



PACS as Multi Service Centres

Tamil Nadu



राष्ट्रीय कृषि और ग्रामीण विकास बैंक
National Bank for Agriculture and Rural Development
तमिल नाडु क्षेत्रीय कार्यालय, चेन्नई
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दृष्टि

ग्रामीण समृद्धि के लिए राष्ट्र का विकास बैंक

ध्येय

सहभागिता, संधारणीयता और समानता पर आधारित वित्तीय और गैर-वित्तीय सहयोगों, नवोन्मेषों, प्रौद्योगिकी और संस्थागत विकास के माध्यम से समृद्धि लाने के लिए कृषि और ग्रामीण विकास का संवर्धन

Vision

Development Bank of the Nation for Fostering Rural Prosperity

Mission

Promote sustainable and equitable agriculture and rural development through participatory financial and non-financial interventions, innovations, technology and institutional development for securing prosperity



Foreword



Primary Agriculture Cooperative Societies (PACS) primarily serve the credit needs of their members. Being grass root level institutions, there is a felt need for transforming PACS into Multi Service Centres catering to credit and credit plus requirements of farmers. PACS, thus can become potential first point of contact at the village level. NABARD has been strongly supporting development of PACS by way of purveying credit through higher tiers, infrastructure support and human resource support through trainings and capacity building in order to transform PACS into financially strong entity at the grass roots.

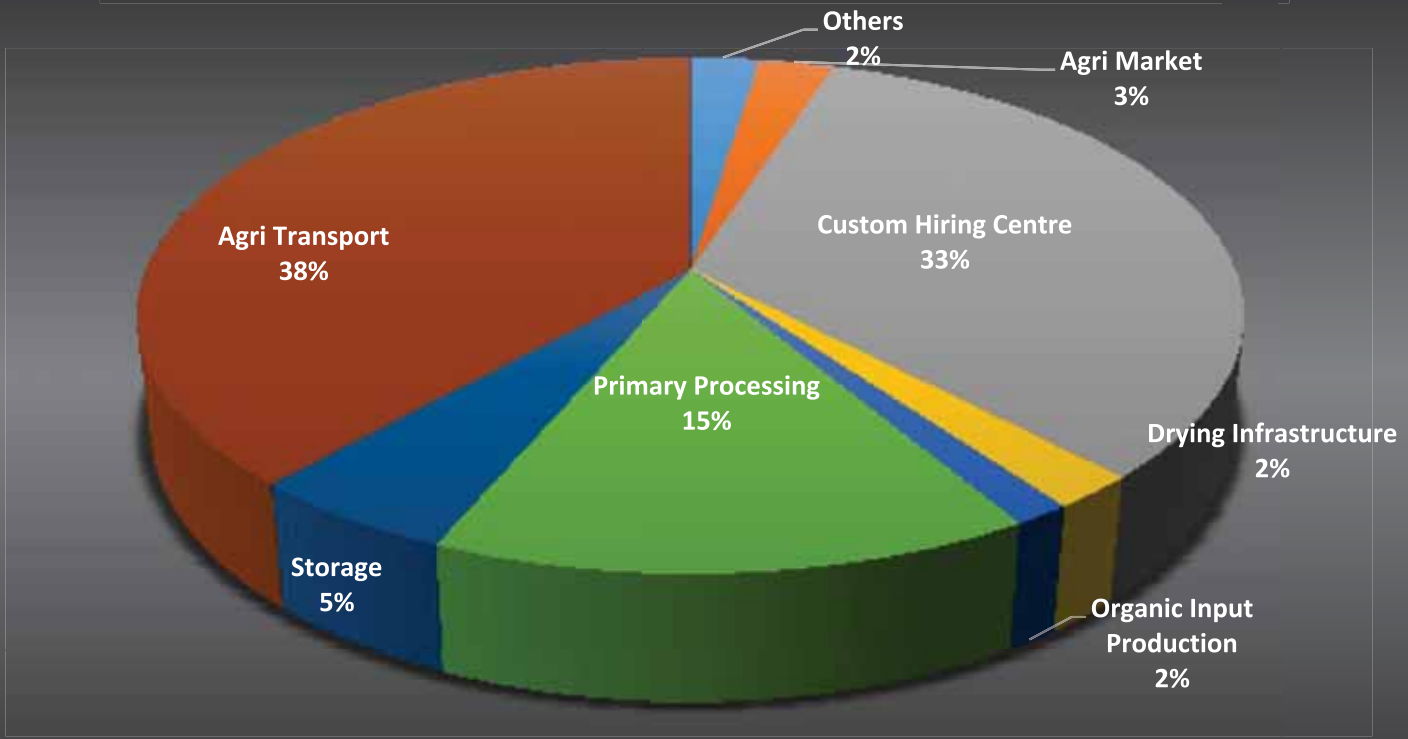
In line with these initiatives, NABARD introduced “Special Refinance Scheme for Transformation of PACS as Multi Service Centres (MSC)”, wherein refinance is provided to the PACS, through StCB and DCCBs, at a very nominal rate of 4% p.a. The scheme envisages that the PACS undertake economic activities which will boost their income apart from providing diversified services to its farmer members. When dovetailed with the Agriculture Infrastructure Fund of Government of India wherein interest subvention of 3% is available, effective rate of interest for PACS shall be a mere 1% p.a.

The PACS as MSC scheme is being implemented in Tamil Nadu since 2021 with the active support of Govt of Tamil Nadu, TNStCB, DCCBs and the PACS concerned. So far 4632 projects have been sanctioned with a loan amount of ₹398.25 crore. Tamil Nadu has the highest number of projects under AIF in the country.

This compilation is brought out to capture some of the successful activities supported under PACS as MSC Scheme in the State to serve as a valuable input for all concerned going forward. We have covered a variety of assets financed under the scheme. I would like to place on record the active role played by the Cooperation Department, RCS, Government of Tamil Nadu, TNStCB, the DCCBs and the PACS concerned without whose efforts this achievement would not have been possible. I would also like to place on record the contribution made by BDPIC cell of TNStCB, set up with NABARD assistance in bringing out this publication. I am confident that this booklet will motivate several other PACS in transforming to Multi Service Centres.

R Shankar Narayan
Chief General Manager

Activity wise distribution under PACS as MSC in Tamil Nadu



- Others
- Agri Market
- Custom Hiring Centre
- Drying Infrastructure
- Organic Input Production
- Primary Processing
- Storage
- Agri Transport



Special Refinance Scheme for Transformation of Primary Agriculture Cooperative Societies (PACS) as Multi Service Centre (MSC)

Primary Agricultural Cooperative Credit Societies (PACS) are grass root level Cooperative institutions primarily involved in meeting the credit requirement of the farmer members. There is a felt need to develop PACS as Multi Service Centres(MSC) for meeting credit plus requirements of the members which will enable them to diversify their business and act as one stop shop for requirement of its members. The objective in transforming the PACS as MSC is to establish the supremacy of cooperatives as a grass root member driven business organisation, providing both financial and non-financial services to enhance the benefits of mutual interest. This also provides opportunity for PACS to leverage the changing landscape of Agriculture and recent reforms to build a strong and modern business entity in rural areas.

In order to develop PACS into MSC, NABARD introduced a Special Refinance Scheme (SRS) in which interested PACS are provided with concessional refinance through DCCBs/StCBs against loans availed by them for eligible projects. The scheme proposes to saturate all the potential PACS for conversion as MSC by providing special long term refinance facility to StCB and DCCBs at just 3%. NABARD's refinance support aims at enabling PACS to create quality infrastructure (Capital assets) and increase their business portfolio in tune with needs of members. The concessional refinance will also enable profitability and sustainability of the projects.

Under Govt of India's scheme of Agriculture Infrastructure Fund (AIF), for establishing decentralised farm-gate Post Harvest Management infrastructure, PACS have been included as one of the eligible institutions for interest subvention. As per the scheme, GoI provides interest subvention of 3% for eligible projects. Under GoI's credit linked subsidy scheme of Agri Marketing Infrastructure (AMI) scheme, capital subsidy upto 25% is available for eligible activities. These and other eligible schemes of GoI and



State Govts can be dovetailed with PACS as MSC scheme of NABARD for additional concessions which will make the activities more viable and sustainable. With investments in post-harvest infrastructure, it is hoped that farmers would be able to reduce post-harvest losses and increase their value realisation for the produce.

While NABARD gives refinance at 3% p.a repayable over a maximum period of 7 years, the loan is channelised through TNStCB and DCCBs to PACS at 4% p.a. In addition, for those activities eligible under AIF of GoI, interest subvention of 3% is available for the PACS thereby making the loan available to PACS at a very nominal interest of just 1% p.a.

Transformation of PACS as MSC in Tamil Nadu

In Tamil Nadu, Department of Cooperation, Govt of Tamil Nadu, Registrar of Cooperatives at State and District level, TNStCB, DCCBs and PACS concerned have played active role in implementation of the scheme. NABARD, in addition to refinance support, organised various workshops and sensitisation programmes for taking the scheme forward. Govt of Tamil Nadu also organised various sensitisation workshops and continuous review of progress in conversion of PACS as MSC. NABARD also facilitated preparation of DPRs through NABCONS and continuous hand holding of PACS/DCCBs.

As a result of concerted efforts by all stakeholders, so far in Tamil Nadu, 4632 projects have been sanctioned involving total project cost of ₹447.58 crore and loan amount of ₹398.25 crore. NABARD refinance is being extended to TNStCB for all these loans. The nature of activities supported under the scheme are mainly towards agri produce transportation (38%), Custom Hiring Centres (33%) and Primary Processing facilities (15%). The balance 14% of the projects are spread over various types of activities including 46 Agri drones. Tamil Nadu leads in number of projects in the country which is a matter of pride for the state.

Oruvandur PACS

Name of the PACS : Oruvandur PACS

District: Namakkal

Activity: 1. Rural Mandi, 2. Mini Custom Hiring Centre having Tractor with Cultivator, Rotavator, Shredder cum Pulveriser, Power weeder and Hydraulic coconut cutter

TFO : ₹ 35.62 lakh ; **Loan :** ₹ 32.06 lakh

Oruvandur area is known for banana cultivation. Farmers used to sell their produce in open space which was inconvenient during rainy and summer seasons. The PACS decided to construct a covered auction space and Rural Mandi, under the PACS as MSC scheme. Farmers and traders utilize the weekly PACS Mandi, which provides a clean and hygienic environment.

Namakkal Agricultural Producers Cooperative Marketing Society now uses this platform for banana auction, for which PACS receives a commission of 0.75%. Since start of operations in November 2022, banana worth ₹12 lakh have been auctioned in the Mandi in just one year and about 500 farmers have used the platform.

Further, under the scheme, OruvandurPACS purchased tractor with essential accessories like cultivator, rotavator, shredder cum pulveriser, power weeder and coconut dehusker to set up a mini custom hiring centre. Due to severe shortage of labour, there is good demand for these equipment. PACS saw business opportunity in hiring out these essential equipment to member farmers. Also, rates proposed by PACS were lower than market rates.

The PACS charges ₹900 per hour for any of the three implements when used along with a tractor. This combined price is lower than the market rates by at least ₹500-600. The mini CHC has earned ₹3 lakh in just one year of operation benefitting nearly 150 farmers.



Karaimedu PACS

Name of the PACS : Karaimedu PACS

District: Cuddalore

Activities: Combined Harvester and Oil extraction unit

TFO: ₹ 38.29 lakh ; **Loan:** ₹ 34.46 lakh

Karaimedu is a predominantly paddy-growing area. There are 750 members of Karaimedu PACS who are paddy farmers. Previously, these farmers used to rent combined harvesters from local agencies at ₹1700/hr. Due to heavy demand, availability and hiring charges were always problematic for farmers. Considering the demand, the PACS decided to purchase a combined harvester under PACS as MSC scheme. The PACS is charging at ₹1500/hr as rental charges which was lower than the existing market rates and so farmers were immensely benefitted. Since its inception in January 2022, a total of 505 members have utilized the combined harvester and the PACS has earned an income of ₹15 lakh from this operation.

Considering the availability of groundnut and gingelly from local farmers, Karaimedu PACS decided to set up an Oil Extraction Unit. The PACS did its own branding and packing of oil for selling to consumers directly and through wholesale.



Karaimedu PACS



Under the brand name 'NALAM' with FSSAI licence, since start of operations in April 2023, PACS was able to process 1.5 ton of Groundnut and 0.5 ton of Gingelly, yielding 530 litres of groundnut oil and 195 litres of gingelly oil respectively. The unit has also generated 1060 kg of oil cake, a valuable by-product. The unit is being used by 75 members and villagers.



Poonimangadu PACS

Name of the PACS : Poonimangadu PACS

District: Thiruvallur

Activity: Oil extraction and packing unit

TFO : ₹ 17.54 lakh; **Loan :** ₹ 15.79 lakh

The Poonimangadu PACS decided to setup oil extraction unit under the PACS as MSC scheme as an additional income generating activity. PACS obtained necessary license and introduced their own oil in the brand name Marutham oil.

After commencement of operations in December 2021, in just two years the PACS has earned an impressive income of ₹80 lakh by sale of about 27,000 litres of oil and oil cake. Their products are sold in local markets and neighbouring districts. Local farmers are now assured that their produce has takers at competitive price.

The PACS has shown how they can successfully establish a business activity, generate good sales through marketing and be useful to local farmers and economy.



Malliyakollai PACS

Name of the PACS : Malliyakollai PACS

District: Mayiladuthurai

Activity: Paddy Transplanter

TFO : ₹ 18.67 lakh; **Loan :** ₹ 16.80 lakh

Mayiladuthurai is predominantly paddy growing region and often faced labour shortage during sowing and harvesting time. Paddy transplanters were in good demand in the region. Malliyakollai PACS had old model transplanter, which was manually operated, labor-intensive and inefficient, leading to its underutilization by members.

Hence, under PACS as MSC scheme, the PACS decided to purchase modern advanced paddy transplanter which became popular among the members. The advanced paddy transplanter has been widely adopted by the farmers for paddy transplantation, marking a shift from the traditional methods.

Since its inception in April 2023, PACS has generated an income of ₹6 lakh within a period of 9 months. Further, PACS charges rental of ₹2,400 per acre for the transplanter, as against ₹2,700 per acre charged by local agencies.



Muthiyalpettai PACS

Name of the PACS : Muthiyalpettai PACS

District: Kancheepuram

Activity: Agri Transport Vehicle

TFO : ₹ 22.36 lakh; **Loan :** ₹ 20.12 lakh

In a region known for paddy cultivation, handloom industry and agricultural activities, villagers were reliant on private lorry operators for the transportation of paddy, other agricultural produce and handloom goods. This dependency was not only costly but also lacked efficiency. Further, Muthiyalpettai PACS had to hire vehicle every time for transporting PDS grains to its 22 PDS shops for which it was incurring average expenses of ₹4.50 lakh per year. Recognizing this challenge, PACS decided to purchase their own vehicle under the PACS as MSC scheme. The PACS vehicle is now used for transporting ration goods to Public Distribution System (PDS) outlets. It is also hired by the Marketing Federation to transport essential items to cooperative stores in the district. Members use the vehicle for transporting paddy and handloom goods mainly to Kancheepuram and Chennai. The PACS charges ₹600 per metric ton for a distance of 25 km for a load of 12 metric tons, earning an income of ₹7200 per load. This rate @ ₹25-30 per ton per kilometer is less than the rates charged by private operators. Since the start of operations in December 2021, Muthiyalpettai PACS has generated an additional income of ₹20 lakh in two years.



Alavayal PACS



Name of the PACS : Alavayal PACS

District: Pudukottai

Activity: Oil Processing Plant & Agri Transport Vehicle

TFO : ₹ 29.00 lakh; **Loan :** ₹ 26.10 lakh

In Pudukottai district many small farmers grow groundnut which is sold immediately on harvest to local traders. Alavayal PACS saw opportunity in processing the groundnut into edible oil, packaging, branding and directly selling in market. As there were no oil mills in the area, they decided to set up mini oil mill under PACS as MSC scheme. The initiative aimed at additional income for PACS. Along with ground nut oil PACS also decided to process coconut oil as coconut was abundantly available in the area.

Under the brand name 'Alavayal', PACS introduced both the oils into the market with necessary food and trade license. Oil cake, a by-product of oil processing, also earns additional income for the PACS.

The PACS distributes its oils through local shops and select cooperative stores in Chennai. Additionally, they engage in bulk sales through the Agricultural Produce Cooperative Marketing Societies (APCMS). The venture has proven profitable, with an impressive first-year income of ₹16 lakh.

In addition, PACS also purchased a TATA ACE vehicle for transportation of raw materials and oils. This vehicle is given on rent to members at ₹18/km as against market rate of ₹20/km, thereby earning additional income of ₹2 lakh.



Govindavadi PACS

Name of the PACS : Govindavadi PACS
District: Kancheepuram
Activity: 200 MT Godown
TFO : ₹ 40.00 lakh; **Loan :** ₹ 36.00 lakh

In Govindavadi, the PACS had been operating with a 100 MT godown which was used for storing grains against which pledge loans were given by PACS. As demand grew 100 MT was found to be insufficient. Hence the PACS recognized the need for expansion and they sought assistance for construction of a new 200 MT godown under the PACS as MSC scheme.

With the additional space, the PACS was able to cater to the additional needs of the farmers. Post-construction, the PACS has been able to disburse Produce Pledge Loans amounting to ₹32.34 lakh against grains stored in the godown. PACS was able to achieve peak capacity utilisation of 180 MT for the new godown. This has not only facilitated timely post-harvest credit to farmers but also avoided distress sales by them.

The operation of the new Godown has generated an additional income of ₹1.00 lakh for the PACS.



Sembanoor PACS

Name of the PACS : Sembanoor PACS
District: Salem
Activities: Agri Transport Vehicle
TFO : ₹ 17.14 lakh ; **Loan :** ₹ 15.43 lakh

Sembanoor PACS used to transport PDS commodities to its PDS shops by hiring lorries from Salem Agricultural Producers Cooperative Marketing Society (APCMS) for which they incurred annual expenses of about ₹ 3 lakh.

To save on this expense PACS decided to buy, under PACS as MSC scheme, its own lorry for delivering the PDS commodities to its outlets. The Agri Transport Vehicle also serves the member farmers, who use it to carry their produce of vegetables and tapioca to the market and the local sago mills. PACS charges a reasonable rent of ₹7 per km from the farmers, while the private lorry owners charge ₹8 per km.

In the first year of operation, PACS earned an income of ₹ 5 lakh and benefited about 400 farmers. PACS also made an agreement with Salem APCMS to transport PDS commodities to other PACS in the area. As a result, PACS generated an additional income of ₹ 4.02 lakh.



Sillamarathupatti PACS

Name of the PACS : Sillamarathupatti PACS

District: Theni

Activity: 1000 MT Godown

TFO : ₹ 197.52 lakh; **Loan :** ₹ 158.01 lakh

The Government of India launched the World's Largest Grain Storage Scheme in Cooperative Sector aligning with the Prime Minister's vision on Atmanirbhar Bharath to increase grain Storage capacities in PACS level benefiting local farmers and PACS. The project intends to develop critical infrastructure to give fillip to the rural economy. Custom hiring Centre, agro-processing units etc. are other project components. Sillamarathupatti PACS was one of the 11 PACS identified under the Pilot project in the country. The construction began in April 2023 and godown is now ready for use by farmers. Sillamarathupatti PACS is considering to purchase Agri Kisan Drone and Agri Transport Vehicle under PACS as MSC scheme. This pilot project also entails convergence with various GoI's Schemes like Agriculture Infrastructure Fund (AIF), Agriculture Marketing Infrastructure (AMI), Sub-Mission on Agricultural Mechanisation (SMAM), Mission for Integrated Development of Horticulture (MIDH), PM Formalization of Micro Food Processing Enterprises Scheme (PMFME) and Pradhan Mantri Kisan Sampada Yojana (PMKSY).



Karukkalvadi Srideviamman PACS



Name of the PACS : Karukkalvadi Srideviamman PACS

District: Salem

Activity: Shredder cum Pulveriser

TFO : ₹ 1.50 lakh ; **Loan :** ₹ 1.35 lakh

Coconut and sugarcane are some of the primary crops in the area of operation of Karukkalvadi PACS. These crops generate lot of dry agri waste which can be re-cycled and used as manure.

Taking advantage of this opportunity, Karukkalvadi PACS decided to purchase a Shredder cum Pulverizer. This equipment pulverizes farm waste on-site and facilitates conversion into manure.

The equipment was procured in February 2023 and has since been rented out to farmers at a rate of ₹125 per hour. This initiative has generated an income of ₹0.30 lakh for the PACS in just 10 months, with minimal maintenance costs. During this period, approximately 100 farmers have hired the equipment.



Kalambakkam PACS

Name of the PACS : Kalambakkam PACS

District: Thiruvallur

Activity: Combine Harvester-Chain Type

TFO : ₹ 53.19 lakh; **Loan :** ₹ 47.87 lakh

The Kalambakkam PACS made a strategic decision by purchasing a combined harvester under PACS as MSC scheme in October 2021. Given the region's focus on paddy cultivation, there has been substantial demand for combined harvesters. Previously, farmers relied on private individuals who charged higher rates, ranging from ₹1,600 to ₹1,700 per hour.

However, in the interest of its members, the PACS offered hiring services @ ₹1,400 per hour. As a result, an increasing number of farmers prefer to hire the PACS' harvester rather than relying on private owners.

The PACS has so far generated a revenue of ₹14.50 lakh by leasing the combined harvester to about 1300 farmers. In the off-season, the equipment is sent to adjacent districts or states for rental purposes.



Neivilakku PACS and Vedaranyam PACS

Name of the PACS : Neivilakku PACS and Vedaranyam PACS

District: Nagapattinam

Activities: Tractor with Trailer, Disc plough, Cultivator, Tipper, Rotavator and Agri Transport vehicle

TFO : ₹ 43.98 lakh ; **Loan :** ₹ 39.58 lakh

Nagapattinam being a Cauvery delta district predominantly grows paddy. Small farmers here require tractor for various agricultural operations and they normally hire these from private agencies or government custom-hiring centers. Availability of tractors at CHCs is always a major issue and private agencies are costly and unreliable.

Neivilakku and Vedaranyam PACS saw opportunity in buying tractor with few important accessories and renting it to their member farmers at reasonable rates lower than market rates. PACS fixed rental of ₹900/hr as against prevailing market rate of ₹1000-1200/hr. With reliable service, tractor hiring became popular among small farmers.

Since its inception in February 2023, both PACS have successfully facilitated tractor services to approximately 500 farmers. Within six months of operation, PACS have achieved a combined net income of ₹ 5.50 lakh. The initiative aims to extend affordable services to its members, streamline operations and enhance overall productivity by reducing dependence on manual labour.

In addition to tractor, Vedaranyam PACS purchased a Agri Transport Vehicle mainly to earn additional income for the PACS by renting the vehicle to Cooperative Marketing Society (CMS). On an average PACS earns ₹0.50 lakh per month by renting the vehicle. PACS also gives the vehicle on rent to villagers as per requirement.



Madukkur PACS

Name of the PACS : Madukkur PACS

District: Thanjavur

Activity: Combined harvester

TFO : ₹ 21.00 lakh; **Loan :** ₹ 18.90 lakh



Madukkur PACS purchased Combined Harvester under PACS as MSC scheme in July 2021. Being predominantly paddy growing area and facing acute labour shortage during harvesting season, combined harvester of the PACS became popular among member farmers.

Farmers used to depend on private individuals for harvesters who charge ₹1800/hr. PACS however kept its hiring charges at ₹1500/hr and ensured transparent way of allocating the machinery to applicants.

In just about one and half years of its hiring operations, PACS was able to generate commendable income of ₹19.00 lakh. So far, 425 farmers have availed services of combined harvester.



Sammattividuthi PACS

Name of the PACS : Sammattividuthi PACS

District: Pudukottai

Activity: Rural Market

TFO : ₹ 8.50 lakh ; **Loan :** ₹ 7.65 lakh

Sammattividuthi PACS decided to construct a rural mart under the PACS as MSC scheme. Prior to the establishment of the rural mart, local farmers primarily relied on middlemen to sell their produce. However, with the introduction of the rural mart, approximately 35 farmers have now begun directly selling their agricultural products. Since its inception in February 2023, the rural mart has made a significant impact. The PACS has earned income of ₹1.0 lakh in commission fees from transactions facilitated through the rural mart.

The rural mart has successfully facilitated the sale of agricultural produce worth ₹ 5.50 lakh.

This initiative not only benefits the PACS but also empowers local farmers by providing them with a direct avenue to market their goods.



Manavur PACS

Name of the PACS : Manavur PACS

District: Thiruvallur

Activity: Paddy Harvester

TFO : ₹ 27.32 lakh; **Loan :** ₹ 23.33 lakh

Manavur PACS decided to purchase a Paddy Harvester under PACS as MSC scheme as majority of farmers were cultivating paddy. This initiative has not only proven to be financially beneficial for the PACS but also to farmers who are able to access services at lower rates. The PACS in just 10 months of operation generated income of ₹9.00 lakh. The PACS charges ₹1,100 per hour for hiring the machinery, a significant saving compared to the ₹1,400 per hour charged by private parties.



Erandayiravilagam PACS



Name of the PACS : Erandayiravilagam PACS

District: Cuddalore

Activity: Combined Harvester-Chain Type

TFO : ₹ 49.33 lakh; **Loan :** ₹ 44.39 lakh

Combined harvesters are sought after by farmers in Cuddalore, a paddy growing region. Hiring rates varied and used to be high during peak season. Erandayiravilagam PACS understood the need for providing combined harvesters at reasonable and uniform rates and decided to purchase the same under PACS as MSC scheme.

Since its inception on December 2021, the Combined Harvester has been utilized by about 1800 members out of the total 2750 members of the PACS.

The PACS has generated total income of ₹ 20 lakh in just two years of operation. The combined harvester is being rented for ₹ 2,200/ hour as against ₹ 2,400–2,600/hour by private agencies.



Balajangamanahalli PACS



Name of the PACS : Balajangamanahalli PACS

District: Dharmapuri

Activity: Tractor with Cultivator

TFO : ₹ 14.05 lakh; **Loan :** ₹ 12.38 lakh

In Balajangamanahalli village where small farmers relied on private agencies for tractor services, decision of PACS to purchase tractor with cultivator under PACS as MSC scheme has made a significant impact.

Before PACS stepped in, farmers were paying between ₹1,100 to ₹1,200 per hour for tractor services. With the aim of benefitting the local farming community, PACS set a rate of ₹1,000 per hour for the tractor services. Around 175 farmers have availed the tractor service through PACS so far. Within just six months of operation, PACS has earned an income of ₹3.0 lakh.



Poolampatty PACS

Name of the PACS : Poolampatty PACS

District: Salem

Activity: Drying Yard

TFO : ₹ 10.00 lakh; **Loan :** ₹ 9.00 lakh

Poolampatty PACS established a drying yard under the PACS as the MSC Scheme. Prior to this initiative, private agencies in the area charged ₹200 per day for similar services.

Since the construction of the drying yard, the PACS provides services to farmers at a significantly reduced rate of ₹100 per day. This cost-effective solution benefits farmers by which they can access hygienic drying facilities at a lower cost.

Since its inception, the PACS has earned an income of ₹0.25 lakh from the drying yard operations



Manampathy PACS, Nellikuppam PACS and Thirukazhukundram PACS

Name of the PACS : Manampathy PACS, Nellikuppam PACS and Thirukazhukundram PACS
District: Kancheepuram
Activities: Agri Transport Vehicle
TFO : ₹ 71.36 lakh ; **Loan :** ₹ 64.22 lakh

PACS in Tamil Nadu operate PDS shops within their jurisdiction. Some PACS are having good number of shops under them and they incur expenditure for hiring transport vehicle for lifting PDS grains from CMS stores and distributing to PDS shops.

Manampathy, Nellikuppam, Thirukazhukundram PACS in Kancheepuram district identified the opportunity in purchase of own agri transport vehicles for PDS purpose so that they can save on hiring charges. Since the PACS have their own vehicle, district administration allows them to lift food grains directly from Civil Supplies Department godowns without going through intermediary like CMS. The PACS thereby get an additional income.

The above three PACS, since start of lorry hiring operations in January 2022, have earned combined additional income of ₹27 lakh in just about two years. Success of these PACS has prompted other PACS in neighboring districts to look into this business opportunity.



Kelur PACS

Name of the PACS : Kelur PACS

District: Tiruvannamalai

Activity: Paddy Harvester

TFO : ₹ 24.50 lakh; **Loan :** ₹ 22.05 lakh

Kelur PACS acquired the Paddy Harvester under the PACS as MSC Scheme. Paddy cultivation is predominant in the area, followed by groundnut farming. Previously, private parties charged ₹1700 to ₹1800 per hour for harvester services. In contrast, the PACS now offers the same service at a more competitive rate of ₹1500 per hour.

Since starting of operations in November 2021, PACS has earned total income of ₹16 lakh in two years benefitting about 500 farmers. Farmers are happy that they are getting reliable service at lesser rate. During off-season, the equipment is sent to neighbouring state.



Nachaloor PACS and Nangavaram PACS



Name of the PACS : Nachaloor PACS and Nangavaram PACS

District: Karur

Activity: Combined Harvester

TFO : ₹ 60.62 lakh ; **Loan :** ₹ 54.56 lakh

Nachaloor PACS and Nangavaram PACS in Karur district decided to buy combined harvesters under PACS as MSC scheme. Both the PACS have many small farmers who cultivate paddy and they depended on combined harvesters on rent from private parties during harvest season. Private services were un-reliable and rentals charged were higher especially during peak harvest season.

PACS charged ₹1000/hr as against ₹1200/hr charged by private agencies. The competitive pricing by PACS not only saves time and labour costs for farmers but also ensures transparency in operations and genuine transactions. Consequently, the PACS' harvester has become the preferred choice among farmers. The machine is despatched to nearby districts during off-season. The hiring activity not only brought income to the PACS, but also proved beneficial to small farmer members. Since start of service in June 2023, both PACS have earned combined income of Rs. 2.0 lakh serving about 60 farmer members.



Vanavasi PACS

Name of the PACS : Vanavasi PACS

District: Salem

Activity: Coconut Dehusking Unit

TFO : ₹ 3.25 lakh ; **Loan :** ₹ 2.92 lakh

Before the introduction of the Coconut De-husking unit by the PACS, farmers were reliant on private units. These units charged a fee of ₹1.05 per coconut and farmers often faced long waiting time. However, the scenario changed with PACS's decision to purchase a Coconut De-husking unit. This move ensured that farmers received timely service at a significantly reduced fee of ₹0.60 per coconut. So far the machine has been hired by 65 farmers for coconut de-husking. The machine was put into commercial operation in December 2022 and has since generated net income of ₹0.50 lakh. This initiative by PACS has not only resulted in substantial savings for farmers but also created additional income stream for the society.



Rajan Nagar PACS

Name of the PACS : Rajan Nagar PACS

District: Erode

Activity: Atta Processing and Packing Unit

TFO : ₹ 14.00 lakh; **Loan :** ₹ 12.60 lakh

The Rajan Nagar PACS in Erode district embarked on an innovative journey by installing an Atta Processing and Packing unit under the PACS as MSC scheme. This initiative was designed as an additional income-generating activity for the PACS and commenced its operation in March 2022. PACS sources wheat from Northern states and is processed into Atta and Rava locally. These products are branded under the name Mangalam, packaged and sold at competitive rates in packages of ₹28 for half a kilogram and ₹56 for one kilogram. This venture has generated an impressive income of ₹23.5 lakh for PACS in just under 18 months. PACS distributes their products across Erode, Nilgiris and Karur districts. They sell in the open market, ration shops and Cooperative Marketing societies. This initiative by PACS demonstrates a successful model of income generation through non-credit activities.



Javvadupatty, Periyakottai and Odaipatty PACS



Name of the PACS : Javvadupatty, Periyakottai and Odaipatty PACS

District: Dindigul

Activities: Power Tiller

TFO : ₹ 6.48 lakh ; **Loan :** ₹ 5.83 lakh

Dindigul district has hilly terrain and farmers here are largely small and marginal who cultivate vegetables in small plots. There is huge demand for small agri equipment like power tillers especially considering limited availability of farm labour. Hence, Javvadupatty, Periyakottai and Odaipatty PACS decided to purchase power tillers which was the most sought after agri equipment.

The PACS rented it to their members @ ₹350/hr as against prevailing market rate of ₹450/hr. This change had a significant impact. Since start of services in August 2022, these PACS have earned combined income of ₹2 lakh by renting power tillers. So far 125 farmers belonging to these three PACS have availed the services.



Nambuthalai PACS

Name of the PACS : Nambuthalai PACS

District: Ramanathapuram

Activity: Combined Harvester

TFO : ₹ 25.56 lakh; **Loan :** ₹ 23.00 lakh

Given the region's focus on paddy cultivation, there has been substantial demand for combined harvesters. Farmers previously relied on private individuals who charged ₹1600 to 1700 per hour for hiring harvesters. Nambuthalai PACS decided to purchase combined harvester under PACS as MSC scheme. The PACS offers the combined harvester at a reduced rate of ₹1400 per hour.

Since commencement of rental operations in February 2023, the PACS has earned total income of ₹5.50 lakh in just under one year benefitting about 150 farmers.

During non-operational days, the machine is deployed to nearby districts. Small farmers are happy that they get combined harvesters at reasonable rate.



Ariyapadi PACS

Name of the PACS : Ariyapadi PACS
District: Thiruvannamalai
Activity: Custom Hiring Centre
TFO : ₹ 41.98 lakh ; **Loan :** ₹ 37.78 lakh

Under the PACS as MSC scheme, Ariyapadi PACS has established a custom hiring centre equipped with 13 farm machinery and equipment. Farmers in the area now benefit from these available equipment, effectively transforming the PACS into a real Agro Service Centre. In addition to its community impact, Ariyapadi PACS is generating additional income by renting farm equipment. Within just four months of commencing operations in August 2023, the centre has earned income of Rs 0.75 lakh.

The hourly charges set by Ariyapadi PACS for utilizing their machinery are - Tractor : ₹1,000, Rotavator: ₹1,600, Bed type seeder: ₹1,500, Groundnut Sheller: ₹1,400, Groundnut Thresher: ₹2,000, Reaper: ₹1,500, Reverse Plough: ₹1,300. All these rates are lower than current market rates.



Mullayampatti PACS

Name of the PACS : Mullayampatti PACS

District: Theni

Activity: Maize Harvester

TFO : ₹ 28.56 lakh ; **Loan :** ₹ 25.70 lakh

There are many small farmers in the villages of Mullayampatti PACS and the area is famous for maize cultivation. Due to shortage of labour, they depend on maize harvesters supplied by private agencies which were costly.

Hence, under PACS as MSC scheme, the PACS decided to buy maize harvester to provide reliable rental services to its members at reasonable charges.

The harvester became popular among the farmers. The PACS within just two months of start of operations in October 2023 has earned rental income of ₹2.75 lakh benefitting about 50 farmers.

PACS charges ₹2,000/hr as against ₹2,300/hr by private agencies.





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NABVENTURES Ltd., a Company registered under the Companies Act, 2013, with a paid-up capital of INR 25 crore, is the Sponsor and Investment Manager of NABVENTURES Fund-I, a SEBI-registered Category II Alternative Investment Fund (AIF), with a base corpus of INR 500 crore and greenshoe option of INR 200 crore.

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As on 31st March 2022:

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Registered Office: NABARD, 2nd Floor, A Wing, Plot No. C-24, G Block, BKC, Bandra (East), Mumbai-400051

✉ e-mail: nabventure@nabard.org ☎ Phone: 91-22-26539149 🌐 www.nabventure.in



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Corporate Office:

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Registered Office:

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What does NABFOUNDATION want from you ?

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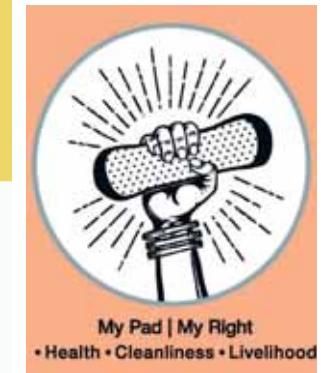
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- › Operating across in 16 States of India and touching lives of more than 5.50 lakh households with a commitment towards their socio-economic empowerment and furthering the cause for financial inclusion

Registered Office: #3072, 14th Cross, K R Road, Banashankari 2nd stage, Bengaluru - 560 070, Karnataka, India

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☎ Phone: 080 2697 0500

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NABSanrakshan Trustee Private Limited, A wholly owned Subsidiary of NABARD

Building Trust for Rural Prosperity

Corporate Office

NABARD, Plot No. C-24,
G Block, BKC, Bandra (East)
Mumbai-400051

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e-mail:ho@nabsanrakshan.org

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