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ROLE OF CO-OPERATIVE MARKETING SOCIETIES IN AGRICULTURAL PRODUCTS IN MAHARASHTRA

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Abstract:

Co-operation means working together with another or others for a common purpose, in the present context for economic progress. To this extent the modern day co-operative institution is similar to the traditional community institution of the primitive post where group of people would till the land, sow seeds, guard it and then divide the reaped benefits. Co-operation plays a pivotal role in safeguarding interests of the vulnerable and unorganized people engaged in various economic and social activities.

INTRODUCTION

The Co-operative movement has helped in preventing exploitation of people from money-lenders and in raising economic status specially of small farmers, village artisans, -landless labourers, destitute women etc. It has created many centres in the rural areas creating new employment opportunities and enhancing productive capacity and competitive ability of people of the weaker sections of the society. However, in the post-liberalization era, the Co-operative movement has been facing new big challenges of severe competitions in keeping qualitative standards of products and services.

OBJECTIVES

- 1.To study the history of Co-operative movement.
- 2.To understand the co-operative marketing structure in Maharashtra.
- 3.To study the role and progress of co-operative societies in agricultural marketing.

STRUCTURE AND ORGANIZATION OF CO-OPERATIVE MARKETING

The pattern of organization of co-operative marketing societies is not uniform throughout the country. In some states like Assam, Bihar, Madhya Pradesh, Karnataka, Orissa, Kerala, Rajasthan and West Bengal, there is a two tier pattern of organization, namely primary marketing societies at the level of the secondary market and apex marketing society at the State level. In other states like Maharashtra, Gujarat. There is a three-tier system consisting of primary marketing societies at the base, i.e., secondary markets, the central marketing societies generally at the district level and the apex marketing society at the state level.

The structure of co-operative marketing societies in India consists of: (A) National Agricultural Co-operative Marketing Federation (NAFED) at the national level, (B) State Marketing Federation at state level, (3) District or Regional Marketing Societies at the intermediate level and (D) Primary Marketing Societies at base level. All these marketing societies are discussed here in brief.

A.National Agricultural Co-operative Marketing Federation (NAFED)

The NAFED is a federal organization of state level apex co-operative marketing societies in India.

It was established in 1958 with its headquarters in New Delhi. Its chief function is to co-ordinate the activities of state federations, and render advice and technical guidance to them. The federation also undertakes export and inter-state trade.

B. State marketing societies

These federations function at the state level and are intended to serve as apex institutions on behalf of the affiliated society members. They are also expected to procure agricultural inputs and other goods required by the farmer for distribution through co-operative agencies within the state. They are mainly engaged in wholesale or monopoly distribution of chemical fertilizers, controlled commodities like iron and steel, and consumer goods like cement, sugar, kerosene, wheat, rice, coffee, seeds, agricultural implements, insecticides, milk powder, etc. They also process agricultural produce, undertake construction of godowns, processing units, and manufacturing plants for fertilizers. They also co-ordinate the work of co-operative marketing societies and work in close collaboration with government department concerned with marketing of agricultural produce, agricultural inputs, civil supplies, etc.

On 30th June 1986, there were 29 state level apex marketing societies one in each state (except in Nagaland).

C. District or regional marketing societies

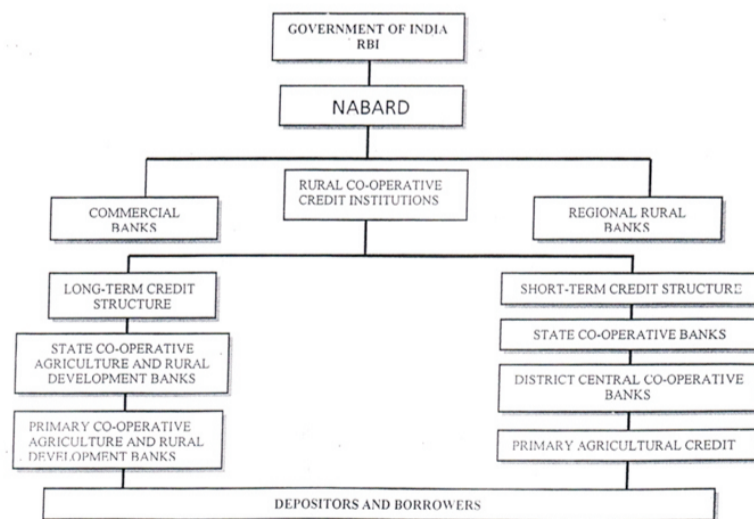
The central or district marketing societies existed only in few states. These societies are expected to co-ordinate the functions of primary marketing societies both in regard to marketing of agricultural produce and distribution of agricultural requisites and consumer goods and also undertake processing, and where necessary inter-district trade etc. In actual practice these societies are mostly engaged in the distribution of agricultural production requisites like fertilizers and essential consumer articles. In many cases, they function at places such as district headquarters which are not mandi centres.

At the end of June 1982 there was 309 district or regional level societies. Of these, 138 were dealing in sugarcane supply, 3 in cotton, 16 in fruits and vegetables, one each in coconut and areca nut 3 in tobacco and 4 in other specialized agricultural commodities, the remaining being general purpose societies.

D. Primary marketing societies

The primary marketing societies are by and large located at the secondary market (mandi) or wholesale assembling centers. However, in few states, marketing societies were organized at the headquarters of the block or taluka with their jurisdiction extending to the block or a taluka as the case may be, irrespective of the existence or otherwise of a market at those places and their natural catchment areas.'

STRUCTURE OF AGRICULTURAL CREDIT SYSTEM IN INDIA



CO-OPERATIVE MOVEMENT IN MAHARASHTRA

Maharashtra is one of the major state of India. It is also the most urbanized and industrialized State. Co-operative movement is widespread and has a long history in Maharashtra and even today it plays an important role in economy of Maharashtra. The Cooperative movement in Maharashtra in the beginning was confined mainly to the field of agricultural credit. Later on it spread rapidly to other areas like non agricultural credit, housing, agro-processing and marketing industries, labour, transport, etc. This has resulted in development of growth centre across the state with adequate social infrastructure facilities.

ROLE OF CO-OPERATIVE MARKETING

It has been recognized that co-operative form of organizations can play a significant and predominating role in improving the system of agricultural marketing. Co-operative marketing plays a significant role in the following area.

1. Optimization in resource use and output management

An efficient co-operative marketing system can contribute to an increase in the marketable surplus by reducing losses arising out of inefficient processing, storage and transportation.

2. Increase in farm income

An efficient co-operative marketing system guarantees the farmer better price for farm products and induces them to invest their surplus in the purchase of modern inputs so that productivity and production may increase.

3. Widening the markets

An organized and well-knit co-operative marketing system widens the market for the products by taking them to remotest corners of the country i.e. to areas far away from the production points.

4. Growth of agro-based industries

The improved and efficient system of agricultural marketing helps in the growth of agro-based industries and stimulates the overall development process of economy.

5. Employment

A well integrated co-operative marketing system provides employment to millions of persons engaged in various activities, such as packaging, transportation and processing. These co-operatives can render efficient and useful coordination between producer and consumer which will counteract the exploitation tendencies of the greedy, traders.

AIMS & OBJECTIVES OF CO-OPERATIVE MARKETING

The broad aim of co-operative marketing societies is to rationalize the whole marketing system so that it may be beneficial to the producer. Its immediate objective is to strengthen the bargaining capacity of the cultivator so as to secure him better price and eliminate the superfluous middlemen.

The chief objects and aims of co-operative marketing society are briefly given below.

1. Strengthen the bargaining capacity of the cultivator.
2. Secure the member a better price for their produce.
3. Eliminate superfluous middlemen.
4. Provide members the needed finance.
5. Persuade the farmer to grow better quality goods.
6. Stabilize the price.
7. Develop fair trading practices.
8. Provide the facility of grading and transportation.
9. Act as an agent of government for procurement and implementation of price support policy.
10. Promote the economic interest of its members by encouraging self help, thrift and better farming among members.
11. Act as a distributive center for agricultural requisites such as seeds, implements etc.
12. Help in the expansion of co-operative credit programme by linking marketing with credit.

DEFECTS AND DIFFICULTIES

1. Marketing societies are working with inadequate working capital so the societies are not efficient and viable.
2. Methods and practices existing in marketing societies differ from general prevalent trade outside. So producers are not offered inducement to bring their produce to them
3. The marketing societies have not been able to provide reasonable marketing service to enable the grower to obtain a fair price for his produce
4. Certain practices (like credit facilities) are not entertained by marketing Societies
5. The marketing societies hardly provide any facility for undertaking processing of agricultural produce.
6. Producers with a small surplus produce will more than often be inclined to sell the produce outright rather than entrust it to the marketing society for sale on agency basis.
7. The area of operation of many a marketing society is unnatural as it coterminous with some administrative unit like a tehsil, block or a district and not to village from which the produce is ordinarily brought for sale in the mandi.
8. In spite of liberal financial assistance given during the last few years, the position of go-downs is far from satisfactory.
9. Large amount of loans are given as production loans by the marketing societies. This has resulted in high over dues.
10. Many of the marketing societies are being exploited by vested interests like commission agents, trader etc.
11. The operational cost of the marketing societies is abnormally high. The proportions of cost of management to total working capital moved from 4% in 1958-59 to 9% in 1981-82.
12. Most of the staff of the marketing societies are untrained, unqualified, incompetent and inefficient. They lack requisite business experience and training.
13. An important handicap of primary marketing societies has been the lack of support and guidance from apex marketing societies.

SUGGESTIONS FOR IMPROVEMENT

1. Do not start marketing co-operative until a definite economic need is established, or some improvement in the existing system of markets is required to be brought about.
2. Keep a definite objective in view before starting marketing co-operative and base your organization, - as far as possible, on community principles.
3. Let no one except the growers of a particular crop for whom the society is set up be admitted to membership
4. Do not try to operate on a large scale at the very commencement before proper experience is gained, nor should you separate with too small a margin of profit.
5. The membership of the marketing societies should consist of agricultural Producers including agricultural credit societies. Traders should not be allowed to become members.
6. The area of operation of co-operative sales scarcity should be widened.
7. The co-operative societies must have proper pooling and storage facilities in order to spread the sales over the entire period of demand which is in the interest of both the producers and consumers.
8. Provision should be made for the marketing finance to the agriculturists at as low rate as possible. The rate of interest should not exceed the rate at which production credit is made available to them.
9. Marketing societies should be located at the mandi centres and their area of operation should be co-terminus with the hinterland of the markets concerned.
10. The supervisory staff of co-operative department should see that the marketing societies are not dominated by traders.
11. Existing untrained managers should be trained. The state government should provide training facilities to the trainers immediately after their recruitment.

CONCLUSION

The Co-operative marketing has conferred multifarious advantages on the farmers. Due to ignorance and illiteracy often farmers have to face well-organised mass of clever intermediaries. But since farmers join hands and form Co-operative societies, they are less prone to exploitation and malpractices. Now, instead of marketing their produce separately, they market it together through one agency. This has increase their bargaining vis-avis merchants and intermediaries. The Marketing Co-operative Societies in

Maharashtra provide credit to the farmers to save them from the necessity of selling their produce immediately after harvesting. It ensures better returns to the farmers. The Co-operative marketing societies generally have storage facilities. Thus the farmers can wait for better prices and their products are out of the danger from rains, rodents and thefts. Bulk transport of agricultural produce by the societies is often easier and cheaper, which reduces cost and botheration of transporting produce to the market. A strong marketing co-operative have achieved, better prices for agricultural produce.

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