



HIMACHAL PRADESH COOPERATIVE DEVELOPMENT POLICY



DEPARTMENT OF COOPERATION

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HIMACHAL PRADESH CO-OPERATIVE DEVELOPMENT POLICY

1. BACKGROUND

- I. Co-operative movement has played a vital role in the development of rural sector in Himachal Pradesh. Its role was significant in relieving the rural poor from the clutches of private money lenders and thereby creating developmental opportunities.
- II. The cooperative movement functions by involving various sectors. It spreads over almost all sectors, such as credit, procurement, production, construction, marketing, agricultural processing, the consumer sector, traditional industries, and education. In this way, the cooperative movement is present in all spheres of the common man for their all-round development.
- III. Before the formation of Himachal State, societies were formed based on different Central Co-operative Laws, Punjab Co-operative Societies Act, 1954 and the Himachal Pradesh Co-operative Societies Act, 1956. But later on, during 1968 The Himachal Pradesh Co-operative Societies Act, 1968 was enacted.
- IV. Based on the Himachal Pradesh Co-operative Societies Act, 1968, Co-operative Societies were established covering all activities concerned with the day to day life which played a significant role in the socio- economic development of Himachal Pradesh.
- V. At present Co-operative Movement has spread over to all sectors of our state. There is not even a single sector in Himachal where co-operative movement has not reached. It can be said that a significant portion of the population in Himachal has benefited from cooperatives, either directly or indirectly.

2. INTRODUCTION

- I. The National Cooperation Policy 2025 (NCP) provides a unified vision for strengthening India's cooperative sector by adopting six strategic mission pillars — Strengthening the Foundation, Promoting Vibrancy, Making Cooperatives Future-Ready, Promoting Inclusivity & Deepening Reach, Entering New & Emerging Sectors, and Shaping Young Generation for Cooperative Growth. Himachal Pradesh, through this State Policy, commits to adopting these pillars, tailoring them to the State's unique geography, economy, and social structure, while leveraging local strengths and addressing local challenges. This ensures full alignment with the national vision while preserving Himachal's distinct cooperative identity.
- II. 5544 co-operative societies in thirty sectors were registered under the H.P. Co-operative Societies Act, 1968, among these 4,726 societies are operating, 537 societies are non-operating and 281 societies are in the phase of liquidation/revival. Primary Agricultural Credit Societies are the most significant among the co-operatives in our state.
- III. Recently, the Govt. of India with a view to strengthening Co-operative movement in the country has taken various initiatives which includes setting a target of establishing 2 lakh new Multipurpose PACS/Dairy/Fishery Cooperatives in the country, computerization of PACS/ARDB, opening of Jan Aushdhi Kendra/ PM Kissan Samriddhi Kendras/ CSC by PACS, formation & promotion of FPOs in Co-operative sector, "White Revolution 2.0", aimed at catalyzing a transformative shift in the dairy sector through the expansion of cooperative coverage, generation of employment opportunities, and empowerment of women.
- IV. The Government of Himachal Pradesh recognizes that while the cooperative sector has demonstrated resilience and adaptability, persistent challenges remain — weaknesses in the three-tier credit structure, high non-performing assets (NPAs),

governance issues, limited modernization, land acquisition constraints under **Section 118 of the H.P. Tenancy & Land Reforms Act**, and insufficient integration with emerging digital platforms.

- V. To address these challenges, the Cooperative Department proposes a Strategic Development Policy aimed at enhancing the functioning and effectiveness of cooperatives.
- VI. By leveraging various resources, the policy seeks to create Different outlets and operational hubs for cooperative societies, ensuring equitable access to essential services. The policy will also ensure compliance with regulatory requirements while fostering financial stability through income-generating opportunities for cooperative societies. By facilitating resource-sharing and collaborative development, the policy envisions a thriving cooperative ecosystem, where societies can flourish under a structured framework, benefit from government support, and contribute to the overall economic growth of the State.
- VII. This policy has been drafted to provide a comprehensive framework that not only strengthens the cooperative institutions in line with the NCP but also ensures their deep integration into State development priorities such as **rural employment, women empowerment, tribal inclusion, agricultural diversification, sustainable resource management, and climate-resilient livelihoods**. It reflects the State's determination to foster an enabling ecosystem for cooperatives to thrive as autonomous, competitive, and socially responsible enterprises.

2.1.Strengths of Cooperatives in Himachal Pradesh

The cooperative movement in Himachal Pradesh stands as a robust and inclusive system that has penetrated even the remotest corners of the state. With a total of **5,544 cooperative societies** and **19.46 Lakh members**, cooperatives play a pivotal role in both economic empowerment and social development across sectors.

- I. **Strong Credit Infrastructure:** The cooperative sector in Himachal Pradesh boasts a **strong and reliable credit infrastructure**, playing a crucial role in sustaining both rural and urban economies. With **2,287 Agricultural Cooperative Societies**, **5 Urban Cooperative Banks**, and **1 State and 2 Central Cooperative Banks**, the cooperative credit network serves as a foundational pillar for accessible financial services across the state. Collectively, these institutions manage a substantial **working capital of over ₹34,10,211 lakh**, underscoring their financial capacity and operational reach. Primary Agricultural Credit Societies (PACS) alone have disbursed loans amounting to **₹75,640 lakh** and maintain an **outstanding loan portfolio of ₹1,53,548 lakh**, directly supporting farmers and rural livelihoods. While limited in number, urban cooperative banks offer essential thrift and credit services to urban populations, ensuring inclusive financial access.
- II. **Effective Public Distribution System:** Cooperative societies are at the forefront of implementing the **National Food Security Act (NFSA)** in urban, rural and tribal areas. In Himachal Pradesh, cooperative societies are functioning as key retail distributors, ensuring the regular and fair-priced supply of essential commodities such as food grains, sugar, oil, and kerosene across urban, rural, and tribal areas. The distribution mechanism is supported by a well-structured and multi-tiered network. This extensive framework enables the effective procurement and supply of goods even in remote and hilly regions, reaffirming the relevance of cooperatives in public service delivery and rural market connectivity.

- III. Women Empowerment:** A significant contribution to women's financial and social inclusion has come through the **Dairy Cooperative Societies (955) with membership of 36,501**. These cooperatives not only generate steady income for women in rural areas but also enable their participation in decision-making and governance at the grassroots level. In sectors like **handlooms, marketing, and thrift societies**, women's leadership has notably increased.
- IV. Participation of youth:** Through cooperatives formations under multipurpose PACS and digital services, the cooperative sector has become a viable avenue for youth engagement. Employment in dairy, transport, and marketing societies reflects a growing role of young people in sustaining and modernizing cooperative activities.
- V. Employment Generation:** The presence of **5,544 primary cooperative societies** (including **3,257 non-agricultural** and **2,287 agricultural societies**) directly contributes to rural employment. Transport, dairy, marketing, and consumer cooperatives provide not just direct employment but also local economic linkages.
- VI. Tribal Upliftment:** Himachal Pradesh has brought **all 17,882 inhabited villages**—including remote tribal areas—within the cooperative network. This ensures access to credit, subsidized essential goods (via PACS and consumer societies), and participation in dairy and fisheries sectors. The success of **PDS implementation through cooperative retail** in tribal belts is a critical milestone.
- VII. Financial Inclusivity:** With a **total working capital of ₹34,102 crore**, cooperatives are a major financial channel for rural Himachal. **Agricultural societies alone manage over ₹8,756 crore**, while urban banks and State/Central

Co-op Banks also contribute significantly. Despite some governance challenges, the structure is reaching deep into remote regions with inclusive financial services.

VIII. Tackling Rural Poverty: Cooperatives in Himachal Pradesh are helping to **break the cycle of rural debt and dependency**. Over **₹6,41,053 lakh in loans** have been advanced, primarily to support agriculture, housing, and small-scale entrepreneurship. Public Distribution via PACS and marketing societies ensures availability of daily essentials at fair prices.

IX. Strengthening Public Service Delivery: The **386 marketing societies, 338 consumer stores, and 2,287 PACS** are playing a critical role in delivering public services like food grains, fertilizers, and agri-inputs. Their role in **NFSA implementation**, especially in hilly and tribal districts, showcases how cooperatives complement the state's welfare mechanisms.

2.2.Existing Weaknesses of Cooperatives in Himachal Pradesh

While the cooperative movement in Himachal Pradesh has played a foundational role in rural development, employment generation, and financial inclusion, several systemic and operational weaknesses continue to impede its full potential. These weaknesses must be acknowledged and addressed through targeted institutional reforms and policy interventions.

I. Regional and Sectoral Imbalances

While Himachal Pradesh has established a wide network of cooperative societies, the growth and impact of the cooperative movement remain uneven both **regionally and sectorally**. A noticeable disparity exists between **Old Himachal (pre-1966 areas)** and **New Himachal (post-reorganization areas merged from Punjab)**. New Himachal

areas such as Kangra, Una, and Hamirpur witnessed an early and more structured growth of cooperatives, benefitting from better administrative support, stronger institutional frameworks, and awareness among the population. In contrast, cooperative penetration in Old Himachal districts like Shimla, Mandi, and Kinnaur has been slower, with societies often lacking the same level of institutional maturity or diversification, pointing to a need for targeted capacity building and policy support in these regions.

On the **sectoral front**, the cooperative movement continues to be heavily concentrated around **Primary Agricultural Credit Societies (PACS)** and **Public Distribution System (PDS)** functions. While these are critical to food security and agricultural credit, this narrow focus has limited the evolution of cooperatives in other high-potential sectors. For instance, despite the state's dependence on **tourism and education**, there are only **13 tourism cooperatives** and **6 educational and training cooperatives**, revealing a significant gap in sectoral diversification. Similarly, fisheries, handloom, artisan, and service-based cooperatives are underrepresented despite their relevance to the rural economy and employment generation. A broader, more inclusive cooperative strategy is essential to tap into these missed opportunities and make cooperatives more responsive to the state's socio-economic diversity.

II. Weak Governance and Financial Mismanagement

A persistent and critical challenge in many cooperative societies, particularly **Credit and Thrift Societies**, is the **prevalence of financial irregularities**, including **embezzlement and misappropriation of funds**. In several cases, the **secretary or managing committee operates with unchecked authority**, making key financial decisions without adequate oversight. Meanwhile, **General House members—despite being the collective owners—often lack the financial literacy** or awareness needed to question or monitor these activities. This imbalance fosters an environment where **unauthorized withdrawals, non-transparent loan disbursements, record manipulation, and**

suppression of audit findings become common. The absence of strong internal controls and weak enforcement mechanisms erodes member trust and undermines the **democratic principles at the core of the cooperative movement**, leading to systemic vulnerabilities and financial instability.

III. Limited Professional Management and Governance Gaps

Most cooperative societies, especially at the **primary level**, suffer from a lack of **professional management and operational efficiency**. They are often run by **part-time office-bearers** who have limited exposure to modern practices in finance, governance, and marketing. This results in several structural challenges, including **weak internal controls, poor record-keeping**, and an absence of standardized systems for **financial reporting and monitoring**. Moreover, both the office-bearers and members typically receive **inadequate training**, which further hampers effective administration. Consequently, **decision-making processes are sluggish**, compliance with regulatory norms is inconsistent, and accountability mechanisms remain underdeveloped — rendering many of these societies administratively inefficient and financially fragile.

IV. Low Technological Adoption

The **adoption of digital platforms** in cooperative societies—whether for banking, governance, marketing, or reporting—remains **limited and inconsistent**. A majority of societies still operate through **manual processes**, which significantly restricts **financial transparency**, slows **communication with members**, and hinders **data-driven decision-making**. This lack of digitization not only impacts operational efficiency but also **prevents scalability** and innovation. Moreover, it makes cooperatives **less appealing to the younger, digitally literate generation**, thereby posing a long-term challenge to their relevance and sustainability in a rapidly evolving economic environment.

V. Limited Market Linkages and Poor infrastructure

While several societies function individually, **horizontal and vertical integration** among cooperatives is weak. Apex bodies and federations are underutilized, lacking the capacity to: Provide marketing and processing infrastructure, Facilitate bulk procurement or collective branding, Represent cooperatives in policy or trade platforms. Moreover, **market access remains local and unorganized**, especially for produce from dairy, weavers, handicrafts, and agro-processing cooperatives.

VI. Lack of Dedicated Cooperative Training Infrastructure

One of the key gaps in the cooperative ecosystem of Himachal Pradesh is the **absence of structured and dedicated cooperative training hubs**. Most cooperative members and office-bearers, particularly at the grassroots level, lack formal training in areas such as **financial literacy, governance, digital operations, and cooperative law**. Without regular capacity-building programs and institutional training centres, societies often struggle with compliance, transparency, and innovation. This severely impacts the **professionalization and long-term sustainability** of the cooperative movement, especially as operations become more complex and digitally integrated.

VII. Land-Related Constraints under Section 118 of H.P. Tenancy and Land Reforms Act

Another significant challenge pertains to **land acquisition and usage**, especially under **Rule 118 of the H.P. Tenancy and Land Reforms Act**, which restricts the transfer of land to non-agriculturists and institutions without prior government approval. This poses a major hurdle for cooperative societies, particularly those seeking to establish **storage facilities, processing units, training centres, or offices**. The cumbersome and time-consuming approval process discourages infrastructural development and limits the expansion of cooperatives into non-traditional sectors such as agri-processing, tourism,

and warehousing, which are crucial for rural diversification and income generation. It is also pertinent to note that earlier in Himachal Pradesh, cooperative societies have access to land provisions through the Himachal Pradesh Cooperative Societies Act, 1968 and the Himachal Pradesh Tenancy and Land Reforms Act, 1972. The 1968 Act, which consolidated and amended laws related to cooperative societies, included provisions for land-related transactions within cooperative societies. The 1972 Act, focused on tenancy and land reforms, provided a framework for land ownership and transfer within the state.

VIII. Liberalization, Privatization, and Globalization: Challenges for Cooperatives in Himachal Pradesh

In the context of Himachal Pradesh, the wave of **Liberalisation, Privatisation, and Globalisation (LPG)** poses both challenges and pressures for traditional cooperative institutions. The entry of **private players and corporate supply chains** in sectors like retail, dairy, agriculture, and banking has increasingly marginalized small cooperative societies that lack scale, capital, and modern marketing strategies. Cooperatives in **Himachal (e.g. BHUTTICO)**, especially in remote and tribal areas, often struggle to **compete with global brands**, which offer quicker services, aggressive pricing, and strong digital presence.

Moreover, **privatisation trends** in banking and distribution have reduced the scope of cooperatives in public service delivery, weakening their traditional roles in **credit disbursement and essential supply chains**. The **lack of capacity to adapt** to global standards in packaging, quality, and branding further isolates Himachali cooperatives from larger markets. Without targeted policy support, capacity building, and infrastructure modernization, these grassroots institutions risk becoming **irrelevant in a rapidly commercialized and globalized economy**, thereby undermining the original vision of inclusive and community-led development.

2.3 Opportunities

The cooperative sector in Himachal Pradesh holds immense untapped potential that, if harnessed strategically, can drive inclusive and sustainable development. There are significant opportunities to **expand into emerging sectors** like tourism, handicrafts, fisheries, education, and IT-based services using cooperative models. The adoption of **digital tools** like online banking, National Cooperative database can improve transparency, outreach, and competitiveness. Setting up “Single-Hub Cooperative Centres”/offering credit, marketing, training, and digital services can streamline access for members. Focused efforts on **women’s empowerment** through initiatives like “*Cooperative Haats*”, along with **youth leadership programs**, can rejuvenate cooperative governance. At the same time, strengthening linkages in **agriculture, horticulture, and joint farming** can ensure better market access and income for farmers. These cooperatives can also play a vital role in **employment generation, poverty reduction, tribal upliftment**, and enhancing the **rural economy** — making them a key driver of equitable growth in the state.

2.4. Why This Policy?

- I. Himachal Pradesh’s cooperative movement has contributed significantly to rural development, yet it faces challenges such as weak governance, limited diversification, and underutilization of assets. There is a growing need to rejuvenate and modernize this sector to make it more dynamic, inclusive, and self-sustaining.
- II. The release of the National Cooperative Policy 2025 has provided a fresh vision and strategic framework to strengthen cooperatives across India. Himachal Pradesh requires a tailored state policy to align with these national priorities while addressing local socio-economic and geographic realities.

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- III. The absence of a structured and unified approach in the current cooperative landscape has led to fragmentation, lack of synergy between departments, and duplication of efforts. This policy seeks to bring coherence, coordination, and clarity to the cooperative sector in the state.
 - IV. With changing economic dynamics, rising inequalities, and the increasing role of private markets, there is a need for a robust cooperative framework that can safeguard community interests, promote equitable growth, and act as a counterbalance to market failures.
 - V. New opportunities in agriculture, processing, tourism, digital platforms, and services remain untapped by existing cooperatives due to the lack of institutional capacity and strategic direction. This policy aims to create an enabling ecosystem that supports innovation, entrepreneurship, and market linkage.
 - VI. There is a pressing need to improve service delivery in rural and remote areas, where cooperatives can play a pivotal role in bridging infrastructure and service gaps. This policy recognizes cooperatives as engines of rural empowerment and inclusive development.
 - VII. To ensure the cooperative movement is future-ready, democratically governed, professionally managed, and financially viable, a dedicated policy framework is essential. This policy provides that framework — along with the institutional mechanisms needed for its execution.

3. Vision, Mission and Principles

3.1 Vision:

To make Himachal Pradesh one of the most vibrant states in **India's cooperative movement by 2030** and to stream line and build a robust, vibrant and sustainable co-operative movement in the state so as to enable the society to reach greater heights by ensuring equitable socio economic development working in tandem with the government'.

Additionally, the vision of this policy is to **strengthen, support, and empower cooperative societies** in Himachal Pradesh by providing them with **integrated infrastructure, financial assistance, and capacity-building measures**. The policy aims to foster a **self-sustaining cooperative ecosystem** where societies can collectively contribute to economic growth and social development.

3.2 Mission:

To develop the co-operative movement to function effectively, efficiently, and economically for the benefit of its members and the society.

To mobilize people on a voluntary basis to ensure maximum participation in governance by involving them in planning, organising, and implementing various schemes formulated for the overall growth of society and local economic development.

The aim is to elevate participation within membership and governance to a new level, recognizing cooperatives as the most sustainable form of socio-economic organization.

There will be **6 Mission Pillars** under the Policy along with **16 objectives** and various **action plans** under each objectives.

3.3. Principles

Cooperative societies are an integral part of Himachal Pradesh's economic and social framework. To ensure their long-term sustainability and effectiveness, this policy is based on the following guiding principles:

- I. **Member-Centric Governance** -Cooperatives shall be democratic, transparent, and accountable institutions where members actively participate in decision-making and benefit equitably from outcomes.
- II. **Sustainability and Self-Reliance** -The policy encourages cooperatives to evolve into economically viable and self-sustaining enterprises through sound financial management, resource optimization, and reduced dependence on external subsidies.
- III. **Structured Institutional Support** – Establish a specific body or organisation to provide infrastructure, financial aid, and logistical assistance to cooperative societies.
- IV. **Optimal Land Utilization** – The departmental land shall be **developed mindfully** with the permission of the State Government ensuring minimal environmental impact while **maximizing operational benefits**.
- V. **Inclusive Cooperative Growth** – Create an ecosystem where **cooperative societies of all sizes** have equitable access to resources, infrastructure, and economic opportunities.
- VI. **Capacity-Building Initiatives** – Provide training, education, and advisory services to **enhance managerial and entrepreneurial capabilities** of cooperative members.
- VII. **Transparent Governance & Accountability** – Maintain **strict regulatory compliance** with the **H.P. Cooperative Societies Act, 1968, Societies**

Registration Act, 2006, and other relevant state policies governing cooperative societies.

- VIII. **Sustainable Financial Model** – Encourage **self-reliant financial mechanisms**, such as rental-based cooperative outlets, shared service models, and structured investment plans.
- IX. **Community Engagement & Social Impact** – Promote **collaboration between cooperative societies, local communities, NGOs, and private enterprises** for holistic development.
- X. **Regulatory & Legal Conformity** – All activities and initiatives shall be **in line with the statutory framework**, ensuring adherence to the **Cooperative Societies Act, financial laws, environmental regulations, and relevant administrative provisions**.
- XI. **Economic & Social Upliftment** – Empower local stakeholders by fostering cooperative-led businesses that generate **stable income and employment opportunities** for community members.

3.4. Important Stake Holders & Their Functions:

A successful cooperative development policy depends on **active participation from key stakeholders**, each playing a defined role in execution and long-term sustainability.

Key Stakeholders & Roles

- I. **Cooperative Societies** – Primary beneficiaries responsible for **business operations, economic growth, and service delivery** under the policy framework.
- II. **Local Communities** – Support cooperative initiatives by **providing services, participating in cooperative enterprises, and strengthening grassroots business models**.

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- III. **HP Cooperation Development Society (HP CODSOC)** – Acts as the **central governing body** to facilitate **cooperative infrastructure, financial aid, and business sustainability programs**.
 - IV. **Division/District-Level Cooperative Societies** – Ensure **local implementation, operational efficiency, and regulatory compliance** of cooperative enterprises.
 - V. **Government Departments (Cooperation, Finance, Rural Development, Agriculture, Revenue)** – Provide **policy guidance, funding, and business development programs** for cooperatives.
 - VI. **Concerned Panchayats, BDCs, ZillaParishads** – Collaborate in **land allocation, governance, and community development efforts related to cooperatives**.
 - VII. **Apex Cooperative Institutions (HP State Cooperative Bank, MILKFED, HIMFED, etc.)** – Offer **financial assistance, business mentorship, and cooperative banking solutions** to members.
 - VIII. **Private Sector & NGO Partners** – Facilitate **skill development, technical expertise, investment opportunities, and cooperative networking**.

4. Mission Pillars, Objectives and Action plan for Himachal Pradesh (Aligned to NCP)

The National Cooperation Policy 2025 identifies six mission pillars to guide the transformation of the cooperative sector in India. Himachal Pradesh adopts these pillars, tailoring each to the State's financial, economic, and geographical context.

Pillar 1: Strengthening the Foundation

The foundation of the cooperative movement in Himachal Pradesh will be strengthened by creating an enabling environment, improving financial access, and enhancing cooperative structures to reach grassroots levels.

I. Legal Reforms for Autonomy & Transparency

Undertake timely reforms in Himachal Pradesh Cooperative Acts/Rules to ensure autonomy, transparency, ease of doing business, and good governance.

Action Plan

- A. Review and amend **HP Cooperative Societies Act & Rules** to align with latest national cooperative reforms.
- B. Fully digitize Department of cooperation functions and create a state-level cooperative database integrated with the National Cooperative Database.
- C. Introduce **model bye-laws** for PACS, dairy, horticulture, and tourism cooperatives.
- D. Develop sustainable Cooperative Hubs/Haats on departmental land through departmental societies, PPPs, and government support.

II. Accessible Finance & Support

Provide financial and technical assistance to cooperatives, strengthen PACS and federations

Action Plan

- A. Strengthen the three-tier cooperative credit structure (PACS, DCCBs, StCB) for delivery of affordable credit.
- B. Establish at least one PACS in each Panchayat and incentivize well-performing PACS as implementing agencies for government schemes.
- C. Strengthen PACS as **multi-service centres** (farm equipment rental, storage, input supply).
- D. Promote diversification of cooperative banks' services and adoption of digital banking platforms for greater financial inclusion.

III Strengthening Federations & Expanding Reach

Strengthen District/Tehsil Marketing Federations and expand PACS and consumer cooperatives across Himachal Pradesh, especially in remote areas.

Action Plan

- A. Strengthen **district-level marketing federations** for horticulture, dairy, and crafts.
- B. Expand PACS coverage in **remote/tribal areas** like Lahaul-Spiti, Kinnaur, Pangi etc.
- C. Encourage the creation of multipurpose PACS, primary dairy cooperatives, primary fisheries cooperatives, and other sectoral primary cooperatives to cover all uncovered panchayats within the next five years
- D. Support **consumer cooperative outlets** in towns and tourist hubs.
- E. Incentivize federations for **bulk procurement and collective marketing** of apples, pulses, and vegetables.
- F. Develop shared infrastructure such as cold chains, warehouses, soil and seed testing labs, and veterinary services to benefit multiple cooperatives.
- G. Encourage **cooperation among cooperatives** for shared digital platforms, common service delivery, and collective marketing.

Pillar 2: Promoting Vibrancy

IV. Developing a Cooperative Business Ecosystem

Create cooperative hubs/haats, cooperative-run outlets, and services to strengthen local economic ecosystems.

Action Plan

- A. Develop **model cooperative Gram Panchayats** in each district, with multipurpose PACS as the growth hub, ensuring good governance and business practices
- B. Create **Cooperative Haats** in every district for local produce (apples, dairy, handloom).
- C. Encourage **farm-to-market cooperative-run retail stores** and e-commerce platforms.
- D. Set up **shared cold storages, warehousing & logistics hubs** through cooperatives.
- E. Establish **cluster-based service cooperatives** (transport, digital services, agro-processing).
- F. Support cooperatives in **branding, marketing, and GI/IPR protection** of unique local products, leveraging both the '**Bharat Brand**' and state-level brands.

V. Expanding Opportunities & Income

Encourage diversification into horticulture, organic farming, and processing to increase members' income and access to larger markets.

Action Plan

- A. Promote **Natural farming, organic farming and certification cooperatives** in various districts of Himachal Pradesh.
- B. Encourage **processing through cluster level federations (CLF)/ SHGs/ State level federations (SLF) cooperatives** for apple, mushroom, herbal plants, pulses.
- C. Facilitate **export-oriented cooperative brands** for Himachal apples, honey, and

handicrafts.

- D. Facilitate cooperative participation in **state, national, and international fairs/exhibitions** to expand markets.
- E. Link cooperative products with **One District One Product (ODOP) & Districts as Export Hubs** initiatives to enhance exports.
- F. Strengthen dairy cooperatives (White Revolution 2.0) and fisheries cooperatives for income generation and women's empowerment.

Pillar 3: Making Cooperatives Future-Ready

VI. Enhancing Technology Adoption

Digitize records, introduce e-marketing, IT-enabled governance, and technology-driven enterprises.

Action Plan

- A. Digitize **membership, records, and accounts** of all cooperatives by 2027.
- B. Encourage cooperatives to use **GeM, ONDC, and other e-commerce platforms** to market HP's niche products
- C. Use **IoT, blockchain & mobile apps** in cooperative infrastructure.

VII. Professional Management & Capacity Building

Infuse professionalism into cooperative institutions through training, exposure visits, and skill development programs supported by the Cooperative Education Fund

Action Plan

- A. **Organizing training programs and field visits** for cooperative members to understand successful cooperative models across India.
- B. Proper utilization of Cooperative education Fund through HP Cooperation Development Society (HPCODSOC).

- C. Organize **exposure visits** to successful cooperatives
- D. Developing comprehensive cooperative training policy
- E. **Experience-sharing forums** for cooperative leaders to exchange knowledge and best practices.

Pillar 4: Promoting Inclusivity & Deepening Reach

VIII. Member-Centric & Inclusive Growth

Promote autonomy of societies while ensuring cooperatives remain member-driven and accessible to all sections.

Action Plan

- A. Encourage **greater participation of women, youth, SC/STs, specially-abled persons, and small/marginal farmers** by reserving leadership roles and creating women/youth sub-committees within cooperatives.
- B. Strengthen **cooperatives for marginalized sections** in key HP sectors — dairy, fisheries, handloom, handicrafts, horticulture produce, and medicinal plants.
- C. Develop **state-level aggregated data** (gender, caste, weaker sections) to design targeted schemes, aligned with the National Cooperative Database (NCD).
- D. Incentivize cooperatives to **activate dormant memberships**.

IX. Youth & Women's Participation

Encourage active participation of women and youth in cooperatives, strengthening them as a people's movement across Himachal Pradesh.

Action Plan

- A. Promote **all-women cooperatives** in handicrafts, floriculture, mushroom cultivation.
- B. Launch **Himachal Cooperative Youth Clubs** in colleges/universities.

- C. Provide **startup seed grants** for youth-led cooperatives in IT, tourism, and agri-tech.
- D. Celebrate “**Cooperative Day**” in schools & colleges with competitions and awareness programs.

Pillar 5: Entering New & Emerging Sectors

X. Diversification into New Sectors

Promote cooperatives in traditional industries (handloom, handicrafts), dairy, fisheries, and agro-processing, while encouraging new opportunities in education and IT services.

Action Plan

- A. Strengthen cooperatives in **traditional sectors**: apple, dairy, fish farming, handloom, handicrafts.
- B. Encourage **PACS and primary cooperatives** to expand into multi-purpose service hubs offering: Fertilizer, Credit facilities, KCC, Micro ATMs, Bank Mitra, floriculture, PM Jan Aushadhi Kendras, LPG distributorships, Common Service Centre (CSCs), and PM Kisan Samriddhi Kendras, Local **warehousing and cold-storage facilities** for fruits, vegetables, and dairy, Management of **fair price shops & rural water supply schemes**.
- C. Support cooperatives in **urban & rural service sectors**, such as: **Micro-insurance and health cooperatives** for rural populations, **Education and skill training cooperatives** for youth, **Transportation and aggregator-based services** (e.g., taxi/jeep driver cooperatives in tourist hubs like Shimla, Manali, Dharamshala),
- D. Encourage youth-led cooperatives in **renewable energy (solar, small hydro, biogas), mobile-based services, and wellness tourism (Ayurveda, naturopathy, homestays, adventure cooperatives)**.

XI. Environment-Friendly & Sustainable Practices

Develop eco-tourism cooperatives, circular economy initiatives, and green cooperatives to align growth with Himachal's fragile ecology.

Action Plan

- A. Promote **eco-tourism & homestay cooperatives** in tribal & rural belts.
- B. Introduce **waste-to-energy cooperatives** in towns and markets.
- C. Train farmers in **climate-smart farming & natural agriculture** via PACS.
- D. Support **renewable energy cooperatives** for solar/wind/biogas adoption.

Pillar 6: Shaping the Young Generation for Cooperative Growth

XII. Motivating Youth for Cooperative Careers

Attract rural and semi-urban youth to build careers in cooperatives by linking them with entrepreneurship opportunities.

Action Plan

- A. Launch a **“Himachal Cooperative Youth Movement”** at the **district/block level**, with:
 - 1) Cooperative-themed **seminars, nukkad nataks (street plays), and films** in schools/colleges,
 - 2) Sharing of **local cooperative success stories**.
 - 3) **Social media campaigns** led by state cooperative federations targeting youth.
- B. Partner with HP University, Dr. YS Parmar University of Horticulture & Forestry, and other colleges and universities to create **“Cooperative Clubs”** for youth.
- C. Identify and mentor **future cooperative leaders** through youth fellowship or leadership programs.

XIII. Developing Cooperative-Focused Courses

Introduce diploma-to-degree programs for cooperative awareness.

Action Plan

- A. Develop **HP-specific cooperative diploma/certificate courses** (in dairy, horticulture marketing, eco-tourism, renewable energy, etc.) through the proposed **CODSOC + HIMCOFED etc.**

XIV. Skilling & Upskilling Youth & Women

Establish cooperative training institutes and skill centers to prepare youth and women for cooperative employment.

Action Plan

- A. Map **existing training institutions in HP** (Industrial Training Institutes, HP Kaushal Vikas Nigam, Rural Livelihood Mission training centres) and integrate cooperative modules into their curriculum

XV. Creating a Pool of Resource Persons

Engage cooperative practitioners, retired experts, and professionals as trainers, instructors, and visiting faculty in the state.

Action Plan

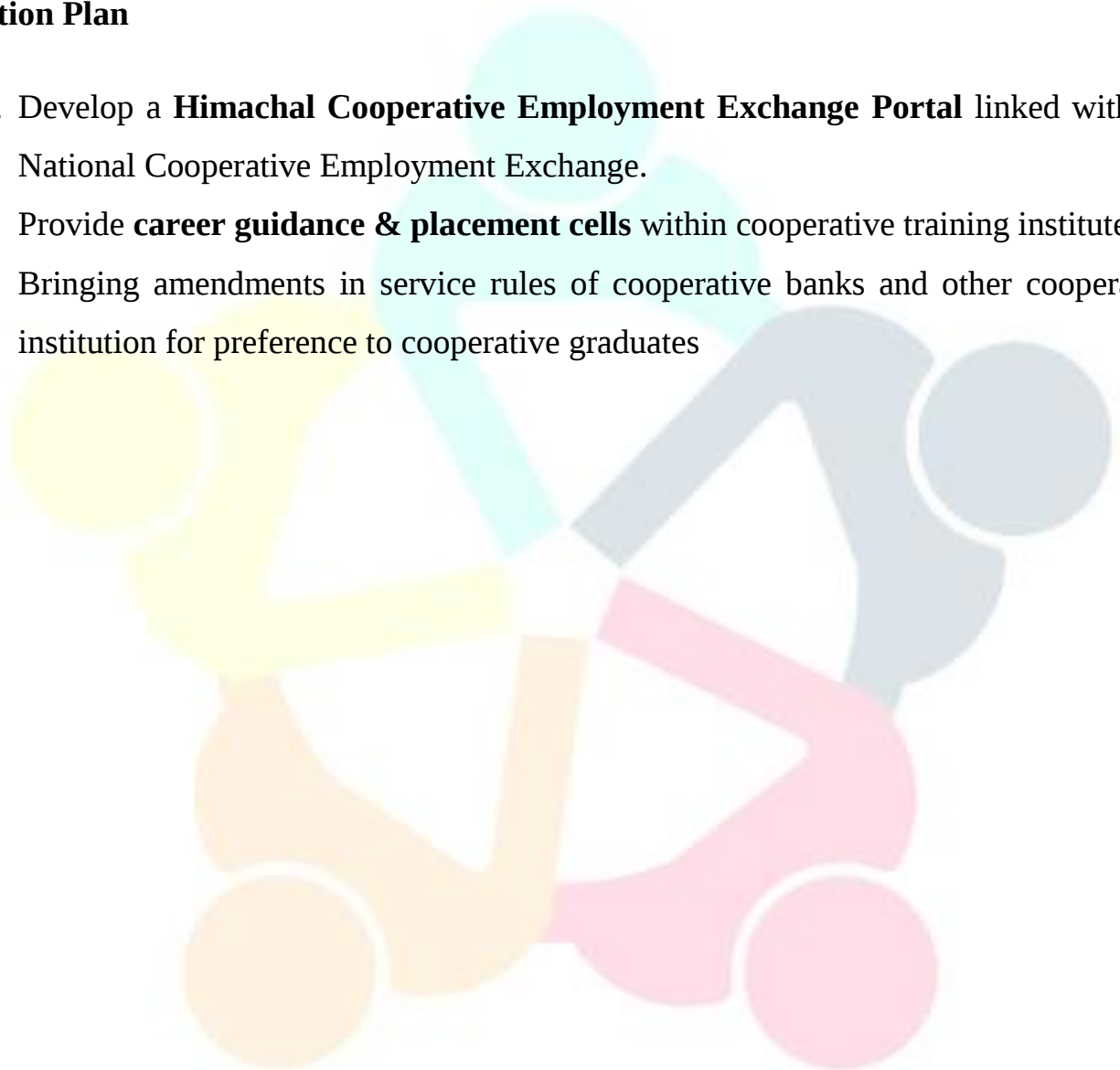
- A. Build a **state roster of cooperative trainers & experts** (retired officers, professors, cooperative leaders).
- B. Appoint **visiting faculty** from successful cooperatives in India.
- C. Standardize **recruitment and remuneration models** for cooperative trainers in HP

XVI. Simplifying Hiring & Job Search in Cooperatives

Develop a cooperative job portal and facilitate easier recruitment for cooperative institutions across Himachal Pradesh.

Action Plan

- A. Develop a **Himachal Cooperative Employment Exchange Portal** linked with the National Cooperative Employment Exchange.
- B. Provide **career guidance & placement cells** within cooperative training institutes.
- C. Bringing amendments in service rules of cooperative banks and other cooperative institution for preference to cooperative graduates



5. Monitoring and Implementation Structure:

- A **‘State Steering Committee on Cooperation Policy’**, chaired by the Minister in charge of the department, to be constituted for overall guidance, inter-ministerial Coordination, periodic policy review, etc.
- A **State -level ‘Policy Implementation and oversight Committee’**, chaired by the Cooperation Secretary, to be established for coordination, troubleshooting implementation bottlenecks, periodic monitoring and evaluation, etc.
- **Implementation committee**, chaired by the Registrar Cooperative Policy (RCS) to ensure the policy is implemented effectively and within a set timeframe. This committee will receive support from a dedicated Performance monitoring unit cell (PMU) that will provide technical assistance on the subject, documentation, coordination, monitoring, reporting, and more.

5.1 HP Cooperation Development Society (HPCODSOC)

- The Department of Cooperation shall establish the Himachal Pradesh Cooperation Development Society (HP CODSOC) under the H.P. Societies Registration Act, 2006, modelled after the existing structure used in other departments.
- HP CODSOC will help in implementing the Co-operative Development Policy. HP CODSOC will operate state wide, working in collaboration with Division/District-level departmental societies to facilitate Public-Private Partnership (PPP) initiatives, infrastructure development, and financial assistance programs.
- The Governing Body of HP CODSOC will consist of department officers, Registrar, add/joint/deputy/ARCs etc. as per their bye laws.

5.2 HPCODSOC Role and Functions:

- To **facilitate** the objectives, mission and **action plan** of state cooperative policy.
- To **plan, design, and implement cooperative infrastructure projects**, including Sahkari Haats, storage facilities, cold chains, and digital platforms.
- To **mobilize financial resources** from State, Central, and multilateral agencies, ensuring effective convergence with NCDC, NABARD, and other cooperative development schemes.
- To **prepare detailed projects reports /DPRs**.
- To act as a **nodal agency for capacity building**, cooperative education under Rule 69 of H.P. Cooperative rules 1971, and leadership development across sectors.
- To serve as the **State-level facilitator for digital integration**, ensuring cooperative societies are linked with the National Cooperative Database (NCD).
- To **monitor and evaluate cooperative performance** through a unified State portal, ensuring transparency, accountability, and results-driven support.

6. Strategic plan for infrastructure development

6.1. Cooperative Assets: Development & Management

Infrastructure development is a critical component of the cooperative growth strategy. The policy will ensure **efficient management, allocation, and utilization of cooperative assets**, particularly on **departmental land**.

6.2. Identification of Potential Cooperative Hubs/Sahkari Haats

HP CODSOC will **identify strategic sites on departmental land** for cooperative infrastructure development. Locations will be **evaluated based on business feasibility, sectoral needs, financial viability, and accessibility** and **Cooperative Hubs/Sahkari Haats will be constructed on these lands**. These **Cooperative Hubs/Sahkari Haats** will **cater to the needs of various cooperative societies**.

6.3. Stakeholder-Initiated Sites

Cooperatives can **propose their own sites** for development within designated regions. Proposals will be **evaluated by division-level authorities** to ensure **alignment with cooperative business models**.

6.4. Sustainable Infrastructure Development

Cooperative Hubs/Sahkari Haats will be **developed in a structured, eco-friendly manner** to minimize environmental impact. **Shared service models** will be implemented to **maximize efficiency and reduce operational costs**. Infrastructure shall focus on **business spaces, training centers, cooperative-run retail outlets, storage units, and administrative offices**.

6.5. Cooperative Business Circuits

Sector-wise cooperative networks will be established to facilitate **resource sharing and**

inter-cooperative trade. Regional business hubs will be **linked through cooperative circuits**, enabling economies of scale and maximizing business potential.

6.6. Capacity Building & Skill Development Centers

Dedicated training facilities will be developed within cooperative hubs. Business skill programs will cover **financial literacy, digital integration, operational excellence, and sector-specific growth strategies.**

6.7. Public-Private Partnerships for Cooperative Ventures

HP CODSOC will facilitate PPP or **cooperative-sector collaborations** for cooperative-led enterprises. Guidelines will ensure **PPP ventures align with cooperative principles and business sustainability goals.**

6.8. Development & Management of Cooperative Infrastructure through Departmental Mode & Public-Private Partnership (PPP)

A **mutually beneficial partnership** between the **public sector and private entities** will be implemented to develop new cooperative projects across Himachal Pradesh. The projects will follow established **cooperative laws**, including the **H.P. Cooperative Societies Act, 1968**, and national guidelines for cooperative development issued by the **Ministry of Cooperation, Government of India.**

6.9. Infrastructural and Business Framework for Cooperative Projects

These projects will be formed after making a viability analysis. Land will be in the name of Department of cooperation and HPCODSOC will help to manage and run it or can be in the name of HPCODSOC or other societies by taking proper approval from the government. For development of these sites HPPWD or other recognized agencies will be involved.

6.10. Cooperative Awareness & Training Centers

Coordination with National and state level Cooperative education universities (e.g. Tribhuvan cooperative university, HIMCOFED , HIMCAPES etc.

As per **Rule 69 of the Himachal Pradesh Cooperative Societies Rules**, cooperative societies are permitted to utilize the **Co-operative Education Fund** for training and awareness activities not only through government-run institutes but also through **NGOs registered in Himachal Pradesh**. CODSOC will be engaged for conducting **training sessions, awareness campaigns, and exposure visits under rule 69**, thereby expanding outreach and bringing innovation and flexibility in training delivery.

HPCODSOC may also **assist and coordinate with Primary Agricultural Credit Societies (PACS) and Farmer Producer Organizations (FPOs)** to enhance cooperative education/training and strengthen grassroots-level institutions.

6.11. Modes of Operation

Cooperative hubs/Sahkari Haats may operate under multiple models:

- **Government-led (departmental mode)** – Managed **directly by the Government or HP CODSOC**.
- **PPP Model** – Developed by **private enterprises with cooperative partnerships**.
- **Community-Led Cooperatives** – Local cooperative groups will **directly manage designated businesses**, ensuring self-sufficiency in coordination with CODSOC.

7. Funding

Funding for Policy Implementation is to be made from-

- Funding through Agriculture stabilisation fund, Common Good Fund, Cooperative Development Funds of Cooperative banks and other cooperative institutions or any other fund specifically designed for cooperative development.
- Through funding from vibrant cooperative institutions.
- Through Public- Private Partnership mode or through own resources of HP CDSOC
- Through Cooperative Education Fund as per Rule 69 of the Himachal Pradesh Cooperative Societies Rules, 1971
- Through APMC and Corporate Social Responsibility (CSR).

8. Way Forward for Himachal Pradesh Cooperative Sector

The **Himachal Pradesh Co-operative Development Policy 2025** is a forward-looking framework designed to revitalize, modernize, and expand the cooperative movement in the State while fully aligning with the **National Cooperation Policy 2025**.

By adopting the NCP's six strategic mission pillars and integrating them with Himachal's unique socio-economic and geographic conditions, this policy ensures that cooperatives remain engines of inclusive growth, rural development, and sustainable livelihoods.

The Government of Himachal Pradesh reaffirms its commitment to:

- Empowering cooperatives with infrastructure, technology, and finance.
- Ensuring transparency, accountability, and good governance.
- Strengthening inclusivity, with a focus on women, youth, and marginalized communities.

- Linking cooperatives to local, national, and global markets.

Through systematic implementation, robust monitoring, and strategic partnerships with central/State institutions, national/State federations, and private sector actors, the State aims to transform its cooperative sector into a model for other hilly and small States of India.

