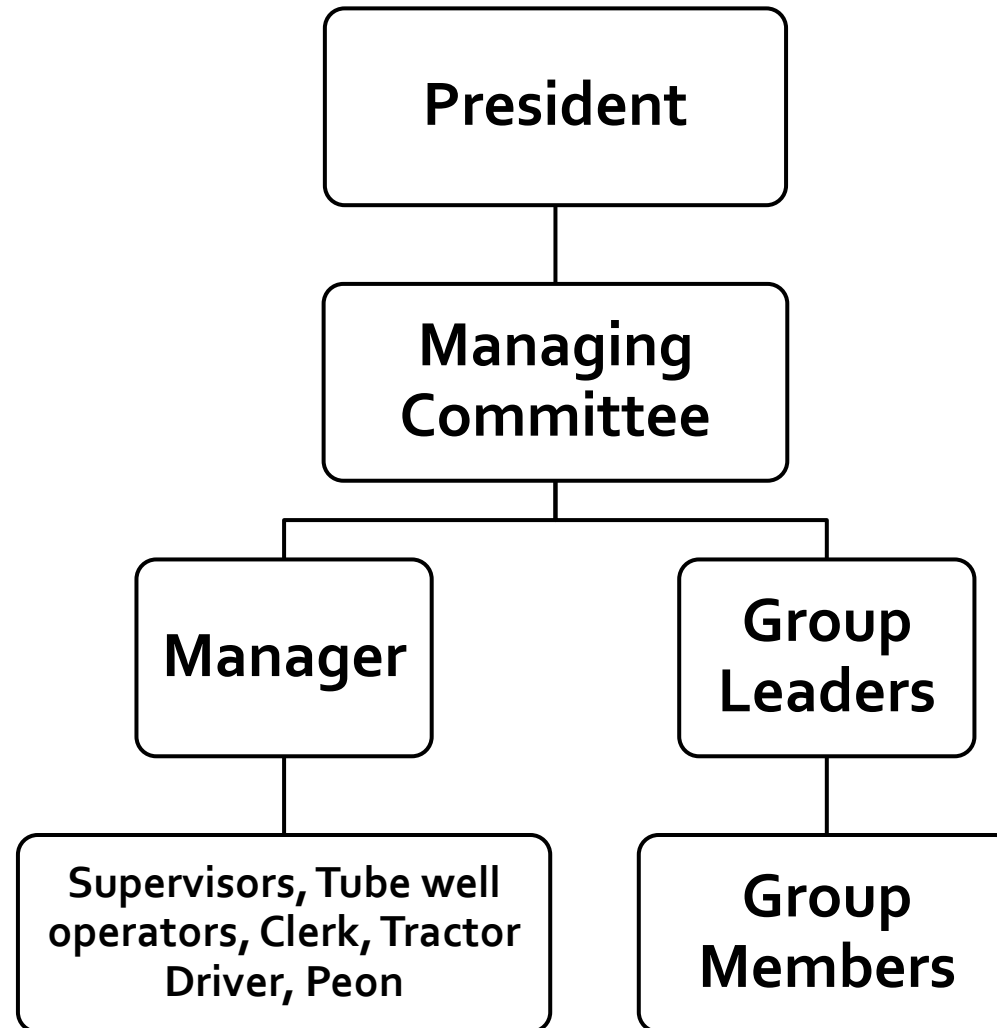
Gambhira - History

- Small and marginal farmers from 4 villages (Gambhira, Kothiakhad, Nani-Serdi and Bilpad) were cultivating on Mahi river bed in Anand District
- Heavy floods in 1927, 1941 & 1949 caused heavy damage.
- Government distributed 201 acres to 176 farmers in 1951 on Chhaganbhi Patel request
- Farmers condition remain unchanged. Individual farming was unviable

Formation of the Society

- Chhanbhai's suggestion to form collective farming Society
- Mahisagar Bhatha Samudhayik Sahakari Kheti Mandali Limited on October 14, 1953
- Both ownership and cultivation rights with society
- Area increased to 526 acres with reclamation of degraded and lost land, government distribution and purchase
- Members increased to 291

Organizational Structure



Group Formation

- 30 working groups of 8-14 members for operational convenience
- Land allocated to group - 13 to 24 acres (average 17 acres)
- Group leaders were elected by group members
- Groups had remained same from inception
- Group leaders were not changed

Crop Production

- Groups are responsible for production
- **Planning** of Cropping pattern:
 - Managing Committee decides the crops
 - *Kharif* - paddy, bajra & tobacco
 - *Rabi* – wheat, tobacco & jowar
- **Primary cultivation**: the Society
- **Sowing**: Inputs supplied by the Society; sowing by respective groups

- **Irrigation:** No irrigation to tobacco
 - 6 tube wells, 4,500 m pipeline and 2 pump operators
- **Intercultural operations:** Respective Groups
- **Surveillance:** Members patrol the fields to protect crop from grazing
- **Harvest & Post harvest:** Groups harvest and store in the *godowns* allotted

Marketing

- Managing Committee decides the date and price for tobacco auction.
Send letters to agents
- Groups display their produce in lots
- Secret bidding followed and produce is sold to highest bidder
- Auction will be stopped if the price offered is lower than the minimum price decided by the committee
- Traders have to take produce within 15 days by paying 65% amount; remaining 35% in 3 months

- Receive very high price
- Society dictates terms of trade due to bargaining power achieved because of quality and quantity of tobacco
- Payments in time

Sharing of Risk, Produce & Profit

- Production and marketing risks are borne by members
- Fodder was shared equally among the members of groups

Total Revenue = 1.5% to group leader + α

α = 35% to Society + 65% to group

35% to Society = expenditure (for inputs, adm expenses etc) + β

β = *societyreservefund*(20%) + γ

γ = *bonus*(70%) + *developmentfund*(20%) + *housefund*(10%)

Total production of Gambhira and income to members

Year	Total Production of Gambhira (Rs)	Members Share of Production (Rs)	Bonus to Members (Rs)	Total amount paid to members (Rs)	Members Share (%)
1953-54	90,660	45,320	9,116	54,436	60.04
1960-61	134,319	67,159	5,804	72,963	54.32
1970-71	537,370	268,685	46,714	315,399	58.69
1980-81	1,506,854	901,801	149,578	1,051,379	69.77
1990-91	2,871,834	1,721,434	179,889	1,901,323	66.21
1999-00	9,925,960	5,984,646	1,397,210	7,381,856	74.37
2005-06	7,138,120	4,300,286	552,392	4,852,678	67.98
2006-07	6,302,019	3,788,983	207,282	3,996,265	63.41
2007-08	11,190,707	6,770,399	1,465,139	8,235,538	73.59
2008-09	22,324,111	13,434,067	3,528,043	16,962,110	75.98
2009-10	32,630,540	21,213,663	4,617,590	25,831,253	79.16

Working of Groups

- Groups are responsible for production
- Each group has its own norms/rules
- Work allocation: Group leader allocates equally to members
- Monitoring: No scope for free riding
 - Small groups & small fields- Both group leader and members monitor the work of each other
 - All the members have to complete the work allocated
- Children are not allowed.

- Penalty for violation of rules
- Group leader record the labor contribution
- Interlocking behavior eliminates free riding. Members cannot remain absent from work unless there is genuine problem
- Group leaders have incentive to monitor (his share & proceeds from membership)
- Managing Committee, supervisors monitor the groups work

Assets of Gambhira

- Reserve fund Rs.8,500,000 (April 2011)
- *Godown* with 30 rooms
- Two tractors, one SUV
- 4500 m pipeline, 6 tube wells and implements

Impact

Household Level:

- Income from contribution of 150-180 days labour was relatively higher. Average of Rs.90,000 from 1.76 acres in 2009-10
- Chhaganbhai emphasized the importance of education – funds for school buildings, assistance to students
- All the families have graduates and at least one person in each family was employed
- Constructed better houses
- > 90% of members belongs to *baria* caste. Improved their social status

Community level:

- Contribution to various developmental works from inception
- Donate the funds to Gram Panchayat
- Not accepted any donation or subsidy from government

Allocation under Village Development Fund (Rs)

Year	Gambhira	Kothiakhad	Nani Sherdi	Bilpad	Total
2001-02	68100	60940	26900	3295	159197
2002-03	60552	54168	23912	2928	141641
2003-04	233368	200784	92218	11292	545976
2004-05	69936	62604	27636	3384	163624
2005-06	67456	60384	25656	3264	157826
2006-07	25296	22644	9996	1224	59223
2007-08	178932	160173	70707	8658	418611
2008-09	430900	385725	17275	20850	1008012
2009-10	564076	504939	222901	27294	13,19,210

Challenges

- Youngster may not be interested in farm/manual work
- Problems may arise with change in crops

Conclusion

- Successfully overcome the problems associated with unviable holdings
- Overcome the problems associated with CPR by forming small groups, devising mechanisms for sharing of work and profits, institutionalizing rules and norms and monitoring and sanctioning stakeholders
- Policy makers may consider promoting cooperative farming









“... the three pillars of India right at the base, should be the village Panchayat, the village co-operative, and the village school. It is on these that the whole structure of India, politically, economically and socially should be built up”.

Jawaharlal Nehru