

## CHAPTER VI

### BANKING, FINANCE, TRADE AND COMMERCE

In the economy of a region, though agriculture and industries are the main sources of production, the other infra-structure facilities like capital, provision of finance, banking and co-operative institutions designed to extend credit and to provide other facilities serve as vital factors. Distribution of finished goods or the marketing arrangements, through which the goods are taken to the consumers are equally important. The various facets of the above aspects have been dealt with in this chapter.

#### BANKING AND FINANCE

While well-organised banking and institutional finance would help develop the economy of a particular region, as a complementary to it, trade, commerce and marketing activities would also develop and influence the economic, social and cultural life of the region. It can be seen in Kodagu also as found in other parts of the State, that the banking system has been equipped with new dimensions as a result of changing economic, social, political activities. In the recent decades, it is responding well with the changing needs.

Before the advent of the modern banking which has its roots in the early part of the twentieth century, as is elsewhere, here too the private money lenders, merchants, the affluent, the landlords, the officials and the members of the royal family were engaged in money lending in their own way.

The *Rajendra Name* written in 1807 remarks that "If the illegal practices like cheating, deceit, litigation, slander etc. are involved in money lending business, the King will not show any mercy

on those" (p.234). This reference records the existence of the practice of money lending and also the regulatory policy followed by the Rajas towards unscrupulous money-lenders.

The Banking Enquiry Committee(1931) and the Coorg Economic Committee Reports (1935) are silent about the existence of money lending practices in the region. The District Economic Committee Report records:" A comparison between Coorg and other parts of the country, shows that the professional money-lenders are very few here. Instances of making fortune out of their profession by means of exploitation of the poor and the weak are rare and it was as exception to the established practices generally adopted by the money-lenders. Besides, the interest charged by the money lenders or the rich people of Kodagu is very moderate. Some private money lenders hailing from Mysore territory were found engaged in money lending in North Coorg" (The Coorg Economic Committee Report 1935).

It was noticed that while the Vyshyas were generally controlling money-lending business in North Coorg, the Jains, Marwarees and the Moplas hailing from other states were engaged in money lending in South Coorg. Trust and honesty were given prominence in money lending transactions. While bigger loans were usually secured by mortgages of immovable properties, jewels, silver, etc., the small hand loans were given on mutual trust and confidence. The loans up to Rs. 50 were granted only on promissory notes. During the time of economic crisis, the well-to-do Kodavas were lending paddy to the poor. It is said that the Kodavas, without adopting money lending as profession, were lending in their close family circles. Though money lending was mostly in cash, on certain occasions, grains (paddy) were also lent. The loans taken by way of grains (paddy) from the rich growers were to be returned with interest in the form of grains during the harvest.

According to the report, (1899-1908), the Moplas of Kerala were the prominent among the small money-lenders of Coorg, they were charging interest at 250 per cent. The Moplas, on lending rupees four in cash in July-August used to recover their loan in next February in the form of paddy equal to three *butties*. Each *butti* was costing Rs.3.00 at the prevailing price then.

During pre-independence days, when the activities of institutional finance and modern banking were not widely spread, as also there was no control of the Government over the rates of interest charged by the private money lenders, there was no uniformity in the interest rates on loans which varied from place to place.

### **Economic Survey**

The Economic Survey reports of the place would help us to trace out broadly the socio-economic conditions and standard of life of the people of the region. In the last century many economic survey reports were brought out on the district. "According to 1865-1878 report, the credit was good, and money easily procured and indebtedness was practically unknown. Infact, this period may be considered as one of the great prosperity."

**Indebtedness (1899-1908)**

Generally the people of Kodagu were indebted " says Haller's Report. The main reasons for this was a failure in coffee crops combined with improvidence and extravagance. The cost of living of the Kodavas was considerably higher than that of the non-Kodavas which was evident since jewels and ornaments worn during marriages and other occasions are generally borrowed and most of their valuables including medals presented commemorating the suppression of the rising in 1837 had gone to the hands of the money lenders. This indicates the intensity and seriousness of indebtedness of that period. It is recorded further that the Kodavas were borrowing either in cash or in kind at a higher rate of interest in August and September by offering the ensuing crop as security. With a view to mitigate the economic hardship by providing employment in the military a company known as 'The Coorg Regiment' was formed in 1902 in the Indian Army. But there was no good response for this, says the report.

The legislations pertaining to the economic improvement of the farmers, which were in force in Mysore State then, were made applicable to Kodagu, when the entire administration of Kodagu was transferred to the Company's rule in 1834. The prominent among the economic improvement laws were the Takavi Loan Act 1876, Land Development Loan Act 1883 and the Agricultural Loans Act 1887. The Agriculture Department was set up in Kodagu around 1907. The records show that since the inception upto 1904, the Government had granted Rs. 49,000 as agricultural loans and Rs. 40,000 as land improvement loans in the district.

**Economic Committee Report 1935**

A survey conducted in the district during 1934-1935 on the life in rural area, provides details on rural life, rural indebtedness and the remedial measures to ameliorate indebtedness. The main purpose in setting up this committee was to find out the estimated rural indebtedness in the area of agriculture, to explore various measures to free the peasants from the burden of indebtedness and to suggest ways and means to improve their economic conditions.

The economic committee which had conducted sample survey in 1935 had estimated the total rural indebtedness of the district at Rs.75 lakhs. This estimation was based on the *per capita* loan. The above estimation included sums due to Government and to co-operative societies as well as to private creditors. The survey was conducted in 13 villages comprising of 9,300 population (The total population of the district then was 1,63,000). The same Committee made yet another calculation based on the cultivated area in Kodagu (excluding coffee estates), and the estimated debt was of Rs.75 lakhs including the loan amount of Rs.8,12,781 supplied by the co-operative institutions. As per another method employed by the committee, according to the 1931 census, the male agricultural population of the district was 44,000; of them 11,000 persons had borrowed a total loan of Rs.17 lakhs; on the basis of this average method, the total debt worked out was Rs.68 lakhs. If the due amount of previous loan of Rs.4 lakhs was added to this, the total debt of the district would be Rs.72 lakhs.

The committee based on these estimates generally felt that the total indebtedness of the district was between Rs.70 and Rs.80 lakhs. Five years before the release of the report of the Coorg Economic Committee i.e., in 1930, the Madras Provincial Banking Enquiry Coorg Sub-Committee,

estimated the total debt of the district as between Rs.25 and 30 lakhs. The estimation was considered as unreasonable. Their estimates were based on figures of sample survey collected from 14 villages by the sub-committee. This figure was not acceptable to the then District Magistrate who was of the opinion that the estimates were not based on facts and were too meagre. In the above estimation, the loans taken through the Government and the Co-operative Societies together amounted to about Rs. 11 lakhs. He estimated that the total rural debt stood at about Rs. 40 lakhs. According to the Coorg Economic Committee Report (1935), the rate of interest charged on Government loans was five percent, while it was 25 percent in the case of private loans and even higher where transactions in kind were involved. The Economic Committee suggested several measures in order to extend material relief to the farmers like providing credit through co-operatives on easy terms, establishing Land Development Banks for long-term loans and creating Debt Reconciliation Boards etc., and these measures were introduced. It is learnt that the Debt Reconciliation Boards were functioning in the district upto 1935. The world depression was acutely felt in Coorg also during the 1930s. In next decades, the co-operative movement expanded its activities and many other programmes aiming at improvement in the economy of the cultivators were undertaken.

All economic surveys have their own limitations because of the tendency of not disclosing the realities like indebtedness by men and specially in the case of loans etc. At times they may exaggerate small issues and their statements may not be precise. Even then, such reports and surveys broadly indicate the trends prevailing which would help the scholars in their studies.

### Recent Surveys

As part of 1961 census operations, two villages in Kodagu were selected for detailed survey of socio-economic aspects. The survey comprises the various aspects of rural indebtedness of different economic groups of rural households. The study covered the following two villages: 1. Thannimani (Madikeri Taluk), and 2. Hebbale (Somvarpet Taluk). The selection of these two villages, in general represents the district's geographical, socio-economic, agricultural, and other features. The nature of rural indebtedness as revealed by 1961 report in brief are as under.

The population of Thannimani, under Bhagamandala panchayat, was 669. Of the total 112 households of that village 69 (62%) were in debts. The majority of the households belonged to Gowda caste (90 households) and among the rest were the Adiyas (9), Kudiyas (4), Marathas (4), Bants (2), Brahmins (2) and the Billavas (1). The total amount borrowed by debtors' families was a sum of Rs.60,482, which works out to Rs.878 per family and on an average Rs.90 per head. The another important point noted in the survey report was that none of the families having the lowest monthly income (Rs.25 or less) was in debts. Not that they were not needy, but they had no security to offer; such type of people used to raise the hand-loans and paid back in the form of labour and they never considered these transactions as loan.

The statistics contained in the survey report show that the families with higher income groups were able to borrow more according to their needs. (On the security of their immovable assets) from financial and other institutions. The sources of these loans included Takavi loans, loans from co-operative societies, and loans from private persons. The interest charged on the cooperative

loans was 8 1/2 percent, while 25 percent was charged by the Grain banks. Generally, 12 1/2 percent or even more was charged by the private money lenders.

Regarding the utilisation of the loan, 34% were spent for agricultural development, 32% for house building, and repair, 12% for domestic needs, 12% for repayment of old debts, 4% for celebration of festivals, 4% for other purposes. It was evident from the above data that the lion's share in the loan amount was spent for other purposes than for those for which it was intended to.

Hebbale is a big village having 436 households belonging to 22 different castes and the population of which was 2,229. This border village is economically forward and is very much linked to Mysore district in respect of culture and communication. The majority of the people were caste Hindus and Dalits. Agriculture was the main occupation. Of the 436 households in the village, 174 households (40%) were in debt amounting to Rs.1,12,325 and of this 52% was borrowed mostly by the families in the higher income group, while the total loans obtained by the lower income group, accounted to five percent only. It was revealed in the report that the families of higher income group who could afford to offer security were alone able to procure more loans. The sources of loans included the Government institutions, Co-operative societies, the Life Insurance Corporation of India and the Commercial banks. The point to be noted here is that the major portion of the loans raised was from 'friends and relatives'. The private money lenders who were required to register had given major portion of the loans. Of the total loan amount, 22 percent was spent on marriages etc., 11 percent for household expenses, 18 percent for house construction 9 percent for repayment of old debts, while one percent for education and litigation, and 15 percent for purchase of land and 8 per cent for purchase of bullocks. Out of the total loans obtained, 8 percent was spent on trade, commence and land improvement.

Though, the above economic survey report based on these two villages by and large represent the whole district is three decades old. But, it serves us an index throwing some light on some of the fundamental socio-economic problems of the rural areas.

In the recent decades (1970-90), commercial banks, regional rural banks and co-operative societies have extended their activities through the network of their branches in the district. Under the priority sector advances, these institutions extend credit facilities for the cultivation of commercial and plantation crops, village and cottage industries (bee keeping, sericulture, handi-crafts, dairy, poultry etc). Priority would also be given in lending to the weaker sections of the society. Under the Integrated Rural Development Programme, it is compelled to extend institutional credit to the weaker sections, through the Zilla Parishads.

### **Regulation for money-lending**

With a view to controlling the activities of money lenders and the pawn brokers who were carrying on money lending and pawn broker business for many years without being controlled by any regulatory measures were exploiting the illiterate weak debtors. In order to protect them, many legislative measures were adopted by the Government before and after the Independence. The main purpose of enacting the legislations was to protect the borrowers and to keep interest rates under check. Before the enforcement of the common laws of money lending made applicable to

the whole state between 1961-1966, the laws in this regard prevalent to former Mysore State were also made applicable to Kodagu.

In 1915-16, the rates of interest on various types of loans were as follows: 9 percent on mortgages, 10 percent on loans against the surety of a person and 12 percent on hand loans payable within a month. The Mysore Money Lending Act, 1939, was very important. Accordingly it was obligatory to the creditors that proper accounts were to be maintained, receipts for having received the money must be issued and also the balance of loans should be mentioned on the receipts etc. The rate of interest chargeable was simple 9% on loans against the security; and a 12 percent simple interest was to be charged on loans without security. Harassment of any nature to the borrowers by the money lenders was made a cognizable offence under the Act.

### **After 1956**

After the Reorganisation of the State, more comprehensive and unified Acts, viz., the Karnataka Money Lending Act, 1961 and the Karnataka Pawn Brokers Act 1961 as applicable to the state including Kodagu were brought into effect in 1962 and 1966 respectively. Many amendments, comprehensive in character containing several stringent regulatory and punitive measures so as to curb many unscrupulous practices of money lenders were incorporated to the above two Acts recently. Under the Act, the present rate of interest on secured loans is 18 percent, while on unsecured it is 21 percent. The Deputy Registrars of Societies at the district level and the Assistant Registrars of Co-op. Societies at the sub-divisional level are empowered to administer the Act. These authorities are also empowered to execute the Chit Fund Act 1982 and Chit Fund (Karnataka) Regulations 1983. It is very common that unregistered private money lenders, big land holders, the rich persons and merchants are lending money secretly within a limited manner apart from the registered money lenders. The rate of interest charged by these persons varies from 2 to 5% per month. The mutual confidence and the trust are the basis for these transactions. Merchants also carry various types of Chit Funds or Kuri in their circles. According to the report of the Deputy Registrar of Corporative Societies of the district, there were 23 registered money lenders and three registered pawn brokers in the district, in 1982 and the loans advanced by them amounted to Rs.21.15 lakhs and Rs.25,000 respectively. By 1986, the number of pawn brokers doubled to 6 and the number of money lenders was reduced to 22. The transactions in that year increased to Rs.49.14 lakhs in money lending and Rs.42,000 in pawn brokerage. After three years, ie 1989, the number of money lenders increased to 34 while the number of pawn brokers remained at 6. The total amount of loans advanced by the money lenders and pawn brokers stood at Rs.56.88 lakhs and Rs.1.58 lakhs respectively as per the report. The money lenders are mainly concentrated in urban areas and trade centres and a majority of them came from outside the State. According to the recent report there were 23 registered money lenders and the loan advanced by them amounted to Rs. 17.28 lakhs at the end of 1991, and the number of pawn brokers was 19 and the loan advanced by them amounted to Rs. 20.42 lakhs.

### **Finance Corporations**

In an unorganised money market, in addition to money lenders and pawn brokers, a good number of non-banking institutions like Nidhis, Chit Funds (finance corporations) etc., are found

lending money in urban areas and in trade centres through their branches for trade, commerce, industries, purchase of vehicles etc., by way of hypothecation loans. These institutions on many occasions run parallel banking. These institutions mobilise deposits from the middle class people by offering attractive terms, higher rate of interest and cash prizes etc. Though, these finance corporations promote the savings habits, on many occasions some of these institutions are found cheating the public by their unrestricted business activities resulting in their liquidation. These institutions are registered under 'Indian Partnership Act 1932' or 'The Companies Act 1956' and the District Authorities of the Department of Co-operation are empowered to exercise control over them under the Karnataka Money Lending Act 1961. Between 1982 and 1991, eight registered finance corporations were functioning in the district, and of them some were from outside the district while others were from the district. While four corporations were functioning in Kushalnagar and two at Madikeri, of the remaining two were at Somvarpet, the number of such corporations increased to 13 by the end of 1991 and according to the Deputy Registrar of Co-operative Societies their deposits accretion amounted to Rs.1.5 Lakh, Rs.2.17 Lakhs and Rs.4.17 lakhs in the years 1982, 1986 and 1989 respectively. In 1991, 13 Corporations together had accumulated deposits amounting Rs.21.28 lakhs, and their advances were of Rs.57.93 lakhs.

#### **Bank's assistance to the Weaker Sections**

The public sector Banks, non-nationalised Banks and the Regional Rural Banks have been providing loans at a cheaper rate of interest, under 'Differential Rates of Interest' (DIR) loans scheme adopted by them since 1973. The main purpose of this scheme is to provide financial base for those who are economically backward, SCs/STs, small and marginal farmers having either one acre of wet land or 2.5 acres of dry lands, rural artisans and the bonded labourers. The annual income of the family to avail such concessional loans has to be Rs. 2,000 in rural area and Rs. 3,000 in urban area in the beginning; this limit was gradually increased to Rs. 6,400 in urban and semi-urban areas and Rs. 7,200 in metropolitan area. The interest charged for this loan is 4 percent and the balance of interest is borne by the State Government. According to the Lead Bank report, banks in the district together had lent a sum of Rs.284.32 lakhs in 1987, Rs.226.13 lakhs in 1988 and Rs.208.96 lakhs in 1989 and the total number of beneficiaries were 14,877, 13,781 and 12,447 in the respective years. The percentage of DIR loans accounted to 3.79, 2.92 and 2.45 respectively in the total lending of banks for the above years. (The total lendings under this scheme shall not be less than one per cent of the total advances of the banks).

#### **Slavery and Bonded Labour**

There are reports, revealing the existence of the system of agrestic slavery in the district since a long time as is the case with other districts. The geographical conditions, mode of agriculture, operations, economic conditions, social background etc., were conducive for growth of agrestic slavery in the district. Though the British Government had abolished the system of slavery (*Jammadalu*) which was prevalent here from ancient times and continued during the rule of the Rajas, by enacting the Abolition of Slavery Act 1843 applicable to the entire country (British territories), the system was still being practised in Kodagu. Besides, the Breach of Contract Act, 1860 also helped furtherance of the system. Though slavery could not be continued by legal means

after 1843 the system continued in the form of bonded labourers or in other forms. Poverty was the main reason for continuance of the system.

Records indicate that during the reign of Chikkavira Rajendra (1820-30), there were 6,089 slaves under his control known as *Jammadalu*. of which 1,750 were working in the palace lands, plantations and in the king's service etc., and the rest of them were allotted by the Government to the owners of *Jamma* lands (For particulars on *Jammadalu* see chapter II). Among the *Jammadalu*, there were two kinds: one is known as '*Bhumi (land) Jammadalu*' (attached to land) and another '*Okkalu Jammadalu*' (attached to the owner of the land). *Bhumi Jammadalu* could be sold together with sale of the land to which he was attached. '*Vokkalu Jammadalu*' was attached to work in all lands of the master and he could sell them to others. Usually, the Rajas, in recognition of the services rendered by the officials, made them land grant either as *Umbli* or *Jamma* and at the time of transfer of *Jamma* lands the Rajas used to present their own *Jammadalu* belonging to the 'untouchable' or tribal castes for assisting in cultivation. The *Jammadalu* used to be there on the Raja's *Panya* or palace lands also. Though the masters could have sold these slaves "such sales were rare in Kodagu" says D.N.Krishnaiah. The *Jammadalus* belonged to 12 castes like Kembatti Holeya, Marangi Holeya, Betta Kuruba, Jenu Kuruba, Yerava etc., As found in the old records, the annual wages paid to the Kembatti Holeya and his wife were Rs.12, whereas it was Rs. 10 to Jenu Kurubas and Betta Kurubas.

When the Britishers wanted to grant freedom to the *Jammadalu* in 1836, this was vehemently opposed by the *Diwan*, officers and landlords (owner of *Jamma* lands). Even after the Company's Government brought the Abolition of Slavery Act 1843 into force, the *Jammadalu* were not in a position to get themselves freed. However, the restrictive conditions imposed on *Jammadalu* were removed after two generations. The strong opposition by the landowners and the circumstances prevailing then in Kodagu were responsible for the continuance of the system. But in course of time, when the coffee plantations grew in number, the *Jamma* Labourers gradually joined service under the European planters who were paying higher wages. This also resulted in original *Jamma* land owners treating their *Jammadalus* better so that they might not desert the farm, but continue to serve the original master. They secured more wages and some sort of freedom. Hundreds of labourers who were getting advance either from the planters or from the contractors who were supplying labourers, were committing themselves to the new type of bonded labour system. Some opine that this system still prevails in Kodagu. Despite the ending of bonded labour system, many old *Jamma* labourers are continuing to work under their old hereditary masters. Now they are coolies, who are paid according to the Act regulating their wages.

### **Abolition of Bonded Labour Act**

The Central Government enacted 'The Bonded Labour System Abolition Act, 1976' for the whole country by releasing the bonded labourers. Accordingly, the bonded labourers, who were in debts were deemed to have been discharged of their debts together with interest thereon. Under the rehabilitation schemes of the released bonded labourers, the Central as well as the State Governments have formulated many financial assistance schemes. The nationalised banks are extending financial assistance for income generating, self-employment schemes covering supply of milch animals, sheep, poultry, pigs, purchase of bullock carts, and starting of handicrafts etc.



Under the rehabilitation scheme of bonded labourers from 1979-80, the Central Government shares 50 per cent expenditure incurred by the State Governments. The identification and rehabilitation of bonded labour are being done by Mandal Panchayat under Zilla Parishad. Majority of the bonded labourers in the district are local SC/ST community members and labourers from Kerala and Tamilnadu. Practicing of bonded labour system, advancing money to the labourers for this purpose and encouraging this evil practice are considered as cognizable offences punishable under the Act. For such offence, fine upto Rs. 2,000 and imprisonment upto 3 years shall be imposed. According to the Deputy Commissioner's report, except Somvarpet Taluk, in no other taluks of the district the Bonded Labour System was being practiced. Till 1990, in Somvarpet Taluk 56 labourers were identified and were rehabilitated. Of them, 38 were SCs and 18 STs.

### **Karnataka Debt Relief Act 1976**

With a view to providing relief to the marginal land holders, landless farm workers and other economically weaker sections, the State Government has brought the Karnataka Debt Relief Act into force in 1976. The persons, who are eligible for relief under this Act, should have annual income not exceeding Rs. 4,800 (from 15th November 1979). Initially, the income ceiling was fixed at Rs.2,400. Under this Act, the creditors were deprived of their debt amount and interest and the immoveable and moveable properties pledged as security were returned to the debtors. The decrees obtained by the creditors from the court were declared as annulled. However, the relief under this Act is not made applicable to the loans secured from the Central and State Governments, Co-operatives and Companies etc. Under Rule 5 of the Act, the creditor who fails to return the property pledged, is liable for fine ranging from Rs.1,000 to 5,000 and imprisonment of three months to one year.

The total number of applications seeking relief, in the district, under Debt Relief Act, as at the end of 1990, was 691 of which 430 were from Somvarpet and the rest (261) from Virajpet. It is reported that no such requests were received from Madikeri taluk. The amount involved in the applications seeking relief was Rs.5.51 lakhs, of which the lion's share was from Somvarpet taluk (4.63 lakhs); the remaining Rs 88,200 was from Virajpet Taluk; the number of applications disposed off involving Rs.1.24 lakhs, was 571 (all applications from Virajpet were disposed off). The Deputy Commissioner's report says that the number of SC/ST and other backward class beneficiaries from these two taluks were 18 each.

### **COMMERCIAL BANKS**

The integrated history of banking in Kodagu district can be traced with the history of commercial banking, from 1934. There is an opinion that a branch of Imperial Bank of India was in existence in Kodagu prior to this. Before this, agriculture credit was provided by the present Coorg District Central Co-operative Bank which was having jurisdiction over the entire Coorg State from its inception in 1922. There were agricultural and non- agricultural credit co-operative institutions (Rural Banks) extending credit to their own members since 1919. The Land Development Banks for providing long term agriculture development loans were established between 1957-62. Due to these reasons, it appears that there was no scope for the existence of an independent commercial bank in Kodagu district.

Keeping in view of the growing credit demands from the principal growers of coffee, cardamom, pepper and orange etc., the banking companies from the neighbouring Dakshina Kannada district and also from neighbouring Kerala and Tamilnadu states opened their branches in the chief commercial places of the district. Gradually, this had resulted in spreading of banking to the whole district. Before 1934, the distant commercial banks from Bangalore, Mysore, Mangalore and Cannanore were meeting the credit needs of the big growers, merchants, and industrialists of the district. When the commercial banks started functioning from within the district in 1930-40, it was the period of world economic depression. In this period, the commercial banks came to the rescue of big growers by extending long term loans. Thereafter, the District Central Co-operative Bank launched the scheme of extending the long term loans.

The present Corporation Bank (Udupi: 1906) opened the first branch at Madikeri, the district headquarter, in 1934 which marked the beginning of commercial banking activities in the district. The same bank opened its second branch in the district next year (1935) at Virajpet. After 11 years, in 1946, Vijaya Bank (Mangalore: 1931) opened its first branch in the district at Madikeri. There were only three commercial Bank branches in the district before Independence. After Independence, the Commercial banking activities were spread to important centres of the district: Somvarpet (1951), Ponnampet (1950), Kushalnagar (1960), Suntikoppa (1958) and Gonikoppal (1959). In the first three places of the above five, the Corporation Bank opened its branches. At Suntikoppa, the Karnataka Bank Ltd., and at Gonikoppal the Vijaya Bank opened their branches. In the meanwhile, the State Bank of India (Public Sector Bank) gave a new turn to the commercial banking activities by opening its two branches, one at Madikeri (1955) and another at Virajpet (1956) and this gave a good boost to the Commercial banking activities in addition to rural development, small scale industries, agriculture marketing activities, etc. The Imperial Bank of India branch opened at Madikeri in February, 1955, was converted as a branch of the State Bank of India in July 1955.

When Kodagu became a part of Karnataka in 1956, another prominent bank of the country, the Canara Bank (Mangalore:1906) entered the arena by opening a number of branches beginning with 1957.

Within a period of about two-and-a-half decade (between 1934 and 1960) seven centres in the district possessed the banking facilities. The total number of branches was 11, of which four were at Madikeri and two at Virajpet and the rest were in other places.

Five years earlier to the nationalisation of banking, in 1964, it was found that adequate banking facilities were available in the district. There were 11 commercial bank branches in the district in 1964 and each branch on an average covered population of 32,000 persons. In India, then the average population served by a branch office was 75,000.

Before nationalisation, in a period of five years, between 1966 and 1970, the total deposits mobilised and the credit deployed by the commercial banks in the district were as follows, the amounts being in crores: 1966-4.19(1.04), 1967-5.03(1.51), 1968-5.53 (1.89), 1969-6.13(2.54), 1970-6.37(2.66). The figures shown in the brackets indicate the amount of credit deployed. The number of branches in the district in 1970 was 33, of which 7 were in the district headquarter town

Madikeri, 3 each in taluk headquarters of Somvarpet and Virajpet, 2 in Ponnampet and the rest (18) in other parts of the district.

It may be observed that there was a conspicuous increase in the number of branches in the district after the nationalisation of banks and also a proportionate increase in deposits as well as disbursement of credit. The deployment of credit exceeded the deposits. Owing to the progressive policy adopted by the commercial banks in recent years in their operations, now the banks consider the purpose for which credit is being used as most important than the credit-worthiness of persons. This has caused socio-economic transformation in the rural areas and the banks are considered as ray of hope to the weaker sections.

**The table given below indicates the progress of banking in the district between 1970 and 80 (Amount in crores)**

	1971	1973	1975	1977	1979	1981	1982
No. of branches	42	51	57	63	67	71	71
Deposits	8	11	15	27	38	43	50
Advances	4	6	8	13	23	31	34

The banking institutions from the State as well as outside the State have expanded banking services by opening new branches and also by expanding business in the existing branches in the district, to meet the growing demand for banking services corresponding to the economic development of the district, in the post-nationalisation period. In the recent years, the new branches opened in the district are Karnataka based Vysya Bank Ltd. (1976) and the public sector State Bank of Mysore. The banks originating from outside the State are Indian Bank, Union Bank of India, Central Bank of India, South Indian Bank Ltd., Indian Overseas Bank (1967) and the State Bank of Travancore.

The Corporation Bank had made a new stride in 1984 in the rural banking services of the district by sponsoring Chikkamagalur- Kodagu Rural Bank. Such Banks are expected to contribute to the rural development. The total number of banking companies including the Regional Rural Bank functioning in the district is 15, of which 8 are Karnataka-based banks and the rest, 7 from outside the State.

The total number of branches in the district has considerably increased between 1983-85 and as many as 19 new commercial bank branches and 18 Regional Rural Bank's branches between 1984-85 were opened, thus taking the total number of bank branches including Regional Rural Banks to 99. Similarly, total deposits which were Rs.61.11 crores in 1984 went up to Rs.71.08 crores at the end of 1985. But no new branches were opened during three years beginning with 1988.

By the end of 1990, the total number of bank branches in the district was 108, of which 87 (80%) were in rural area and the remaining 21 were in semi-urban area (According to the norms fixed by the Reserve Bank of India, centres where the population is 10,000 and less are known as

rural branches and where the population is between 10,000 and 1 lakh are known as semi-urban branches). As is prevailing elsewhere, here also there is a geographical imbalance in the spread of bank branches, due to number of reasons. Taluk-wise dispersal of branches is as follows:- Madikeri (37), Virajpet (39) and Somvarpet (32). The population served per branch office in the district was 6,500 in 1981 and in 1991 it was 4500. As a comparison between Kodagu and the Malnad and hilly districts, of the state and also other districts of the State, the banking services were adequate for meeting the requirements.

The Total number of personnel functioning in the commercial banks in the district is 1,147 (Including R.R.Bs.) of which 293 are officers.

### Statistics on Commercial Banks in Kodagu during recent years.

Particulars	(Amount in lakhs)				
	At the end of the year				
	1987	1988	1989	1990	1991
Number of branches	108	108	108	108	108
Deposits	9,894.79	11,422.53	12,768.34	13,476.00	14,776.24
Advances	7,334.18	9,551.82	10,306.77	11,391.16	11,497.67
Credit Deposit Ratio (%)	78.16	83.62	80.72	84.53	77.81
Priority Sector advances	5,685.85	6,527.60	7,591.42	8,114.80	8,008.16
% Advances under priority advances	73.52	68.34	73.65	71.24	69.65
DIR Lendings	248.32	226.13	208.96	153.36	151.00
Integrated Rural Development (IRDP) Lending	195.83	292.03	374.99	373.24	454.78

(Source: Lead Bank Report)

### Lead Bank Scheme

According to the Reserve Bank of India report, the main purpose the Lead Bank scheme implemented by the end 1969 is to coordinate the banking services with area approach (treating the district as one unit). The lead bank scheme envisages economic development of the area by increasing the resources, implementation of the approved schemes, especially schemes giving stress on lending to the priority sector and the weaker sections. The credit plans are prepared in consultation with various district development departments, through the joint efforts of the commercial and co-operative bank and the Government financial institutions etc., under the over-all co-ordination of the Lead Bank. The Lead Bank scheme has helped to reduce the imbalance and inefficiency of the banking services. To make the development schemes more meaningful, efforts are made to allocate branch-wise lending schemes, and the action plans with a view to achieving the integrated economic development of a village in the district.

By May 1984, the Corporation Bank took over the Lead Bank position from the Canara Bank which was functioning as Lead Bank earlier to this.

To-day in 1991, the total number of bank branches in the district is 108. (exclusive of co-operative banks but inclusive of RRBs). The number of habited villages are 288 which are distributed among 15 banks for implementing credit schemes. Of the 288 villages, major portion of villages (66) have gone to Canara Bank, 55 to the Lead Bank, 53 to Regional Rural Bank (Chikkamagalur - Kodagu RRB), and the share of Vijaya Bank is 46. The number of bank branches functioning in the district is said to be more when compared to the area of the district and on an average each bank branch covers less than three villages.

According to the 1986 annual action plan of the Lead Bank, the total lending in the district exceeded the target allotted to them. The total annual credit disbursement accounted to Rs. 2,218 lakhs, (total accounts 29,658; achievement 125%) as against the target of Rs. 1,767 lakhs (total accounts 16,659). Of the total lendings, 2/3 was for the agriculture sector and the State Bank of Travancore (Achievement 357% of the total target) surpassed all other banks in lending, followed by the State Bank of Mysore (234%), says the report.

According to the action plan of 1987, the total lending, during the year in the district was Rs.2,869 lakhs which was 135% of the plan target fixed (Rs.2,120 lakhs). This year more loans were given to self-employed and the professionals, and of them the number of women was more.

According to the 1988 Action Plan, the total amount of loans disbursed was Rs. 29.45 crores (total accounts 37,820) as against the target of Rs. 26.05 crores (accounts 31,270). In this annual plan the amount earmarked for agriculture lending was Rs. 17.57 crores but the loan disbursed amounted to Rs. 21.52 crores (122%), the total lending for small scale industries was less than targeted i.e., the loan disbursed was Rs.85.12 lakhs as against the target of Rs. 118 lakhs (72.14%). For other sectors, the target fixed was Rs. 730 lakhs but the loan disbursed was only Rs. 708 lakhs (94%).

#### **Integrated Rural Development Programme (IRDP).**

As in 1986, the total number of families below the poverty line in the district was estimated at 41,799 according to the IRDP prepared by the Zilla Parishad. The talukwise distribution was :- Virajpet 17,303; Somvarpet 15,382; and Madikeri 9,114. The financial assistance given by banks under IRDP during the Sixth Five Year Plan (1980-85) covered 10,407 families. The talukwise distribution was: Madikeri 2,461, Somvarpet 4,144 and Virajpet 3,802. The total amount lent by banks during 1986-87 under IRDP was Rs. 37.94 lakhs, the subsidy amount was Rs. 18.97 lakhs. These amounts in the next year (1987-88) were Rs.105.50 lakhs and Rs. 52.75 lakhs respectively. In 1988-89, the loan advanced amounted to Rs. 92.26 lakhs, and the subsidy was Rs. 46.13 lakhs. This means that the Bank had generally advanced twice the amount of subsidy.

#### **Regional Rural Bank (R.R.B.)**

It is the Corporation Bank, being the lead bank for the district, which sponsored the new breed of the banks called the Regional Rural Bank constituted under the Regional Rural Bank Act, 1976.

The share capital of the bank has been contributed by the Central Government, the sponsoring bank and the State Government. The bank having its headquarters at Chikmagalur has the jurisdiction over Chikmagalur and Kodagu districts. It was established in April, 1984.

Among other things, the main objectives of the RRB include, *inter alia* extending credit facilities to the farmers, especially, small and marginal farmers, landless labourers, rural artisans and the weaker sections identified under Twenty Point Programme, at cheaper rate of interest. They also provide the complementary banking service in the rural areas together with co-operative and commercial banks, etc., since these banks are paying interest on deposits little higher than the commercial banks, they are able to inculcate the habit of thrift in rural area.

The first branch of RRB was opened at Guddehosur Village in Somvarpet taluk, on 26th September 1984. Thereafter, nine branches were opened in different places of the district at the end of the same year. Next year in 1985, eight more new branches were opened. By the end of 1991, of the total 44 branches of R.R.B. 18 were working in Kodagu district; 8 in Madikeri Taluk, 6 in Virajpet Taluk and the remaining four in Somvarpet Taluk. The number of villages coming under the purview of the Regional Rural Bank branches in the district, is 53. The bank has been progressing for the past six years. Among the Bank's deposit schemes 'Kshemanidhi' scheme is very popular.

During 1984-85 the deposits and lendings were Rs. 53.25 lakhs and Rs. 71.20 lakhs respectively. Next year the deposits and lendings went up to Rs. 84.60 lakhs and Rs. 110.51 lakhs respectively. In 1987-88 and 1988-89, the deposits went upto Rs. 133.48 lakhs and Rs. 196.79 lakhs respectively and similarly the loans and advances also increased to Rs. 155.08 lakhs and Rs. 119.13 lakhs.

By the end of 1989-90, the deposits and advances registered at Rs. 222.93 lakhs and Rs. 239.85 lakhs respectively. The recovery of loans which was 68% in 1987 and 69% in 1988 came down to 53% and 38% in the years 1989 and 1990 respectively (Recovery was low due to the declaration of waiver of farmers' loans by the Government). By the end of 1990, the credit extended by the bank to plantation (coffee, cardamoms, coconut etc.) amounted to Rs. 21.95 lakhs, Rs. 1.25 lakhs under the differential rate of interest scheme, Rs. 17.73 lakhs to the SC/ST sections (the total beneficiaries being 857.) Attention has been paid to make advances to the priority sector, and anti-poverty schemes viz., Twenty Point Programme, Antyodaya, 100 Well Scheme, IRDP, etc. The Bank is charging interest between 10 and 16 percent on different types of loans.

The Bank had incurred a loss of Rs. 24.05 lakhs at the end of March 1990 as against Rs. 15.97 lakhs in the previous year. The annual report says that the loss was due the increased insurance premia paid on the weaker sections advances and the expenditure incurred on non-performing assets.

### Loan Melas

The Loan Melas were arranged with a view to taking banking to the masses, which was confined to a class of people some decades earlier. Loan Melas were held at different places in the district during 1986 and 1987, and the loans were disbursed on a large scale. "The total amount

disbursed was Rs.224.73 lakhs to 7,947 beneficiaries in 8 loan melas organised by Vijaya Bank in different places of the district" says the report. The loan recovery was 33%. Similarly, the State Bank of Travancore disbursed loans amounting to Rs. 25,000 to 10 persons in 1986 and The Vysya Bank Rs. 44,500 to 14 persons in 1987. It is reported that the recovery percentage of the Vysya Bank was 57.

### **Lending under Twenty Point Programme**

The public sector banks financially assist many schemes coming under the purview of Twenty Point Economic Programme. The main purpose of this scheme is to lead an attack on rural poverty, put irrigation water to better use and support ideas like bigger harvests, health for all, justice to the Scheduled Castes and Scheduled Tribes, equality for women, improvement of slums etc. As per the information available the details of loan disbursed by the different banks in the district by the end of 1989 was as follows (amount in lakhs of Rs): Canara Bank 437.00, Vijaya Bank 267.33, Karnataka Bank Ltd 145.54, Vysya Bank Ltd 3.12. The next year, (1990), the Regional Rural Banks lent Rs. 615.01 lakhs and the Overseas Bank Rs. 73.10 lakhs.

### **Asha Kiran ('Ray of Hope')**

The 'Asha Kiran' is a social-security oriented welfare measure extending a scheme for group personal accident insurance for labourers of unorganised sector. It was launched in 1982 by Karnataka Government and it is first of its kind in the whole country. The scheme covers the poor agricultural labourers and other labourers of unorganised sector and it provides social security and group personal accident insurance. There is a provision in the scheme to give relief depending on the type of accidents and persons between 18 and 60 years having annual income not exceeding Rs. 7,200 are eligible to relief. The persons who have received the compensation from other sources are not eligible for relief under Asha Kiran.

The categories of unorganised workers covered are agricultural labourers, fisherman, beedi workers, toddy tappers, washermen, cobblers, carpenters, village blacksmiths, gold smiths, drivers of vehicles drawn by animals, cycle rikshaw pullers, barbers, tailors, hawkers, hand-cart pullers, meat sellers, construction labourers, tile makers, handloom weavers, tribal workers, basket weavers, stone cutters, hut builders, well diggers etc.

The accidents covered under the scheme for relief are rail or road, those caused by electrocution, snake bite, drowning in water, fire, fall from tree, attack by wild animals, thunder etc. But this relief is not available for those who meet accidents by intoxication, drug addiction, natural deaths, deaths caused by the sickness, suicide, and death arising from breach of any law with criminal intent etc. The relief available under the scheme will be Rs. 2,500 for loss of one limb, Rs. 4,000 in case of loss of two limbs, and Rs. 5,000 in case of death to the claimant of the deceased.

Ever since the Asha Kiran programme came into force in Kodagu (1982), 43 persons got the relief of Rs. 1.67 lakhs from the Government upto the end of 1989; Madikeri Taluk - 6 persons,

amount Rs. 20,000; Somvarpet 31 persons and Rs. 1.19 lakhs and Virajpet 6 persons and Rs. 28,000. The total amount of relief extended in the district in 1989 amounted to Rs. 83,000.

A similar Personal Accident Insurance Social Security (PAISSS) launched by the Central Government in 1985 and was brought into force in Kodagu district from 1988. Here the claimant would get a relief of Rs. 3,000 in case of a death of the bread earner of the poor family by an accident under this scheme. Since Asha Kiran of the State Government is similar to that of the Central Government Scheme, the relief of Rs. 5,000 payable by the State Government includes Rs. 3,000 payable by the Central Government.

### **Beedi Workers Group Insurance**

The Central Government has introduced the group insurance scheme since April 1992 covering the Beedi workers, who are between 18 and 60 years. The insurance premia of the persons covered under this scheme are payable by the Labour Welfare Department and the Life Insurance Corporation of India. If a person who is insured dies of natural death his claimant gets Rs. 3,000 and if the death is by accident the claimant will get Rs.6,000.

### **Insurance for Huts**

The Government of Karnataka has introduced Hut Insurance Scheme from the 1st May, 1988 in order to extend material relief to the rural families in case of their huts being destroyed by fire, and caused loss of property. The landless labourers and the artisans whose annual income does not exceed Rs. 4,800 are eligible for relief. The insurance company under this scheme pays the compensation of Rs.1,000 for huts and Rs. 500 for other things. The district has so far no occasion to claim relief under this scheme.

### **National Savings Organisation.**

After Independence, with a view to inculcating savings habits in the general public and institutions, the Central and the State Governments have launched a number of schemes. To implement this scheme, the Central Government established National Savings Organisation (NSO) in 1948. Thereafter, NSO opened District and Divisional Offices. To popularise the Small Saving schemes, the State Government started State lottery and other prize schemes. The State Government has opened the Office of the Assistant Director Small Savings in 1984 at the district headquarter. This has jurisdiction all over the district. There are 213 post offices in the district with the facilities for opening Savings Bank accounts. The amount mopped up under Indira Vikas Patra Scheme from its inception (19.11.86) till 90-91 was Rs. 4.25 crores and under National Savings Scheme - 87, the amount collected from the beginning (1987) to 31.3.1991 was Rs. 1.23 crores.

The district has been experiencing its own difficulties to achieve its targets of small savings, the main hurdle being inadequacy of transport and communications. Apart from this, the experts say that generally the estate, the plantation owners and workers have not developed a sense of savings habit and no special drives were conducted to promote small savings. This district was selected as model district by the National Savings Organisation in 1961-62 for promoting the sense



of saving in the minds of the general public. Accordingly, a sum of Rs. 13.70 lakhs was collected upto February 1962. The progress achieved in the district in promoting small savings in the district during 89-90 and 90-91 has been shown in Table No. 2

## INSURANCE

### **Karnataka Government Insurance Department**

The State Insurance Department (K.G.I.D.) founded a century ago in 1891 by the then Government of Mysore, is functioning till today and is engaged in insurance business in life exclusively to the State Government servants and in Motor Vehicles owned by the State Government and its servants and the State Undertakings. The administration of the KGID was decentralised in 1976 as a result of which, the District Insurance office was opened in Madikeri in 1979 for promoting insurance business and extending quick and better services, to the policy holders. Prior to this, since 1976, the business of the district was being handled by the Mysore Divisional Office. The total number of policies in force in the district was 14,531 covering 7,245 government employees by the end of 1990. The total annual premium income in the district was Rs. 49.95 lakhs in 1987-88, Rs.67.15 lakhs in 88-89 and Rs. 70.59 lakhs in 89-90, and out of 109 government vehicles 83 were covered by insurance. The District Insurance Officer is authorised to transact upto Rs. 40,000 (Issuance of Insurance Policies, sanction of claims etc.). The Insurance Department is managing the Family Welfare Scheme of the employees of municipalities, local bodies, aided educational institutions etc. since 1977.

### **Postal Insurance Scheme.**

Besides the LIC and the KGID, the Postal Department has been managing 'Postal Life Insurance' business from 1883. Initially, it was confined only to Post and Telegraph employees but now it is extended to the employees of States and Central Government, and Public Undertakings etc. The district figures of this insurance are not available.

### **Life Insurance Corporation of India**

The Life Insurance and General Insurance business was encouraged by many private companies (Mysore, Mangalore, Bangalore, Madras based companies) prior to the formation of Life Insurance Corporation of India in September 1956. These Companies had opened their offices in the important centres of the district. In those days people were not as much insurance conscious as they are now. The district was placed under the control of LIC Mysore Division with a branch at Madikeri opened in 1962. When gradually Insurance business was increasing two separate branch offices were opened in 1986 one for Somvarpet Taluk and the other for Virajpet Taluk.

The total number of policies in force during 1987-88, 88-89 and 89-90 were 41,228, 41,461 and 44,965 respectively, and the annual premium income in the respective years amounted to Rs. 283.12 lakhs, Rs. 383.74 lakhs and Rs. 457.27 lakhs. The number of Insurance agents which was 357 in 1987-88, went up to 398 in the next year and further to 499 in the third year. By 1990

Table No.2

## Achievement in the field of small savings in Kodagu during 1989-90 and 1990-91

Amounts in lakhs of rupees

Sl.No.	1989-90			1990-91		
	No. of new Accounts opened	Gross Collection	Net collection	No. of new Accounts opened	Gross Collection	Net collection
1. Post Office savings Bank Accounts (P.O. SB)	1373	333.18	(-) 316.31	1.199	121.45	(-)229.91
2. Post Office Term Deposits (T.D)	573	16.20	(-) 70.65	491	27.31	(-) 20.50
3. Post office Reccurring Deposits (R.D)	215	113.61	14.13	8.316	135.60	17.66
4. Post Office Cumulative Term Deposits (C.T.D)	-	3.82	(-) 3.33	-	2.47	(-) 8.21
5. National Savings Certificates II	-	-	(-) 4.85	-	-	-
6. National Savings Certificate VI	-	9.91	(-) 45.00	-	-	-
7. National Savings Certificate VII	-	-	(-) 16.30	-	-	-
8. National Savings Certificate VIII	-	126.51	126.51	-	157.59	157.59
9. Public Provident Fund (P.P.F)	29	44.35	44.34	5	42.41	42.41
10. Indira Vikas Patra	-	95.39	95.39	-	118.71	118.78
11. National Savings Scheme 87	394	45.01	45.00	225	56.13	56.02
12. Monthly Income scheme (MIS)	55	16.10	16.10	71	16.10	13.85
13. Kishan Vikas patra (K.V.P.)	-	27.92	27.92	-	55.38	55.38
14. Old discharged certificates	-	-	(-) 8.07	-	-	87.82

March, the total number of policies talukwise in the district and the annual premium were as follows: Madikeri 24,738 Insurance policies (Income Rs. 181.32 lakhs); Somvarpet 19,773 (Rs.88.19 lakhs) and Virajpet 13,908 (Rs. 187.76 lakhs). The branchwise number of agents and Development Officers is as follows: Madikeri 182(7), Somvarpet 148(7) and Virajpet 169 (8); the figures shown in the brackets indicate the number of DOs. The Group Insurance Scheme was introduced in the district in 1989-90 and the total number of persons covered under 11 different schemes is 260.

### Coinage and currency

It may be observed from the history that there will be a conspicuous variations in size, design, finish, the content used, etc., in numismatics of a region with rise and fall of the dynasties. The coins found in Kodagu district are very ancient and dated back to the Gangas of Talakadu (from 4th to 10th century). During the rule of the Gangas five different coins in gold and copper with royal emblem 'elephant' were minted. Dr.M.H.Krishna is of the view that the gold coins of the Gangas may be *varaha*. The subsequent coins issued by the Hoysalas were in gold and called *gadyana* weighing 62 grains. During the Vijayanagar rule (1336-1565) coins in gold and copper of different denominations were in circulation. The *varaha* or *gadyana* (52 grains, also called *pagoda* or *honnu*), *pratapa* (*kati* or half *gadyana*), *pana* (1/10 *gadyana*), *haga*, *tara*, *jital* and *kasu* etc., were also in circulation. There is no record to show that the Rajas of Kodagu who ruled for nearly 200 years had established a mint and issued the coins of their own in their small principality. The coins which were in circulation in the adjoining Mysore state, West Coast, Malabar, etc were in circulation here. These foreign coins were exchanged here with local coins at the prevailing rates of exchange by the traders and this practice was prevalent more or less in Kodagu till it was brought under the British rule in 1834.

Even after the introduction of company coins the local coins were exchanged accordingly: one *hana* was equal to Company's six *annas* and four pies (approximately 38 paise), 10 *hana* equalled to one *varaha*, one *varaha* was equal to company's four rupees.

The Mysore rulers in their long regality generally continued Vijayanagar coins but introduced certain changes. Among the Mysore kings, Kanthirava Narasaraj Wodeyar I (1638-1658) founded the first mint and brought many improvement in coinage and currency system. During his time, two kinds of coins known as '*Kanthirayi hana*' and '*Kanthirayi pagoda*' (*Varaha*) were brought into circulation. *Kanthirayi hana* was one tenth part of the *pagoda*. These coins were widely in circulation in Kodagu also. The *pagoda* weighed 52 grains as that of Vijayanagar. The Mysore kings had brought many copper coins in circulation and these were used as token coins. The *Ikkeri Varahas* issued by Sadashiva Nayaka, king of adjoining Keladi, were also in circulation here. Haider, during his reign, brought gold and copper coins on similar lines as that of Keladi Kings. Tipu, during his rule (1782-1799) had issued coins in 16 denominations in the media of gold, silver and copper.

Government accounts were kept in *Kanthirayi pagodas* and *sultanee* or *bahaduri pagodas* brought out by Haider till 1854. In the next year, 1855, company coins 'Company rupee' was introduced and the government dues and tributes were kept in company's rupee account. When the

Indian Coinage Act 1870 was extended to Mysore State, the British Indian coins were introduced in Kodagu also. In 1879, Madras Government currency notes were introduced in Kodagu. The British Indian coins were in silver, copper and nickel, *kasu*, (*pie*), *murukasu* (three pies; one fourth of an *anna*), and *ardhane* (half anna) were in copper where as one anna, two *annas*, (*chavali*), four *annas* (*pavali*), were in nickel. The silver coins which in circulation were two *annas* (*adeli* or *chavali*), *pavali* (four annas), *ardharupayi* (half rupee) and rupee. When paper currency notes were issued in 1862, they were put in to circulation here also, rupee comprised of 16 *annas* and one *anna* comprised of twelve *pies*. After Independence new emblem of the Government of India was printed on all coins and currencies in place of king George VI. In 1957, the decimal coinage system was introduced.

## CO-OPERATIVE MOVEMENT

During the past nine decades, Co-operative sector has been developed as a part and parcel of our economy. Co-operation has crept in all the sectors and there is no activity whether it is social or economic, which does not come under its purview. The All India Cooperative Act of 1904 was extended to all the states of Indian union, and it was extended to Kodagu State also in 1905 which made the beginning of co-operative movement. As found else where, here also the primary agricultural credit societies were started on priority basis. According to the available sources, the primary agricultural credit co-operative society started on May 22, 1905 at T.Settalli in Somvarpet Taluk was first of its kind in the district. Similar credit co-operative societies were started more in Madikeri and Virajpet taluks during 1919. For example Balamuri, Benguru, Aravathoklu, Bettageri, Napoklu and Kirundadu in Madikeri Taluk and Kunda, Mathuru, Nalluru, Besaguru, Beguru and Kothuru in Virajpet taluk. As per reports available, only six societies were established in 1905-06 in the district, their number rose to 11 next year and to 12 in 1907-08. During the year (1907-08) the membership of these societies reached 1081 and the share capital rose to Rs. 13,206 and the deposits amounted to Rs. 4,140. The Government had also extended an aid of Rs. 4,834 to these societies. During 1908-09 the number of societies rose to 15 and the membership to 1,210 while the share capital totalled Rs. 32,131.

The primary credit co-operative societies met the credit needs of the farmers to a certain extent and had rescued them from the exploitation of the money lenders. As else where, Kodagu district was also predominantly the land of small farmers. During 1919-20 there were 109 co-operative societies in the district of which 103 were agriculture credit co-operative societies and the remaining 6 were non-agricultural societies. Membership of these societies was 5,181 and the share capital was amounted to Rs.78,000. Out of every 1,000 people 25 enrolled as members of the primary co-operative societies then.

Together with the growth of primary agriculture credit co-operative societies in the district, the Grain Banks also had come up on large numbers on the co-operative basis during 1918-20. These banks collect the share capital in kind and issue grain on credit to its members. Even today, with their number of 128 out of the total 463 Co-operative Societies, the Grain Banks dominate the scene. And it should be noted here that the Kodagu district excels itself in the organisation of more number of grain banks in the State. The organisation and functions of these banks have symbolised the real co-operative tradition imbibed in rural life. These grain banks rescued their members from

the exploitation of the Zamindars by lending paddy on credit to their members. The Zamindars were charging the exorbitant rate of interest which ranged from 250 to 300 percent in kind.

Within the span of two decades, the co-operative movement in this tiny district took effective strides and it was evident from the following instances. When Rao Bahadur M.Muthanna put up a proposal to sponsor a State Bank for Coorg in 1918 in order to achieve the over-all development of the State and placed it before the British Commissioner for approval, the Commissioner turned down the proposal saying that the bank may endanger the co-operative movement which had made satisfactory progress.

At the same time, many employees and other co-operative credit societies were set up in urban and semi-urban areas of the district with a main objective of providing credit facilities to non-agricultural activities in a big way. Among them, the Coorg Government Employees Society and the Mercara Town Cooperative Society started in 1919 (at present under liquidation) were prominent. But, Kodagu Police Officers Society, Madikeri (1922), is still functioning. By this time, Rural banks were started at Kushalnagar (1921), Virajpet (1922), Shanivarasanthe (1926) and Ponnampet (1928). These Banks, earlier working as Primary Credit Co-operative Societies, were extending credit facilities to agriculturists. Subsequently, they were converted into banks after improving their financial position and started lending short and medium term loans and inculcated the habit of savings among rural people. Now, as many as 13 co-operative Rural Banks are working in the district. In course of time, the Scheduled Caste and other minority people, ex-servicemen and others formed their own credit co-operative societies. The first among these are the Harijan Co-operative Society, Govina Koppalu (1936), South Coorg Muslim Co-operative Bank, Virajpet (1932), Havyaka Brahmins Co-operative Society, Virajpet (1939), Bilagunda Harijan Co-operative Society, Ammathi (1940), Nehru Harijan Welfare Co-operative Society, Ponnampet (1951) and the Ex-service-men's Co-operative Society, Virajpet (1951). But, except the Muslim Co-operative Bank, all others are not working or at the verge of liquidation.

In the mean while, the Coorg Central Bank (present District Co-operative Central Bank) started in 1922 paved the way for well organised, more viable, broad-based co-operative movement in the district.

The task of identifying the regional requirements and fulfilling them through co-operative societies was put into practice in the district since long back. An officer Gustav Haller, has tried to introduce live stock insurance co-operative societies as long back as in 1915 in Kodagu (which is not so popular even today). L.T.Harris, Commissioner of Coorg has enacted a law in 1906 to eradicate the weed 'lantana' which was wide spread. During 1932- 49, efforts were made to eradicate lantana, and also malaria in Kodagu through co-operative efforts and the societies were organised for the purpose. The expansion of co-operative movement, made the Government to feel the need for an institution for proper guidance, regulation and propagation of co-operative ethics and organisation of new co-operative societies. Supervising unions were set up at the Nadu levels. These Unions were manned by an honorary supervisor and an official on deputation from the District Central Bank. Unions were entrusted with the work of guiding people to organise new co-operative societies and to inspect and audit the existing ones. They were participating in the General Body meetings of these societies. The Central Co-operative Bank was providing credit

facilities to co-operative societies, only on the recommendations of the unions. Among these unions Ponnampet union, Srimangala (1923), Sri Mangala Union, Hudikeri (1923) (both in Virajpet Taluk) were prominent. During 1924, the new unions were started at Karugunda, Parane, Napoklu and Bhagamandala in Madikeri Taluk.

During 1920-30 there came into being agricultural produce marketing co-operative societies in the district with an intention of providing better marketing facilities, the supply of agricultural implements, crop pledge loans, fertilizers, arms, etc to farmers. Normally these societies have jurisdiction over a taluk, in the state, whereas in Kodagu these are restricted to a 'Nadu' for more intensive work. Most of these societies are paddy marketing societies. APMCS of Kadiyatnadu (Parane of Madikeri Taluk) started in 1924 was the first of its kind in the district (It is on the verge of liquidation). Later, such societies were started at Ponnampet (1930), Virajpet (1931), Ammathi(1935), Shanivarsanthe (1936), Kushalnagar and Somvarpet (1943).

During 1936, Kodagu Legislature had enacted the Coorg Co-operative Societies Act II-1936. This Act was the first of its kind enacted by the Kodagu Legislature. Till then, all the societies were registered under 1905 Act. In order to help the Marketing of special garden crops like coffee, cardamom, orange, pepper and betelnut by providing the facilities like credit linked marketing, the supply of agricultural implements etc. The Kodagu Cardamom marketing Co-operative Society Madikeri (1939), the Coorg Honey and Wax Producers' Co-operative Marketing Society, Virajpet (1939), Kaveri Cardamom Co-operative Society, Bhagamandala (1939), Orange Growers Co-operative Marketing Society, Gonikoppal (1942), Fruit and Vegetable Processing Society, Kushalnagar(1953), Jaihind Areca Marketing Society, Peraje (1954), the Kodagu Coffee Growers Society, Madikeri (1956), Progressive Bee Keepers Society, Bhagamandala (1959) etc were also started. The above societies with a jurisdiction over the district were able to meet the requirements of the growers to large extent.

In the mean time, in 1941, the Coorg State Co-operative Marketing Federation was started with a district jurisdiction at Virajpet to coordinate the working of about 15 paddy marketing societies working in different parts of the district, and it paved the way for the smooth movement of paddy (export) to other districts of the State. This Marketing Federation which is also working as an agent of the State Government for the supply of controlled commodities, chemicals and fertilizers, iron, cement etc. and arranges for the supply of the said commodities through out the district.

Not only the General Consumer Co-operative Societies, but also the students consumer co-operative societies were established as early as 1930-31 in the district. Among the consumer co-operative societies, one established at Napoklu in Madikeri taluk in 1930 was first of its kind in the district. Likewise among the students consumer co-operative societies the one established at the Central High School Madikeri in 1930, is first of its kind in the district. Almost all the big educational institutions in the district have their own students consumer co-operative societies. A decade between 1940-50 has witnessed the establishment of women's co-operative societies, which made them to take active part in the constructive work through co-operatives. Kodagu Sahakari Mahila Samaj at Virajpet (1941) was the first of its kind. Similar societies were

established at Madikeri, Napoklu and Somvarpet during 1944. During 1954, two Women's Co-operative Societies were established at Kodlipet and Kushalnagar.

P. Chengappa the first Registrar of Co-operative Societies in Kodagu was responsible for the phenomenal growth of the movement in 1940s in the district. Later, in the post-independence period also, the movement was developed as a popular movement with new dimensions. The following table depicts the growth of the co-operative movement between 1949-1955 in the district.

Year	No. of Societies	No. of Members	Share Capital	Deposits	Reserve and other funds	Net Profit	(Rupees in lakhs)
							Permanent assets -( Building machine etc.)
1949	355	46,298	9.43	22.77	10.78	0.86	3.34
1952	390	56,101	12.67	27.18	14.15	1.33	4.33
1953	396	58,537	13.56	28.62	16.22	1.35	4.34
1954	402	62,687	14.84	33.19	17.56	1.73	4.53
1955	415	66,537	18.47	38.03	20.40	2.08	6.01

Coorg Co-operative Act 1936, was suitably amended in 1941 and the same was in vogue till the enactment of the integrated Karnataka Co-operative Societies Act passed in 1959. Other co-operative organisations like Milk Producers Co-operative Societies, House Building, Weavers Society, Farming Co-operative Societies, Artisan Co-operative Societies, Lift Irrigation Societies, Land Development Bank, District Central Co-operative Wholesale Marketing Societies etc. were established during 1960-80s. As and when the number of societies increased, the Government share capital and other subsidies were also increased. The necessary changes were made to revitalise the administration. Prior to the integration of Kodagu in the new State of Mysore, in 1953, there was only one Deputy Registrar, 13 Co-operative Inspectors, 15 Supervisors working in the Co-operative Department.

When compared to the neighbouring regions or States, even in 1950-51 itself Kodagu has made a remarkable progress in the field of co-operation. There were 42 and 57 co-operative societies functioning for every one lakh people in Madras and Mysore States, respectively, Whereas Kodagu had as many as 178 co-operatives. More than that, 241 people for every one thousand population had been enrolled as members of co-operative societies (25 percent of the total population), whereas this ratio was 59(6 per cent) and 54(5 per cent) in Madras and Mysore States respectively. But, the average loan amount availed by each member in Kodagu was Rs. 49, whereas this was Rs. 64 and Rs. 37 in Madras and Mysore respectively. During 1951-52 the co-operative societies, in the district together had issued the loan to the tune of Rs. 37 lakhs, and the working capital amounted to Rs., 62 lakhs and the Administrative report of the year disclosed that the annual turnover of the co-operative institutions in the district was about Rs. 1.5 crores. In order to strengthen the co-operative activities further in Kodagu, the Government had constituted a Co-operative Enquiry Committee in September 1952 under the Chairmanship of M.G.Mekhri, the Retired Deputy Governor of the Reserve Bank of India. And the recommendations of the Commission were also implemented subsequently which reoriented the co-operative movement in

the district. As in 1952, among the total number of 390 co-operative societies in the district, 195 were of 'A' grade and 132 were of 'B' grade. About 234 societies had their own buildings.

### **Co-operative Administration**

The department of co-operation, in the erstwhile Kodagu State (present district), prior to the Reorganisation, was working under the supervision of an exclusive Registrar. The State was divided into North and South circles and each circle was headed by the Circle Inspector. There were also two lady organisers in order to organise women's cooperative societies in the State. The State was divided into 14 circles and each circle was headed by an Inspector.

In view of the growing number of co-operative societies' membership, share capital of the Government, subsidies, etc., and to avert the increasing misappropriation the office of the Deputy Registrar of Co-operative Societies was opened at Madikeri in 1971 in order to streamline the administration. Prior to this, in 1956, an office of the Assistant Registrar of Co-operative Societies was opened.

### **Progress after 1950**

The period between 1951-56, may be reckoned as an important phase in the history of co-operative movement in the District. The popular Government, constituted during the period strived their best to make the co-operative movement as a popular movement, in the real sense of the term, took positive steps in this direction. The recommendations of the Mekhri Committee were implemented scrupulously in order to make co-operative movement more meaningful. Among the other financial development programmes started in 1951, co-operation was given top priority. Accordingly, agricultural credit as well as non-agricultural credit, and non-credit co-operative societies were revitalised with the help of the Government. As a result, co-operative movement, in the coming decades, was able to spread over to the new areas, while gaining not only quantitative but qualitative growth. First five year plan period had given birth to 44 new co-operative societies. With additional membership strength of 14,136. During Second Five Year Plan more attention was paid to the reorganisation of the weaker societies and Banks on priority basis. During this period 29 new societies were organised with a membership of 6,722, two Land Development Banks and 20 co-operative godowns were also set up during the period. By the end of the Plan, cent percent villages and 87 percent of Agricultural families were brought under the co-operative movement in the district. During the Third Five Year Plan 98 percent of rural people were brought under the purview of the co-operative credit. Co-op. marketing and processing activities were included under the expansion of programme of the movement.

By the end of June 1973, there were 489 co-operative societies with a membership of 1.46 lakhs and share capital of Rs. 220 lakhs. These societies were able to mop up the deposits to the tune of Rs. 242 Lakhs and had advanced Rs. 695 lakhs. Their total purchases and sales were of Rs. 197 lakhs and Rs. 198 lakhs respectively. By the end of June 1976 number of these societies rose to 514 with a membership of 1.78 lakhs and a share capital of Rs. 355 lakhs including Rs. 177 lakhs of the Government shares. These societies were able to mop up the deposits of Rs. 728 lakhs and had advanced loans to the tune of Rs. 1,581 lakhs. Their total purchases were of Rs. 501 lakhs



and sales effected were Rs. 476 lakhs during the above period. Among these societies, 252 had earned the profit of Rs. 42 lakhs, while 187 societies together had incurred the loss of Rs. 105 lakhs.

There were 18 different types of co-operative societies working in Kodagu district during 1990. Total number of societies registered was 463 and the total number of members was 2.34 lakhs. Taluk- wise figures were: Madikeri (179), Virajpet (161) and Somvarpet (123). Among the total number of societies 59 were under liquidation and their assets and liabilities were Rs. 70.27 lakhs and Rs. 106.93 lakhs respectively. Among the defunct societies 28 were in Madikeri taluk, 22 in Somvarpet taluk and 9 in Virajpet taluk. Among the 42,864 agricultural families in the district, every family was the member of one or the other primary agricultural credit society. About 50 per cent of the total population of the district have been enrolled as members of the co-operative societies. Out of 463 societies 47 were reported as defunct for various reasons.

### Co-operative credit

The lion's share in financing the agricultural credit is contributed by the co-operatives in the district. They were able to disburse short and medium term loans together to the tune of Rs. 178.10 lakhs, Rs. 173.20 lakhs and Rs. 373.5 lakhs and long term loans of Rs. 120.90 lakhs, Rs. 81.80 lakhs and Rs. 99.80 lakhs respectively during 1969, 1971 and 1974. During 1988-89, these societies were able to disburse the short, medium and long term loans, to the tune of Rs. 1020.21 lakhs(950.00), Rs.7.32(25.00) and Rs.62.08(95.00) respectively. Whereas during 1989-90 the corresponding figures increased to Rs. 1,027.52 (1,100), Rs.32.67 (5.00) and 40.26 (75.00) respectively. (The figures in brackets show the target for the year). During the period if the recovery of short and medium term loans was 80 percent, the long term loan recovery was only at 47 percent. Next year, there was a steep decrease in the recovery of the short, medium and long term loans and they were at 43, 16 and 4 percent respectively.

With the subscription for the share capital of Rs. 136.50 lakhs, by the Government the total share capital of the co-operatives in the district was Rs. 822.87 lakhs during 1989-90. Under the Plan during 1988-89, both the Centre and the State Governments have allocated Rs. 26.72 lakhs under different plan schemes (which includes the Tribal Sub-Plan, Special Component Plan, Zilla Parishad Plan and National Cooperative Development Corporation and other Central Sponsored Programmes). But, according to the administrative report the achievement was only Rs. 5.44 lakhs. During 1989-90 Rs.18.15 lakhs were allocated and the achievement was Rs. 3.74 lakhs as reported.

Recently State Government has taken a policy decision to waive off the overdue interest on the term loans borrowed by the ryots from cooperative societies. Accordingly, during the period from 1982-83 to 1987-88 the total number of members who availed this benefit was 62,528 and the amount of interest concession was to the tune of Rs. 322.63 lakhs.

There were 114 misappropriation cases reported during 1989-90 in different cooperative societies of the district involving Rs. 28.96 lakhs. Out of this 28 cases were tried by the civil suits and Rs.3.07 lakhs was recovered. The law has taken its own course pertaining to the remaining cases according to the Deputy Registrar of Cooperative societies in the district.

One could find, that there are two special features of the co-operative movement in the district of which the organisation of Grain Banks is one and the other one being the constitution of Death Relief fund extended by the co-operatives to their members. More or less this is like the benefit of life insurance. Under the scheme, the members in the specific age group are to subscribe the specific share amount to the society. After the death of the subscriber, the death relief fund will be paid to the nominee. In case of Grain Banks, the subscribers' nominee will get paddy in lieu of money.

### Co-operatives and Membership

In recent years, the steep rise in the number of societies and their membership can be found and its details are as follows: the strength of the members is given in the bracket in lakhs.

1977-78 number of societies 386 (1.71); 1979-80-374 (1.85); 1981-82-382 (2.05); 1983-84-384 (2.17); 1985-86-387 (2.29); 1987-88-391 (2.30); 1988-89-403 (2.34); 1989-90-463 (2.33) and 1990-91-416 (2.31).

As on 1989, the following were the important indices of the co-operative movement in the district. Average number of members of a co-operative society is 579; average deposit of the society is Rs. 6.11 lakhs., average deposit of each member Rs. 1,055, average loans and advances of each society Rs. 8.77 lakhs, average loans and advances to each member Rs. 1,521, and the average working capital of each society Rs. 16.72 lakhs.

The following table (no.4) shows the progress of the co-operative movement of the district, in recent decades.

**Table No. 4 :Progress of Co-operative movement in recent years**

Sl. No.	Particulars	1979-80	1984-85	1988-89	1990-91
					(Amount in lakhs)
1.	Total number Societies	374	385	404	416
2.	Number of Members	1,85,193	2,23,638	2,33,986	2,31,599
3.	Total Share Capital	477.97	720.25	822.87	631.69
4.	Govt. Share Capital	83.01	141.11	136.50	146.56
5.	Reserves and other Funds	323.75	412.45	509.67	631.66
6.	Deposits	842.24	1,482.45	2,469.41	1,150.59
7.	Loan advance (due to the co-operatives)	1,163.25	3,021.65	3,968.24	1,178.05
8.	Working Capital	2,551.49	4,639.94	6,755.88	5,461.49
9.	Loan given in respective years	1,254.92	2,515.41	3,543.80	1,829.95
10.	Loans recovered	1,071.01	2,689.79	3,310.06	995.57
11.	Borrowings	1,116.90	2,024.79	2,748.67	2,999.19

	1979-80	1984-85	1988-89	1990-91
12. Loans over-due	407.10	917.11	776.13	281.24
13. No. Societies under Profit	197	210	229	235
14. Total Profits	31.76	56.69	72.61	30.79
15. No. Societies under loss	97	90	108	72
16. Total loss	22.64	15.33	61.10	158.97
17. Total Purchases	936.49	1,020.20	1,489.42	1,273.28
18. Total sales	1,105.59	1,365.84	2,397.13	922.72

In the following pages, among the various types of co-operative societies in the district, some of the important categories of societies have been selected and their progress, present position and their achievements are elucidated.

#### Kodagu District Co-operative Central Bank

Kodagu District Co-operative Central Bank (Madikeri) which was registered on 28th June 1921, started functioning from February 1922, actually started as an Apex body of the co-operatives in the district and changed its name more often. The name of the Bank originally was 'Central Bank' which was changed to 'Provincial Co-operative Bank' in 1946 and again changed to 'Coorg State Co-operative Bank' in 1956. A band of enthusiastic official and non-official co-operators, like Kodandera Kuttaiah, Puliyaanda Thimmaiah, Kuppanda Belliappa, Udiyanda Machaiah and others were the promoters. In the first year of its working (1922), the bank had secured a membership of 64 with a share capital of Rs. 4,400. The Bank has grown up from strength to strength and had a membership of 1,075 in 1957. Out of this, total membership, 659 were individuals and 416 were societies, out of the total share capital Rs. 7.36 lakhs, Government had contributed Rs. 3 lakhs. According to the records available, the Bank had issued loans and advances to societies amounting to Rs. 34.27 lakhs during the year (1957) and had earned a net profit of Rs. 83,000. But, by the end of the co-operative year 1963, there was a decrease in the membership to 1,008 and the share capital increased to Rs. 18.46 lakhs. Of this, the share held by the Government was Rs. 6.00 lakhs, while the share capital held by the member societies amounted to Rs. 11.65 lakhs, the balance amount of Rs. 81,000 was held by 603 individual members. The bank was able to mobilise institutional deposits of Rs. 18.16 lakhs and Rs. 10.60 lakhs from individuals. During 1963, the bank had deployed loans and advances amounting to Rs. 97.32 lakhs, and its working capital was Rs. 138.70 lakhs.

During 1929-30, due to the world economic depression, the peasantry in Kodagu also were affected by the falling trends in prices for agricultural commodities and fall in demand in the market. In this critical situation the bank came to the help of the members. The bank set up its own Debt Reconciliation Board. During the period between 1934-45 the bank paid Rs. 1.19 lakhs to private money lenders on behalf of the debtor members and recovered the same from the members in instalments spread over a period of 5 to 10 years with simple interest. The bank also had formulated another scheme in 1951 to advance long term loans (25 years) to take up new coffee plantations. To execute this scheme, the then Government of Kodagu has advanced Rs. 12 lakhs to

the bank. Today, the bank has 11 branches throughout the district to cater to the needs of its member institutions. Its first branch was started in Virajpet in 1963, and the second at Kutta in 1965. During the period from 1951 to 1956, the bank progressed much by availing the special financial help of the Government and also due to unexpected rise in the deposits which enabled it to enhance its advances to its members and in raising of loans from the apex financial institutions.

During 1983, the membership of the bank was 311 (only institutions) and its share capital and deposits were Rs. 108.63 lakhs and Rs. 637.32 lakhs respectively. During the year the bank has advanced to the tune of Rs. 1,290.78 lakhs and earned the net profit of Rs. 3.31 lakhs. Today the bank, through its member institutions, has a scheme to extend the credit facilities to multifarious activities like crop loans to paddy, ragi, coffee, cardamon, orange, coconut etc., short-term loan for marketing of produce, medium and long-term loans for development of agriculture, lending against gold and jewels etc. The bank had a membership of (excluding the Government) 319, 299 and 299 during 1987-88, 1988-89 and 1989-90 and its share capital was Rs. 140.65, Rs. 149.22 and Rs. 159.64 lakhs respectively. This includes the share capital of the Government of Rs.11 lakhs. And during the above period, the mobilisation of deposits were accounted to Rs. 1,142.37 lakhs, Rs. 1,409.22 lakhs and Rs. 1,191.65 lakhs respectively and the amount of loans raised from the Apex Bank and the Government were Rs.539.91 lakhs Rs. 623.44 lakhs and Rs.934.74 lakhs during the above period. The Bank advances for different activities amounted to Rs.1,824.36 lakhs by the end of March 1989-90, Rs.31,154.48 lakhs during 1988-89 and Rs.23,776.60 lakhs during 1987-88. During the above years, recovery percentage of loans varied between 71 to 81. The Bank has earned the net profit of Rs. 5.26 lakhs during 1987-88 and Rs. 4.06 lakhs during 1988-89.

The Central Bank has celebrated its Golden Jubilee in 1972. The present administrative building of the Bank was built in 1950 and the Guest House adjacent to the main building was extended in 1963. The total assets of the Bank as in 1983 were to the tune of Rs.23 lakhs including buildings and sites. The bank has 151 employee. Its progress during recent years is shown in Table No.5.

### **Primary Agri. Credit Cooperative Societies**

The primary agricultural co-operative societies play an important role at the grass-root level as basic institutions being considered as life blood of the co-operative movement. Through these primaries the crop loans, term loans, agricultural implements, chemical, fertilizers and provisions etc. are channelised.

During 1951, there were 190 P.A.C.S in the district with a total membership of 21,597 which rose to 210 with a total membership of 25,627 in 1956. These societies had provided short-term loan of Rs.7 lakhs in 1951, which rose to Rs.12 lakhs during 1956. For the first time, granting of the crop loan was introduced in the District in 1954. But during the year 1974-75, the number of these societies was reduced to 174 with their total membership to 56,000, and only 18,000 members of the total members (32 percent) had availed the loans facility. On an average the share capital of each society and the members were Rs. 54,351 and Rs. 169 respectively in 1974-75. During this year each society had advanced on an average (short and middle-term) loan of Rs.1.90 lakhs and each member had availed loan of Rs. 1,841 on an average.

Table No. 5

## The progress made by the D.C.C. Bank for some years in recent decades

(Amount in lakhs)

Co-operative Year	Membership	Share Capital	Deposits mobilised	Loans from Apex Bank & Govt.	Working Capital	Disbursement of loans during the year	Loans outstanding at the end of the year	Net profit during the year
1979-80	308	79.75	495.18	100.00	78.28	801.62	511.54	1.50
1982-83	312	108.63	637.32	346.31	1,149.87	1,290.78	921.99	3.31
1985-86	316	130.61	916.32	394.38	1,604.74	1,409.83	1,112.00	5.05
1988-89	300	149.22	1,409.22	623.44	2,493.81	1,806.83	1,314.26	4.07
1989-90	300	159.64	1,191.65	934.74	2,580.26	1,737.90	1,623.25	N.A.
1990-91	299	169.12	1,426.39	781.87	2,634.74	1,787.35	1,619.26	5.30

During 1976, the State Government had taken up a programme to strengthen the weaker societies by amalgamation and reorganisation so as to make them to economically viable units. Consequently, the number of these societies was reduced considerably.

During 1977-78, there were 74 societies working in the district with a total membership of 65,636. This number was reduced to 72 in 1981-82 with 77,000 members and their share capital (with Government share Rs.14.07 lakhs) was amounted to Rs.196.93 lakhs. These societies had borrowed loan to the tune of Rs. 671.30 lakhs and had advanced loan of Rs.806.13 lakhs, while the loan recovered amounted to Rs.813.52 lakhs. They were also able to sell the consumer goods and fertilizers amounting to Rs.114.80 lakhs and Rs.242.83 lakhs respectively. Among these societies, 49 together had earned a profit of Rs. 41.38 lakhs while 22 societies together had a loss of Rs.4.34 lakhs. During 81-82 these co-operatives were able to mobilise deposits totalling Rs.268.5 lakhs.

During 1987-88, 73 societies had a total membership of 91,733 while in 1989 June, the number of societies rose to 74 and their membership to 92,538 with a share capital Rs.362.79 lakhs which included Rs.64.11 lakhs as Government participation. During this period, these societies were able to collect the deposits to the tune of Rs.746.17 lakhs, while they had borrowed loans amounting Rs.91.73 lakhs, and Rs.1,219.19 lakhs from the Government, Central and other financial institutions respectively. These societies had advanced loans to the tune of Rs.1,457.39 lakhs during the above period.

There were 74 P.A.C.Ss. working all over the district during 1991 and their talukwise distribution was as follows: Virajpet 29, Somvarpet 23, and Madikeri 22. Among the 74 societies 54 were agriculture service cooperatives, 9 service co-operatives, 6 agricultural banks, three large-sized societies (LAMPS) and one each farmers' service society and coffee growers' society (Madikeri).

Large-sized multipurpose societies (LAMPS) were organised one in each taluk and they are located at Guddehosur (Somvarpet taluk, 1979), Bhagamandals (Madikeri Taluk, 1982), and Titimathi (Virajpet taluk, 1976). These societies were organised at the instance of the Central Government under the schemes of welfare of SC/ST communities aiming at the amelioration of the difficulties of the Scheduled Castes and Tribes. As in June 1989, these LAMPS had the membership of 8,151 with a share capital of Rs.6.62 lakhs in which governments contribution was Rs.5.18 lakhs. These societies had borrowed Rs.14.64 lakhs from government and had advanced loan of Rs.21,000 to their members.

Farmers Service Co-operative Society (FSS), Parane (1972; Madikeri tq) is the one and the only multi-purpose society in the district. During 1989, the society had 1,293 members with a share capital of Rs.5.37 lakhs with a government contribution of Rs.1.61 lakhs. Its borrowal from the Central Finance Institutions amounted to Rs.25.59 lakhs. The Society had advanced loan to its members to the tune of Rs.13.45 lakhs.

Among the six Agricultural Banks, three were located at Gowdalli (1956), Kushalnagar (1921) and Shanivarasanthe (1926), all in Somvarpet tq and Balele (1957) and Gonikoppal (1958) in Virajpet tq and one at Hakathur (1973) in Madikeri tq. The area of operation of these banks is less than a taluk. They were first started as primary credit societies and later developed into

**Agricultural Banks** and are working as town co-operative banks (without R.B.I.control). There were ten such banks in 1951 in the district with a total share capital of Rs.1.68 lakhs and had collected the deposits amounting to Rs.7.16 lakhs. Their number increased to 14 during 1955-56 and were able to collect the share capital of Rs.2.9 lakhs and deposits of Rs.12 lakhs.

### **V.S.S., Somvarpet**

Vyavasaya Seva Sahakara Sangha (Agricultural Service Co-operative Society), Somvarpet registered in 1919, started its activities as a non-agricultural credit society. Later in 1943, it was renamed as Somvarpet Town Co-operative Society. It was re-registered in 1949 as a 'Cooperative Bank' and finally, when primary co-operative societies were re-organised in 1976-77, it was reconstituted as A.S.C.S. extending its jurisdiction over nine villages around Somvarpet. This society had a membership of 100 persons in 1944 with a share capital of Rs.6,073 and had collected the deposits amounting to Rs.3,193 and had advanced loans amounting to Rs.17,890 during the year 1944. When the society was converted into a Rural Bank in 1949, it had 251 members and a share capital of Rs.16,439 and had collected Rs.24,675 as deposits. During 1974, the membership increased to 1,392 and the share capital to Rs.6.89 lakhs while deposits went upto Rs.14.78 lakhs. During the year, the bank had outstanding dues of Rs.34.76 lakhs from its members and had earned Rs.1.05 lakhs as net profit. The bank introduced sale of fertilizers in 1957 and crop loan scheme in 1961. By the end of March 1991, membership of the society stood at 2,327 with a share capital of Rs.14.75 lakhs which included the Government share of Rs.62,500.

The society also functions as an Urban Bank in a limited way and also provides crop loans along with the agricultural in-puts like fertilizers, pesticides etc. to the farmers. During 1991-92, the society had extended crop loan to the tune of Rs.49.60 lakhs and fertilizer loan amounting Rs.5.28 lakhs. This society was able to collect Rs.60.83 lakhs, Rs.56.17 lakhs and Rs.60.98 lakhs respectively as deposits during the years 1988-89, 1989-90 and 1990-91, and had advanced loans totalling Rs.72.56 lakhs, Rs.26.03 lakhs and Rs.72.62 lakhs during the above respective years. The loans advanced during 1990-91 included the crop loan of Rs.48.46 lakhs, gold loan of Rs.13.22 lakhs and Rs.4.63 lakhs for fertilisers. The society had overdues amounting to Rs.38.23 lakhs from its members during 1990-91, and Rs.46.65 lakhs in 1989-90 and Rs.70.28 lakhs in 1988-89. The society's purchases and sales (fertilizers and pesticides) to its members, during 1988-89 were worth of Rs.27.29 lakhs and Rs.27.27 lakhs respectively. The transactions for the next year accounted to Rs.20.37 lakhs and Rs.16.84 lakhs respectively. During 1990-91, the society was able to purchase goods worth Rs.46.40 lakhs and sell goods worth Rs.42.98 lakhs. During the period between 1986-91, the society had also acted as an agent for the Coffee Processing and Export Company, Koppa. The society has assets like office building, godown, retail outlet building, a guest house etc. worth Rs.14.97 lakhs (March 1991). The society celebrated its golden jubilee (1975) and has earned a net profit of Rs.2.02 lakhs, Rs.1.07 lakhs and Rs.2.42 lakhs respectively during the years 1988-89, 89-90 and 90-91. It has a staff of 24 and Rs.5.20 lakhs were the establishment expenses during 1990-91.

### Co-operative Grain Banks

Among the food crops of Kodagu, paddy is very important. During the pre-harvest months i.e. June to September usually small farmers, agricultural labourers and others used to borrow paddy on loan and used to repay the same after the harvest with the interest in the form of paddy only. For one *butty* of paddy borrowed, the loanee had to return two-and-half to three *butty* of paddy that was the customary rate in vogue from long. The rate of interest on such dealings worked out to 250 to 300 per cent and it made the borrower to groan with unbearable burden of debt. In order to overcome this situation, the Grain Banks (*davasa bhandara*) were organised in the co-operative sector long back throughout the district on a large scale. The first Grain Bank of the district was established at Bhagamandala in 1918 in Madikeri tq. In 1920, another bank was started at Napoklu of Madikeri tq in the same year. Four more Grain Banks were started at Devangeri, Maldare, Bittangala and Palangala in Virajpet tq. During 1925, another bank was started at Sirangala and in 1928, two more banks, one at Madapura and another at Santhe Shanthalli were started in Somvarpet tq. The above mentioned banks are the oldest of the kind in the district. Among the co-operative societies of the district, the Grain Banks are the largest in number (128) and more than half of them (74) are located in Madikeri tq and the remaining 38 were working in Virajpet tq while another 16 in Somvarpet tq. Five out of the total number of societies were reported as defunct and another three were under liquidation.

In the *modus operandi* and book keeping of the bank, generally paddy is taken as unit of account in grain banks. Share capital, interest on loan, dividend, death relief and other funds, profit and loss, assets and liabilities etc. are reckoned in terms of paddy only and money transaction is limited. Each share consists of one *butty* of paddy (80 seers of local measure). Usually these banks advance loans in the form of paddy to the members during the period between June to September. The rate of interest being one-fourth of a *butty*, that means, if one had borrowed a *butty* of paddy, he has to repay 1 1/4 *butty*. Usually, this paddy collected in the form of interest would not be paid to the members as dividend every year, but this pooled dividend will be paid as death relief fund to be disbursed as death relief in the event of death of a member.

During 1949-50, there were 84 grain banks working in the district with a total membership of 7,967, and 24,396 *butty* of paddy collected, which in terms of money amounted to Rs.2.20 lakhs at the rate of Rs.9 per *butty*. In 1955-56, there were 104 grain banks working all over the district and they had advanced loans amounting to 33,065 *butties* of paddy (Rs.3.97 lakh in terms of cash). These banks had a strength of 10,973 members.

During 1977-78, there were 120 grain banks with a membership of 19,145, which rose to 124 in 1983-84 with 21,148 members. Later, in 1987-88, there were 22,860 members in a total of 125 grain banks. Generally, each and every agricultural family in the district had sought the membership of a bank. By the end of the co-operative year 1989, there were 128 grain banks with a membership of 23,014 and a share capital of Rs.120.59 lakhs in terms of money, whereas the reserve funds amounted to Rs.63.72 lakhs and deposits of Rs.3.74 lakhs. The financial assistance extended to these banks by the government was Rs.3.57 lakhs. These banks had advanced the loan of paddy worth Rs.19.42 lakhs. Among these co-operatives, 86 together could make a profit of



Rs.4.12 lakhs, whereas 34 had incurred a loss of Rs.66,000. The total purchases and sales effected by these banks were worth Rs.25.19 lakhs and Rs.26.86 lakhs respectively.

### **Grain Bank, Napoklu**

The Grain Bank at Napoklu (1920) is one with a good working record in the district. The jurisdiction of the bank is restricted in Napoklu village itself and paddy grower with land ownership can become member. Most of the members of the bank are small farmers. During 1991, the bank had a strength of 611 members and share capital of 528 quintals of paddy. At present, each share of the society is equal to one quintal of paddy and no member is allowed to have more than one share.

The Bank had advanced loan amounting 381 quintals of paddy to its members during 1990-91. Each member is entitled for a loan of 7 quintals of paddy, provided another male member stands surety for him. While repaying the loan one has to pay 20% (about 20 seers) more paddy as interest for each quintal borrowed. As in March 1991, the Bank could recover only 340 quintals of paddy against 895 quintals advanced as loans. The assets of the bank (building) were worth 490 quintals of paddy while the other assets were valued at 79 quintals. The bank had earned the net profit of 137 quintals and 128 quintals during 1987-88 and 1988-89 respectively. But it was only 31 quintals in 1990-91. During the year (1990-91), the bank had overdues to the extent of 60% of loans advanced. The bank has formulated a separate scheme for death relief fund. Every member has to pay a prescribed amount (29 kg at present) of paddy, at the time of admission as a member which is compulsory. In the event of death of a member, the bank will pay four quintals of paddy as death relief to the legal heirs. The bank collects paddy during the period from June to November every year and the same would be advanced to members as loan. After harvest, from January to April, the loans are recovered. After December 15, every year the surplus paddy after lending will be sold at the prevailing market rates. Other transactions of the bank are done in cash also. Accounts will be maintained in terms of grains as well as in terms of monetary unit as per the prevailing rate of paddy.

The bank has got the capacity to store 300 quintals of paddy in wooden bins. When necessary, the recovery of loans is done in terms of cash in lieu of paddy (Rs.300 per quintal at present). The bank has ear-marked certain portion of its profits for the educational facilities to the children of its members and it is maintaining funds like Common Benefit Fund and Rural Development Fund to help the society at large. During 1988-89, the amount equal to 6 quintals of paddy was utilised for the educational benefit of the children of 80 members. The bank has its own building (1954). Being adjudged as a best grain bank in the district during 1984-85, the bank was awarded a prize of the Central Co-operative Bank.

**Balance Sheet of the bank for 1989-90 in terms of paddy was as follows:**

Receipts	Quintals	Expenditure	Quintals
Share Capital of Members	9.88	Share Capital repaid	3.00
Repayment of loans	249.39	Sale of paddy (Repayment of loans in cash)	49.09
Death relief fund receipts	4.36		
Court fee from the members	0.96	Loans of paddy to members	179.25
Deposits	0.52	Death relief fund of the members	37.50
Admission fees	1.26	Difference in the weights of dry and wet paddy	7.00
Interest received	110.34	Education fund	16.00
Opening balance	104.07	Closing balance	188.94
	480.78		480.78

**Agriculture and Rural Development Banks**

These co-operative institutions initially called as Land Mortgage Banks are founded one each at the three taluks of the district. Later they were redesignated as Land Development Banks, and again in 1985, re-named as Agricultural and Rural Development Banks. They are functioning as the branches of the Apex body the Karnataka State Co-operative Agriculture and Rural Development Bank, Bangalore. The first Land Development Bank was started at Madikeri in 1957, later in Virajpet during 1960 and third one at Somvarpet in 1962.

A district branch of the Apex body was started at Madikeri in 1969 in order to take up the supervision, co-ordination, scrutiny and disposal of loan applications of the primary banks. These banks are advancing medium and long term developmental loans on easy terms and conditions to farmers against their land mortgaged and have enabled them to take up intensive cultivation by means of mechanisation and scientific cultivation. This has helped to grow more. The banks are also providing loans for special schemes like small irrigation works, horticulture, installation of irrigation pumpsets, construction of farm houses, dairy development, sericulture etc. These banks also finance for implementation of Central and State sponsored schemes like Tribal Sub-Plan, Special Component Plan, Integrated Rural Development Programme, Bio-gass installation, Hundred Wells Programme etc. These banks had provided a loan of Rs.0.51 lakhs to seven beneficiaries of Scheduled Caste/Scheduled Tribe communities during 1989-90.

As per the Interest Subsidy Scheme of the State Government, these banks had provided the interest subsidy of Rs.6.65 lakhs to 1,945 beneficiaries in 1988-89. During 1987-88 also, an amount of Rs.33.65 lakhs was provided as interest subsidy to 3,445 beneficiaries.

During 1980-81, these banks had 13,488 members with a share capital of Rs.20.21 lakhs; its membership increased to 29,549 with a share capital of Rs.48.52 lakhs during 1989-90. The advances made by these banks in their respective jurisdictions to various developmental programme in 1989-90 were as follows: Madikeri Rs.16.95 lakhs, Somvarpet Rs.15.67 lakhs and Virajpet Rs.26.85 lakhs. During 1987-88 the Madikeri branch advanced loans to the tune of Rs.17.68 lakhs while the branches at Somvarpet and Virajpet had advanced Rs.23.88 lakhs and Rs.24.91 lakhs. The major portion of the loan was advanced to coffee growers. The recovery of loans during 1989-90 was 11% in Somvarpet branch and 26% in Madikeri and Virajpet branches. The details of financial position, membership, loan advances of the A.R.D.B. was as follows:

(Amount in lakhs)

Name of the Bank	Details					
	No. of Members	Share Capital	Loans advanced	Deposits	Loans taken	Profit(+) Loss (-)
1980-81 Madikeri	5,290	5.23	58.81	0.33	45.30	+0.26
Somvarpet	5,630	9.39	116.73	0.51	110.38	-0.65
Virajpet	2,568	6.09	82.82	0.32	78.74	+0.94
1985-86 Madikeri	3,052	12.29	157.38	0.76	156.54	-1.81
Somvarpet	6,611	19.56	243.56	0.97	243.88	-5.66
Virajpet	2,547	13.45	200.50	0.68	186.81	-0.65
1989-90 Madikeri	7,676	12.13	176.18	0.99	180.00	-7.14
Somvarpet	9,385	21.69	254.47	1.32	262.90	+15.17
Virajpet	3,488	14.70	206.96	1.37	204.85	+0.42

### The Kodagu Coffee Growers Co-operative Society

Majority of the coffee growers in Kodagu (about 23,000) are small growers, that is those owning plantations of less than 25 acres. Of the total coffee plantation area (about 1.35 lakh acres) about 75 per cent belongs to small growers. According to a report, number of registered coffee gardens in the district was 53,189 during 1991. The society aims at catering to the needs of small growers such as crop loans, term loans, marketing facilities, providing fertilizers and other inputs, coffee curing etc. The society was registered on 2nd January, 1956 with a district jurisdiction in order to fulfill the above objectives in the co-operative sector. In the beginning (1955-56) it had 143 members and a share capital of Rs.4,768. In 1961-62, the membership rose to 2,544 with a share capital of Rs.3.56 lakhs.

The Society, on the directions of the NABARD (National Bank for Agriculture and Rural Development) and KDCC Bank provides crop loans, short, mid-term and long-term loans upto Rs.one lakh. In addition to these term loans, the bank is also providing financial assistance for the purchase of agricultural inputs like fertilizers, pesticides, fencing material, etc. The Coffee Board is also providing interest free finance from its Pool Funds, to the Society to enable it to procure coffee from growers. This Society functions as an 'A' Grade official agent of the Coffee Board. The membership of the Society is categorised into A,B and C representing general members, State

Government, and nominal members respectively. There were 8,677 members at the end of March 1992 in the Society of which 8,602 were of the 'A' category, one belonging to the 'B' category and 74 were of the 'C' category. The share capital of the society was Rs.122.41 lakhs, which includes the subscription of Rs.77.79 lakhs by members and the rest Rs.44.62 lakhs by the Government.

During 1982-83, the government had extended financial assistance of Rs.139.30 lakhs to the Society of which Rs. 78.42 lakhs was a loan for the establishment of the coffee curing unit at Hebbale and Rs.42.48 lakhs was the share capital. The Society has two coffee curing works one each at Hebbale and Hunsur with a capacity of 10,000 MTs. each. The Hunsur unit was purchased for a consideration of Rs.13.5 lakhs in 1966 and the Hebbale unit was established with the help of the State Government and the N.C.D.C. in 1987. The total expenditure incurred on these units uptill now (1990-91) was Rs.190 lakhs. The Society through its 39 centres spread over the district is collecting raw coffee and undertakes curing.

By the end of March 1991, total assets and liabilities of the society amounted to Rs.7.82 crores and Rs.8.54 crores respectively. There were totally 1,258 workers, and of them 1,037 were on permanent basis. During 1992-93, the administration of the Society is being managed by the Board of Directors comprising of 24 members including six members who were representing the State Government and one from the financing institution. The Society which was earning profit since 30 years of its existence, started incurring loss since 1986-87 continuously and the cumulative loss was Rs.121.92 lakhs by the end of March 1991. The reasons for the loss being the deficit caused by the changes in the remuneration paid to the coffee collecting agents, non-utilisation of full capacity of the Hebbale Coffee Curing Unit, depreciation in the value of the buildings and plants and interest on loans to be paid etc, as reported. (See table at Page 346)

### **Farming Co-operative Societies**

Most of the co-operative societies under this category in the district, are either defunct or at the verge of closure. These were started with the objectives like consolidation of small and fragmented land and its cultivation by adopting modern methods of cultivation by pooling the labour and finance so as to get better reward for their labour. There are two types of farming societies: Joint farming and collective farming. At present, there are four joint farming and seven collective farming societies in the district on record, but most of them are defunct or at the verge of liquidation. Joint farming societies were started at Dundalli (1952), Kirubailu (1955), and Niluvagilu (1957) of Somvarpet taluk and the fourth one was started at Tithimathi (1973) in Virajpet taluk, aimed at helping the Scheduled Caste and Tribes, but it is defunct now. The collective farming co-operative societies were started at Ayyanageri, Cherangala, Maragodu, Kirangala, Tannimani, Tavor and Sannapulikote during 1956-57 (all in Madikeri tq). But, all of them are at the verge of closure.

First farming co-operative society in the district was started on an experimental basis at Dundalli in 1952 in order to rehabilitate 23 indebted and landless agricultural labourers. Government had granted 16 acres of land on lease to the society and provided the necessary funds to take the cardamom cultivation. After four years of sincere work, the experiment was proved fruitful and in 1956 the District Central Co-operative Bank had advanced a loan of Rs.9,500 to the

**Statement of Progress of the Coffee Growers Co-operative Society in recent years**

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(Amount in lakhs)

Year	No. Members	Share Capital	Deposits Mobilised	Loans and advances	Loans re-covered(%age)	Coffee Collections (MTs)	Payment made on Coffee	Profit (+) Loss (-)
1964-65	3,007	5.35	3.51	25.70	86	2,856	61.48	+ 1.30
1974-75	4,322	29.56	8.88	87.80	82	7,013	301.45	+ 4.88
1984-85	7,615	110.86	42.24	154.67	87	15,708	1,904.49	+ 6.71
1988-89	8,394	120.83	56.40	267.30	92	15,653	2,793.35	- 42.34
1989-90	8,593	122.47	60.82	228.58	58	7,713	1,515.11	- 25.93
1990-91	8,600	123.92	59.40	294.31	71	11,408	2,133.81	- 49.61
1991-92	8,602	122.41	60.80	273.33	70	NA	NA	NA

Kodagu District

society, and the members were made free from their debts. This successful experiment made people in other areas to come forward to organise collective farming co-operative societies. During 1981-82, there were 11 farming societies in the district with a membership of 275 and their share capital was to the tune of Rs.4,000 and they had borrowed the loans of Rs.33,000. The working capital of these societies was Rs.68,000. But, in 1988-89, most of these societies were defunct and their membership came down to 29 with a share capital of Rs.1,000 only. In spite of it, they had a working capital of Rs.6,000 including all other reserve funds amounting to Rs.5,000.

### **Irrigation Co-operatives.**

In a situation when it is not possible and economical to small and marginal farmers to have their own irrigation facilities, these co-operatives are found much useful to have the benefits of common community irrigation facilities at low cost. At present, there are six irrigation co-operatives working in the district and of them four are meant for lift irrigation and the remaining two for general irrigation (open wells). General irrigation societies were registered as 'Better Farming Societies' in the district. As mentioned in the administration report of 1955-56, the then Government of Kodagu had granted equipments like oil engine and a pumpset worth Rs.80,000 free of cost to these societies, enabling them to irrigate about 50 acres of land. Of the six irrigation co-operatives of the district, only one i.e., T.Shettigeri SC/ST Irrigation Society (Virajpet taluk) is found working, and of the remaining five, three are under liquidation and two are defunct. Among the irrigation co-operatives of the district, the one started at Balyamandur of Virajpet taluk in 1958 is the oldest one (now under liquidation).

### **Industrial Co-operatives**

During 1950-60 efforts were made in the District to start many village and cottage industries under the co-operative fold. The wide range of industries coming under the co-operative sector can be broadly categorised into weavers, non-weavers and general industrial co-operatives (others). Among other things the main objectives of these co-operatives are to provide financial assistance, supply of raw materials and marketing of finished products of these industries. They can also undertake imparting of artisan training and providing necessary infrastructure for industrial growth and promotion of agro-based rural and cottage industries.

At present, the district has three cotton weavers societies and of them Coorg Weavers Co-operative Society, Madikeri (1951) is the earliest one. Thereafter in 1954, two more similar Co-operatives were opened at Shanivarsanthe and Sirangala. At present all the three are under liquidation. In order to facilitate the promotion of more and more industries in the Co-operative fold, Coorg State Industrial Co-operative Society came into being at Virajpet in 1954 (Now defunct). After the establishment of Coorg House Building Co-operative Society at Madikeri in 1954, the construction activities in the district were stimulated on a large scale and in order to facilitate the construction activities an effort was made to start Coorg Brick Makers Co-operative Society at Madikeri in 1955 (now under liquidation).

In course of time, many more industrial Co-operative societies came into being. Potters Industrial Co-operative Society at Hoddur (1959), Bamboo Workers Society at Guddehosur

(1960), SC/ST Mat Weavers Society at Shanivarsanthe (1961), Bethur SC/ST Handicraft Society Napokalu (1963), Viswakarma Workers Society at Hebbale (1965) etc., were the prominent. But many of these did not survive for long.

During 1963-64, there were 22 industrial units working in the district in the Co-operative fold and their talukwise distribution was: seven each in Madikeri and Virajpet Taluks and eight units in Somvarpet taluk. These industrial units comprised of Khadi and Village Industries, pottery, bee-keeping, weaving, fruit processing, mat weaving, bamboo based industries, tanning etc. At present, the industrial Co-operatives which are still surviving and doing good work include the units like honey units at Virajpet and Bhgamandala, and tailoring Co-operatives like Shantiniketana Dress Manufacturers Society, Madikeri (1980) and Santha Namdeva Society at Kodlipet (1981). At present (1990) there are 14 non-weavers Co-operative societies in the district comprising of 8 other industrial co-operatives and 6 handicraft societies. Their distribution was Somvarpet taluk seven, Madikeri four, and Virajpet three. Two among the handicraft societies and one in other Co-operatives are in the stage of liquidation, as reported.

During 1988-89, there were 21 units including those engaged in handicrafts, and of them, five were under liquidation. These 21 units had a membership of 4,755 and share capital of Rs.2.27 lakhs which included Government contribution of Rs.54,000. These societies had deposits amounting to Rs.5.06 lakhs. They had borrowed Rs.22,000 from government and Rs.14.54 lakhs from the D.C.C.Bank and Rs.32.17 lakhs from other institutions. Their total borrowings amounted to Rs.46.93 lakhs. They had advanced loans to the tune of only Rs.21,000 but they had overdues of Rs.50,000. During the period, these societies were able to purchase and sell goods worth Rs.33.42 lakhs and Rs.52.66 lakhs respectively as reported.

### **Karnataka Industrial Co-operative Bank**

The Coorg District Industrial Co-operative Bank, Madikeri was started in 1966 with a jurisdiction over the whole district to render financial help to small scale and village industries and the artisans. Later, in 1972, it merged as a branch of Karnataka State Industrial Co-operative Bank, Bangalore, which was re-organised as Urban Co-operative Bank at the state level, owned by the State. Now, the bank through its branches in the district grants loans and advances to all the industries which are registered on priority basis. At the end of the co-operative year 1986, the membership of the bank in the district was 666 and their share capital and deposits were Rs.1.38 lakhs and Rs.10.05 lakhs respectively. The membership increased to 670 with a share capital and deposits of Rs.1.43 lakhs and Rs.14.16 lakhs respectively by end of June, 1988.

By the end of June, 1990, the membership of the bank was 671 with a share capital of Rs.1.49 lakhs. Its deposits and advances were to the tune of Rs.21.09 lakhs and Rs.36.51 lakhs respectively (advances included Rs.4.93 lakhs of development loan). As per the refinancing scheme of the R.B.I., the bank had advanced loan of Rs.8.78 lakhs in 1989-90, Rs.15.83 lakhs in 88-89 and Rs.15.68 lakhs in 87-88. From its own funds the bank advanced Rs.22.80 lakhs (89-90), Rs.17.23 lakhs (88-89) and Rs.9.82 lakhs (87-88) as loans.

### **Coorg Honey and Wax Producers' Co-operative Society**

Bee keeping is being practised in the district since long as a subsidiary occupation to agriculture. With an objective to develop it on scientific lines and to provide better marketing facilities and remunerative prices to the honey producers, the Kodagu Honey and Wax Producers Co-operative Society was started at Virajpet in 1936. This society was started at the initiative and guidance of Sri Shambhavananda Swamiji of the Ramakrishnashrama of Ponnampet. He is regarded as a pioneer of modern bee-keeping in Kodagu. Since 1952, efforts are being made to develop bee-keeping as a supplement to agriculture. The jurisdiction of the society is confined to the areas spread over the south of the river Cauvery (the whole taluk of Virajpet and parts of Madikeri taluk). Procuring of honey and wax from its members, processing, grading, marketing of honey, advancing loans to its members, providing bee-keeping boxes and other implements required for the venture and supply of wax sheets at concessional rates are some of the important functional activities of the society. In addition to the above, the society arranges 10-day training programmes to the bee-keepers from the rural areas to make them more optimistic and to develop interest so that they could earn more in this subsidiary venture. There are about 4,500 people engaged in bee-keeping within the area of operation of the society. The membership is of four categories: 'A' Co-operative societies, 'B' bee-keepers, 'C' traders and 'D' the State Government. The society also acts as an agent of the State Government and the Khadi Board for providing loans and subsidy and also the recovery of the loans. The Khadi and Village Industries Board since 1960, has been providing loans and subsidy for the development of bee-keeping through the Society.

The Society is collecting honey through its collection centres opened at five places in rural parts. It had a bee-keeping nursery 'Madhuvana' at Korangal. The Society was started in 1936 with only 53 members and share amount of Rs.314 and now it has grown by leaps and bounds. In 1964, the membership of the Society rose to 724 and share amount to Rs.15,067. In the same year, the society was able to sell honey worth Rs.49,831 and wax worth Rs.3,351 and the total turnover exceeded Rs.7 lakhs. In 1963, the Society could make a profit of Rs.16,859.

The State Government has contributed Rs.15,000 as share capital (1982) to the Society. The Department of Industry and Commerce of the State Government had also advanced a loan of Rs.1.20 lakhs and subsidy of Rs.96,000 (1983-84) to the unit manufacturing bee-keeping boxes. The society also had spent Rs.1.5 lakhs on this unit. During 1979-80, the society purchased honey worth Rs.4.43 lakhs and sold honey and wax worth Rs.5.03 lakhs. The figures for 1984-85 were goods worth Rs.7.63 lakhs (purchase) and sales to Rs.12.19 lakhs (sales). The corresponding figures stood at Rs.19.26 lakhs and Rs.25.90 lakhs respectively during 1988-89.

The Coorg Honey (Agmark) sold by the Society is famous throughout country and there is a lot of demand in the important cities of the country like Bangalore, Madras, Hyderabad, Bombay, Allahabad, Ahmedabad and Delhi. Many a times, the Society could not cope up with the demand. The Society has participated in many fairs and exhibitions held throughout the country and was awarded gold medals and prizes. As back as 1941, the society could appoint a marketing manager at Bombay and arranged for the propaganda for Kodagu honey. The State Government had also given financial help for this venture. The State Government also had appointed an instructor for bee-keeping during the period between 1937-1950 so as to establish this industry firmly in



**The Progress Report of the Honey and Wax Producers Society for some recent years**

(Amount in thousands)

Year	No of Members	Share Capital	No. of bee hives distributed	Honey Production (Kg)	Honey Collected (Kg)	Honey sold (Rs.)	Subsidy (a)	Khadi Board Loan (b)	Net profit
1978-79	914	29.80	577	50,000	27,000	693.02	9.20	--	<b>54.60</b>
1980-81	880	33.96	194	50,000	25,000	653.44	--	--	<b>37.46</b>
1982-83	1,064	53.10	152	60,000	30,000	1,064.17	23.20	32.50	<b>61.36</b>
1984-85	1,114	59.19	700	50,000	35,000	1,211.07	30.67	96.15	56.93
1986-87	1,211	64.77	856	30,000	15,000	1,710.24	204.50	774.50	60.66
1987-88	1,152	68.63	278	80,000	58,000	554.75	53.20	82.20	23.06
1988-89	927	71.39	832	80,000	60,000	1,971.43	59.70	58.70	126.93
1989-90	973	73.20	585	60,000	30,000	1,546.60	28.20	175.70	120.58
1990-91	1,097	75.53	440	1,00,000	65,000	1,768.90	9.80	200.75	179.00

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Kodagu. The society has also opened village industries show rooms at Virajpet (1984) and Gonikoppal (1988) for the sales of the products of village industries. The assets and liabilities of the Society as at the end of March 1990 were Rs.9.27 lakhs and Rs.7.21 lakhs respectively. The society has got a well equipped godown and a laboratory and the work of sealing, labelling and packing etc are mechanised. As long as in 1938 the Society has purchased the present office building at a cost of Rs.4,000 with the financial help of the government and extended it according to its needs. The society has also celebrated its Golden Jubilee in 1986; its staff strength is 25. (See table at page 350)

### Coorg Progressive Bee-Keepers Co-operative Society

This Society was registered in 1954 with the objective of procurement of honey from members and its marketing and to provide all infra-structural facilities for the promotion of bee-keeping in addition to providing financial assistance to the members. the Society has its headquarters at Bhagamandala in Madikeri taluk with a jurisdiction spread over to North Kodagu (Madikeri and Somvarpet taluks).

During 1989-90, the society was working with 1,057 members and most of them (905) belonged to ST and SC communities and its share capital amounted to Rs.79,750 comprising of Rs.56,900 contributed by the members and Rs.2,820 contributed by the co-operative institutions and the remaining amount of Rs.20,000 was contributed by the government. During 1989-90, the Society had purchased 19,698 kg of honey (valued at Rs.5.19 lakhs) and sold 46,416 kg honey (valued at Rs.23.88 lakhs). At the same time, 516 kg of wax was purchased and 756 kg of wax sold. The Society has 12 honey collection centres and many marketing centres including Bangalore (1984). As at the end of March 1990, the Society was due to pay Rs.9.96 lakhs to District Central Co-operative Bank and Rs.11.11 lakhs were borrowed for the development of bee-keeping from Khadi Board; another Rs.76,722 has been drawn from the Khadi Board as subsidy and subscription. The society had invested Rs.2.02 lakhs in various institutions and Rs.3.87 lakhs was held as deposits in other institutions. Head office building of the Society was constructed at a cost of Rs.2 lakhs during 1961 and the members of the staff working in the Society numbered 17.

### Performance report of the Progressive Bee-Keeper's Society for some decades

Year	Number of members	Share Capital	(Amount in thousands)		
			Honey collection (in kgs)	Honey sold (in Rs.)	Net Profit
1963-64	1,142	12.73	1,100	189.72	9.95
1973-74	963	10.97	1,200	480.56	50.86
1984-85	1,776	61.54	60,000	1,778.19	170.89
1986-87	1,834	70.29	44,415	4,965.56	52.97
1987-88	927	73.58	73,244	1,837.55	101.91
1988-89	1,026	78.75	73,243	2,518.65	165.82
1989-90	1,057	79.75	46,334	2,949.75	149.18

### Co-operative Marketing Societies

Among other things, the main objectives of the co-operative marketing societies are to provide remunerative and competitive prices for agricultural products without any interference of the middle men and linking of credit with marketing. These societies are also providing to its members the agricultural implements, inputs like chemicals and fertilizers and also distribute controlled and essential commodities at fair prices. Co-operative marketing was introduced in Kodagu as early as 1924. Kadiyatnad Co-operative Marketing Society in Madikeri taluk started in 1924 was the first of its kind in the State (now it is at the verge of closure). The second of this kind was started in 1931 at Virajpet and the third one at Shanivarsanthe in 1936. In the beginning, these societies were intended to provide better marketing for the paddy grown in the district by their members.

In addition to the general marketing co-operative societies, there are special purpose marketing societies for dealing with the plantation crops like the Coorg Cardamom Marketing Co-operative Society, Madikeri (1935), Cauveri Cardamom Marketing Co-operative Society, Bhagamandala (1939 under liquidation), Coorg Orange Growers Co-operative Society, Gonikoppal (1942), Fruit and Vegetables Processing Co-operative Society, Kushalnagar (1953), Jaihind Arecanut Marketing Co-operative Society, Peraje, Madikeri tq (1954) (under liquidation), District Horticultural Producers Marketing Co-operative Society, Madikeri (1967) and Coorg District Fish Vendors Co-operative Society, Madikeri (1978; defunct). To co-ordinate all the activities of the primary co-operative marketing societies and to act as an apex body of co-operative marketing in the district and further to act as an agent of the government, the Kodagu District Co-operative Marketing Federation was started at Virajpet in 1942. At present, there are 24 co-operative marketing societies in the district comprising of 16 general co-operative marketing societies and seven special marketing societies and one marketing federation. Out of the 24 societies, one is defunct and seven are under liquidation.

Earlier, general societies were mostly paddy marketing societies with a limited area of operation, unlike in other districts where the whole taluk is the area of operation. There were 15 marketing societies working in district in 1949-50 with a membership of 3,711. Marketing federation was collecting the surplus paddy from other societies and used to sell it to Mysore and Kerala. As recommended by the All India Rural Credit Survey Committee Report of 1954, development of co-operative marketing was given special importance in the co-operative sector in the Plan period. Accordingly, the infra-structures like ware-housing, good roads, linking of credit with marketing, processing of agricultural produces, cold storage etc. were provided. In addition to that, government has taken steps to step up the share capital, subsidies and other facilities to the special marketing societies in the district. During 1955-56 the number of these societies was 17 and these societies had sold 8,000 tons of paddy. The government had also advanced Rs.4.24 lakhs of medium and long term loans to the marketing societies to enable them to have their own ware-houses during the said period. During 1977-78, these 17 societies together had 8,298 members and share capital of Rs.31.14 lakhs (including the government contribution of Rs.24.17 lakhs) and their purchase and sale were of Rs.167 lakhs and Rs.174 lakhs respectively. By 1981-82, the number of these societies was decreased to 13 but their membership rose to 9,392 and share capital to Rs.39.18 lakhs (including the government contribution of Rs.30.90 lakhs). During the above period, these societies had advanced loan of Rs.9.68 lakhs to their members and had an

overdue of Rs.7.53 lakhs. They had purchased goods valued at Rs.101.32 lakhs, and had effected the sales worth Rs.394.74 lakhs. Among these societies, if some of them together had earned a profit of Rs.7.40 lakhs while others had incurred a loss of Rs.1.20 lakhs during the period.

During the period ending June 1989, there were 17 general marketing co-operative societies comprising a total membership of 11,751 and the share capital of Rs.54.95 lakhs, including the government share of Rs.43.12 lakhs. They had mobilised deposits amounting to Rs.60.16 lakhs. These societies had reserve fund of Rs.62.22 lakhs and a loan of Rs.63.17 lakhs which included the contribution from the government Rs.12.30 lakhs, Central financing agency Rs.48.95 lakhs and from other sources Rs.1.92 lakhs. If their total lending for the year 1988-89 were Rs.7.76 lakhs, they had a overdue of loans of Rs.4.80 lakhs. Out of 17 societies, 12 were able to earn a profit of Rs.4.73 lakhs, while only one society had incurred a loss of Rs.1.04 lakhs. These societies could effect purchases and sales to the tune of Rs.525.22 lakhs and Rs.1,378.60 lakhs respectively during the period.

The activities of the prominent special marketing societies are illustrated in the following pages

#### **Kodagu District Co-operative Marketing Federation**

This marketing federation started functioning from 6th April 1943, having the entire district of Kodagu as its area of operation. The main objects of this institution in the beginning were 1) to promote marketing by co-ordinating the activities of the primary societies and to provide funds necessary for business, ii) to arrange for the sale of agricultural produce, especially paddy to the best advantage of its members and to export the surplus paddy to Mysore and Kerala, iii) to acquire and maintain godowns and ware-houses and sales depots, iv) to undertake processing activities of paddy and other agricultural products etc. At present, the federation is engaged in the supply of controlled and non-controlled essential goods, and acts as an agent of the government for procurement and distribution of chemicals and fertilizers.

The federation is also supplying food grains and other day-to-day necessities and other controlled commodities like iron and steel, cement, sugar, etc. to the public at fair prices. The federation is the official agent of the Karnataka State Co-operative Marketing Federation, Bangalore, in Kodagu district. Earlier, the government had entrusted the procurement of levy paddy in the district to the federation. The federation is also entrusted with the sale of guns and cartridges to farmers. The membership of the federation comprises of four categories: Primary Marketing Societies (A), Primary Co-operative Societies (B), individual members and others dealing with the Society (C and D).

During 1958-59, the federation had 205 members with a share capital of Rs.43,005. The total purchases and sales made by the society were accounted to Rs.14.08 lakhs and Rs.13 lakhs respectively. The Federation was able to earn a net profit of Rs.15,946. During 1962-63, the membership of the Federation decreased to 201 and the share capital to Rs.32,955, while purchase and sales of goods accounted to Rs.5.88 lakhs and Rs.7.28 lakhs respectively. The net profit for the year was Rs.20,100.

During 1984-85, the total membership including the government was 2,190 and of them, 2,103 were individual members and 86 co-operative societies. The paid-up share capital was Rs.5.20 lakhs which included the government contribution of Rs.2.25 lakhs. In the year 1989-90, the total members of the Federation numbered 3,493 and their distribution was as follows: Individual members (3,396), Co-operative societies (96) and government (1). Of the total share capital of Rs.6.59 lakhs, the government's contribution was Rs.2.5 lakhs, individuals held shares worth of Rs.3.84 lakhs and the institutional share was Rs.49,700. During 1985-86, the federation had borrowed a loan of Rs.72,000 and subsidy of Rs.48,000 from government. The branches of the federation were opened at Gonikoppal (1971), Somvarpet (1974), Siddapura (1986) and Srimangala (1988).

In 1990-91, the Federation had a total membership of 3,548 and the share capital of Rs.6.64 lakhs including the government share of Rs.2.25 lakhs. During the period, the Federation had the working capital of Rs.35.34 lakhs. The Federation and its branches together had made the total purchases and sales worth Rs.266.51 lakhs and Rs.308.70 lakhs respectively during the above period and had borrowed a loan of Rs.18.50 lakhs from the D.C.C. Bank. As at the end of March 1991, the federation had the assets and the liabilities amounting to Rs.29.64 lakhs and Rs.11.62 lakhs respectively. The federation has also established a rice mill of its own. The administrative building of the federation was constructed during 1980 at an estimated cost of Rs.4.89 lakhs. During 1992, there were 43 persons working in the federation. Due to various reasons, the federation has incurred the accumulated loss of Rs.10.14 lakhs including the loss in 1990-91 as reported.

#### **Kodagu Cardamom Co-operative Marketing Society**

Among the spices of Kodagu, cardamom and pepper are important ones. In order to provide proper market, financial help and other facilities to the growers of cardamom and pepper, the Kodagu Cardamom Marketing Co-operative Society was started in 1939, with a jurisdiction over the whole district. The activities of the society include providing crop loan to cardamom growers and also warehousing, processing and grading facilities. It also intends to provide the growers agricultural implements, fertilizers, controlled commodities and guns, etc. This co-operative also undertakes sales and purchases and export of cardamom. The society also undertakes the function of linking of credit with marketing. During the cardamom season, the society will arrange for the auction sale of cardamom once in a week regularly. The traders from Sakleshpur, Mangalore and Tamilnad would take part in the auction sales. Normally, within 15-20 days, after the auction, the growers will be paid for their produce. The society will charge 1.5 per cent as service charges on the total sales value of the produce. The society will advance the growers 60 per cent of the total value of the produce. The members of 'B' category (traders and commission agents of cardamom) are allowed to take part in the auction.

During 1951-52, the society had 417 members and the share capital amounted to Rs.9,010 and had advanced crop loans to the tune of Rs.2.17 lakhs and had conducted the sale of cardamom to the tune of 22,708 kg (worth of Rs.4.10 lakhs) and had earned a net profit of Rs.1,614. In the year 1961-62, the membership of the society rose to 2,227, the share capital to Rs.2.10 lakhs and the

loans advanced to Rs.10.06 lakhs. The cardamom sales could reach as much as 2.42 lakhs kg (valued at Rs.30.69 lakhs) and earned the net profit of Rs.13,683.

By the end of March 1990, the membership of the society was 4,518 and the share capital Rs.8.21 lakhs comprising the government share of Rs.4.29 lakhs, the Spices Board share of Rs.15,000 and the share capital of the 'A' category members totalling Rs.3.39 lakhs. During 1989-90, the Society had conducted the sales of fertilizers, pesticides and iron implements worth Rs.10.97 lakhs, Rs.4.38 lakhs and Rs.28.15 lakhs respectively, while the sales conducted in respect of foodgrains, tiles and guns valued at Rs.18.71 lakhs, Rs.0.72 lakhs and Rs.1.28 lakhs respectively during the same period.

Since the Spices Board has opened its auction centre at Madikeri in 1985, and the Board arranges for the payment on the next day of auction to the growers, the in-take of cardamom to the society for sale has come down year after year. The society was also facing competition from the local traders. In 1986-87, the society could get only 20,000 kg of cardamom for sale and in next year it was further reduced to 7,500 kg only. In 1989-90, the arrival was only 3,956 kg. But, there was a little improvement during 1988-89 with supply reaching 12,398 kg for sale. Of late, the society is engaged more in the sales of other items instead of the traditional item, cardamom.

Since 1982-83, the society is incurring loss continuously. The reasons being the continuous decline in cardamom prices, overdue of crop loans and other old loans from the members, commission agents and others. According to the annual report of the society for the year 1988-89, the overdues from the members amounted to Rs.6.25 lakhs and from the traders Rs.10.23 lakhs. Consequently, the society has incurred the cumulative total loss of Rs.22.17 lakhs during the period.

The government so far has advanced loans amounting to Rs.1.92 lakhs and Rs.1.73 lakhs in the form of share capital for the construction of a godown of 500 mts. capacity. The government also advanced another sum of Rs.2 lakhs in order to augment the share capital of the society in 1990. The Society opened its branch at Somvarpet in 1975 and this branch's turn-over was 40 per cent of that of the head office. The number of the members of the staff of the society has declined to 18 at present. The Board of Directors of the society consists of 20 and of them, 17 were elected. The remaining three are the representatives of the State Government, Central Spices Board and the financial institution.

#### The table showing the general progress of Cardamom Marketing Co-operative Society

(Amount in lakh Rs.)

Year	Share capital	Sale of Cardamom (in kg.)	Sales value	Sales value of fertilizers other items	Loan on pledge produce	Profit (+) Loss (-)	Price of cardamom per kg	
							Max (Rs.)	Min(Rs.)
1	2	3	4	5	6	7	8	
1978-79	6.52	1,02,193	142.43	56.82	50.07	+2.48	120	162
1982-83	6.30	1,27,844	226.03	33.07	102.76	+0.39	120	300
1984-85	6.34	39,258	67.10	68.58	44.20	-4.30	70	210
1987-88	6.44	22,492	22.90	64.30	3.92	-2.95	80	180

1	2	3	4	5	6	7	8	
1988-89	6.47	7,615	9.07	44.22	5.60	-0.85	25	155
1989-90	8.21	8,279	3.28	64.32	2.99	-1.57	100	325
1990-91	10.21	80	0.20	59.45	2.40	-10.15	150	350

### Coorg Orange Growers Co-operative Society

According to old sources, there used to be a crop yield of about 2,500-lorry loads of orange during good season in Kodagu. As it was suggested by the Indian Council of Agricultural Research, the Kodagu Orange Growers Co-operative Society was started in 1942 at Gonikoppal, in order to emancipate the growers from the exploitation of private commission agents, and to provide them a good marketing facility, working capital and other requisites etc., under the co-operative sector. The Indian Council of Agricultural Research had provided the society the services of a Orange Marketing Organiser for a period of 8 years from 1942 in order to facilitate the marketing of orange. At the beginning (1942-43) the society was functioning with 167 members and a share capital of Rs.2,471 and was able to sell 32 lorry loads of oranges and had earned the net profit of Rs.1,704. This membership rose to 395 and the share capital to Rs.7,260 by 1948-49 and the Society was able to sell 375 lorry loads of oranges and had earned the net profit of Rs.15,313. Further in 1951, the transaction of the Society rose to Rs.1.90 lakhs and in 1956 it was Rs.6.50 lakhs. During 1963-64, the strength of membership of the society increased to 740 while its share capital rose to Rs. 1.00 lakh. About 80 percent of the total production of oranges in the district was handled by the society and 80 percent of the growers in the district were enrolled as its members.

The State Government, impressed by the service rendered by the society leased 1,000 acres of reserve forest land of the Mavakal reserve forest near Tithimathi for 30 years in 1967 in order to take up the orange cultivation and crop research. But, the Society has made use of only 57 acres so far (due to varied reasons). The State Government has also invested Rs.15.6 lakhs as a share capital in the society.

The society had started its own fruit processing unit at a cost of Rs.50 lakhs in 1966. The unit equipped with modern imported machinery worked very well for several years and in 1983 it stopped working for want of working capital and other reasons. When it was working, the unit employed about 100 persons and had a capacity to produce eight tons of processed fruits daily.

The Society, till 1975 was able to provide financial help, farm equipment, transport vehicle etc., to its members; for transportation, the society owned three vehicles in 1962. The society together with oranges also took up marketing of mango, grape, guava, apple, custard apple etc., in respective seasons and then its annual turn-over was about Rs.25 lakhs. The society is charging five percent service charges on the sales value.

The Society had opened its sales depots at Bangalore, Mysore, Mangalore and Tellicherry as early as in 1949-50. But, at present, the Bangalore branch is the only branch surviving. In order to get good rates to the growers, the society had adopted 'agmark gradation' in 1949-50. During 1955-56, the then State Government in order to encourage the society invested Rs.25,000 as share

capital. Later, the Government had advanced Rs.1.50 lakhs for the development of orange cultivation through the society. During 1961-62 Government enhanced its share capital to Rs.75,000 and during that year the society could arrange for the sale of 200-lorry loads of oranges and earned Rs.36,000 as commission.

In 1978, the Government took over the administration of the society by superseding the elected Board and later in 1983 the Government appointed an Administrator. In 1986, the liquidator was appointed to wind-up the Society. Liquidation proceedings were stayed by the court at the initiative of the employees and some members. At present (1992), the Government has taken steps to rehabilitate the society and a special committee has been set up. The Chief Secretary of the Zilla Parishad is the Special Officer of the committee. It is estimated that the revival scheme of the society requires about Rs.110 lakhs which would be mobilised by additional share capital from members (Rs. 20 lakhs) and financial help by the State to the extent of Rs.20 lakhs and the Zilla Parishad Rs.10 lakhs and help from the National Co-operative Development Corporation of Rs.60 lakhs. The Bangalore sales depot of the society is working well and its annual turn-over is between Rs.30 to 40 lakhs and the Society is getting about Rs.2 lakhs as a commission on sales annually. There are 12 people working in the society at present.

### **Milk Co-operative Societies**

The main objectives of the milk co-operative societies is to provide the necessary infrastructure for the development of dairy in rural areas, procurement of milk and its marketing, animal husbandry, supply of cattle feed, financial help for purchase of milch animals, providing cold storage and other facilities for the benefit of its members.

Among the co-operative societies in the district, milk societies occupy the third place from their number and distribution being the 3rd largest group. (The first being grain banks, followed by the P.A.C.S.)

These societies were extensively organised throughout the district during the decade between 1970-80. According to the sources available, Milk Producers Co-operative Society established at Galibeedu (Kalkeri) was the first of its kind in the district (now under liquidation). Later in 1978, similar societies were established at Ankanhalli, Bessur, Gonimarur, Hebbale, Jagganahalli, Madalapura and Shirangala in Somvarpet taluk. In Virajpet taluk in 1981, the first Milk Society was started at Tithimathi.

As in 1990, there were 59 milk producers co-operative societies in the district and of them 33 were in Somvarpet Taluk, and 24 in Virajpet taluk and only two were in Madikeri taluk. (The Societies of Madikeri taluk are under liquidation). Of the 59 milk societies in the district, five were reported as under liquidation and three are defunct.

Besides the milk producers co-operative societies, there were three, one in each taluk, poultry co-operative societies in the district, and all the three are reported as under liquidation. Of these poultry societies, the society at Ponnampet was the oldest one (1959) and in 1965 a similar society was started at Somvarpet and then in 1968 at Madikeri.



During 1981-82, there were 15 milk producers societies with 1,207 members and a share capital of Rs.17,000 and the working capital of Rs.38,000. These societies were able to purchase and sell goods worth of Rs.5.38 lakhs and Rs.6.40 lakhs respectively and were also able to earn a net profit of Rs.31,000. Whereas in 1988-89 the number increased to 59 with a membership strength of 5,671 and a share capital of Rs.90,000 and the working capital of Rs.2.09 lakhs. During the above period, these co-operatives were able to purchase and sell goods worth of Rs.31.20 lakhs and Rs.38.98 lakhs respectively. Out of these, 24 societies together were able to earn a profit of Rs.1.07 lakhs and 25 societies had incurred a loss of Rs.33,000.

All the three poultry societies which were at the verge of closure in 1988-89 had the membership of 338 individuals and the share capital of Rs.6,000 and the working capital of Rs.55,000. These societies had borrowed a loan of Rs.44,000 from the Government.

### Consumers Co-operatives

The Consumers Co-operative societies aim at distribution of controlled and non-controlled and other essential commodities at reasonable prices to their members, and also help to a certain extent arrest the rising prices and to avoid middle-men. The special feature of the consumer societies of this district, is that besides the employees of the organised sectors and urban communities as elsewhere, most of the educational institutions in the district have organised their own students consumers co-operative societies. At present there are 50 registered consumers co-operative societies in the district and of them 26 are students consumers societies, 23 general societies and a Central wholesale Co-operative Store at the district level. Among the Primary Consumers Societies if eight are under liquidation, only two students societies are under liquidation.

Among the general consumer co-operative societies, the Coorg Teachers Stores, Virajpet (1920) being the oldest of its kind is still working. In respect of students consumers co-operatives of the district, Central High School Society at Madikeri (1931) is the oldest of its kind and is still working. The talukwise distribution of the consumer societies is as follows: Madikeri 19, Virajpet 19 and Somvarpet 12. The distribution of Students' societies is as follows: Madikeri 11, Virajpet 9 and Somvarpet 6. In 1979-80, including 24 Students Consumers Co-operative Societies, there were 40 consumers' societies in the district with total membership of 43,555. These societies had the share capital amounting to Rs.3.39 lakhs including the Government share of Rs.1.17 lakh. They had a working capital of Rs.11.69 lakhs and they could purchase and conduct sale of goods worth of Rs.52.67 lakhs and Rs.93.71 lakhs respectively. Some of the societies had earned a total profit of Rs.53,000 while the remaining societies incurred a loss of Rs.10.3 lakhs during the year.

During 1988-89, these 23 general consumers co-operative societies were having 7,297 members and their share capital was Rs.4.66 lakhs including the Government contribution of Rs.2.67 lakhs. These societies had borrowed totally Rs.5.45 lakhs which included the Government contribution of Rs.1.56 lakhs, Central financial agency Rs.1.81 lakhs and Rs.2.08 lakhs from other sources. These societies had the working capital of Rs.21.06 lakhs, their purchase and sales were valued at Rs.122.30 lakhs and Rs.118.79 lakhs respectively. In the above year 11 societies had earned a profit of Rs.1.84 lakhs while two societies together had incurred a loss of Rs.36,000. The Students' societies numbering 26 had the membership of 37,252 and their share capital, including

Government contribution of Rs.39,000 was Rs.2.27 lakhs. These societies had borrowed a loan of Rs.33,000 from the Government and the D.C.C. Bank. Their working capital was to the tune of Rs.4.20 lakhs. During 1988-89, Students Societies could purchase and conduct sales worth of Rs.3.20 lakhs and Rs.2.84 lakhs, respectively. Among the Students Societies, 12 societies had earned a profit of Rs.26,000 while six societies had incurred a loss of Rs.3,000.

### **District Central Co-operative Whole-sale Stores**

It was in consonance with the Government of India's policy to strengthen the consumers cooperative movement, the Kodagu District Central Co-operative Wholesale Stores, with a jurisdiction over the entire district, was started at Madikeri in 1966. The primary consumers cooperative societies are being the members of this Central stores are expected to make all their purchases through this apex body at the district level. In the interest of the consumers at large the store has opened its own retail outlets called Janatha Bazaar providing all the consumer goods at fair prices. At present, the wholesale store is having six retail units and four of them are located at Madikeri, and the remaining two are located at Kushalnagar and Chattalli.

In 1978-79, the District Co-operative Wholesale Stores had 572 members comprising of the individuals and co-operative societies. The share capital was of Rs.5 lakhs including the Government share of Rs.3.83 lakhs. The stores had borrowed Rs.5.83 lakhs from all the sources. The working capital was Rs.11.72 lakhs and its total purchases and sales of goods were of Rs.33.25 lakhs and Rs.39.57 lakhs respectively and it had incurred a loss of Rs.2,000. But in 1981-82 its membership strength increased to 1,246 and the share capital to Rs.6.40 lakhs including the Government share of Rs.5.08 lakhs. During 1981-82 the total purchases and sales effected were worth Rs.49.31 lakhs and Rs.49 lakhs respectively.

At the end of June 1989, its membership increased to 1,558 which included 87 co-operative societies, and the share capital to Rs.5.15 lakhs including the Government share of Rs.3.58 lakhs and it had mobilised deposits, reserves and other funds amounting to Rs.2.16 lakhs and Rs.1.73 lakhs respectively. Its total borrowings from the Government and other agencies were of Rs.5.16 lakhs. The working capital was Rs.15.20 lakhs. During the year 1988-89, the wholesale store has purchased and sold goods worth Rs.79.74 lakhs and Rs.80.45 lakhs respectively and had earned a profit of Rs.5,000.

By the end of June 1991, the membership was 1,306 with a share capital of Rs.4.95 lakhs including the State's share. The total purchases and sales effected by the store during the year accounted to Rs.70.71 lakhs and Rs.78.18 lakhs respectively and they had earned the net profit of Rs.79,400 as reported. The staff strength of the store was 27 in 1992.

### **House Building Co-operatives**

These co-operatives were promoted with the chief objectives of facilitating specially the urban middle class and other weaker sections to enable them to have their own house or house sites and to provide long term financial assistance for construction, expansion and repair of houses. House building activities in the Co-op. sector were first started in Kodagu in 1954 by promoting the

Kodagu District House Construction Co-operative Society at Madikeri. In order to have these benefits being extended to the members of the SC/ST Communities, their house building co-operatives were also promoted i.e., Mahatma Gandhi SC/ST House Building Co-op. Society, Kushalnagar (1962) and Madikeri SC/ST H.B.C.S. (1963). In order to avail the benefits of co-operative housing societies in the rural areas, one more society was started at Kerganahalli (Kodlipet) which did some good service in the beginning. At present, in the district, only one society i.e., Kodagu District House Construction Co-operative Society, Madikeri is working and of the remaining four societies, three are defunct, and one is under liquidation. During 1988-89, all the four inactive House Building Co-operative Societies, together had a membership of 551 with a share capital of Rs.6,000.

### **The Kodagu District House Construction Co-operative Society**

When Kodagu was the 'C' State, a co-operative conference was held to discuss the various aspects of the co-operatives. Accordingly, the present Kodagu State House Construction Co-operative Society was registered and started working in 1954 with a jurisdiction over the entire State (district). The Society had an objective to encourage the house building activities in Kodagu as an apex body.

Presently the society advances long-term loans to its members to construct houses, and mid-term loans for repairs and extension work. The society also has taken up the task of the formation of lay-outs and construction of group houses with the financial help from the Karnataka State Co-operative Housing Federation, Bangalore, and further allots them to its member on lease-cum- sale basis or rent-or-loan basis, etc. The society has also a scheme to provide building materials for the construction of house to its members. It also provides the services like preparation of plans, estimates and technical assistance to its members.

At the beginning there were 153 members with a share capital of Rs.1,530. The then Government of Kodagu encouraged the society by providing free land for the house sites and financial assistance of Rs.2 lakhs to stimulate house building activities in the district. Hence it was possible for the society to build 45 houses with different designs at Madikeri. In 1968-69 the membership of the society rose to 1,989 with a share capital of Rs.81,420. During the period, the Society had advanced loans to the tune of Rs.11 lakhs and earned a profit of Rs.14,271. During 1977-78 the membership of the society came down to 1,233, while the share capital rose to Rs.2.48 lakhs. The society had borrowed Rs.22.86 lakhs and it had an over-due of Rs.20.38 lakhs from its members. The loss incurred was Rs.38,000 during the period.

During 1988-89, the membership of the Society was 1,779 and the share capital was Rs.7.23 lakhs including the Government contribution of Rs.8,000. The Society had borrowed Rs.57.99 lakhs from different sources and had advanced loan of Rs.1.60 lakhs to its members. But, the society was due to get Rs.53.30 lakhs from its members and inspite of it, the society could record a profit of Rs. 1 lakh.

During the period ending March 1991, the society had a membership of 1,048 individuals and the share capital of Rs.8.14 lakhs (which includes the Government share of Rs.8,000). In 1990-91, the society had advanced direct loan of Rs.10.94 lakhs for the construction of 26 houses. From the

beginning till 1991, the Society has advanced loans directly for the construction of 110 houses and has also arranged to get a loan for 900 members of the society by the State Co-op. Housing Federation, Bangalore.

At present, the Society grants long-term loan upto Rs.1 lakh for a period of 15 years for house building in urban areas and Rs.50,000 for 10 years in rural areas. For the repair and extension work, in urban areas long-term loan is limited to Rs.50,000 and in rural areas, it is limited to Rs.30,000 for 5 years. The Society is charging interest at Rs.14.2 to 14.6 percent on different types of loans. The society has also a separate scheme of death relief. During the period ending March 1991, the society had incurred a total loss of Rs.3.58 lakhs. The society was awarded a shield and merit certificate for its best work in 1956 (All-India Co-operative Conference) and in 1977 (State House Building Co-operative Societies Conference).

### **Non-Agricultural Cooperative Societies**

As in 1990, there were 24 non-agricultural credit co-operative societies registered in the district, and they are categorised as Urban Co-operative Banks (3), Employees Credit Societies (13) and other Credit Societies(8). Among the Employees' Credit Societies 3 are under liquidation and two are defunct. Among the other credit societies, three are defunct and one is under liquidation. The Urban Co-operative Banks are working under the control of the Reserve Bank since 1966, whereas, there is no control of Reserve Bank of India on non-agricultural credit co-operative societies. They are controlled by the Co-operative Department. Many of these credit societies have taken to non-banking activities in order to increase their earnings and to help their members. Three urban co-operative banks of the district are working at Virajpet (1937), Ponnampet (1945) and Mahadevpet (Madikeri, 1955). Earlier to their reconstitution as banks, they were working as Primary Agricultural Credit Co-operative Societies. Among the Employees' Credit Societies, Kodagu Government Employees Co-operative Society (1919) and among the other credit co-operative societies, Madikeri Town Co-operative Society (1919) were first of their kind in the district (both went under liquidation). Most of the employees credit societies are located at Madikeri (6) and one each at Virajpet and Somvarpet. During the last decade, the non-agricultural credit societies have increased their activities by improving their financial position and expansion of membership.

The membership of three Urban Banks totalled 4,405 in 1988-89 and increased to 4,774 in 1990-91. At the same time, the accretion of deposits increased from Rs.189.77 lakhs to Rs.224.24 lakhs respectively. These banks had advanced loans to the tune of Rs.41.83 lakhs during 1979-80 which increased to Rs.134.32 lakhs (88-89) and in 1988-89 if two banks had earned a total profit of Rs.1.64 lakhs, one had incurred a loss of Rs.37,000.

During 1979-80, there were 11 Employees Credit Co-operative Societies in the district with a membership of 4,017 and the share capital of Rs. 15.13 lakhs. During the next decade (1988- 89), though the membership decreased to 3,829, the share capital increased to Rs.27.90 lakhs (including Government contribution of Rs.25,000). The deposits mobilised by these was Rs.8.87 lakhs in 1979-80 and it had increased to Rs.22.50 lakhs during 1988-89. Their advances Rs.19.51 lakhs in

1979-80 had increased to Rs.39.12 lakhs in 1988-89. Out of 11 societies of this kind, 8 had earned a total profit of Rs.11,000 one had incurred a loss of Rs.1,000.

During 1979-80, though there were 9 other credit co-operative societies in the district, the number was reduced to 8 in 1988-89. Among the other credit societies, the North Kodagu Muslim Credit Co-operative Society (1935) Madikeri, the Lawyers' Co-operative Credit Society (1986) Madikeri, South Coorg Muslim Co-operative Credit Bank (1932), Virajpet are working. Among this kind of credit societies, four are reserved for the SC/ST communities and of them three are working in Virajpet taluk and one in Somvarpet taluk. Out of the four SC/ST Societies two are under liquidation and another two are defunct.

During 1979-80, these other credit societies had a total membership of 2,356 and a share capital of Rs.4.33 lakhs and were able to collect deposits amounting Rs.4.42 lakhs, whereas in 1988-89, these Societies had a membership of 3,007 and share capital of Rs.4.99 lakhs (which included the Government share of Rs.46,000) and they had mobilised deposits amounting Rs.9.66 lakhs. During 1988-89, these societies had advanced a loan of Rs.8.89 lakhs and in 1979-80 this was Rs.8.66 lakhs. The total purchases and sales of goods by these societies were of Rs.4.50 lakhs and Rs.3.78 lakhs respectively during 1979-80, and it was Rs.7.10 lakhs and Rs.7.01 lakhs respectively in 1988-89, and only 3 societies had earned a profit of Rs.1.91 lakhs during the period (1988-89).

#### Town Co-operative Bank, Virajpet

This was registered in 1922 as a Primary Co-operative Credit Society, and later in 1937, after the improvement in its financial position it became the Virajpet Town Co-operative Bank. In the beginning, the bank was providing the financial assistance to the Co-operative Societies working in the vicinity of the town. The present area of operation of the Bank is restricted to Virajpet Town only. This bank is working under the regulation of the Reserve Bank of India and provides all banking facilities to its customers, as any other commercial bank. The bank which was about to be closed in 1957 due to financial crisis was once again strengthened by its members and at the same time the Government sanctioned a loan of Rs. two lakhs. To-day the bank is in a sound position to advance loans on an average Rs.43 lakhs annually and also mobilises the proportionate deposits.

The table given below indicates the progress made by the Virajpet Town Co-operative Bank for some years from 1960-1991.

(Amount in lakhs)					
Year	No. of members	Share capital	Working capital	Deposits	Net profit
1	2	3	4	5	6
1960-61	710	0.81	4.78	--	00.13
1969-70	1,540	1.15	5.75	--	00.02
1979-80	1,511	2.11	14.35	8.01	00.71
1984-85	1,796	3.66	26.88	17.87	00.53

1	2	3	4	5	6
1988-89	1,838	5.01	47.32	34.42	00.84
1989-90	1,566	5.59	50.82	36.13	1.39
1990-91	1,661	6.33	60.74	43.74	1.70
1991-92	1,754	6.92	66.22	48.22	1.34

### Non-Agricultural and Non-credit Co-operatives

Among the non-agriculture and non-credit societies 'Better Living Cooperatives', which were started by the Mahila Samajas and some of the community groups for the socio-economic betterment are prominent. They include the Health Service Co-operative Society (1982), Kudige (under liquidation), Boy's Rising Star Thrift Co- op. Society (1940), Shanivarasanthé (liquidated), Murnad Cooperative Sports Society (1951), the Napoklu Cooperative Employees Thrift Society (1943-defunct), the Horur Better Living Co-op. Society (1954- liquidated), the Balavalikara BLCS, Betoli (1942), the Cheppudira Family BLCS, Gonikoppalu (1946, defunct), the Havyaka Brahmins BLCS, Virajpet (1939, defunct), the Srimangala Workers Cooperative Society, Hudikeri (1945, liquidated) etc.

Among the Women's Co-operatives, the Kodagu Co-operative Mahila Samaj started in 1941 at Virajpet is the first of its kind in the district. To-day there are 18 such societies (six societies in each taluk) registered in the district and 15 of them are working and the remaining three (Gonikoppal, Hathur and Ponnampet) are liquidated. These Women's Societies have taken up the variety of activities whereas some of them have taken up cottage industries, fruit and vegetable processing, supply of consumer goods, grain banks etc. Some organisations have taken up the vocations like tailoring, embroidery, handicrafts, running of Balawadis etc., which are useful to women. As early as in 1949-50, Mahila Samajas of Madikeri, Virajpet and Somvarpet were engaged in the activities like running Nursery schools, Hindi Prachara centres, Charakha Sanghas, conducting tailoring classes etc. The Madikeri Samaja was able to get Rs.5,000 grant from the Government for the construction of its buildings. In 1951, there were six Mahila Samajas throughout the district and during 1955-56, four more Samajas were added.

During 1979-80, there were 15 Mahila Samajas registered in the district and they were having the membership of 3,377 and a share capital of Rs.20,000 and the working capital Rs.2.77 lakhs. These societies had advanced a loan of Rs. 1.34 lakhs to its members and had recovered Rs.98,000. Some of these societies had earned a total profit of Rs.10,000 while others had incurred a loss of Rs.9,000. During the above period, these societies had purchased and sold goods valued at Rs.11,000 and Rs.13,000 respectively.

During 1988-89, the number of these societies rose to 18, and membership to 6,473 and their share capital rose to Rs.2.33 lakhs (50% of it - Rs.1.16 lakhs was contributed by the Government). These societies had the reserve and other funds amounting to Rs.4 lakhs and they had borrowed from the Government Rs.67,000. Their working capital was Rs.7 lakhs. Of the societies, 11 together had earned a profit of Rs.1.08 lakhs while six together had incurred a loss of Rs.18,000. During the period, the total purchases and sales effected by these were valued at Rs.1.80 lakhs and Rs.2.44 lakhs respectively. The following is the detailed account of the Mahila Samaj at Virajpet.

### **The Kodagu Mahila Samaj Co-operative Society**

The Kodagu Mahila Samaj Co-op Society of Virajpet started in 1938 is the first of its kind in the district. This was organised in order to strengthen the role of women's organisation in the National movement. Kamaladevi Chattopadhyaya, an active organiser of the then Indian Women's Conference and a local social worker of Kodagu Balyatanda Muddamma were the source of inspiration for this organisation. Later in 1941, this Samaj was registered under the Co-operative Societies Act and its then jurisdiction was spread all over the district. The present jurisdiction has been limited to Virajpet town and its surrounding areas of 5 km radius. In appreciation of its good work, the then Government had granted one acre of land for the construction of building to house the Society and financial help for the construction of the building. The Society got constructed the building in 1943; later, in 1957-58, the society was able to extend the building, with the financial assistance of Rs.10,000 from Central Social Welfare Board, and Rs.5,000 from its members and the public contribution, and also was able to purchase equipments for its various activities. In the beginning, the Society was aiming at the amelioration of disabilities of women and children, and in fulfilling the objective, the society first started a Nursery School in 1944. Facilities for imparting training in tailoring, embroidery, knitting for the women members, were also provided. It also provided the reading room facility and the training in sports and games for women.

In 1942, the society started working with only 10 members and the share capital of Rs.10 only. But, in 1952, the Society gained a strength of 32 members and share capital of Rs.43. While in 1961, the strength of its members rose to 81 and the share capital to Rs.91. During the period between 1960-62, under the auspices of the Central Social Welfare Board, the Society conducted coaching classes for Seventh Standard Public Examination for the benefit of 25 destitutes, widows etc., from the down-trodden castes. For the purpose, the society had arranged free lodging and boarding to these 25 candidates for two years.

In 1962, the Society with the combined financial assistance of Rs.28,000 from the State Government and the Central Social Welfare Board, has started fruits and vegetables processing centre, for providing permanent job opportunities for women. Even to-day, the centre is running well. The Society is selling the finished products processed by it at fair prices and helps the members and the public in getting their fruits and vegetables processed by collecting service charges. The centre ventured to manufacture detergent powder and cleaning powders in 1984 and the products are well received by the public.

Together with the above regular activities, the Society is participating in the charities like sale of TB and Red Cross Seals and Flags, and collected National Defence Fund. At the starting of the Society in 1938, it had assets worth Rs.200, and they rose to Rs.79,000 during the Silver Jubilee Year 1969. The membership strength of the Society was 375 in 1990 and its share capital was Rs.19,025, which includes of Rs.15,000 contributed by the Government. The Society held Rs.20,618 under different welfare funds. The Society had earned a profit of Rs.12,094, Rs.19,993 and Rs.35,011 during 1988, 1989 and 1990 respectively. In 1990, the processing unit of the society had purchased goods worth of Rs. 57,772 and conducted sale of products worth of Rs.59,792. The quantum of fruits and vegetables processed by the unit during the last three years were: 1988 (8,500 kgs), 1989 (8,500 kgs) and 1990 (7,984 kgs). By the end of March 1991, the strength of the

members of the society rose to 379, with a share capital of Rs.23,114 which included the Government contribution of Rs.5,000. During the year (1990-91) the processing centre had purchased and sold processed fruits and vegetables worth of Rs.40,000 and Rs. one lakh respectively. To-day the Society has got assets yielding an annual rent of Rs.50,000. In 1990-91, the society earned a net profit of Rs.65,772, and it has employed 8 people.

### **Other Co-operative Societies**

In addition to the above explained categories of co-operative societies, there are also some non-categorised co-operatives like

Transport Co-operative Society, Virajpet, started in 1951 which was run by the Ex-servicemen. At present, this society is under liquidation. In 1988-89, it had 779 members with a share capital of Rs.66,000 including the Government share of Rs.25,000. The Society owes Rs.8.34 lakhs to the D.C.C.Bank as dues and had incurred a loss of Rs.8.37 lakhs. There are two Forest Labour Co-operative Societies in the district. One is situated at Guddehosur (1967) and the other at Kutta (1960). Both the Societies were started for the development of the tribals of the area. One of them (Guddehosur) is under liquidation and the other one is defunct. In 88-89 these societies were having 446 members and the share capital amounted to Rs.6,000 including the Government contribution and their working capital was of Rs.8,000.

In 1984, the Rural Electricity Co-operative Society was registered at Somvarpet, with the taluk as the area of operation; it later became defunct. To encourage the sports activities in the rural areas, the Murnad Co-operative Club was started in 1951 and it is still working.

### **Co-operative Unions**

In the development of co-operative movement, the co-operative unions play an important role. The Unions were started with a main objective of propagation of the co-operative principles and policies, providing proper guidance and training for the organisation of societies, supervision, co-ordination etc. In Kodagu these unions were very active since 1923. In the district, there is one District Union and 16 Primary Unions called as 'Nad Union' of the concerned area and they were managed by the 'supervisors' of the Central Co-operative Bank as Chief Executive Officers. On the basis of the recommendations of these Unions, the D.C.C.Bank used to grant financial assistance to the primary co-operatives. These primary unions were acting under the guidance of the district union. Among the primary unions, the Union of Ponnampet (1923) and Srimangala Nad Union (Hudikeri, 1923) in Virajpet taluk were the earliest ones. In 1924, the primary unions were started at Bilagunda, Padinalkinadu, Tavunadu, Kadiyatndu, all in Madikeri taluk. Similar unions were first started at Shanivarasanthe and Kushalnager in Somvarpet taluk in 1926. The 16 unions of the district were distributed at the rate of 7 in Virajpet taluk, 6 in Madikeri taluk and 3 in Somvarpet taluk. By the end of June 1989, these 16 primary Unions had a strength of 346 members (co-op. institutions) and the district-level union had 280 members. Due to the change in the administrative structure of the Department of Co-operation and the changes in the *modus operandi* of the D.C.C.Banks in their lending, these primary unions have lost their importance. As a consequence,



the primary 'Nad Unions' were dissolved. Now, the District Union has emerged as the important apex body to monitor the co-operative movement.

### The Co-operative Training Centre

The Reserve Bank of India had opened the Co-operative Training Institute in Madikeri in 1955 in order to impart training to the members, office bearers, and the staff of co-operative institutions so as to develop and strengthen the movement in the district. Later, the same institution became the training wing of the Karnataka State Co-operative Mahamandala (formerly Union), Bangalore, since 1965. This Training Institute is imparting six months' training leading to the Diploma in Co-operation to the junior staff of the Cooperative Department and the primary co-operative societies. The institute is also imparting special training in the various branches of co-operation like agricultural credit, consumers credit, co-op. marketing etc. The Institute is also providing short-term training to the members of the different types of co-operative societies. The centre is also guiding the co-operators in the matters like, registration of society, conducting of the general body meeting of the society, book-keeping and co-operative laws and rules etc. The Centre had trained 214 candidates in 1988, and 150 and 123 candidates during 1989 and 1990 respectively.

## TRADE AND COMMERCE

For the development of trade and commerce of any area, an infrastructure like good transport and communication and marketing facilities with developed hinterlands are very essential. Taking into account the availability of the transport and communication facilities in the district at present and even earlier, it is considered as backward district in respect of trade and commerce. However, in historical times during the rule of the Ganga, Chandalvas and the Hoysalas, the towns like Mullur, Anjanagiri-Bettageri, Tatangi etc. were the prominent trade centres. An epigraphical evidence of 12th century reveals the existence of the '*nakhara*' (trade guild) of Tatangi. In addition to this, Bemmatti, Butanahalli, Malaganakere etc., were the important trading towns where the trade guilds called '*halaru*' were existing during the Vijayanagara period.

About 200 years ago and even earlier, during the time of the Rajas, Kodagu was inaccessible to any foreigners due to its natural obstacles which prevented the expansion of commerce. Added to this, the rulers of Kodagu had adopted a monopolising spirit in their trade policies. This prevented trading activities. In spite of this, the forest produces, paddy and other commodities were transported by means of bullocks to Tellicherry, Mangalore, Hassan and Mysore markets and Kodagu traders were getting their requirements from the above places by the same means of transport.

Robert Taylor, an officer of the East India Company, stationed at Tellicherry at the time of the beginning of the Third Mysore war, entered into a trade treaty with Doddaveera Rajendra and took advantage of the trade facilities. During 1790-92, the town Virajpet was built by Dodda Virarajendra and he helped the settlement of Vyshyas, Catholics, Moplas of Malabar and Muslims of Bengal and provided certain facilities for trade and business there. Hence, Virajpet was developed as an important business centre in South Kodagu. During the 17th Century, Madikeri the capital town was also developed as a business centre. During the time of the Rajas, trading in

forest products like sandal, cardamom, honey, wax, pepper and medicinal herbs etc. was the monopoly of the State and whoever possessed them had to sell them to the palace, and the palace used to pay for them fair prices, prevailing in the market.

Until the British annexed Kodagu in 1834, there was no good communication system in Kodagu. Later, there was a gradual improvement in communication which made Kodagu to have commercial connections with neighbouring States. In 1817, Lieutenant Connor described the course of trade of Kodagu thus: "Broken up hills, covered with woods, having but indifferent roads and no large towns, Coorg holds out but few temptations to an extensive intercourse with its neighbours. The superior advantages it enjoys for the production of rice renders it however in some measure the granary of the countries in its vicinity". Lewis Rice who compiled the *Coorg Gazetteer* in 1878 has endorsed the accounts of Connor in all respect except the roads in Kodagu.

As it is referred in the chapter on history, till 1850, there were no roads fit for wheeled carriages. All the towns and villages in Kodagu were connected by the footpaths passing through the valleys and hills covered with forests, accessible only by means of oxen, elephants and palanquins. But, the British laid out and improved the roads and other communication system in Kodagu and enabled it to have more trade links with its neighbouring states. Coffee cultivation started after 1854, extended the trade links of Kodagu with foreign countries also. There was a road connection to Kerala through the Heggala pass in Virajpet taluk. When the Sampaje road was completed, it enabled North Kodagu to export coffee to England through Mangalore while the produces of South Kodagu were exported to Persia and other Gulf countries through Tellicherry in Kerala. Kodagu exported coffee of the value of Rs.8.97 lakhs and Rs.40.22 lakhs in 1867 and 1875 respectively, as reported.

Cardamom another important commercial crop of Kodagu next only to coffee, also contributed much for the development of trade. In the erstwhile State of Kodagu, Cardamom was the monopoly of the State, the growers were compelled to sell away their produce to Government at the prescribed rate (Rs.12 to 20 per mond). Otherwise, they were penalised heavily. Richter revealed that "At the time of cardamom harvest, Mopla traders will set out for the Western districts with a good stock of bright handkerchiefs and other articles attractive to the Kodagu women and maidens and many a good bargain is made with the products of Manchester or Birmingham for spicy cardamoms." Earlier to 1800 paddy was growing in abundance. Exports of those days included primarily paddy, timber and cardamom. During the period between 1874-76, a report reveals that the Kodagu was exporting rice of the value of about Rs.3 lakhs. During the period of the Rajas, octroi and other taxes were levied on the goods going from and coming to the State. In 1834, Colonel Fraser abolished some of the taxes and enabled Kodagu to have more trade with neighbouring States. During the first phase of the British rule (1834-1861) the traders, artisans were to pay tax according to their caste profession which varies from 3 annas and 2 1/2 pies (20 paise) to 3 rupees and 10 annas 10 pies (67 paise) per house. After 1868, the tax was collected in the form of money. But, prior to this it was in the form of paddy.

During the British period, the Navayats and the Muslims from Uttara Kannada district, Moplas of Kerala and the Labbes of Tamilnadu came and settled in Kodagu for the business. The Administrative Report of Coorg for the year 1868-69, reports about the trade and commerce as

follows: During the year, between December and March there used to be brisk trade in coffee and rice. During the year 1867-68 and 1868-69 about 24,838 and 34,641 cart loads respectively passed down the Ghats from Kodagu. Most of the carts used to pass through Periyambadi Ghat road instead of the Sampaje Ghat Road which was more easier for journey. It shows that Kodagu had more contacts with Malabar through Siddapur-Virajpet -Periyambadi. Coffee, cardamom, paddy, sandalwood and teak wood were the most important items of export in those days. In 1867-68, coffee (3,100 tons) valued at about Rs.18.60 lakhs, and cardamom of the value of Rs.1.68 lakhs were exported. Usually, paddy from all the taluks of South Kodagu was exported to Malabar.

Administrative Report for the year 1868-69 reveals that the important goods which were imported to Kodagu were as follows: European liquors of all kinds, iron ware, arms and ammunition, piece goods, sugar, kerosene, ragi and gingelly oil (these were imported from Mysore). All varieties of cloths were imported from Madras. Salt, coconut and coconut oil were imported from Dakshina Kannada.

First ever census report of Coorg of 1871 reports that, of the total land revenue of the province, 46.6 percent was derived from coffee and cardamom lands. Lt.Connor's observations about the obstacles to trade in those days are of interest. "A large portion of the population is averse to trade, fixed to the spot they cultivate, they know but little of its activity or inter- course, and feel neither its interests nor necessities. The few wants arising from the social connections which such a state of society renders indispensable, are easily supplied; satisfied with the produce of their soil, which gives them no variety of superfluities to dispose of, they do not possess the means to procure, nor have they the taste how to enjoy the foreign commodities. The monopolising spirit of the chief adds to those natural obstacles which oppose an extended commerce, the few more precious articles of merchandize being entirely engrossed by him."

The old-time trade routes of Kodagu were Hunsur-Madikeri road, Madikeri to Mangalore through the Sampaje Ghat and the Anechaukur to Cannanore road leading to Tellicherry in Kerala through Periyambadi Ghat. But, later there was an improvement. During British rule specially during the rule of Sir Mark Cubbon, there was much improvement in the means of transport and communication.

Towards the close of the last century, the only exports from Kodagu were limited quantity of orange, cardamom, timber and paddy through Mangalore, Cannanore and Tellicherry on the West Coast. North and East Kodagu had trade connections with Mysore. Madikeri, the capital of Kodagu had trade links with Mangalore in the West and Mysore and Bangalore in the east. Because of heavy rains, the trade with Mangalore was restricted till the beginning of June, starting with winter.

### **Development of Trade.**

After the annexation of Kodagu in 1834 by the British, due to their liberal trade policy, and free market economy, imports and exports increased. The goods exported and imported to Kodagu through the West Coast, especially Malabar were exempted from the export and import duty. Preparation of liquors and other intoxicants without the licence of the Government was banned.

The piece goods manufactured in Kodagu, came under the orbit of taxation and each piece was stamped by the Government functionaries. A fee of one *duddu* (four pies) was levied as tax. Professional tax was also imposed on merchants based on the volume of turn-over. A reputed trading family (*Najakula*) was levied eight *Bahadurihanans* whereas middle class (*Arakula*) and low class (*Kalakula*) traders were to pay 5-11/16 and 2-13/16 *Bahadurihanans* respectively. The British Government had issued orders to its revenue officers in August 1834 for imposing above taxes on traders. These orders encouraged, both directly and indirectly, the development of trade and commerce in Kodagu.

In 1864, the tax earlier levied on goods exchanged with the neighbouring districts of British India and Mysore State were abolished. In the place of it, the octroi tax was levied in 1879- 80, which became a source of regular income to the municipalities which encouraged local business activities. This free trade policy encouraged Kodagu to have more trade and commerce with other areas.

During the later decades the laying of railway line from Bangalore to Madras (1864), Bangalore to Mysore (1882) and Bangalore *via* Harihar to Bombay (1889) and the Madras-Malabar line touching Mangalore (1907) encouraged Kodagu to extend its trade links with far off places. The State capital Madikeri had an access to the new railway links at Mysore (120 km), Cannanore (104 km), Tellicherry (96 km) and Mangalore (129 km) which helped internal trade. The improved transport facilities and trade contacts, raising trend in the use of money etc, made it possible to attract money lenders and pawn brokers from distant places to come and settle in the developing towns of Kodagu. Many commercial enterprises and joint stock companies of other States began to open their branches in Kodagu. Some new companies especially European-owned coffee estates, were registered locally. To mention some of the recent Tea and Coffee Companies, an English owned Company Glen Larn Estate (1915), Coorg Tea Company (1943), Consolidated Coffee Estate, Kushalnagar (1948) are very important ones. As revealed by a report, some of the trading companies were engaged in the marketing of agricultural produces in Kodagu much earlier. They were: Mercantile Mission Branch, H.Mann and Company (Madikeri), M/S.Brown and Company, M/S.Meeradeen and Company, M/S.Ibrahim Saheb and Company (Virajpet), The Madikeri Trading Company which later called as McDowell and Company (Madikeri). Later, the Kodagu Trading Corporation and the Kodagu Emporium were started in Madikeri (I.M.Muthanna: *Tiny Model State of South India*). In about, 1866, there were two European recreation clubs, located in Madikeri and Pollibetta, according to one report. These clubs used to supply not only liquors but also cosmetics to their members.

During the decades after 1854, since the Europeans had taken up coffee cultivation extensively, treating it as an industry, many European-owned joint stock companies were promoted in Kodagu.

The Planters Association started in about 1863 at Madikeri stressed the need for extensive postal service in Kodagu and suggested to the Government to promote a Company called 'Tanga Dak' (transport of post by horse carriage) in Kodagu. The United Planters Association, Nilgiri, had pressed the Government in 1909, to levy of coffee cess on the export of coffee in order to take up

propaganda for the extensive use of coffee consumption within and outside the country. But, it materialised only in 1935, after the Indian Coffee Cess Committee was constituted.

The Imperial Gazetteer of India (1904) gives the following accounts of trade and commerce in Kodagu. There were no manufacturing industries in the larger sense of the term in Kodagu. But, there was a large distillery working in Fraserpet (Kushalnagar) which suffered a loss in production due to the fall in prices of coffee that year. It seems, there were industries manufacturing local tiles and pottery during period between 1882 and 1899 at Madikeri.

One Mann and Company had started manufacturing local tiles in 1881, but it was closed as it was not economically viable. About in 1904, Madikeri and Virajpet were the important trading centres of Kodagu. In those days, Somvarpet and Kodlipet were also considered as commercial places of some importance. The large scale weekly markets were held at Gonikoppal, Ammathi and Siddapura of South Kodagu and Suntikoppa and Shanivarasanthe of North Kodagu. Shandies in small scale were also held at Kushalnagar, Ponnampet, Napoklu, Bhagamandala and Murnad. The *Hukumnama*(1811) of Lingarajendra describes Virajpet and Somvarpet as important commercial centres and all the centres of other Nadu as of lesser importance commercially.

### Imports and Exports

The imports and exports of any area, will go on changing from time to time mainly because of changing demands of the people, availability of local produce, marketing facilities, industrialisation, rise in population, urbanisation and so many other factors.

From the beginning Kodagu is famous for paddy and it is growing in abundance throughout Kodagu. The surplus paddy is exported to Kerala, Mysore and Dakshina Kannada districts. As Dr. Buchanan in 1801 reports that about 5 to 6 thousand bullock loads of rice from Kodagu was going out through the Customs House of Piriapatna. In exchange, millets, cloth, ghee, edible oils, jaggery, garlic, betel leaves, iron and steel, blankets (*kambelis*) and tamarind were imported from the other side. Lieutenant Connore in 1817 reports that paddy being the important crop of Kodagu it exported about 50,000 bullock loads of paddy every year, and in exchange money and salt were earned. During the war between English and Tipu Sultan, Doddaveera Rajendra supplied 40,000 *butties* (one *butty* means 80 seers) of paddy for soldiers of Bombay who passed through Kodagu.

Coffee is an important plantation crop of Kodagu next to paddy. The plantation crops have played a very important role in the last about 125 years in bringing out socio-economic changes in the district. An estimate reveals that in a good harvest Kodagu produces about 70,000 tonnes of coffee. The table below in Page No 371 shows the imports and exports of some of the important items for some years between 1873-1908 with value.

Administrative Report of 1920 presents a detailed account of the imports and exports of the State. But, the figures are mostly compiled from the information supplied by the toll gates' authorities. The report mentions the towns and cities which had trade contacts with Kodagu. The important goods exported from the District in 1920-21, and their value (in the brackets) and the place of export are detailed below: Coffee: Mangalore, Tellicherry, Madras (295 tons; Rs.18.89 lakhs); Drugs: Mangalore, Bangalore (Rs.6,200); Fruits: Mangalore, Tellicherry, Mysore

**Imports**

(Value in Rs.)

Year	Live Stock	Food Items	Liquors	Edible Oils	Salt	Sugar and Sacharine products	Tobacco	Total
1873	1,34,890	1,64,802	76,360	1,20,100	76,475	37,435	41,440	6,51,504
1883	83,213	2,40,221	1,01,500	71,949	1,47,061	57,785	26,726	7,28,455
1893	1,17,126	2,76,440	88,400	1,08,824	2,50,170	94,052	25,000	9,60,012
1903	1,15,000	3,59,000	40,200	1,86,600	1,46,000	1,27,200	23,320	9,97,920
1908	1,59,000	3,51,100	44,400	2,75,000	1,47,600	1,52,800	37,400	11,63,300

**Exports**

Year	Coffee	Food grains & Pulses	Cardamom	Fruits	Hides & Horns	Total
1873	45,60,500	97,710	48,000	7,750	--	47,13,960
1883	27,88,716	88,649	1,59,114	17,708	7,559	30,61,746
1893	45,29,840	72,400	47,500	11,160	26,600	46,87,500
1903	20,98,440	2,14,000	48,800	10,300	23,400	23,94,940
1908	23,02,200	2,76,000	27,240	16,280	27,100	26,48,820

(Rs.5,100); Food grains and pulses: Tellicherry and other places in Malabar (Rs.10,000); Hides and horns: Mysore and Tellicherry (Rs.2.10 lakhs); Cardamom and spices: Mysore, Tellicherry and Mangalore (Rs.12,630); Minor forest produces: Mysore (Rs.5,960); Wood: Mysore, Mangalore, Malabar and Madras (Rs.1.32 lakhs); Sandalwood: Mangalore, Tellicherry, Madras (250 tons: Rs.2.60 lakhs); Total value of the exports in the year: Rs.25.31 lakhs.

The district had imported 33 different items of commodities during 1920-21. Important goods imported and their value and the places of import are given below: Agricultural implements: Mangalore, Tellicherry, Madras (Rs.10,100); Livestock: Mysore (Rs.10,200); Fashionable garments (for men and women): Madras, Bombay (Rs.5,900); Arms and ammunitions: Madras, Bombay (Rs. 1,000); Building materials and engineering goods : Mysore, Madras, Mangalore, Tellicherry (Rs.7,200); Manufactured piece goods: Madras, Bombay, Madurai, Salem, Mysore (Rs.17,800); Medicinal items: Madras, Bombay, Mysore, Mangalore (Rs.7,200); Fruits and vegetables: Mysore, Bangalore, Tellicherry (Rs.19,200); Glass and Glassware: Madras, Bombay (Rs.7,200); Grains: Mysore, Bangalore (Rs.19,000); Hardwares and Cuttlery; Mangalore, Tellicherry and Madras (Rs.6,400); Tanned leather: Madras, Mangalore, Mysore, Tellicherry (Rs.11,000); Liquors: Madras, Mangalore (Rs.30,000); Edible and other oils: Madras, Mysore, Mangalore, Tellicherry (Rs.2.18 lakhs); Metals: Madras, Mysore, Mangalore Tellicherry (Rs.9,200); Salt: Mangalore, Tellicherry (Rs.1.08 lakhs); Spices: Mysore, Mangalore, Tellicherry (Rs.27,500); Tobacco: Madras, Mysore, Mangalore, Tellicherry (Rs.18,500); Umbrellas: Madras,

Bombay (Rs.9,900); Wool and woollen clothes: Madras, Bombay, Mangalore, Tellicherry, Mysore (Rs.19,300). Total value of the imports in the year amounted to Rs.9.60 lakhs.

### **Marketing of Coffee**

At the beginning, the marketing of coffee was not regulated. Since the formation of the Coffee Board, the marketing of coffee both domestic and foreign is controlled and regulated by the Board. During the decades of 1874-1883, Coffee industry in the State of Kodagu was much prosperous. In the year 1874-75 the coffee valued at Rs.27.10 lakhs (4,234 tons) was exported to foreign countries. During the First World War (1914-18), and at the beginning of the Second World War (1939), the European market for coffee collapsed and the demand for Indian Coffee came down and consequently there was a steep decrease in prices. The demand in the local market also came down. Hence, there was a economical recession in the coffee industry. For the revival of the industry the Government of India passed Coffee Marketing Extension Act in order to bring stability to the prices of coffee and to have control over the domestic and overseas market. Accordingly Indian Coffee Marketing Extension Board (1940) was constituted. Later, the same Board was reconstituted as the Indian Coffee Board. The Head Office of the Board is located at Bangalore. The raw coffee produces in Kodagu is sent to either Chikmagalur or Mangalore for curing/processing.

### **Cardamom**

Cardamom is next to coffee, among the cash crops of the Kodagu. The Moplas of Kerala were engaged in the trade of cardamom and they were getting good profit while exchanging cardamom to pieces of chintz of Manchester or Birmingham, says, an old report. There was no stability in the yield of the crop or the prices. Like any other crops, its growers have also experienced many ups and downs. The economic depression of 1930 and the period of the Second World War made the growers of cardamom to feel the pinch of it. After 1939, efforts were made to market cardamom in the co-operative sector by linking credit with marketing. Unlike coffee, the marketing of cardamom is not fully regulated by the Government. A part of the total produce is marketed by the co- operative societies and the major portion is marketed by the private merchants. It was the long felt urge of growers that a Cardamom Board should be constituted like the Coffee Board or the Tea Board. The Spices Board was constituted and cardamom was brought under its purview. Thus the marketing of cardamom has been brought under certain regulations and efforts are being made to provide fair prices to the growers.

A branch of the Board is located at Virajpet. Cardamom of the district is exported to overseas countries through the western ports. Many merchants were purchasing cardamom in auction sale and transport it outside the district. Much of the cardamom from the district is sent to Bombay, Kerala and Tamilnadu. It is estimated that about 3,000 metric tons of cardamom is produced in Kodagu.

### Pepper

Pepper occupies the next place to cardamom, among the spices. Pepper produced in Kodagu is exported to overseas countries through the West Coast, in addition to the inland consumption in Kerala and South Kanara. It is estimated that about 10,000 mounds (1 mound - 28 pounds) of pepper is grown in Kodagu.

### Orange

Among the plantation crops of Kodagu, orange also occupies a very important place. A report reveals that about 2,000 lorry-loads of oranges was grown in Kodagu in a good harvest and most of the growers lease them to local agents; hence the rate of orange varies from season to season. The season for orange is from middle of December to April. The Kodagu oranges are mostly exported to Calicut and Tellicherry in Kerala and a part of it comes to Mysore and Bangalore.

Other exports of the Kodagu include, timber, honey and rubber.

### Rubber

Rubber produced in Kodagu is exported to Kochi and Kottayam and part of it goes to the Bombay market. The rubber units of the district are only producing raw rubber but not rubber products.

Government of India has started a pottery centre at Madikebeedu near Madikeri. The centre produces flower pots, water pots, tiles and bricks which are exported to other parts of the country. Similarly, the brass and copper utensils are produced at Madikeri, Somvarpet, Gonikoppal, Ponnampet and Kushalnagar and are exported to the other parts of the country. The agriculture implements and cart wheels produced at Kudige are also exported to other parts of the State.

Till the beginning of the 19th Century, Madikeri was not known for any trading activity. But, now it has turned as an important trade centre in the district. Madikeri is getting its supplies of iron and steel from Bangalore, fish from Mangalore and Kerala, rice from Mysore and Shimoga, tiles from Mangalore, provisions and vegetables from Mysore and Hassan, fruits from Bangalore and Mysore, and medicines from Bangalore, Mysore and Hassan. Local exports include timber, coffee, cardamom, rubber, cashew, honey and forest products. It is observed that local business in provisions and whole-sale business are mostly controlled by the Muslims while the Kodavas control cloth, provisions and liquor business.

Among other things the important consumer goods that are being imported into Kodagu are edible oils, spices, cloth, salt and dried fish, jaggery, sugar and coconut etc. The Kodavas prefer jaggery for sugar. The inland trade of the district is mostly carried on through the regular weekly shandies.

Lt. Connor describes the inland trade and commerce of the district in 1817 as follows: "Usually, the people bring the produce of their farms and woods - rice, butter, ghee, honey, grain,



poultry, fruits and vegetables of all kinds and a variety of condiments much used in their diet; and receive in exchange money which is again exchanged for steel, iron and the various implements required in husbandry, coarse cotton cloth, gunnies, *kambli* (blanket) and dry grains which are mostly imported from the Old Mysore area. The poorer inhabitants generally sell one commodity to buy another". The remarks made by Lt. Connor on commerce hold good to some extent even to-day except that there is an increased demand from outside for products like coffee, cardamom and oranges of Kodagu. The teak and rosewood of Kodagu is being exported to Italy and the European Countries. The following table indicates three most important exports and imports and commodities manufactured at some important trade centres of the district as in 1981.

Towns	Commodities manufactured	Imports	Exports
Madikeri	Sawn timber, gobar gas plant and steel items	Building materials, vegetables, fruits groceries.	Coffee and cardamom
Virajpet	Sawn timber.	Cloth, edible oils and vegetables.	Coffee, paddy and oranges.
Somvarpet	---	Cloth, building materials and vegetables	Coffee, cardamom and pepper
Gonikoppal	Canned fruit and bottled fruit juice	Edible oils, coconut and pulses	Coffee, rice and pepper
Towns	Commodities manufactured	Imports	Exports
Kodlipet	Agricultural implements	Cloth, jaggery and coconut	Coffee, cardamom and pepper.
Kudmangalore	---	Groceries, building materials and edible oils	Tabacco, paddy and ragi
Kushalnagar	Bottled fruit juice and sawn timber	Jaggery, pulses and condiments	Canned fruit, bottled fruit juice, tobacco and ragi.
Ponnampet	Bamboo baskets.	Cloth, hardware and pulses.	Coffee, paddy and oranges.
Shanivarasanthe	Lime, wooden packing cases.	Sugar, wheat and coconut	Coffee, paddy and cardamom.
Suntikoppa	---	Petrol, diesel, coconut and sugar.	Coffee, oranges and cardamom

### Trade Centres

There are many small and medium commercial centres spread over the district. Some of the important trade centres of the Raja's time have gradually lost their importance, while some new

places have emerged as important centres. For example, Kodagu Srirangapattana, once a capital of the Chandalvas (1245) was a famous trade centre. Similarly, Nanjarayapattana when it was a taluk headquarters was a busy trade centre. Kushalnagar was a chief cardamom trading centre between Kodagu and Sakleshpura. Shanivarasanthe (earlier known as Hemmige) and Sirangala were noted trade centres for handloom cloth. Kodlipet was a chief trade centre in the 17th century during the reign of Chikkaveerappa, the ruler of Kodagu. The present Suntikoppa earlier known as Ulugali Santhe-Mala was a famous shandy (weekly market) during the time of Tipu. In 1834, when Colonel Fraser changed the taluk headquarters from Nanjarayapattana to Kushalnagar, the latter became a very important trading centre. When Somvarpet became the taluk headquarters again in 1895, it was developed as an important trading centre.

Gonikoppal of South Kodagu having direct contacts with the coastal towns of Kerala has become an important business centre for coffee, orange and paddy. Ponnampet is a famous trading centre of paddy. Pollibetta is known for its wholesale trade in oranges and two-thirds of the total production of oranges of the district is marketed from here. Of late, Kodlipet and Shanivarasanthe have grown as important export markets for green chillies and vegetables during the summer. The present important trade centres of the district are :Virajpet, Madikeri, Somvarpet, Kushalnagar, Kodlipet, Gonikoppal, Shanivarasanthe, Suntikoppa and Ponnampet. In every village, petty traders are engaged in the supply of groceries and other necessities. Almost all the villages are having retail traders as per the requirement of the place. Most of the retail traders are from Kerala, who settled down in Kodagu. In the absence of large-scale important trade centres in the district, generally, the trading activities of the district are confined to goods of day-to-day consumption and other essential goods. Of late, Madikeri and Virajpet emerged as very important trading centres having close contact with Kerala, and have become the centres for dealing with smuggled foreign goods, cashew, teak, ivory etc., due to increasing demand for such goods in Kodagu.

## REGULATED MARKETS

For the development of agriculture, among other things, proper marketing facilities for agricultural produce, better transportation and communication system are much needed. As in any other district, in Kodagu also the agricultural produces are mostly sold in local markets directly or through commission agents. During the decades of the pre-independence period, in the absence of adequate institutional finance for agriculture on easy terms and conditions, the absence of regulated markets, the standard weights and measures, absence of facilities like ware-housing, standardisation and grading etc., posed as impediments to producers in getting fair prices for their labour. In order to help the agriculturists to overcome these difficulties, the Government of India appointed the Royal Commission on Agriculture in 1928 to go into the problems of agriculturists. The Commission stressed the need for establishment of regulated markets throughout the country. In Kodagu, the agriculture department was set up in 1907.

Coffee is a major commercial crop in the district and its trade is regulated by the Coffee Marketing Extension Act of 1942 and the Coffee Act of 1942 of the Government of India. Other

major crops like paddy, cardamom, pepper, orange, etc. have been provided the facility of regulated marketing in the co-operative sector.

### **The Act of 1966**

Karnataka Agricultural Produce Marketing (Regulation) Act 1966 is a socio-economic regulation with the twin objectives of eliminating exploitation and fraud at the stage where primary producer converts his crops into cash and also provides facilities like transportation for the market users. All the marketing functions of the primary and wholesale markets are brought under the purview of the Act. After the formulation of the Rules and the Regulations to the Act, it was brought in force in May 1968. In 1982, Office of the Assistant Director, Agricultural Marketing was opened to supervise the work of regulated markets in the district. This department is entrusted with the authority to enforce the Karnataka Agricultural Produce Marketing (Regulation) Act 1966, and Karnataka Ware-houses Act 1962 and Agricultural Produces (Grading and Marketing) Act 1937 (Central Act).

The Act stipulates for constituting a 'market committee' for each market area, represented by producers, traders, commission agents, co-operative societies and the government to supervise the activities of the regulated market. All the market functionaries like traders, commission agents, importers, exporters, ware-house keepers, goods transporters, weighers, hamals etc. should get a licence from the Market Committee. The main sources of income of the market committee are the market fees and the licence fees. The maximum market fees to be paid by the buyer is one per cent of the total value of the produce (since 1978). The Act has made a provision for creating a Market Fund. All the expenses of the committee are to be met out of this fund. The fund should be used for the purposes mentioned in the Act.

### **Commodities Regulated**

Agricultural produces as defined now are more broader and include live-stock, poultry, all produces whether processed or not of agriculture, horticulture, animal husbandry, pisciculture, forest produces and any other produce declared by the government from time to time as agricultural produces come under the purview of the Act. Generally, a survey is conducted in the jurisdiction of the market area, agricultural produces grown in the area or assembled in the market, whether grown or not are regulated. The regulation of livestock market is of recent origin.

The functioning of the regulated markets in this district started after 1969. The first regulated market committee to be constituted was at Virajpet in 1969 covering a taluk area. Its head office is located at Gonikoppal. After ten years (1979), Somvarpet and Madikeri taluks got the benefits of regulated markets. The head office of the Somvarpet Market Committee is located at Kushalnagar. Other than the above three main markets, there are two sub-markets at Somvarpet and Makutta.

Including the live-stock as many as 11 items are notified commodities of Gonikoppal market area, whereas for Kushalnagar market except live-stock, 25 are the notified commodities. Madikeri market area has 12 notified commodities.

The main commodities exported from Gonikoppal market are paddy, livestock, cashew, pepper, orange, timber and banana and the imports include mainly rice, sheep and goats. The Kushalnagar market exports mainly green chillies, maize, orange, and timber while Madikeri market imports rice and cashew, but exports pepper, cashew, orange and timber. During 1989-90, there were 206 market functionaries attached to Gonikoppal Market. The corresponding figures for Madikeri and Kushalnagar were 264 and 177 respectively. Madikeri agriculture produce Market Committee has acquired about four acres of land for the market yard and with the financial assistance of the Central Government, has taken up the construction works like administrative office, ware-house, auction platform, shops and godowns for merchants etc. During the period between 1986-87 to 1990-91 the market committee of Madikeri has spent Rs.10.85 lakhs for the various developmental activities. Likewise, Gonikoppal committee has spent Rs.42.66 lakhs for development works such as purchase of land, building of the administrative office, guest house, roads, godowns, shops etc., Kushalnagar Market Committee has spent Rs.16.81 lakhs for the various developmental activities during the period between 1985-86 and May 1990.

The income and the expenditure of the market committees of the district for the last few years is as follows:

Name of the Market	(Amount in lakhs)							
	1985-86		1987-88		1988-89		1990-91	
	Income	Expenditure	Income	Expenditure	Income	Expenditure	Income	Expenditure
Gonikoppal	8.68	3.10	24.92	8.99	27.40	10.56	41.87	21.32
Kushalnagar	3.93	2.76	3.31	2.74	2.45	2.45	4.58	4.55
Madikeri	7.42	4.08	3.21	2.44	3.65	2.95	9.63	4.95

The following table shows the arrivals of notified commodities and their sales value in each regulated market during 1985-86 and 1990-91.

#### Regulated Market, Gonikoppal

Agricultural produces	(Amount in lakhs)			
	1985-86		1990-91	
	Arrivals (in quintals)	Sales value	Arrivals (in quintals)	Sales value
Paddy	41,963	59.96	1,16,171	234.77
Rice	14,313	54.20	17,098	65.08
Pepper	1,855	76.99	5,566	179.69
Oranges(number)	20,74,700	16.67	29,33,000	8.30
Cashew	--	--	99,741	1,826.98
Timber (cum)	45,476	205.18	3,083	32.75
Cattles(no)	46,353	198.99	49,234	227.46
Sheep (no)	7,845	18.53	3,013	9.05
Goats (no)	3,524	9.53	4,027	12.24

**Regulated Market, Somvarpet**

Agricultural produces	(Amount in lakhs)			
	1985-86		1990-91	
	Arrivals (in quintals)	Sales value	Arrivals (in quintals)	Sales value
Paddy	3,310	6.28	3,140	6.93
Rice	22,598	62.88	12,434	51.23
Pepper	10	0.54	-	-
Ragi	3,288	5.31	810	1.62
Maize	2,429	3.89	15,294	30.20
Jaggery	7,222	1.67	2,940	11.55
Green Chillies	20	0.42	8,198	8.13
Orange (no)	42,14,200	7.71	8,530	0.17
Coconut (no)	8,68,867	15.46	2,58,025	8.04
Timber	-	1.72	-	20.25

**Regulated Market, Madikeri**

Agricultural produces	(Amount in lakhs)			
	1985-86		1990-91	
	Arrivals (in quintals)	Sales value	Arrivals (in quintals)	Sales value
Paddy	5,869	8.97	15,673	31.92
Rice	4,663	14.69	2,842	12.16
Pepper	30,131	15.25	685	23.44
Timber(cu.m)	3,484	40.98	3,556	33.81
Coconut (No.)	1,96,211	4.34	2,07,925	4.82
Cashew	49,002	618.20	20,673	417.16
Orange(no)	20,000	0.02	21,500	00.07
Areca	-	-	18.55	00.45
Soapnut	-	-	1,637	8.17
Antavala	-	-	917	4.18

**Employment in Trade and Commerce**

Since the definition of the terms trade and commerce and their concept and sphere have been changed from time to time, and one can take many supplementary occupations, it would be very difficult to enumerate the number of persons that are actually engaged in trade and commerce in

the district. The first census in Kodagu was undertaken in 1871. Then the population of the State was 1,68,312. According to the then definition the traders were divided into two categories: 1) Conveyers of persons and goods, 2) Money lenders and the fixed shop keepers. According to 1871 Census, there were 656 people in the first category and among them 56 people were engaged in operating ferries and transporting people and goods by crafts and country boats from one bank of the river to another and other 600 people were porters engaged in transporting coffee produce to the ports on the West Coast in carts and pack animals. The second category included all sorts of dealers in piecegoods, traders in coffee and other goods and money lenders. These traders were divided according to their professions like Mandidars, Ezardars, Shroffs, agents of coffee planters, hawkers and stamp vendors etc. The group also included 98 weavers.

According to the Census of 1951, there were 7,944 people engaged in trade and commerce for their livelihood. Among them, 4,884 were men and 3,060 women. In the total population engaged in trade and commerce 5,191 (which included 1,927 women) were in rural area, while 2,753 (which included 1,133 women) were in urban area.

At Madikeri and Virajpet, the important trade centres of the district, there were 1,303 and 1,450 people respectively engaged in trade. There were 574 women engaged in trade at Madikeri while it was 559 in Virajpet. There were more men engaged in trade in Virajpet than in Madikeri. But, according to 1961 census there were 5,088 people engaged in trade and commerce in the district as per the changed concept of the definition of trade and commerce. Among them 4,917 were men and 171 women. But, it was interesting to note that the ratio between people engaged in trade and commerce in urban and rural area was equal: It was 2,517 and 2,571, respectively.

Census for 1971 reveals that people engaged in trade and commerce were 8,689. Among them, 8,366 were men and 323 women. The urban and rural distribution was 4,574 and 4,115 respectively. Among the taluks, there were 3,564 people engaged in trade and commerce in Virajpet and 2,635 in Madikeri taluk and 2,490 people in Somvarpet Taluk. But, the number of women engaged in trade was 129 in Somvarpet tq. and 99 in Madikeri tq. and 95 in Virajpet Tq. (This information is not available in 1981 Census).

### Registered Traders

A comprehensive and unified Karnataka Sales Tax Act was brought in force in 1957, by the Government of Karnataka. Earlier to this, in 1956 the Central Sales Tax Act was brought into force. Every traders, whose total annual turnover exceed Rs.2.5 lakhs has to be registered under the above Acts. During 1960-61 there were 851 traders in the district registered under the Karnataka Sales Tax Act and their total turn-over amounted to Rs.110.24 lakhs. The number of petty traders who were not covered by the Sales Tax Act, was estimated to be about 650 in the district in 1960-61. Among the registered traders numbering 851, there were 480 units engaged in the trade of food grains, 240 units in cloth and other consumer goods, and the remaining 127 were dealing with other goods. Among the taluks, Virajpet had the highest number of traders numbering 362 followed by Madikeri and Somvarpet with 269 and 220 respectively. An estimate reveals that there were 2,574 retail traders in 1971 in the district which was 1.4 per cent of the total units (1.80 lakhs)

of the State. In 1989-90, there were 2,061 and 641 traders registered under K.S.T. and C.S.T. in the district and the tax collected was Rs.124.26 lakhs and Rs.80.37 lakhs respectively as reported by the department.

### **Trade Associations**

Different types of traders, planters, producers of various types of goods and people who are engaged in the activities of the marketing have formed their own voluntary associations to safeguard their own collective interests and promotion of business. Some of these are registered bodies, while others are not. These Traders' Associations are active in creating public opinion regarding the sales tax, octroi and other taxes, Rules and Regulations, uses and abuses etc., and impress upon the Government about their problems. They mediate on disputes among members. They also compile numerical data and related commercial information pertaining to the trade for the benefit of its members. The following are the registered trade associations in the district: Kodagu Timber Merchants Association, Virajpet (1959), Virajpet Taluk Food Grain Merchants Association, Gonikoppal (1977), Sri Rama Engineering Industries Association, Somvarpet (1977), Kodagu District Lorry Owners Association, Madikeri (1979), Blue Bird Industries Association, Virajpet (1981), Ranganathaswamy Rural Industries Association, Madikeri (1983), All Karnataka Bee Keepers Association (1984), Kodagu Electrical Contractors Association, Gonikoppal (1985), Somvarpet Taluk Fire Wood Small Traders Association, Somvarpet (1989) and Kodagu Jilla Timber Merchants Association, Madikeri (1989). In addition to the above said Associations, the following merchants' associations are also working at Madikeri:

The Kodagu District Chamber of Commerce, Kodagu Planters Association, Cardamom Merchants Association, Jewellers Association, Hotel Owners' Association, Pharmacists' Association, Bus Owners Association, Liquor Merchants Association, P.W.D. Contractors Employees Association, etc.

### **Kodagu Planter's Association**

The Kodagu Planter's Association, Madikeri, is being considered an oldest planter's association of the State, founded in 1879, sponsored then by the European Planters. It is not a registered organisation under any Statute. Of its several objectives the chief is to promote the planter member's socio-economic interest and thereby promoting the plantation industry in the district by extending suitable technical know-how and other assistance to the growers, etc. In order to fulfil its objectives, the association undertakes several functional activities like providing legal assistance to its planter members in settling labour disputes, organising workshops and seminars of experts in the field so as to enrich the knowledge of the planter members. The association has its own publication '*Quarterly Newsletter*'. The Association also takes care for the maintenance of harmony between the plantation workers and the planters and also takes several welfare measures for labourers. Under the 'Workers Education Programme' of the Central Government, several labour-welfare oriented activities are also being undertaken by the association. In addition to observing 'May Day' (1st May) every year, the association also organises labour rally, sports meet, cultural activities etc. The association is affiliated to the State-level Apex Planters Association i.e.

Karnataka Planters Association, Chikmagalur (1958) and the South Indian Planters Association i.e., United Planters Association, Coonur, Nilgiris. The membership of the organisation comprises of five categories like companies, large growers, small growers etc. The activities of the association are confined to Kodagu district only. During 1990-91, the membership of the association was 573 comprising of 317 small growers (holders of ten hectares and less), 214 large growers (holders of more than 10 hectares), and 37 companies. In 1981-82 and 1987-88, the membership held by the association was 487 and 548 respectively as per the report. In 1990-91, the income and expenditure were Rs.1.58 lakhs and Rs.1.46 lakhs respectively, in 1987-88, the corresponding figures were Rs.1.33 lakhs and Rs. 1.08 lakhs respectively; whereas in 1981-82, the income and expenditure were accounted to Rs.86,000 and Rs.76,000 respectively. The administration of the association is run by the executive committee comprising of 13 members elected by the members representing the categories like the Company Members and the grower members. The Association's Centenary was celebrated in 1979.

#### **Coorg District Chamber of Commerce, Madikeri**

The trader's association of the district, known as the Coorg District Chamber of Commerce, registered in 1964 has 1,100 members in the district (1991). Among other things, the Chamber aims at solving the problems of different kinds of traders and merchants of the association in addition to counselling its members on various taxation laws. The association has formed several local committees in the towns of district. The Chamber is actively striving to focus the attention of the Government in order to streamline the economic developmental activities in the district in the areas of commerce, industry and tourism etc. The activities of the Chamber have been expanded since 1989 when it was reorganised. It is affiliated to the Karnataka Chamber of Commerce and Industries Federation, Bangalore. The Chamber had its Silver Jubilee celebration in 1992.

#### **Food and Civil Supplies**

Several regulatory measures have been introduced by the Government from time to time in respect of distribution of essential and other commodities depending upon their demand and supply position. Specially, the rationing system in respect of food grains was generally introduced after the Second World War. The Department of Food and Civil Supplies at the district level administers as many as 28 control orders issued under the Essential Commodities Act, 1965, both by the Central and State Governments. In the recent past, the sphere of operations of the Department have increased enormously due to implementation of various control measures to stabilise prices and to ensure more equitable distribution of essential commodities besides the introduction of informal rationing.

#### **Procurement Levy**

Procurement of food grains like paddy, and jowar is undertaken under the Karnataka Procurement of Levy Order 1966. Till 1973, the Department of Food and Civil Supplies was



procuring food grains under the levy orders through the Food Corporation of India (F.C.I.). From 1973 to 1984-85, the Karnataka Food and Civil Supplies Corporation, Bangalore, as a main agent and Taluk Agricultural Produce Co-operative Marketing Societies as sub-agents were engaged in the procurement of levy of food grains all over the state. Since 1981-82, levy paddy is collected at 50 percent at mill point and traders. Rice is also procured as levy since 1985-86.

During 1989-90 season, the target of procurement of levy paddy fixed for the district was 700 MTs., while the achievement was 684 MTs. (97%). In the previous year (1988-89), the corresponding figures of target and achievement were 1000 MTs. and 688 MTs. (68%) respectively. During 1989-90, the revised procurement price fixed for rice by the Government per quintal were as follows: Superfine (Rs.319.35), fine (Rs.304.35), common (Rs.289.40). The corresponding prices for the previous year (88-89) were Rs.280.80, Rs.265.85 and Rs.250.80 respectively.

### **Public Distribution**

The public distribution system in the State dates back to 1944 when statutory rationing, was introduced in certain selected towns in respect of essential food grains and other commodities. In 1978, informal rationing system was extended to all the cities and towns with population of 40,000 and above in the State. None of the towns in the district come under the purview of informal rationing system. By the end of March 1990, the total number of fair price shops in the district was 238; their talukwise distribution was: Madikeri 63, Virajpet 85 and Somvarpet 90. The number of fair price shops in Madikeri town was 10. Most of the fair price shops in the district are managed by the Co-operatives (168). The shops managed by the women were 10.

### **Green Ration Card Scheme**

The Green Ration Card Scheme is made applicable only to those places in urban areas where the population does not exceed 20,000 and all rural areas. The income of the beneficiary family under the Scheme should not exceed Rs.3,500 P.A. The eligible families are entitled for the supply of rice, ragi or wheat at concessional rate upto certain limits. By the end of March 1990, the number of families possessing green ration cards in the district was 55,484. The talukwise distribution was: Virajpet 25,162, Somvarpet 21,818 and Madikeri 8,504 as per the report.

### **Shandies**

The Shandies (weekly markets) which facilitated exchange of goods or commodities in the olden days are still being held in many places of the district. There are examples revealing that in the olden days these shandies were organised or held in accordance with the orders of the rulers of the place or the local self- government institutions of the area. Many place names and the towns in the district are associated with the day on which the local shandy is held (example: Somvarpet, Shanivarasanthe). The weekly market of Madikeri town is held on Friday. Hence it is said that Madikeri was also called as 'Shukravar Santhe' some years ago. In certain places, the shandy takes

place on the auspicious day of the local deity. Nowadays, shandies are being organised by the local government institutions and the shandys fetch good revenue to them.

By providing the facilities of primary markets to the local producers or manufactured goods, shandies are found of much utility even during the present days. In these shandies, the large number of local growers, manufacturers and retail traders display their commodities for sale and these shandies serve as ready markets specially to the small growers, craftsmen, local and small manufacturers, and are found much useful specially for agricultural labourers, tribal population, plantation workers and other weaker sections of the society. This weekly market held on Sunday at Suntikoppa attracts large number of plantation workers. It is commonly found that these weekly markets comprising of petty itinerant traders, hawkers, peddlers, pavement shop keepers, second-hand goods dealer etc., dealing in cheap articles, attract large number of consumers from the lower income group. The *Hukumname* (1811) of Lingarajendra II reveals that Somvarpet and Virajpet were the important trade centres. In 1817, the shandies were being held in the district in the following important places: Kodlipet (Sunday), Shanivarasanthe (Saturday), Ramaswamy Kanive (Wednesday), Somvarpet (Monday), Madikeri and Virajpet (Friday). As per the information, by 1880, shandies were started in the following places of the district: Gonikoppal (Sunday), Ponnampet (Monday), Siddapur (Sunday), Ammathi (Tuesday), Suntikoppa (Sunday), Murnadu (Thursday), Kushalnagar (Tuesday) and Jamburu (Thursday). It seems that the shandy first started at Napoklu in 1885 was closed by about 1892. The chief commodities traded in those days in the above shandy markets were - ragi, gram, salt, fish, vegetables, fruits, curry stuffs, glass bangles, cloths etc., but none of these above markets were found much useful for selling the surplus produces of the agriculturist as reported. However, they were useful for the plantation coolies to get their weekly provisions. The only shandies found useful to the agriculturist were the ploughing cattle markets held at Gonikoppal and Siddapur as per the old report.

In addition to the shandies, considerable amount of brisk trading also takes place in certain special goods during the time of the important *jatras* of the district. During the time of famous Cauvery *jatra* held at the time of Tula Sankramana at Talakaveri for about 3 to 4 days, varieties of shops dealing in goods of utility and luxury are set-up. On this occasion, mobile vendors from Mysore, Mangalore and Malabar transact business in cutlery, ready-made garments, handloom fabrics, vessels of aluminum, copper, brass, bronze, steel, fishing nets, ropes and other coir materials. Like Cauvery festival, Padi Igguthappa *jatra* takes place in March (Please see Chapter III for details on the *jatras*.)

The table given below indicates the details about the important shandies of the district.

The place of Shandy	The day on which shandy is held	Approximate No. of people attending and chief commodities traded.
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*Madikeri Taluk*

Madikeri	Friday	(5,000-6,000) Rice, coconut.
Murnadu	Thursday	(1,500-2,000) Vegetables
Napoklu	Monday	Vegetables

The place of Shandy	The day on which shandy is held	Approximate No. of people attending and chief commodities traded.
<i>Virajpet Taluk</i>		
Virajpet	Wednesday	(3,000-4,000) Provisions, vegetables, coconut during the rainy season
Siddapur	Sunday	(1,000) Provisions
Gonikoppal	Sunday	(2,000-3,000) Vegetables, provisions etc.
Kutta	Tuesday	(3,000) Vegetables, provisions, cloth, mutton fish etc.,
Pollibetta	Sunday	
Balele	Monday	(500-800) Vegetables, provisions, cloth
Shrimangala	Monday	(500) Provision, vegetables, cloth, mutton, fish
The place of Shandy	The day on which shandy is held	Approximate No. of people attending and chief commodities traded.
Hudikeri	Monday	(300) Provisions, vegetables, cloth.
<i>Somvarpet Taluk</i>		
Somvarpet	Monday	(15,000) Vegetables, rice, ragi, provisions, coconut oil, jaggery and cloth
Shanivarasanthe	Saturday	(14,000) "
Kushalnagar	Tuesday	(15,000) "
Suntikoppa	Sunday	(15,000) "
Kodlipet	Sunday	(10,000) "
Madapur	Saturday	(8,000) "
Chettalli	Saturday	(5,000) "

### Cattle Markets

Like marketing of agricultural commodities being regulated, the marketing of livestock is also being regulated under the supervision of the Regulated Market Committees. Accordingly, live-stock, sheep and goats are being regulated and large number of them are sold by open agreement instead of auction, or tender system of sale. In order to prevent the sale of stolen animals, registration of animals is in practice.

In addition to regular cattle markets being held on the Shandy day or on some other day, large scale cattle markets are organised on the special occasions like local *jatra* or festival, and cattle

exhibitions, etc. For example: In Kushalnagar, on the Ganapathi *jatra*, being held for 10 days in October every year a cattle *jatra* assembles with about 3,000 cattle.

The Gudugalale Jayadeva Jatra held at Shanivarasanthe during December for one week is said to be the biggest cattle fair in the district when about 8,000 cattles gather. During the time of the Nandishvara Jatra held at Kodlipet in January for 3-4 days, a cattlè fair takes place and about 3,000 cattles are brought to market. Similarly, during the Someshvara Jatra of Somvarpet held for about 10 days during 2nd Week of March, about 3,000 cattle are brought. At Shanthalli of Somvarpet taluk a special festival called *Yemme Suggi* (Buffalo harvest) is organised once in 12 years by the farmers. From among the major weekly cattle markets of the district, Gonikoppal market held on every Sunday attracts about 7,000 cattles as per 1961 report.

## WEIGHTS AND MEASURES

Based on the Standards of Weights and Measures Act 1956 (the Metric system), the Karnataka Weights and Measures (Enforcement) Act was brought into effect in 1958 in the State including Kodagu district. Before this, even a smaller area like Kodagu State had great variations and differences in weights and measures in different parts like South Coorg, North Coorg, the areas above the Ghats and below, the areas closer to Mysore and Malabar etc. However, in the areas called 'Yelusawira seeme'(present Somvarpet taluk), the variations in weights and measures were not much. During the time of the Rajas of Kodagu, efforts were made to bring uniformity in weights and measures. During the time of the Rajas and British, in Kodagu proper *hane* and *butty* were the universal grain measures and in them all accounts regarding weighing were kept; the *seer* was divided into several parts; its basis was a bulk of grain, equivalent to the weight of eighty rupees. The table of grain measure in Kodagu proper was as follows:- 1 *maana* = 1/2 pukka seer, 2 *maana* = 1 seer, 4 *maana* = 2 seer, 1 *hane* = 20 *maana* = 10 seers = 5 *hanes* = 1 small *pan*; 40 *maana* = 20 seers = 10 *hanes* = large *pan*; 160 *maana* = 80 seers = 40 *hanes* = 4 large *pans* or one *butty*.

The commodities like jaggery etc were sold in a seer weight which was equal to the weight of Rs.27 1/2 (tola). One *mana* (maund) was equal to 40 *seers* and 20 *manas*(maund) equalled to one *khandi*. The above weighing *seer* was Circar (Govt) one, there was however another, less than it, also in use.

In the areas below the *ghats* *seer* was only Rs.24 weight (tolas) and pepper was sold by this scale. In other parts of Kodagu the *seer* was of 26 rupees in weight and the *dhada* which was equal to 10 *seers* was in use. In the areas below the *ghats* were equally various; the most common were 42 *seers* = 1 *mooda* (*mudi*), 42 *moodas* = one *korji*. The measures in *Yelusavirseeme* were as follows: 2 *seers* = 1 *hane*, 3 *hanes* = one *kolaga*, 20 *kolagas* = one *khandi*.

According to the 'Report of the Weights and Measures Committee 1913-14 (Simla, 1914) all over the Kodagu generally all commodities were weighed in terms of *mana*(maund) which equalled to 40 *seers* and the *seer* was equal to 27 1/2 tolas and the *maund* was equal to 27 1/2 pounds (lb). One pound (*rattal*) being taken as equivalent to 40 rupees. But in usage *maund* was of

28 lbs. i.e. 1088  $\frac{8}{9}$  tolas. In retail trade in metals such as gold, silver, copper, brass etc., one *seer* was equal to 24 *tolas* and in the sale of mutton it was 84 tolas. A new weight of 1  $\frac{1}{4}$  *maunds* regarded as equal to 50 *seers* was adopted in connection with coffee in order to agree with the weight of Malabar district.

The jewellers were using the following table throughout the province: 6 grains = 1 *fanam*(hana), 9 *fanams* = 1 *varaha*, 3  $\frac{1}{3}$  *varahas* = 1 tola, 50 *varaha* = 1 *seer*. The goldsmiths in Virajpet used the following table:- 4 *gunjis* = 1 *hana*, 9 *hanas* = 1 *varaha* 3  $\frac{1}{3}$  *varahas* = 1 tola.

### Measure of length

The English measures appear to be used in respect of road length, cloth etc. according to Measure of Length Act 1889, in Kodagu for measuring cloth, distance etc. The foot was called *adi*, the yard *gaja*, the half yard *mola* and two yards one *maru* was in vogue in local terms.

But in the olden days, the distances between two places were computed by the difficulties the roads presented, and the time required to tranverse it, more than its actual length; they were also calculated by sounds thus " as far as a man can shout (*Koogu*) "or" a horn (*kombu*) can be heard" which form the reverbation of the wood and hills was a long distance and the natives had very peculiar manner of calling or shouting. The *cross* in the more level country was estimated at three miles but in the hilly parts, a little more than two.

Before the introduction of metric system, a distance of mile was equal to 8 furlongs, and a furlong was equal to 220 yards (*gaj*) and one acre was equal to 4,840 square *gajs*. Three miles were equal to one *haradari*, 4 *haradaris* equalled one *gavuda*. A *kolu* (rod) of 28 inches was used for measuring timber while dealing with the Malayalis.

### Measures of area

According to the Settlement Report, of 1910, during the time of the Rajas if yard (*gaj*) was equal to 28 inches during the time of Doddaveera Rajendra, it was 24 inches in the time of Linga Rajendra II. During the period of Linga Rajendra II (1811-1820), measuring rod called '*lingaraj kolu*. (16 feet length) was used for land measure and land revenue used to be fixed on the basis of the quality of the soil. An area of 16 feet square was called *sale kolu* measure which was approximately about  $\frac{1}{170}$  of an acre. This was known as Linga Raja's *sisthu*. Later, during the time of British rule, an area of a place was measured in terms of acres and cents, an acre was equal to 100 cents.

During the period of the Rajas and even earlier the land measure of a cultivable areas in Kodagu proper were expressed in terms of *butty* which was understood as that space of land with a sowing capacities 80 *seers* of paddy (one *butty*) was called one *butty* land, and was 100 *butties* of land was regarded as equivalent to three acres. The valley lands used for the cultivation of paddy were known as '*kova*' and they were measured in terms of *Warga* (*Warga* used to be plot of about

1 1/2 acre), whereas in *Yelusavir Seeme* (Somvarpet) the land measure was in terms of *Chundikara* and in other lower places *mudi* was the land measure.

### Measuring instruments

As reported in the *Rajendraname* (1807) one *butty* was equal to 60 *seers*, and one *seer* was equal to two *rattals*. According to another source (1835), the standard wholesale measure by which paddy was sold in Kodagu was '*butty*' which contained 80 *seers*, each *seer* containing 42 *tolas* of rice or 80 *tolas* paddy, one *butty* weighed  $80 \times 42 = 3360$  *tolas* of rice. According to 1913- 1914 report, the table of measures of dry food grains was as follows: 16 *chataku* - 1 *seer*, 2 *seers* = 1 *hane*, 80 *seers* - one *butty*, 100 *seers* - one *palla*, 120 or 160 *seers* - one *khanduga*. The report mentions about two definitions of the *seers* - one that it holds 80 *tolas* of second sort of rice heaped and the other that it contained 80 *tolas* of nine different kinds of grains (*navadhanya*) mixed together in equal proportion. But, it is reported that both these definitions were misleading and that on experiment the *seer* was found to hold  $83 \frac{1}{2}$  *tolas* of second sort rice. In measuring paddy and Cherry coffee a Malabar measure called *pare* of 8 to 12 *seers* was used, but in Kodagu *pare* was equal to 10 *seers*, one *butty* was equal to 8 *pare* and a cart load was equivalent to 15 *butties*. In regard to measuring of liquids like oils, ghee, toddy, honey, milk etc., the same *seer* measure that was used as a measure of capacity for grains i.e., the *seer* which normally held 80 *tolas* of second sort of rice when heaped. Arrack was sold by English measure and kerosene oil by gallon and bottle. Sawn timber, logs etc. were measured in terms of cubic foot. In order to avoid these confusions caused by variations, in 1931, an Act was passed by the Kodagu Legislative Council to regulate the use of weights and measures of capacity. Under the said Act, the customary weights and measures of capacity were defined and prescribed but at the same time the use of any other weights and measures of capacity were not prohibited. They continued for some time. Provision was also made to insist that, the description of the weight or measure of capacity should be clearly stamped on all the weights and measures of capacity in use in Kodagu. The Act of 1931 was however not made applicable to measures of length or area or weights customarily used by jewellers and workers in precious metals. The Act of 1931 was passed on the recommendation by the Coorg Sub-Committee of the Madras Provincial Banking Enquiry Committee to the effect that if regular trade and marketing were to be carried out in a systematic manner, the use of standard weights and measures was very essential. Later in 1939, the Central Legislature passed the Standards of Weight Act of 1939 (Central Act) which came into force from 1942.

### Introduction of Metric System

Based on the standards of Weights and Measures Act 1956 (Central Act), The Karnataka Weights and Measures (Enforcement) Act was brought into effect in this district in October, 1959, and the Rules thereunder in 1962. The main functional activities of the Department of Weights and Measures include the undertaking of various enforcement measures for the effective implementation of the Act and Rules and Regulations pertaining to weights and measures. It envisages the periodic verifications and stamping of weights and measures and weighing and measuring instruments used in trade annually. The Department is also enforcing the provisions of the Standards of Weights and Measures (Packaged Commodities) Rules 1977, whereby it is made

obligatory on the part of manufacturers and packers to have mandatory markings such as name of manufacturer, packers, date of manufacturing, packing, the net contents and net price etc. The office of the Assistant Controller of Weights and Measures was opened in the district in 1962 to look after the administration. Since 1989-90, the Department has been renamed as the Department of Legal Metrology- cum-Consumer Protection. As reported by the Assistant Controller of the Department of Legal Metrology-cum-Consumer Protection, 5,454 traders, 10 industrial establishments, 52 petrol pumps, and 16 Government institutions were under the purview of the Department during the year 1989-90 for annual verification. The number of weighing and measuring instruments verified and stamped were as follows: Weights 31,483, weighing instruments 7,503 and measuring instruments 11,978. The service fees collected by the Department for 1987-88, 88-89 and 89- 90 was Rs.2.18 Lakhs, Rs.2.34 lakhs and Rs.2.08 lakhs. (The reason for the decrease in the collection of service charges for 1989-90 were due to the transfer of Sullya taluk, earlier attached to Kodagu, to Puttur office). The number of cases detected for contravening the provisions of Weights and Measures Act for 1987- 88, 88-89 and 89-90 were as follows: 1987-88 - No. of cases 254, fine collected Rs.16,230; 1988-89-No. of cases 187, fine collected Rs.14,850; and 1989-90 - No. of cases 300, fine collected Rs. 26,620. The above particulars in respect of the violation of the provisions of Packaged Commodities Rules 1977 were as given below: 1987-88 - No.of cases 53, fine collected Rs.6,590; 1988-89 - No.of cases 117, fine collected Rs.18,350; and 1989-90 - No.of cases 75, fine collected Rs.8,075.

### **Consumer Forum**

Now-a-days, the grievances of consumers at different levels and walks of life are increasing. In order to redress the various types of grievances or complaints of consumers by awarding compensation for such loss or damages suffered by the consumer or customer, the district level redressal forums have been set up under the provisions of the Consumer Protection Act 1986. In the beginning, they were constituted at the Divisional Level (1990).

A separate forum for Kodagu district was started functioning from Jan.1992. The number of cases registered from the district since 1990 to 1992 May were 100 (including 52 cases transferred from Mysore forum) and number of cases settled were 40 till the end of May 1992 as reported.

### **Ware-Housing**

To suit the prevailing local conditions and climate, different methods of conserving food grains and other commodities have been adopted, specially by the agriculturist and merchants from the olden days. In ancient times, temples used to have common ware-houses for storage of food grains in villages when the land revenue and other cesses were collected in kind. The concept of public ware-housing is a recent development which ensures scientific storage of food grains and other commodities. Since 1928 beginning with the recommendations of the Royal Commission till the All India Rural Credit Survey Committee Report of 1954, several agencies had stressed the need for the scientific storage of agricultural producers and the utilisation of Ware-house Receipts as negotiable credit instruments. Public ware-houses were set up only in 1962 both by the Central

and State Governments under the provisions of Ware-housing Corporation Act 1962. The Ware-house receipts can serve as instruments of credit to the growers and traders to avail credit facilities from banks which enables them to wait for better bargaining in the market. At present, about 200 notified commodities are accommodated in the State ware-houses. The Chief among them being food grains, pulses, cotton, jute, oil seeds, edible oils, fertilizers and agricultural implements etc. There is a provision that the members of Rural Co-operative Societies who have availed crop loans from the Primary Credit Societies, and the commercial banks, can keep their produces in the rural godowns and can avail advances on that basis to discharge the crop loans borrowed. The State Ware-housing Corporation has a hired godown at Kushalnagar with a storage capacity of 2,085 metric tonnes as in 1991-92.

### **Co-op. Godowns**

In addition to Central and State Ware-housing Corporations, storage facility is also being extended by various marketing and service co-operatives to their members. National Co-operative Development Corporation (NCDC) and Agriculture Refinance Development Corporation render financial assistance in the form of loan for the construction of godowns by the co-operative societies.

By the end of March 1990, the total number of godowns sanctioned in the district was 176 and of them the work of construction of 160 godowns was completed with a total storage capacity of 32,000 metric tonnes. The total amount expended for the construction of rural godowns in the district since inception to March 1990 was Rs.69.69 lakhs comprising Rs.49.78 lakhs loan and balance of Rs.19.91 lakhs on subsidy as reported.