

Co-operative marketing of agricultural produce

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Abstract: *Marketing co-operatives being the farmers' own organization are interested in agricultural development by maintaining a steady price level through their activities in the agricultural market. Co-operative marketing societies are established for the purpose of collectively marketing the product of the members. They arrange for the sale of the produce brought by the members. The scope of the study is limited to the co-operative marketing societies dealing with agricultural products. In order to evaluate agricultural marketing operations performed by co-operative marketing societies in Kerala, certain variables like marketing of agricultural input, agricultural output procurement and reasons for sale of agricultural produce to marketing society were selected. In addition to these, satisfaction of members was studied by using the variables namely price settlement, measurement, storage facility, working hours and society management.*

Keywords: *Agriculture, Co-operative Marketing, Members and Satisfaction*

I. Introduction

Agriculture is an extremely important part of our economic structure. The prosperity of the country as a whole is considerably dependent upon the prosperity of our farm population both economically and socially. The typical problems in agricultural markets are due to typical characteristic of products, production and consumption of agricultural produce. These special problems hinder the agricultural producer in marketing his produce. In addition to this, agricultural products by nature lack uniformity and standardization. They are bulky and perishable. They are produced by millions of small- scale farmers scattered over very wide regions. Agricultural production depends upon geographical area. It is limited by fertility of soil, rainfall, climate etc. Therefore volume of output varies from season to season. In general, the supply of agricultural produce is more elastic but demand for most agricultural produce is constant. In order to overcome such problems of varied nature co-operative marketing societies established. These societies can satisfy multiple needs of the farmer members.

Co-operative marketing societies are established for the purpose of collectively marketing the product of the members. They arrange for the sale of the produce brought by the members. These societies also enter the market as buyers. The commodities, thus, purchased are sold again when the prices are higher. Thus the objective of economic development and social welfare can be furthered by canalizing agricultural produce through co-operative marketing societies. Co-operative marketing societies handle more than one agricultural commodity. The advantages of handling many commodities are (i) it prevents formation of several agencies within area. (ii) it increases the volume of business without much addition to overhead cost. (iii) it facilitates continuous operations throughout the year; and (iv) provides balance to business.

Marketing co-operatives being the farmers' own organization are interested in agricultural development by maintaining a steady price level through their activities in the agricultural market. In times of falling price, marketing societies provide facility of marketing loan to their members by accepting their harvested produce for safe and scientific storage. Thus, farmers are saved from selling their produce at a throwaway price on the one hand and assured of safe storage in scientifically built godowns on the other.

An integrated co-operative marketing system must perform the marketing functions of assembling, grading, pooling, processing, storage, transportation, financing, insurance, selling and risk bearing. It can improve the bargaining strength of members in the process of exchange and secure remunerative prices for agricultural produce sold in the market. A better return to the primary producer is the goal to be achieved, without affecting consumers' interests adversely. This is possible only by reducing the price difference between the producer price and consumer price existing today an account of too many middlemen and too much middleman's profit. This price difference can be reduced by eliminating unwanted middlemen and their commission. The middlemen's marketing functions, of course, cannot be eliminated and these must be performed more efficiently by the marketing society, the eliminator of middlemen. Again it should be clearly understood that the reduction of difference between the producer price and consumer price shall be secured without creating any loss to the producer and wherever possible offering gain to the consumer through lower retail prices. Co-operative marketing must assure fair price to both-the producer and the consumer. In total, it benefitted to the society as a whole both economically and socially.

Objective of the study

Objectives of the present study are as follows,

1. To evaluate agricultural marketing operations performed by co-operative marketing societies in Kerala.
2. To evaluate attitudes of members towards the performance of co-operative marketing societies.

II. Methods

Present study is analytical in nature, conducted mainly on the reliance of primary sources of data. Primary data collected from members of co-operative marketing societies with the help of a pre tested interview schedule designed for the purpose. 382 members out of 11780 farmers enrolled as members of co-operative marketing societies in Kerala are selected as respondents. In addition to this, secondary data collected from text books, magazines, thesis, news papers, publications of Sate Co-operative Union and publications of Registrar of Co-operative Societies.

III. Results and discussion

The scope of the study limited to the co-operative marketing societies dealing with agricultural products. In order to evaluate agricultural marketing operations performed by co-operative marketing societies in Kerala, certain variables like marketing of agricultural input, agricultural output procurement and reasons for sale of agricultural produce to marketing society were selected. In addition to these, satisfaction of members was studied by using the variables such as price settlement of society, measurement, storage facility, working hours and society management.

Marketing of agricultural input

Co-operative marketing societies are the only one institutional agency provides a package of services to the farmers aim at improving economic status. Society rendering farm services like supply of seeds, fertilizers, farm implements, pesticides etc. to boost up production at remunerative price.

Table No: 1 Agricultural input marketing

Category	Total no. of Respondents	Observed Prop.	Test Prop.	Sig. (2-tailed)
yes	300	0.79	0.50	0.000
No	82	0.21		
Total	382	1.00		

Source: Survey data

It is observed that out of 382 respondents, 300 respondents have availed agricultural input marketing facility from marketing co-operative while 82 have not availed agricultural input marketing facility from marketing co-operative. The binominal test result shown in the Table No: 1 is used to test the following hypotheses formulated for the study,

H₀: P=0.5

H₁: P ≠0.5

Where P is the proportion of respondents who selected 'No'

The output clearly indicated that the P Value in the test is 0.000 which is less than or equal to α level of 0.05.

Thus the null hypothesis that the mean proportion of respondents who select 'No' is equal to 0.5 is rejected.

Types of agricultural inputs marketed by the society

Co-operative marketing societies engaged in the distribution of various agricultural inputs like seeds, manures and implements.

Table No: 2 Types of agricultural inputs

Types	Mean	Total no. of Respondents	Std. Dev	F	p-value
Seeds	0.1	382	0.47	625.55	3.11
Manures	3.7	382	1.98		
Implements	3.7	382	1.99		

Source: Survey data

It is evident from the Table No: 2 that marketing societies distributes various kinds of agricultural inputs like seeds, Manures and implements. Out of 382 members interviewed, only 0.1 mean of respondents have got seeds. Manures and implements have shown same mean ie., 3.7. The result shows that societies more concentrated on the distribution of manures and implements as compared to seeds. The P Value (Sig.) for this problem is 3.11, which is greater than the level of significance (0.05).

Agricultural output procurement

Co-operative marketing society procured agricultural products produced by members at fair price. Society also takes initiative to procure entire agricultural products produced by members. Due to poor financial base, some societies knowingly limit their procurement operations to some products.

Table No: 3 Size of surplus procured by society

Category	Total no. of Respondents	Observed Prop.	Test Prop.	Sig.
No	311	0.81	0.50	0.000
Yes	71	0.19		
Total	382	1.00		

Source: Survey data

Majority of cultivators (i.e. 81 percent) opined that society procured entire products from members whereas 19 per cent members opined that society not procured entire products from members. The study clearly indicated that majority of members preferred to sell their produce through co-operative marketing societies because they can dispose all kinds of products throughout the year, which they cannot obtain from other marketing outlet.

The binominal test result shown in the table: 3 is used to test the following hypotheses formulated for the study,

H₀: P=0.5

H_i: P ≠0.5

Where P is the proportion of respondents who selected ‘Yes’

The output clearly indicated that the P Value in the test is 0.000 which is less than or equal to α level of 0.05.

Thus the null hypothesis that the mean proportion of respondents who select ‘Yes’ is equal to 0.5 is rejected.

Reasons for sale of agricultural produce to marketing society

In this section an attempt is made to identify the factors influencing the choice of the farmers to dispose of their produce through marketing society.

Table No: 4 Reasons for sale of agricultural produce to marketing society

Reasons	No of respondents	Percent
Immediate cash payments	60	15.7
Less chance of malpractices	82	21.4
Ready to buy entire products	40	10.5
Fair price fixing	110	28.8
Personal contact	90	23.5
Total	382	100

Source: Survey data

It can be seen from the above table that reasons for sale of agricultural produce to marketing society is differed from one another. Majority of them (28.8 per cent) benefit *fair price fixing* advantage of the society followed by *personal contact* (23.5 per cent), *less chance of malpractice* (21.4 per cent), *immediate cash payments* (15.7 per cent) and *Ready to buy entire products* (10.5 per cent).

Members’ satisfaction

The main target of co-operative marketing society is to satisfy its members. Satisfaction is not a single term. It is influenced by number of factors such as price settlement of society, measurement, storage facility, working hours and society management.

Table No.5 Members’ satisfaction

Reasons	Very high	High	Average	Low	Very low	Mean	SD	t value	Sig.	
Price settlement	n	41	170	27	77	67	2.8927	1.33064	-1.576	0.116
	%	10.7	44.5	7.1	20.2	17.5				
Measurement	n	19	94	68	61	140	3.5471	1.33266	8.024	0.000
	%	5.0	24.6	17.8	16.0	36.6				
Storage facility	n	31	103	114	99	35	3.0105	1.10589	0.185	0.853
	%	8.1	27.0	29.8	25.9	9.2				
Working hours	n	107	131	107	25	12	2.2251	1.02801	-14.732	0.000
	%	28.0	34.3	28.0	6.5	3.1				
Society management	n	28	86	95	90	83	3.2984	1.24016	4.703	0.000
	%	7.3	22.5	24.9	23.6	21.7				

Source: Survey data

Above table reveals the satisfaction levels of members towards the performance of co-operative marketing societies that are dealing agricultural products. 10.7 per cent of respondents have very high satisfaction, 44.5 per cent of members have high satisfaction, 7.1 per cent of members have average satisfaction, 20.2 per cent of members have low satisfaction and 17.5 per cent of members have very low satisfaction about price settlement feature of co-operative marketing societies. Mean value of 2.8927 indicated that satisfaction level of members of co-operative marketing societies is below average level. But in the case, satisfaction level variations in respect of this variable are seemed to be not significant when t-test is applied.

From the above table it can be identified that 5.0 per cent of respondents have very high satisfaction, 24.6 per cent of members have high satisfaction, 17.8 per cent of members have average satisfaction, 16.0 per cent of members have low satisfaction and 36.6 per cent of members have very low satisfaction about measurement feature of co-operative marketing societies. Mean value of 3.5471 indicated that satisfaction level of members of co-operative marketing societies is above average level. But in the case, satisfaction level variations in respect of this variable are seemed to be significant when t-test is applied.

It can be identified from the above table that 8.1 per cent of respondents have very high satisfaction, 27.0 per cent of members have high satisfaction, 29.8 per cent of members have average satisfaction, 25.9 per cent of members have low satisfaction and 9.2 per cent of members have very low satisfaction about storage facility feature of co-operative marketing societies. Mean value of 3.0105 indicated that satisfaction level of members of co-operative marketing societies is above average level. But in the case, satisfaction level variations in respect of this variable are seemed to be not significant when t-test is applied.

It is seen from the above table that 28.0 per cent of respondents have very high satisfaction, 34.3 per cent of members have high satisfaction, 28.0 per cent of members have average satisfaction, 6.5 per cent of members have low satisfaction and 3.1 per cent of members have very low satisfaction about working hour of co-operative marketing societies. Mean value of 2.2251 indicated that satisfaction level of members of co-operative marketing societies is below average level. But in the case, satisfaction level variations in respect of this variable are seemed to be significant when t-test is applied.

Table 5 revealed that 7.3 per cent of respondents have very high satisfaction, 22.5 per cent of members have high satisfaction, 24.9 per cent of members have average satisfaction, 23.6 per cent of members have low satisfaction and 21.7 per cent of members have very low satisfaction about management of co-operative marketing societies. Mean value of 3.2984 indicated that satisfaction level of members of co-operative marketing societies is above average level. But in the case, satisfaction level variations in respect of this variable are seemed to be significant when t-test is applied.

IV. Conclusion

Present study focused on the co-operative marketing societies that deal agricultural marketing operations. Out of 382 respondents, 300 respondents have availed agricultural input marketing facility from marketing co-operative while 82 respondents have not availed agricultural input marketing facility from marketing co-operative. These societies more concentrated on the distribution of manures and implements as compared to seeds. Majority of members preferred to sell their produce through co-operative marketing societies because they can dispose all kinds of products throughout the year, which they cannot obtain from other marketing outlet. Reasons for sale of agricultural produce to marketing society are differed from one member to another member. Majority of them (28.8 per cent) benefits fair price fixing advantage of the society followed by personal contact (90 per cent), less chance of malpractice (82 per cent), immediate cash payments (60 per cent) and Ready to buy entire products (40 per cent). Satisfaction level variations in respect of the variables namely price settlement and storage facilities are seemed to be not significant when t-test is applied. At the same time satisfaction level variations in respect of the variables namely measurement, working hours and management of the societies are seemed to be significant when t-test is applied.

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