

Farmers can emulate the co-operative model to gain better remuneration for their produce in the market. Explain.

The harvest and post-harvest loss in Indian agriculture amounts to 1.5 lakh crore each year. As per Ashok Dalwani Committee, India aims to double farmer income by 2022 which necessitates the co-operative model for better price for produce in market.

Necessity for better remuneration:

1. Lack of Bargaining power:

1. There are 416 million small and marginal farmers in Indian agriculture
2. Their bargaining power is affected at Mandi due to institutional and monopolised traders.
3. (e.g) Due to lack of bargaining power, the post-harvest loss at market purchasing amounts to 75,000 crore each year
as per Ministry of agriculture

2. Lack of co-operative Models:

1. India usually has co-operative model in dairy industry and Sugarcane industry
2. Co-operatives helps in investment, loans, quick redressment adrees, welfare schemes etc.
3. (e.g) AMUL - co-operation lead to farmer getting 90% of the consumer price in dairy

Co-operative Model usage in Agriculture:

1. Fetching better price:

1. (e.g) Cereals farmer can get proper MSP from State marketing corporation / Government outlets.
2. (e.g) Gujarat and O.P sugarcane industry due to co-operatives fetch good FRP - Sugarcane

2. Lessens the Monopoly by buyers:

1. Co-operatives lead to more buyers in market and mandi, thereby reducing outside monopoly
2. (e.g) Through various subsidy linked schemes production could be increased in agriculture

3. More produce in Market:

1. Due to more techniques and Government assurance, co-operatives can increase produce.
2. (e.g) CCEA assurance through Essential Commodities act, increased production of onions during monsoon season.

Although concerns like lack of proper management, transaction cost and illegal social suppression, co-operatives should be free from social and government bothers to become better remunerated produce.