



GENERAL CO-OPERATIVE MARKETING SOCIETIES IN PROCESSING- AN EVALUATION

Sini Raj S

Research Scholar in Commerce, Kerala University Library and Research Centre, University of Kerala.

Abstract

General co-operative marketing societies are enterprises owned by and managed democratically which aim at fulfilling the needs and aspirations of their members. Marketing societies undertake processing activities and established processing units. Combining marketing would processing with surely enable the Society to take advantage of better marketing conditions by either selling it as raw material or as processed products. Society can secure better income by adding value to the members produce by processing them according to members' requirements. Present study tries to analyse processing activities of general co-operative marketing societies.

Key words: Co-operation, Co-operative Marketing, General Co-operative Marketing Societies, Members and Processing.

Introduction

Primarily as a means of helping the poorer sections of the agriculturalists, General Co-operative Marketing Societies were established. 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. These societies could provide employment to lakhs of people in the rural areas and would create substantial national wealth.

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 107 respondents, 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.

Statement of the Problem

In the challenging liberalized and privatized economy, the number of poorly performing co-operative marketing societies is substantial. Problems faced by Co-operative Marketing Societies are differing from one another. Having to deal with a variety of products, General Co-operative Marketing Societies suffer from the problem of sufficient godown space. They, therefore, try to dispose the produce soon after their arrival, a fact which results in lower prices for the producers. In addition to these, poor progress of processing is also affects its market expansion. These Weaknesses of Marketing Societies has affected food security and income to the members.

Objectives of the Study: Objective of the present study is to evaluate processing activities of general co-operative marketing Societies.

Hypothesis of the Study: The hypothesis formulated to the present study is there is no significant relationship between processing activities of general co-operative marketing societies and their characteristics.

Methodology: This study is empirical in nature. 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.



Results and Discussion

Processing

Marketing societies undertake processing activities and established processing units. Combining marketing would processing with surely enable the Society to take advantage of better marketing conditions by either selling it as raw material or as processed products. Society can secure better income by adding value to the members produce by processing them according to members' requirements.

Table No. 1 Processing Activities

Characteristics		Yes		No		Cramer's V	Sig.
		n	%	n	%		
Class	A Class	3	25.00	9	75.00	0.216	0.083
	B Class	14	42.42	19	57.58		
	C Class	13	20.97	49	79.03		
Experience	Up to 20 years	26	42.62	35	57.38	0.384	0.000
	21-40 years	1	3.70	26	96.30		
	Above 40 years	3	15.79	16	84.21		
Size	Small sized	5	12.82	34	87.18	0.294	0.010
	Medium sized	9	28.13	23	71.88		
	Large sized	16	44.44	20	55.56		
Membership Strength	Up to 1500	11	29.73	26	70.27	0.073	0.751
	1501-3000	9	23.68	29	76.32		
	Above 3000	10	31.25	22	68.75		
Type of products	Agricultural	13	22.03	46	77.97	0.152	0.289
	Non agricultural	4	40.00	6	60.00		
	Both	13	34.21	25	65.79		
Total		30	28.04	77	71.96		

Source: Survey data

The analysis of Table No. 1 shows that 25 per cent of A Class societies, 42.42 per cent of B Class societies and 20.97 per cent of C Class societies undertaking processing activities. Whereas 75 per cent of A Class societies, 57.58 per cent of B Class societies and 79.03 per cent of C Class societies did not undertaking processing activities. P value of Cramer's V test is 0.083, which greater than the critical value. The result shows that there is no significant relationship between processing activities and audit classification of the societies.

It is observed from Table No.1 that 42.62 per cent of societies have up to 20 years of experience, 3.70 per cent of societies have 21-40 years of experience and 15.79 per cent of societies have above 40 years of experience undertaking processing activities. While 57.38 per cent of societies have up to 20 years of experience, 96.30 per cent of societies have 21-40 years of experience and 84.21 per cent of societies have above 40 years of experience did not undertaking processing activities. P value of Cramer's V test is 0.000. The result shows that there is significant relationship between processing activities and years of experience of the societies.

It is observed from Table No. 1 that 12.82 per cent of small sized societies, 28.13 per cent of medium sized societies and 44.44 per cent of large sized societies undertaking processing activities. At the same time 87.18 per cent of small sized societies, 71.88 per cent of medium sized societies and 55.56 per cent of large sized societies did not undertaking processing activities. P value of Cramer's V test is 0.010. The result shows that there is significant relationship between processing activities and sized of the societies.

It is observed from Table No. 1 that 29.73 per cent of societies, 23.68 per cent of societies and 31.25 per cent of societies come under up to 1500, 1501-3000 and above 3000 respectively undertaking processing activities. Likewise 70.27 per cent of societies, 76.32 per cent of societies and 68.75 per cent of societies come under up to 1500, 1501-3000 and above 3000 respectively did not undertaking processing activities' value of Cramer's V test is 0.751. The result shows that there is no significant relationship between processing activities and membership strength of the societies.



It is observed from Table No. 5.20 that 22.03 per cent of societies deal agricultural goods only, 40 per cent of societies deal non-agricultural goods and 34.21 per cent of societies deal both agricultural and non-agricultural goods, undertaking processing activities. As well as 77.97 per cent of societies deal agricultural goods only, 60 per cent of societies deal non-agricultural goods and 65.79 per cent of societies deal both agricultural and non-agricultural goods did not undertake processing activities. P value of Cramer's V test is 0.289. The result shows that there is no significant relationship between processing activities and type of products of the societies.

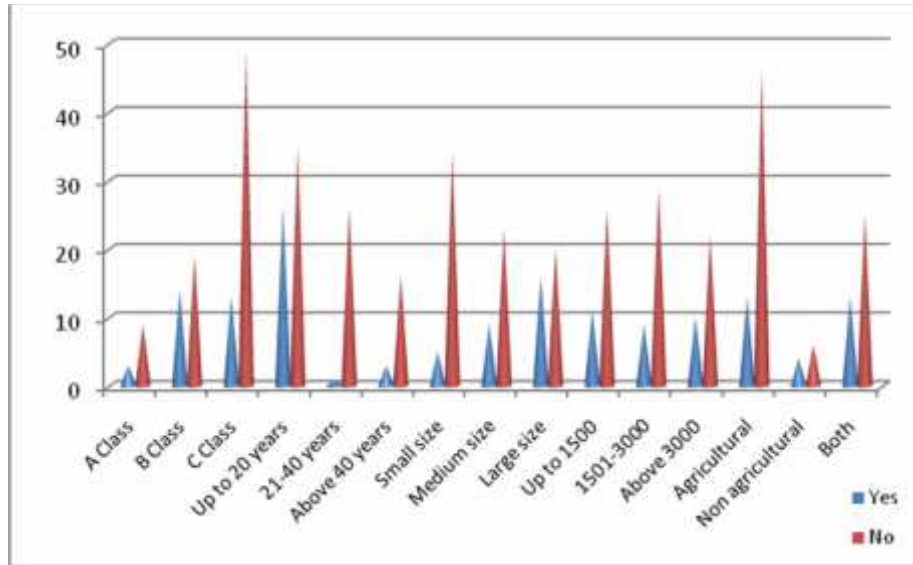


Figure No. 5. 1: Processing Activities of General Co-operative Marketing Societies

Reasons Regarding Not Undertaking Processing

Some general co-operative marketing societies failed in undertaking processing activities due to excessive installation time of machine, lack of technical knowhow, scarcity of raw material, and weak capital base.

Table No. 2 Reasons Regarding Not Undertaking Processing

Characteristics		Excessive installation time		Lack of technical know how		Scarcity of raw material		Weak capital base		Cramer's V	Sig
		n	%	n	%	n	%	n	%		
Class	A Class	1	8.30	1	8.30	3	25.00	4	33.30	0.191	0.450
	B Class	3	9.10	1	3.00	8	24.20	8	24.20		
	C Class	9	14.50	11	17.70	13	21.00	16	25.80		
Experience	Up to 20 years	6	9.80	4	6.60	14	23.00	12	19.70	0.301	0.013
	21-40 years	3	11.10	6	22.20	6	22.20	11	40.70		
	Above 40 years	4	21.10	3	15.80	4	21.10	5	26.30		
Size	Small sized	8	20.50	5	12.80	10	25.60	11	28.20	0.290	0.021
	Medium sized	4	12.50	7	21.90	5	15.60	8	25.00		
	Large sized	1	2.80	1	2.80	9	25.00	9	25.00		
Membership Strength	Up to 1500	7	18.90	6	16.20	6	16.20	7	18.90	0.159	0.711
	1501-3000	3	7.90	4	10.50	10	26.30	12	31.60		
	Above 3000	3	9.40	3	9.40	8	25.00	9	28.10		



Type of products	Agricultural	7	11.90	6	10.20	14	23.70	19	32.20	0.207	0.328
	Non agricultural	2	20.00	3	30.00	0	0.00	2	20.00		
	Both	4	10.50	4	10.50	10	26.30	7	18.40		

Source: Survey data

Table No. 2 gives the idea reasons regarding non practice of processing activities of general co-operative marketing societies. The percentage of opinion regarding non practice of processing activities of A Class societies due to excessive installation time, lack of technical knowhow, scarcity of raw material and weak capital base are 8.30 per cent, 8.30 per cent, 25 per cent and 33.30 per cent respectively. Similarly, the percentage of opinion regarding non practice of processing activities of B Class societies due to excessive installation time, lack of technical knowhow, scarcity of raw material and weak capital base is 9.10 per cent 3 per cent, 22.20 per cent and 24.20 per cent respectively. In addition to this, the percentage of opinion regarding non practice of processing activities of C Class societies due to excessive installation time, lack of technical knowhow, scarcity of raw material and weak capital base is 14.50 per cent, 17.70 per cent, 21 per cent and 25.80 per cent respectively. P value of the Cramer's V test is 0.450, which is greater than 0.05. So the result is treated as not significant.

The percentage of opinion regarding non practice of processing activities of societies have up to 20 years of experience due to excessive installation time, lack of technical knowhow, scarcity of raw material and weak capital base is 9.80 per cent, 6.60 per cent, 23 per cent and 19.70 per cent respectively. Similarly, the percentage of opinion regarding non practice of processing activities of societies have 21-40 years of experience due to excessive installation time, lack of technical knowhow, scarcity of raw material and weak capital base is 11.10 per cent 22.20 per cent, 15.80 per cent and 40.70 per cent respectively. In addition to this, the percentage of opinion regarding non practice of processing activities of societies have above 40 years of experience due to excessive installation time, lack of technical knowhow, scarcity of raw material and weak capital base is 21.10 per cent, 15.80 per cent, 21.10 per cent and 26.30 per cent respectively. P value of the Cramer's V test is 0.013, which is less than 0.05. So the result is treated as significant. Which means that there is there is significant relationship between reasons for not undertaking of processing activities and years of experience of the society?

The percentage of opinion regarding non practice of processing activities of small sized societies due to excessive installation time, lack of technical knowhow, scarcity of raw material and weak capital base is 20.50 per cent, 12.80 per cent, 25.60 per cent and 28.20 per cent respectively. Similarly, the percentage of opinion regarding non practice of processing activities of medium sized societies due to excessive installation time, lack of technical knowhow, scarcity of raw material and weak capital base is 12.50 per cent 21.90 per cent, 15.60 per cent and 25 per cent respectively. In addition to this, the percentage of opinion regarding non practice of processing activities of large sized societies due to excessive installation time, lack of technical knowhow, scarcity of raw material and weak capital base is 2.80 per cent, 2.80 per cent, 25 per cent and 25per cent respectively. P value of the Cramer's V test is 0.021, which is less than 0.05. So the result is treated as significant. Which means that there is significant relationship between reasons for not undertaking of processing activities and sized of the society.

The percentage of opinion regarding non practice of processing activities of societies have up to 1500 membership strength due to excessive installation time, lack of technical knowhow, scarcity of raw material and weak capital base is 18.90 per cent, 16.20 per cent, 16.20 per cent and 18.90 per cent respectively. Similarly, the percentage of opinion regarding non practice of processing activities of societies have 1501-3000 membership strength due to excessive installation time, lack of technical knowhow, scarcity of raw material and weak capital base is 7.90 per cent 10.50 per cent, 26.30 per cent and 31.60 per cent respectively. In addition to this, the percentage of opinion regarding non practice of processing activities of societies have above 3000 membership strength due to excessive installation time, lack of technical knowhow, scarcity of raw material and weak capital base is 9.40 per cent, 9.40 per cent, 25 per cent and 28.10 per cent respectively. P value of the Cramer's V test is 0.711, which is greater than 0.05. So the result is treated as not significant.

The percentage of opinion regarding non practice of processing activities of societies dealing agricultural products only due to excessive installation time, lack of technical knowhow, scarcity of raw material and weak capital base is 11.90 per cent, 10.20 per cent, 23.70 per cent and 32.20 per cent respectively. Similarly, the percentage of opinion regarding non practice of processing activities of societies non agricultural products only due to excessive installation time, lack of technical knowhow and weak capital base is 20.00 per cent 30 per cent, and 20 per cent respectively. In addition to this, the percentage of opinion regarding non practice of processing activities of societies dealing agricultural and non agricultural products due to excessive installation time, lack of technical knowhow, scarcity of raw material and weak capital base is 10.50 per cent, 10.50 per cent,



26.30 per cent and 18.40 per cent respectively. P value of the Cramer's V test is 0.328, which is greater than 0.05. So the result is treated as not significant.

Testing of Hypothesis

A total of 107 General Co-operative Marketing Societies are selected for detailed investigation. Significant relationship is found in the experience and size of general co-operative marketing societies. So the null hypothesis that there is no significant relationship between processing activities of general co-operative marketing societies and their characteristics is rejected and accepted the alternative hypothesis that there is significant relationship between processing activities of general co-operative marketing societies and their characteristics.

Conclusion

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. A total of 107 General Co-operative Marketing Societies are selected for detailed investigation. Significant relationship is found in the experience and size of general co-operative marketing societies. So the null hypothesis that there is no significant relationship between processing activities of general co-operative marketing societies and their characteristics is rejected and accepted the alternative hypothesis that there is significant relationship between processing activities of general co-operative marketing societies and their characteristics.

References

1. BaidyanathMisra. (1997). Co-operative Movement in India. New Delhi: A.P.H. Publishing Corporation.
2. Goel, B.B. (2001). Re-inventing co-operatives, A 21st Century vision. New Delhi: Deep &
3. Kapde, M.V. (1979). Economics of Marketing Co-operatives. New Delhi: National Publishing House.
4. Padmini, E.V.K. and Thomas, K.T. (1990) Agency Choice for the Marketing of Copra - A Study of the Kuttanadu Co-operative Marketing Society Ltd. Indian Co-operative Review, Vol.XXVIII, No.1, PP.62-79.
5. Rane, D.R (1985). Co-operative Marketing: An Aid to Increased Production. Economic Times – October 26
6. Taimni, K.K. (1979). Training and Development of Human Resources in Co-operatives. New Delhi: Sarin Brothers.
7. The Reserve Bank of India. (1968) Development of Co-operative Marketing –A Survey Report.
8. Vasant Desai. (1976). Agricultural Development A Case Study. Bombay: Bombay Popular Prakashan.