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GRT **PROBLEMS AND PROSPECTS OF KERALA STATE
CIVIL SUPPLIES CORPORATION (SUPPLYCO) – A
STUDY WITH SPECIAL REFERENCE TO
THE MALAPPURAM DISTRICT**

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Abstract:-Kerala State Civil Supplies Corporation has been operating in the state since 1974 with the objective of engaging, promoting, improving, developing, counseling and financing production, purchase, storage, transport, distribution, and sale of food grains, food stuffs and any other commodities which the Government may consider as essential. The corporation protects the general public especially the poor from the rising price of food grains in the open market by making them available at a concessional or subsidized rate. This paper intends to analyze the market strength and activities of the corporation, annual sales turnover made by the corporation over different years and various problems of the corporation from the customer's point of view. The study shows that corporation, sales revenue is getting increased for the last several years except in the year 2010-11 and the same is embedded with enormous problems which will affect the attainment of its objectives negatively.

Keywords: SUPPLYCO, PDS

INTRODUCTION

Kerala State Civil Supplies Corporation popularly known as Supplyco is a wholly Government owned Public Sector Undertaking in Kerala established in 1974 under the Companies Act, 1956. The main object of the Corporation as per the Memorandum of Association is to engage, promote, improve, develop, counsel and finance production, purchase, storage, processing, movement, transport, distribution, and sale of food grains, food stuffs and any other commodities which the Government may consider as essential and to provide services advice and assistance of all kinds including capital, credit, means, resources, technical and managerial for the aforesaid business. Thus the Corporation has been established for various activities to provide services under the Government directions for maintenance and improving the services in respect of providing and ensuring the supply of food grains and other essential items to the people of the State.

Supplyco is considered as the second line establishment in Public Distribution System (PDS) to make available the essential items at the subsidized price fixed by the State Government keeping in view the open market price of the daily consumption items. This Market Intervention Operations (MIO) is a continuous process. Government of Kerala gives budgetary support in the form of grant to the Corporation to compensate for the loss incurred as a result of the MIO. The present study seems to be significant because of these facts. Though there are large number of modern retail forms are getting originated day by day, the figures of annual sales turnover of the corporation explains acceptance of the corporation among the public. But in reality, the system is embedded with enormous problems in today's situation which may negatively affect its objectives. This has constituted the study as a relevant one.

OBJECTIVES OF THE STUDY

- ❖ To understand various activities of the Kerala State Civil Supplies Corporation
- ❖ To analyze the annual sales turnover made by the corporation over different years
- ❖ To find and analyze the problems of the supplyco outlets in Malappuram District

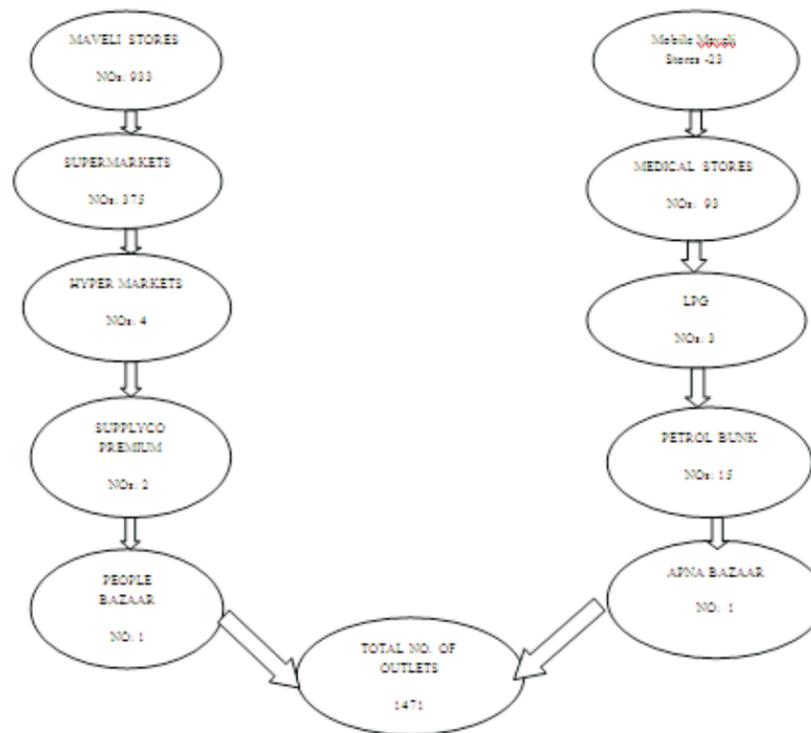
REVIEW OF LITERATURE

- ❖ Dean Martin.C (2011) evaluated the performance, attitude and challenges of various retail formats of Kerala and found that Discount offered, lowest prices in the area and the reliability are the most important factors contributing to purchase from government outlets. The study also stated that there are significant differences in the attitude towards government, co-operative, and private retail outlets among the people situated in three zones as well as urban/rural areas.
- ❖ Ms. Sneha Vasant Chavan (2012) analyzed the consumer's buying behaviour towards consumer co-operative retail outlets and stated that the main reason behind their visit is proximity and are satisfied with product quality, variety, pricing, servicing, delivering etc. But they are not satisfied with display, discounts offered, credit facility etc.
- ❖ Dr.Girish.K.Nair (2013) analyzed the customer's perception on the service quality variables in some selected retail outlets and found that the perception of an individual about service quality is influencing by his own nature, personal interaction etc and the physical aspects are the dimensions upon which the perceptions remain constant.

METHODOLOGY OF THE STUDY

The study is of descriptive in nature, which has made use of both primary and secondary data. The primary data were collected from 200 conveniently selected customers of various supplyco outlets situated at different places in the Malappuram district, by using predesigned interview schedule. The collected data were analyzed by using charts and SPSS. Secondary data were collected from the annual reports of central and state government, Food Corporation of India, Kerala State Civil Supplies Corporation etc

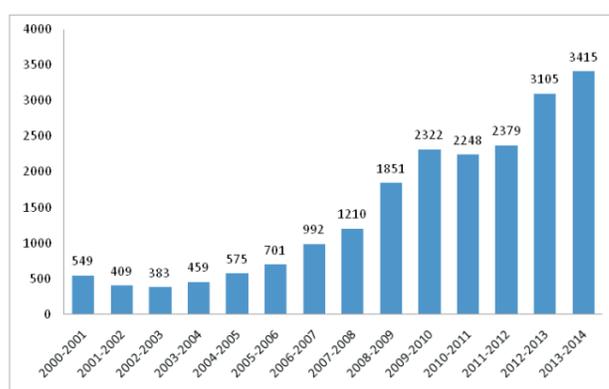
MARKET STRENGTH OF SUPPLYCO



Major activities / functions of the Corporation

- ◀ Maveli Stores
- ◀ Arikkada Scheme
- ◀ Distribution of imported pulses at subsidized rates
- ◀ Open Market Sale Scheme
- ◀ Festival Markets
- ◀ Other activities
- Sabari Stores
- Sale of sugar
- Distribution of Atta in PDS
- Paddy Procurement
- Mid- Day Meal Programme

ANNUAL SALES TURNOVER MADE BY SUPPLYCO OVER DIFFERENT FINANCIAL YEARS



Source: website of Food Corporation of India and government

While looking into the annual sales figures of the corporation from the period of 2000-2001 to 2013-2014, it is very clear that the total turnover was on an increasing trend except in the financial year 2002-2003 and 2010-2011. It shows the ability of the corporation to attract and capture more and more customers and to be successfulness and also shows the achievements of the corporation in today’s competing business world.

PROBLEMS OF THE SUPPLYCO OUTLETS - CUSTOMER’S PERCEPTION

RESULTS OF FACTORANALYSIS:

Descriptive Statistics			
	Mean	Std. Deviation	Analysis N
Long time at the store or improper queuing system	3.3167	1.13461	300
Poor quality of articles supplied	2.8767	.97877	300
Distant location	3.0200	1.18220	300
Inconvenient or congested location	2.9800	1.14190	300
Limited variety of articles	3.4367	1.10607	300
Poor service quality	3.1467	1.07502	300
Inconsistency in availability of goods	3.4500	1.06988	300
Inconvenient working hrs	2.8767	1.06391	300
Adulteration or malpractices	3.4467	1.09445	300
Impolite behavior of staff	3.2167	1.07404	300
Imperfect weighing and measurement	2.7067	1.08530	300
Insufficient staffs	3.0500	1.04458	300
Frequent occurrence of out off stock	3.5100	.99995	300
Irregularity in the operating hours	3.1467	1.03379	300
Improper queuing system	3.1300	1.17660	300

		Correlation Matrix														
		Long time at the store or improper queuing system	Poor quality of articles supplied	Distant location	Inconvenient or congested location	Limited variety of articles	Poor service quality	Inconsistency in availability of goods	Inconvenient working hrs	Adulteration or malpractices	Impolite behavior of staff	Imperfect weighing and measurement	Insufficient staffs	Frequent occurrence of out of stock	Irregularity in the operating hours	Improper queuing system
Correlation	Long time at the store or improper queuing system	1.000	-.070	.063	-.026	.007	.041	-.071	.046	.012	-.007	.062	.170	-.152	-.063	.082
	Poor quality of articles supplied	-.070	1.000	-.033	-.029	-.037	-.024	.171	.069	.008	-.003	-.006	.013	-.079	.114	-.012
	Distant location	.063	-.033	1.000	-.012	-.019	-.084	-.142	.055	.063	.023	-.071	.056	.028	-.071	-.050
	Inconvenient or congested location	-.026	-.029	-.012	1.000	.089	-.049	-.001	.086	-.054	.028	-.002	.037	.041	-.003	.064
	Limited variety of articles	.007	-.037	-.019	.089	1.000	.016	-.082	-.037	.018	-.063	-.197	.077	.031	-.009	-.064
	Poor service quality	.041	-.024	-.084	-.049	.016	1.000	-.046	.080	.109	.019	-.121	-.018	.095	-.083	.093
	Inconsistency in availability of goods	-.071	.171	-.142	-.001	-.082	-.046	1.000	.037	.056	-.079	.016	-.053	-.096	.109	.030
	Inconvenient working hrs	.046	.069	.055	.086	-.037	.080	.037	1.000	-.021	.064	-.040	.042	.018	-.005	.058
	Adulteration or malpractices	.012	.008	.063	-.054	.018	.109	.056	-.021	1.000	.222	-.174	.062	.054	.010	-.102
	Impolite behavior of staff	-.007	-.003	.023	.028	-.063	.019	-.079	.064	.222	1.000	-.031	.053	.112	-.005	-.033
	Imperfect weighing and measurement	.062	-.006	-.071	-.002	-.197	-.121	.016	-.040	-.174	-.031	1.000	.057	.040	.092	.074
Insufficient staffs	.170	.013	.056	.037	.077	-.018	-.053	.042	.062	.053	.057	1.000	-.108	-.007	.011	

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.502
Approx. Chi-Square	164.765
Bartlett's Test of Sphericity df	105
Sig.	.000

Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.541	10.273	10.273	1.541	10.273	10.273	1.380	9.197	9.197
2	1.379	9.196	19.469	1.379	9.196	19.469	1.324	8.827	18.024
3	1.290	8.601	28.069	1.290	8.601	28.069	1.324	8.826	26.850
4	1.201	8.009	36.078	1.201	8.009	36.078	1.295	8.630	35.480
5	1.200	7.997	44.075	1.200	7.997	44.075	1.205	8.037	43.517
6	1.133	7.555	51.630	1.133	7.555	51.630	1.141	7.605	51.122
7	1.042	6.944	58.575	1.042	6.944	58.575	1.118	7.453	58.575
8	.925	6.170	64.744						
9	.890	5.934	70.678						
10	.842	5.611	76.289						
11	.816	5.440	81.730						
12	.764	5.095	86.824						
13	.741	4.940	91.764						
14	.627	4.179	95.943						
15	.609	4.057	100.000						

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component						
	1	2	3	4	5	6	7
Long time at the store or improper queuing system	.042	.647	.279	.007	-.044	-.209	.073
Poor quality of articles supplied	-.318	-.308	.430	-.074	-.025	.122	-.251
Distant location	.323	.234	.019	-.047	-.384	.115	-.601
Inconvenient or congested location	.020	.108	-.052	-.009	.241	.749	.159
Limited variety of articles	.298	.032	-.041	-.638	.270	.235	.246
Poor service quality	.306	-.036	.172	.275	.575	-.327	.109
Inconsistency in availability of goods	-.453	-.370	.351	-.041	.125	-.024	-.034
Inconvenient working hrs	.050	.095	.346	.317	.266	.412	-.417
Adulteration or malpractices	.452	-.287	.495	.029	-.181	-.171	.193
Impolite behavior of staff	.384	-.143	.301	.422	-.281	.181	.258
Imperfect weighing and measurement	-.461	.226	-.233	.425	-.325	.068	.259
Insufficient staffs	.084	.467	.399	-.140	-.221	.163	.285
Frequent occurrence of out off stock	.389	-.319	-.380	.365	-.001	.208	.094
Irregularity in the operating hours	-.387	-.239	.212	-.086	-.200	.176	.275
Improper queuing system	-.267	.347	.109	.298	.442	-.024	.054

Extraction Method: Principal Component Analysis.

a. 7 components extracted.

Rotated Component Matrix^a

	Component						
	1	2	3	4	5	6	7
Long time at the store or improper queuing system	-.179	.676	-.016	.080	.182	-.104	.099
Poor quality of articles supplied	.663	-.026	.025	-.029	-.056	.005	.138
Distant location	-.161	.095	.031	-.046	-.289	-.083	.745
Inconvenient or congested location	-.031	-.017	-.023	-.067	-.018	.808	-.020
Limited variety of articles	-.161	.114	-.087	-.694	-.133	.296	-.230
Poor service quality	-.108	-.070	.184	-.192	.735	-.124	-.089
Inconsistency in availability of goods	.664	-.075	-.043	.021	.078	-.052	-.160
Inconvenient working hrs	.257	.005	.076	.051	.345	.404	.537
Adulteration or malpractices	.110	.080	.700	-.264	.031	-.230	-.018
Impolite behavior of staff	-.057	.001	.752	.161	.007	.135	.052
Imperfect weighing and measurement	-.084	.094	-.077	.760	-.140	.097	-.217
Insufficient staffs	-.043	.674	.224	-.026	-.125	.195	-.022
Frequent occurrence of out off stock	-.355	-.560	.317	.084	.015	.189	.006
Irregularity in the operating hours	.428	.058	.101	.139	-.265	.121	-.324
Improper queuing system	.047	.217	-.227	.242	.544	.181	-.059

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 12 iterations.

Component Transformation Matrix

Component	1	2	3	4	5	6	7
1	-.580	-.087	.556	-.501	.086	-.016	.296
2	-.449	.763	-.308	.189	.135	.147	.213
3	.631	.523	.473	-.165	.231	-.021	.154
4	-.098	-.235	.368	.740	.470	.066	.166
5	.050	-.164	-.337	-.369	.790	.271	-.155
6	.108	-.089	.072	.002	-.277	.930	.183
7	-.201	.215	.343	.054	-.007	.186	-.871

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

The results of the factor analysis shows that, out of the several problems related with the working and operation of supplyco in the district from the customer's point of view, the most important one is related with location. That is inconvenient and congested location and also the shops are located in a far area from their resident which makes their access a difficult one. Inconsistency in availability of goods, impolite behaviour of the staffs, and long time in the store, poor service quality, insufficient staffs etc also constitutes to the problems of the system.

CONCLUSION

The motto behind the incorporation of Supplyco was to regulate the rise in prices of essential commodities in the open market. Under the Government programme of market intervention, pulses and spices are purchased and sold to the consumers at subsidised prices fixed by the Government. The Government of Kerala aids this operation by giving grants every year. The task has been fulfilled through the network of Maveli Stores, which was started to commemorate the saga of Mahabali, legendary king of Kerala. Now the Maveli Stores has become a prominent name among the consumers in the state. Supplyco operates through Maveli Stores and Mobile Maveli Stores throughout the state covering almost all the panchayaths. It shows tremendous growth in the annual sales turnover for the last several years. This itself points the deep and the extent of which public have placed supplyco in their mind. But now days the problems and malpractices associated with the supplyco has been increasing. Hence remedial measures are

to be taken from the regulatory authority so that the ultimate aim of the corporation is to be protected.

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