

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO. 1542
TO BE ANSWERED ON 29th JULY 2025**

Strengthening of PACS

†1542. Shri Nalin Soren:

Will the Minister of Cooperation (**सहकारिता मंत्री**) be pleased to state:

- (a) the steps taken by the Government to strengthen the Primary Agricultural Credit Societies (PACS) financially;
- (b) the current status of incorporating PACS as Common Service Centres (CSCs); and
- (c) whether the Government has approved the Decentralized Grain Storage Programme involving PACS, if so, the details thereof?

ANSWER

**THE MINISTER OF COOPERATION
सहकारिता मंत्री (SHRI AMIT SHAH)**

(a) & (b) Since the establishment of the Ministry of Cooperation in July 2021, the Government of India has taken several transformative steps to strengthen Primary Agricultural Credit Societies (PACS), aiming to enhance their economic viability, transparency and financial sustainability. The major initiatives taken by the Government to strengthen PACS includes the following-

- **Model Byelaws for PACS** have been prepared, enabling PACS to undertake more than 25 business activities, including dairy, fishery, setting up godowns, procurement of foodgrains, fertilizers, seeds, LPG/CNG/Petrol/Diesel distributorship, short-term & long-term credit, custom hiring centers, Fair Price Shops (FPS), community irrigation, Common Service Centre, etc.
- **Strengthening of PACS through Computerization:** In order to strengthen PACS, project for Computerization of functional PACS was approved with a total financial outlay of ₹2,516 Crore which has been increased to ₹2,925.39 crores by the Government of India, which entails bringing all functional PACS in the Country onto a common ERP based national software, linking them with

NABARD through StCBs and DCCBs. This initiative helps in improving the operational efficiency of PACS, ensuring speedy disbursal of loans, lowering of transaction costs, increasing transparency and increasing farmers' trustworthiness in PACS operations.

- **Establishing New Multipurpose PACS/ Dairy/ Fishery Cooperatives:** The Government on 15.2.2023, approved the Plan for strengthening cooperative movement in the country and deepening its reach up to the grassroots. The Plan entails establishment of 2 lakh new multipurpose PACS (M-PACS), Dairy, Fishery Cooperative Societies covering all the Panchayats/ villages in the country over a period of five years, through convergence of various existing GOI schemes, including Dairy Infrastructure Development Fund (DIDF), National Programme for Dairy Development (NPDD), PM Matsya Sampada Yojana (PMMSY), etc, with the support of National Bank for Agricultural and Rural Development (NABARD), National Dairy Development Board (NDDB), National Fisheries Development Board (NFDB) and State Governments.
- **World's Largest Decentralized Grain Storage Plan in Cooperative sector:** Government has approved the plan to create godowns for food grain storage, custom hiring centers, primary processing units and other agri-infrastructure at PACS level, through convergence of various existing schemes of Government of India (GOI), including Agricultural Infrastructure Fund (AIF), Agricultural Marketing Infrastructure (AMI), Sub-Mission on Agricultural Mechanization (SMAM), Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME), etc. Under the pilot project of the plan, construction of godowns in 11 PACS of 11 States has been completed.
- **PACS as Common Service Centers (CSCs)** to deliver more than 300 e-services such as banking, insurance, electricity bill payments, health services, legal services, etc. to rural citizens; etc. So far, 47,918 PACS have started providing CSC services to rural citizens with total transactions worth Rs. 96.61 crores carried out by these PACS-CSCs.
- **PACS as Pradhan Mantri Kisan Samriddhi Kendras (PMKSK)** providing fertilizers, pesticides and various other agri inputs/services to farmers under one roof.
- **PACS as Pradhan Mantri Bhartiya Janaushadhi Kendras (PMBJK)** to ensure availability of quality generic medicines to rural citizens at affordable prices.
- **PACS made eligible for Retail Petrol/ Diesel outlets:** Government has allowed PACS to be included in the Combined Category 2 (CC2) for allotment of retail petrol/ diesel outlets.

- **PACS given permission to convert bulk consumer petrol pumps into retail outlets:** The existing bulk consumer licensee PACS have been given a one-time option by Oil Marketing Companies to convert into retail outlets.
- **PACS made eligible for LPG Distributorship for diversifying its activities:** This will give PACS an option to increase their economic activities and diversify their source of revenue.
- PACS have been made eligible to carry out **Operations & Maintenance (O&M) under rural piped water supply schemes.**

(c) In order to create decentralized storage capacity at PACS level, the Government has approved the World's largest Grain Storage Plan in Cooperative Sector on 31.05.2023. It entails creation of warehouses, custom hiring centers, primary processing units and other agri-infrastructure for grain storage at PACS level, through convergence of various existing Government of India schemes, including Agricultural Infrastructure Fund (AIF), Agricultural Marketing Infrastructure (AMI), Sub-Mission on Agricultural Mechanization (SMAM), Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME), etc. Under the pilot project of the Plan, construction of godowns has been completed in 11 PACS of 11 States. Further, more than 500 PACS have been identified for construction of godowns under the Project out of which 24 godowns in the State of Rajasthan have been completed and inaugurated on 17.07.2025.
