



MARKET EXPANSION- A NUTSHELL OF GENERAL CO-OPERATIVE MARKETING SOCIETIES

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Abstract

Marketing is the creation and delivery of customer satisfying services. For satisfying customer needs and wants society offers various services and taking necessary steps to fulfill these services. Services like pledge loan facility and linking credit with marketing has paramount importance. In this session detailed evaluation is conducted on the reliance of such services. Present study is focused on the general co-operative marketing societies. For a close examination of the societies, audit classification, experience, depots, staff, membership strength and type of products are taken in to consideration.

Key Words: *Co-Operation, Co-Operative Marketing, Co-Operative Societies And General Co-Operative Marketing Societies.*

Introduction

In Kerala, there is a two-tier pattern with Primary Marketing Societies at the taluk level and State Marketing Federation as an apex body at the State level. The Kerala State Co-operative Marketing Federation Ltd. (MARKETFED) was established with the prime objective of socio-economic betterment of the farming community.

At the base level, there are primary cooperative marketing societies. These societies market the surplus produce of the farmer members in that area. They may be single commodity or multi commodity societies, depending upon the production of the crops in that area. They are located in the primary wholesale market, and their field of operations extends to the area from which the produce comes for sale.

Primarily as a means of helping the poorer sections of the agriculturalists, Special Co-operative Marketing Societies and General Co-operative Marketing Societies were established. Special Co-operative Marketing Societies deal in the marketing of only one agricultural commodity. They get sufficient business from the farmers producing that single commodity.

General Co-operative Marketing Societies play a major role in primary processing and marketing of agricultural commodities. They deal in the marketing of a large number of commodities produced by the members. Most of the co-operative marketing societies in Kerala are this type. These societies arrange the produce of the member farmers and charge only a normal commission.

Objectives of the Study

The objectives of the present study are as follows:

1. To assess the pledge loan operation of general co-operative marketing societies.
2. To assess the linking credit with marketing operation of general co-operative marketing societies.

Methodology

The study is based on both primary data and secondary data. Primary data were collected by way of personal interviews with the Secretaries. The researcher had discussions with the officials of co-operative department and office bearers of various general co-operative marketing societies. This study was conducted from 107 general co-operative marketing societies registered under the administrative control of Registrar of Co-operative Stores. For analyzing data descriptive statistics and Cramer's V test was used.



Statement of the Problem

The cardinal problem of the marketing co-operative is the lack of any link between marketing and credit. As far as 1954 the All India Rural Credit Survey Committee had made a strong recommendation for linking credit with the marketing of agricultural produce. But even after more than 64 years not much progress has been achieved by Indian especially in Kerala Co-operative Marketing Societies. As well as the slow growth of pledge business is due to the wide variation in the rules and regulations governing these advances prohibit market expansion.

Results and Discussion

The focal point of investigation is the general co-operative marketing societies. For a close examination of the societies, audit classification, experience, depots, staff, membership strength and type of products are taken in to consideration. Out of 107 Co-operative Marketing Societies selected for detailed investigation, 12 societies (11.21 per cent) come under A Class category, 33 societies (30.84 per cent) come under B Class category and 62 societies (57.94 per cent) come under C Class category. Similarly, 57.01 percent of societies have up to 20 years of experience, 25.23 percent of societies have 21-40 years of experience and 17.76 percent of societies have above 40 years of experience.

Thus, the result clearly indicates that majority of societies come under up to 20 years of experience category. It is observed that, the percentage level of number of societies comes under small size, medium size and large size is 36.45 per cent, 29.91 per cent and 33.64 per cent respectively. Majority of them (36.45 percent) comes under small size category. Out of a sample of 107respondents, 34.58 per cent of societies come under below 1500 membership strength category while it was 35.51 percent in 1501-3000 category. The membership strength above 3000 have 29.91 percent of societies. In addition to these, 55.14 per cent of societies deal agricultural goods only, 9.35 per cent of societies deal non-agricultural goods and 35.51 per cent of societies deal both agricultural and non-agricultural goods.

Pledge Loans

Co-operative marketing society advances pledge loans in those cases (i) in order to prevent distress sales immediately after harvest, where a cultivator feels that the prevailing market price is not favorable to him (ii) to secure a fair price for his produce and he needs some money for his domestic needs urgently. The slow growth of pledge business is due to the wide variation in the rules and regulations governing these advances. This business involved no risk to the societies.

Table No. 1: Pledge Loans Advances

	n	%
No	107	100.0
Yes	0	0

Source: Survey data

It is clear from the above table that none of the general co-operative marketing societies are providing pledge loan facilities to the members.



Table No. 2: Reasons for Not Advancing Pledge Loans

Characteristics		Marketing co-operatives do not having adequate funds at their disposal to advance pledge loans		No sufficient storage facility		Farmers have no awareness about the facility		No agricultural marketing operations		Cramer's V	Sig.
		n	%	n	%	n	%	n	%		
Class	A Class	8	66.70	4	33.30	0	0.00	0	0.00	0.204	0.177
	B Class	27	81.80	3	9.10	3	9.10	0	0.00		
	C Class	48	77.40	7	11.30	3	4.80	4	6.50		
Experience	Up to 20 years	50	82.00	8	13.10	3	4.90	0	0.00	0.286	0.008
	21-40 years	20	74.10	3	11.10	0	0.00	4	14.80		
	Above 40 years	13	68.40	3	15.80	3	15.80	0	0.00		
Size	Small size	31	79.50	4	10.30	2	5.10	2	5.10	0.103	0.893
	Medium size	23	71.90	5	15.60	3	9.40	1	3.10		
	Large size	29	80.60	5	13.90	1	2.80	1	2.80		
Membership Strength	Up to 1500	29	78.40	4	10.80	2	5.40	2	5.40	0.219	0.114
	1501-3000	30	78.90	8	21.10	0	0.00	0	0.00		
	Above 3000	24	75.00	2	6.20	4	12.50	2	6.20		
Type of products	Agricultural	39	66.10	1	20.30	5	8.50	3	5.10	0.241	0.052
	Non agricultural	9	90.00	0	0.00	0	0.00	1	10.00		
	Both	35	92.10	2	5.30	1	2.60	0	0.00		

Source: Survey data

From the above table, it is clear that 66.70 per cent of secretaries from A Class societies opined that marketing co-operatives do not having adequate funds at their disposal to advance pledge loans and 33.30 per cent of them opined that society have no sufficient storage facility. 81.80 per cent of secretaries from B Class societies opined that marketing co-operatives do not having adequate funds at their disposal to advance pledge loans, 9.10 per cent of them opined that society have no sufficient storage facility and 9.10 per cent of them opined that farmers have no awareness about the facility. As well as 77.40 per cent of secretaries from C Class societies opined that marketing co-operatives do not having adequate funds at their disposal to advance pledge loans, 11.30 per cent of them opined that society have no sufficient storage facility, 9.10 per cent of them opined that farmers have no awareness about the facility and 6.50 per cent of them opined that society undertaking no



agricultural marketing operations. P value of the Cramer's V test is 0.177, which is greater than 0.05. So the result is treated as not significant.

From the above table it can be seen that 82 per cent of secretaries have up to 20 years of experienced societies opinioned that marketing co-operatives do not having adequate funds at their disposal to advance pledge loans, 13.10 per cent of them opined that society have no sufficient storage facility and 490 per cent of them opined that farmers have no awareness about the facility. 74.10 per cent of secretaries from 21 to 40 years of experience societies opinioned that marketing co-operatives do not having adequate funds at their disposal to advance pledge loans, 11.10 per cent of them opined that society have no sufficient storage facility and 14.80 per cent of them opined that society undertaking no agricultural marketing operations. As well as 68.40 per cent of secretaries from above 40 years of experienced societies opinioned that marketing co-operatives do not having adequate funds at their disposal to advance pledge loans, 15.80 per cent of them opined that society have no sufficient storage facility and 15.80 per cent of them opined that farmers have no awareness about the facility. P value of the Cramer's V test is 0.008, which is less than 0.05. That means there is significant relationship between reasons for not undertaking pledge loans and years of experience of the society.

From the above table it can be seen that 79.50 per cent of secretaries from small sized societies opinioned that marketing co-operatives do not having adequate funds at their disposal to advance pledge loans, 10.30 per cent of them opined that society have no sufficient storage facility, 5.10 per cent of them opined that farmers have no awareness about the facility and 5.10 per cent of them opined that society not undertaking any marketing operations. 71.90 per cent of secretaries from medium societies opinioned that marketing co-operatives do not having adequate funds at their disposal to advance pledge loans, 15.60 per cent of them opined that society have no sufficient storage facility, 9.40 per cent of them opined that farmers have no awareness about the facility and 3.10 per cent of them opined that society undertaking no agricultural marketing operations. As well as 80.60 per cent of secretaries from large sized societies opinioned that marketing co-operatives do not having adequate funds at their disposal to advance pledge loans, 13.90 per cent of them opined that society have no sufficient storage facility, 2.80 per cent of them opined that farmers have no awareness about the facility and other 2.80 per cent of them opined that society not undertaking any marketing operations. P value of the Cramer's V test is 0.893, which is greater than 0.05. That means there is no significant relationship between reasons for not undertaking pledge loans and size of the society.

From the above table it can be seen that 78.40 per cent of secretaries have societies of up to 1500 membership strength opinioned that marketing co-operatives do not having adequate funds at their disposal to advance pledge loans, 10.80 per cent of them opined that society have no sufficient storage facility, 5.40 per cent of them opined that farmers have no awareness about the facility and 5.40 per cent of them opined that society not undertaking marketing operations. 78.90 per cent of secretaries from societies have 1501 -3000 membership strength opinioned that marketing co-operatives do not having adequate funds at their disposal to advance pledge loans and 21.10 per cent of them opined that society have no sufficient storage facility. As well as 75.00 per cent of secretaries from societies have opinioned that marketing co-operatives do not having adequate funds at their disposal to advance pledge loans, 6.20 per cent of them opined that society have no sufficient storage facility, 12.50 per cent of them opined that farmers have no awareness about the facility and 6.20 per cent of them opined that society not undertaking any marketing operations. P value of the Cramers V test is 0.114, which is greater than 0.05. That means there is no significant relationship between reasons for not undertaking pledge loans and membership strength of the society.

From the above table it can be seen that 66.10 per cent of secretaries from agricultural goods marketing societies opinioned that marketing co-operatives do not having adequate funds at their disposal to advance pledge loans, 20.30 per cent of them opined that society have no sufficient storage facility, 8.50 per cent of them opined that farmers have no awareness about the facility and 5.10 per cent of them opined that society not undertaking any marketing operations. 90.00 per cent of secretaries from non-agricultural products marketing societies opinioned that marketing co-operatives do not having adequate funds at their disposal to advance pledge loans and 10 per cent



of them opined that society undertaking no agricultural marketing operations. As well as 92.10 per cent of secretaries from both agricultural and non-agricultural goods marketing societies opined that marketing co-operatives do not having adequate funds at their disposal to advance pledge loans, 5.30 per cent of them opined that society have no sufficient storage facility and 2.60 per cent of them opined that farmers have no awareness about the facility. P value of the Cramer's V test is 0.052, which is less than 0.05. That means there is significant relationship between reasons for not undertaking pledge loans and type of products of the society.

Linking Credit with Marketing

Through the process of linking co-operative credit with marketing co-operative banks provides production loans to members with the expectation that members should sell their products to the marketing society only. The logical corollary related to co-operative marketing and co-operative credit is one without the other is incomplete and imperfect yet this matter remains the same some co-operative marketing societies failed in organizing effective link between credit societies and marketing societies.

Table No. 3: Facility of Linking Credit with Marketing

Response	n	%
No	107	100.0
Yes	0	0

Source: Survey data

From the Table No. 3, it is clear that none of the general co-operative marketing societies practicing 'Linking Credit with Marketing' operation.

Table No. 5. 1: Reasons Regarding Non Practice of Linking Credit with Marketing

Characteristics		Primary Credit Co-operatives not willing to do such kind of operation		Farmer Members have not sufficient idea to do such kind of operation		Society have not take effort to do such kind of operation		No agricultural marketing operations		Cramer's V	Sig.
		n	%	n	%	n	%	n	%		
Class	A Class	2	16.7	4	33.3	6	50.0	0	0.0	0.173	0.381
	B Class	14	42.4	10	30.0	9	27.3	0	0.0		
	C Class	20	32.3	20	32.3	18	29.0	4	6.5		
Experience	Up to 20 years	25	41.0	18	29.5	18	29.5	0	0.0	0.282	0.009
	21-40 years	4	14.8	11	40.7	8	29.6	4	14.8		
	Above 40 years	7	36.8	5	26.3	7	36.8	0	0.0		
Size	Small size	11	28.2	13	33.3	13	33.3	2	5.1	0.175	0.364
	Medium size	16	50.0	9	28.1	6	18.8	1	3.1		
	Large size	9	25.0	12	33.3	14	38.9	1	2.8		



Membership Strength	Up to 1500	12	32.4	12	32.4	11	29.7	2	5.4	0.171	0.398
	1501-3000	11	28.9	11	28.9	16	42.1	0	0.0		
	Above 3000	13	40.6	11	34.4	6	18.8	2	6.3		
Type of products	Agricultural	20	33.9	12	20.3	24	40.7	3	5.1	0.254	0.031
	Non agricultural	3	30.0	3	30.0	3	30.0	1	10.0		
	Both	13	34.2	19	50.0	6	15.8	0	0.0		

Source: Survey data

Above table gives reasons regarding non practice of linking credit with marketing operation of general co-operative marketing societies. 16.7 per cent of Secretaries of A Class societies opined that Primary Credit Co-operatives not willing to do such kind of operation, 33.33 per cent of them opined that Farmer Members have not sufficient idea to do such kind of operation and 50 per cent of them opined that Society have not taken effort to do such kind of operation. 42.4 per cent of Secretaries of B Class societies opined that Primary Credit Co-operatives not willing to do such kind of operation, 30.00 per cent of them opined that farmer Members have not sufficient idea to do such kind of operation and 27.3 per cent of them opined that Society have not taken effort to do such kind of operation. 32.3 per cent of Secretaries of C Class societies opined that Primary Credit Co-operatives not willing to do such kind of operation, 32.3 per cent of them opined that farmer Members have not sufficient idea to do such kind of operation, 29.0 per cent of them opined that Society have not taken effort to do such kind of operation and 6.5 per cent of them opined that society not undertaking any agricultural marketing operations. The p value of Cramers V test is 0.381. Which is greater than 0.05 the level of significance. This shows that there is no significant relationship between reasons for not undertaking linking credit with marketing operations and audit class of the society.

It can be identified from the above table that 41.0 per cent of Secretaries of up to 20 years of societies opined that Primary Credit Co-operatives not willing to do such kind of operation, 29.5 per cent of them opined that Farmer Members have not sufficient idea to do such kind of operation and 29.5 per cent of them opined that Society have not taken effort to do such kind of operation. 14.8 per cent of Secretaries of 21-40 years' experience societies opined that Primary Credit Co-operatives not willing to do such kind of operation, 40.70 per cent of them opined that farmer Members have not sufficient idea to do such kind of operation, 29.6 per cent of them opined that Society have not taken effort to do such kind of operation and 14.8 per cent of them opined that society not undertaking any agricultural marketing operations. 36.8 per cent of Secretaries of above 40 years experienced societies opined that Primary Credit Co-operatives not willing to do such kind of operation, 26.3 per cent of them opined that farmer Members have not sufficient idea to do such kind of operation and 36.8 per cent of them opined that Society have not taken effort to do such kind of operation. The p value of Cramers V test is 0.009. Which is less than 0.05 the level of significance. Result shows that there is significant relationship between reasons for not undertaking linking credit with marketing operations and size of the society.

It can be identified from the above table that 28.2 per cent of Secretaries of up to 1500 membership strength societies opined that Primary Credit Co-operatives not willing to do such kind of operation, 32.4 per cent of them opined that Farmer Members have not sufficient idea to do such kind of operation, 29.7 per cent of them opined that Society have not taken effort to do such kind of operation and 5.4 per cent of them opined that society not undertaking any agricultural marketing operations. 28.9 per cent of Secretaries of 1501-3000 membership strength societies opined that Primary Credit Co-operatives not willing to do such kind of operation and 28.9 per cent of them opined that farmer Members have not sufficient idea to do such kind of operation, 42.1 per cent of them



opined that Society have not taken effort to do such kind of operation. 40.6 per cent of Secretaries of above 3000 membership strength societies opined that Primary Credit Co-operatives not willing to do such kind of operation, 34.4 per cent of them opined that farmer Members have not sufficient idea to do such kind of operation, 18.8 per cent of them opined that Society have not taken effort to do such kind of operation and 6.3 per cent of them opined that society not undertaking any agricultural marketing operations. The p value of Cramer's V test is 0.398. Which is greater than 0.05 the level of significance. Result shows that there is no significant relationship between reasons for not undertaking linking credit with marketing operations and membership strength of the society.

It can be identified from the above table that 33.9 per cent of Secretaries of agricultural products only marketing societies opined that Primary Credit Co-operatives not willing to do such kind of operation, 20.3 per cent of them opined that Farmer Members have not sufficient idea to do such kind of operation, 40.7 per cent of them opined that Society have not taken effort to do such kind of operation and 5.1 per cent of them opined that society not undertaking any agricultural marketing operations. 30.0 per cent of Secretaries of non-agricultural products dealing societies opined that Primary Credit Co-operatives not willing to do such kind of operation and 30.0 per cent of them opined that farmer Members have not sufficient idea to do such kind of operation, 30.0 per cent of them opined that Society have not taken effort to do such kind of operation and 10 per cent of them opined that society not undertaking any agricultural marketing operations. 34.2 per cent of Secretaries of both agricultural and non-agricultural products dealing societies opined that Primary Credit Co-operatives not willing to do such kind of operation, 50.0 per cent of them opined that farmer Members have not sufficient idea to do such kind of operation and 15.8 per cent of them opined that Society have not taken effort to do such kind of operation. The p value of Cramer's V test is 0.031. Which is less than 0.05 the level of significance. Result shows that there is significant relationship between reasons for not undertaking linking credit with marketing operations and type of products of the society.

Conclusion

General Co-operative Marketing Societies play a major role in primary processing and marketing of agricultural commodities. They deal in the marketing of a large number of commodities produced by the members. Present study is focused on 107 general co-operative marketing societies. For a close examination of the societies, audit classification, experience, depots, staff, membership strength and type of products are taken into consideration. Result of reasons regarding non practice of pledge loans and linking credit with marketing operations shows that there is significant relationship between reasons regarding non practice of pledge loans and linking credit with marketing operations and their experience wise and product wise.

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