

ICA 01203

ICA Library



ICA 01203



ional Office for  
& the Pacific

EIGHTH ICA/JAPAN TRAINING COURSE FOR  
STRENGTHENING MANAGEMENT OF AGRICULTURAL  
COOPERATIVES IN ASIA, 1993/ 1994

INDIA, SRI LANKA, THAILAND, AND JAPAN

OCTOBER 20, 1993 - APRIL 21, 1994

MATERIAL DISTRIBUTED DURING NATIONAL  
FOLLOW-UP REVIEW WORKSHOPS OF FORMER  
PARTICIPANTS FROM INDIA, SRI LANKA AND  
THAILAND.

VOLUME - V

INDIAN REVIEW WORKSHOP,  
New Delhi, December 01-03, 1993

Workshop Programme in India

List of Former Participants and their Projects

Objectives of the Workshop

Guidelines for Panel Discussion

Status Papers of Participants:

Mr C.D.Singal, 1st JTC

Dr N.P.Sharma, 1st JTC

Mr Rajiv I.D.Mehta, 2nd JTC

Mr B Ganga Rao, 3rd JTC

Dr Promod Kumar Pandey, 3rd JTC

Mr D T Rangaswamy, 4th JTC

Mr L.S.Rawal, 4th JTC

Mr R.P.Gaba, 5th JTC

Mr Zhile Singh, 5th JTC

Dr R N Kundu, 6th JTC

Mr V.S.Sidhu, 6th JTC

Mr R S Jakhar, 7th JTC.



Regional Office for  
Asia & the Pacific

NATIONAL WORKSHOP, SRI LANKA,  
Colombo, 29th and 30th December 1993

Programme of Workshop

Guidelines for preparing Status Papers

List of Former Participants and their Projects

Status Papers of Participants:

Mr P.L.Gunasekara, 1st JTC

Mr U.G.Dayananda, 2nd JTC

Mr E.M.E.G.Muthubanda, 3rd JTC

Mr Sam Deerasinghe, 4th JTC

Mr M.B.R.Perera, 5th JTC

Mr C.A.C.Fernando, 5th JTC

Mr Ananda Welisinghe, 6th JTC

Mr A.F.A.Perera, 7th JTC

Mr A.G.S.M. Navarathna Banda, 7th JTC.

NATIONAL WORKSHOP, THAILAND  
Bangkok, 03-04th January 1994

Programme of the Workshop

Guidelines for Preparing Status Papers

List of Former Participants and their Projects.

Status Papers of Participants:

Mr Taworn Supanawan, 2nd JTC

Mr Panuwat Nanakornpanom, 2nd JTC

Ms Wasna Junthieng, 3rd JTC - oral presentation

Ms Maroum Sutanana, 6th JTC

Ms Amporn Vongsopa, 7th JTC.

Mr Thawee Thimmasaya, 3rd JTC.



Regional Office for  
Asia & the Pacific

INDIA



# INTERNATIONAL COOPERATIVE ALLIANCE

Regional Office for Asia and the Pacific

"Bonow House", 43 Friends Colony (East),

P.O. Box 7011, New Delhi-110065. India.

Telephone : (91)11-6835123. Telefax : (91)11-6835568. Telex : (81)31-75025 DICA IN. Cable : INTERALLIA.



NATIONAL REVIEW (FOLLOW-UP) WORKSHOP ON MANAGEMENT  
OF AGRICULTURAL COOPERATIVES-INDIA (ICA/JAPAN PROJECT)  
Bonow House, New Delhi. December 1-3 1993

## PROGRAMME

### December 1 1993. Wednesday

- 1000-1100 Welcome Tea and informal interaction  
(on the lawns of the Bonow House)
- 1100-1145 Inaugural Session  
-Opening Remarks. Mr Daman Prakash  
-Address: Mr Shiro Futagami, MD IDACA-Japan  
-Address: Mr T.Sudo, MAFF Government of Japan  
-Address: Mr M.V. Madane, Resource Person  
-Inaugural Address: Mr G.K.Sharma RD ICA ROAP  
-Vote of Thanks
- 1145-1300 PANEL DISCUSSION. Participants are: Organisers,  
Collaborators, and User-Organisations  
-National Cooperative Union of India  
-National Agricultural Coop Marketing Fedn NAFED  
-Indian Farmers' Fertiliser Cooperative Ltd IFFCO  
-Krishak Bharti Cooperative Ltd KRIBHCO  
-Government of India. Ministry of Agriculture  
-Government of Japan. MAFF  
-IDACA-Japan  
-Indian Institute of Management, Ahmedabad
- 1300-1400 Lunch
- 1400-1700 Presentation of Status Papers by former  
participants.



Regional Office for  
Asia & the Pacific

India Follow-up Workshop Programme -2-

December 2 1993. Thursday

- 0930-1100 Special Talk on "Basic Values vis-a-vis Principles of Cooperation" (with special reference to benefits for the basic members of a cooperative)  
-Dr R.C.Dwivedi, Special Advisor to the Minister of Agriculture, Government of India
- 1100-1130 Tea
- 1130-1300 Presentation of Status Papers by former participants (contd)
- 1300-1400 Lunch
- 1400-1630 Presentation of Status Papers (concluded)
- 1630-1700 General discussion on presentations and the structure of the ICA-Japan Training Programme
- 1900 ICA DINNER at Bonow House.

December 3 1993. Friday

- 0930-1030 Technical Summary on Presentations made during the Workshop  
-Professor A.H. Kalro, IIMA
- 1030-1045 Summary of Questionnaires  
-Mr Daman Prakash
- 1045-1100 Observations and Statements  
-IDACA  
-MAFF
- 1100-1130 Tea
- 1130-1200 Conclusions and Recommendations
- 1200-1300 Concluding Session  
-Remarks from Mr G.K.Sharma, Regional Director ICA ROAP  
-Remarks from the NCUI Representative  
-Remarks from Mr M.V.Madane  
-1 former participant  
-1 participant from the 8th Programme  
-Vote of Thanks. Mr Daman Prakash
-



Regional Office for  
Asia & the Pacific

ICA/JAPAN TRAINING COURSES FOR STRENGTHENING MANAGEMENT  
OF AGRICULTURAL COOPERATIVES IN ASIA, 1 - 8  
1986-87 TO 1993-84

LIST OF PARTICIPANTS FROM INDIA,  
THEIR SPONSORING ORGANISATIONS  
AND PROJECTS PREPARED BY THEM.

|    | Name and address of participant  | Year      | Sponsored by                                   | Title of Project Prepared                                     |
|----|--|-----------|--|---|
| 1. | Mr N N Joshi<br>Manager, Training<br>Rajasthan State Coop Bank,<br>Nehru Bazar, Jaipur. 302 001<br>Rajasthan.                    | 1986 - 87 | Rajasthan<br>State Coop<br>Bank                | Orange Develop-<br>ment Project in<br>Jhalawar Dist.          |
| 2. | Dr N.P.Sharma<br>Director<br>National Cooperative Union of<br>India, 3 Siri Institutional Area,<br>Hauz Khas, New Delhi 110 016. | 1986-87   | NCUI   | Potato Market-<br>ing Project by<br>Jahanganj coop<br>Society |
| 3. | Mr C D Singal,<br>General Manager,<br>Haryana State Coop Bank Ltd,<br>Sector 17.B, Bank Square,<br>Chandigarh. 160 017.          | 1986-87   | Haryana<br>State Coop<br>Bank                  | Integrated<br>Paddy Coop<br>Project                           |
| 4. | Mr Thondup Pintso<br>Bhutia<br>Joint Registrar,<br>Coop Societies, Gangtok. Sikkim.  | 1987-88   | Ministry of<br>Agriculture                     | Production &<br>Marketing of<br>Fresh Oranges<br>in Sikkim    |
| 5. | Mr R.I.Mehta<br>Technical Officer, Coop Trade<br>ICA ROAP. New Delhi.65  | 1987-88   | Rajasthan<br>State Coop<br>Land Devpt<br>Bank. | Sheep & Wool<br>Marketing<br>Project in<br>Dungarpur Dist.    |
| 6. | Mr Ganesh Prasad Nema<br>General Manager,<br>Coop Land Development<br>Bank, 24 Maharani road,<br>Indore.452 007<br>M.P.State.    | 1987-88   | M.P.State<br>Coop Land<br>Development<br>Bank  | Potato Marke<br>ting and Dist<br>Processing<br>Project        |

|     | Name and address of participant   | Year    | Sponsored by               | Title of Project Prepared  |
|-----|---|---------|----------------------------|--|
| 7.  | Mr G Ganga Rao<br>General Manager<br>Krishna District Central<br>Cooperative Bank<br>Machalipatnam. 521 001<br>Krishna dist. Andhra Pradesh                             | 1988-89 | A.P.State<br>Coop Bank     | Mango Fruit<br>Processing &<br>Marketing<br>Project                        |
| 8.  | Dr Promod Kumar<br>Pandey<br>Manager,<br>National Agrl Cooperative Marketing<br>Federation, Dist Union Building,<br>New Bombay/Agra road, Nashik.<br>Maharashtra State. | 1988-89 | NAFED                      | Onion Marketing<br>of Lasalgaon<br>Coop                                    |
| 9.  | Mr D.T.Rangaswamy<br>Manager, Admn<br>Karnataka State Coop Bank<br>Chamarajapet, Bangalore 560 018<br>Karnataka State. India.   | 1989-90 | Karnataka<br>State Coop    | Potato Develop-<br>ment through<br>Integrated<br>Coops in Hassan<br>Taluka |
| 10. | Mr Lokendra Singh<br>Rawal<br>Senior Area Manager<br>Krishak Bharti Coop Ltd<br>68, Awas Vikas,<br>Civil Lines, Peeli Koti<br>Moradabad. U.P.                           | 1989-90 | KRIBHCO                    | Marketing<br>of Potatoes in<br>Meerut dist.                                |
| 11. | Mr Ziley Singh<br>Dy Director, Cooperation<br>Dept of Civil Supplies<br>Krishi Bhavan, New Delhi. I   | 1990-91 | Ministry of<br>Agriculture | Fruit Processing<br>Unit at Narkhed  |
| 12. | Mr Raj Pal Gaba<br>Manager<br>National Agricultural Cooperative<br>Marketing Federation of India<br>NAFED Building, Ashram chowk,<br>Ring Road, New Delhi. 110 014      | 1990-91 | NAFED                      | Cotton Dy<br>Processing &<br>Marketing<br>Project                          |





Regional Office for  
Asia & the Pacific

| Name and address of participant   | Year    | Sponsored by   | Title of Project Prepared  |
|---|---------|--|--|
| 13. Dr Ram Niwas Kundu<br>Area Agronomist<br>Indian Farmers Fertilizer Coop Ltd<br>33 Defence colony<br>Hissar. 125001. Haryana.                  | 1991-92 | IFFCO  | Sunflower Seed<br>Oil Coop Mill<br>Project   |
| 14. Mr Virinder Singh<br>Sidhu,<br>General Manager,<br>Integrated Coop Development<br>Project, Sehkar Sadan,<br>Dhalli, Shimla. H.P.              | 1991-92 | Ministry of<br>Agriculture                             | Apple Cider<br>Wine Processing<br>Project  |
| 15. Mr I.K.Kadu<br>Sr Agriculture Officer<br>Dr Vithalrao Vikhe Patil<br>Sahakari Sakhat Karkhana<br>Ltd, Pravanagar. 413 712.<br>Maharashtra     | 1992/93 | Dr Vithalrao<br>Vikhe Patil<br>Coop Sugar<br>Factory   | Methene Gas<br>Generation from<br>Distillery and<br>Paper Mill<br>Effluent Project |
| 16. Mr Subhash Singh<br>Manager,<br>National Agricultural<br>Cooperative Marketing<br>Federation,<br>Hi Tek Building,<br>Paldi, AHMEDABAD. 380078 | 1992/93 | NAFED  | Jaisef Food<br>Products Plant:<br>Revival and<br>Modernisation<br>Project          |
| 17. Mr Ram Swaroop<br>Jakhar<br>General Manager<br>Rajasthan State Coop Land<br>Development Bank Ltd.,<br>32 Godam, Jaipur. Rajasthan.            | 1992/93 | Rajasthan<br>State Coop<br>Land<br>Development<br>Bank | Jaipur Fruit and<br>Vegetable Coop<br>Retail Marketing<br>Project                  |
| 18. Dr K.G.Wankhade<br>Area Agronomist<br>IFFCO Area Officer<br>129 Kannamwar nagar, Wardha road,<br>Nagpur. 440 025 Maharashtra. India           | 1993/94 | IFFCO  |  |
| 19. Mr Deepak Kumar<br>Saxena<br>Dy Manager<br>Rajasthan State Coop<br>Bank Ltd, Nehru Bazaar,<br>Jaipur. 302 003<br>Rajasthan. India.            | 1993/94 | Rajasthan<br>State Coop<br>Bank.                       |  |



# INTERNATIONAL COOPERATIVE ALLIANCE

Regional Office for Asia and the Pacific

"Bonow House", 43 Friends Colony (East),

P.O. Box 7011, New Delhi-110065. India.

Telephone : (91)11-6835123. Telefax : (91)11-6835568. Telex : (81)31-75025 DICA IN. Cable : INTERALLIA.



## NATIONAL REVIEW (FOLLOW-UP) WORKSHOPS

### OBJECTIVES

The National Review (Follow-up) Workshops under the ICA/Japan Agricoops Management Training Projects are organised with the following objectives:

- 01 To enable the former participants to get together and exchange notes on their experiences with regard to their work and implementation of their projects, prepared by them during their training;
- 02 To exchange notes with the current course participants and to interact with them on problems areas encountered by them in the implementation process, and how to enlist the support and cooperation of their sponsoring organisations;
- 03 To discuss the methods and techniques employed by them in the implementation of their projects; and
- 04 To have a dialogue with the ICA officials and their sponsoring organisations to suggest areas of improvement in the training programme itself.

The success of the follow-up workshops so far organised has encouraged the ICA to conduct similar follow-up workshops in other countries of the Region.

-----



# INTERNATIONAL COOPERATIVE ALLIANCE

Regional Office for Asia and the Pacific

"Bonow House", 43 Friends Colony (East),

P.O. Box 7011, New Delhi-110065, India.

Telephone : (91)11-6835123. Telefax : (91)11-6835568. Telex : (81)31-75025 DICA IN. Cable : INTERALLIA.

## ICA/JAPAN AGRICOOPS MANAGEMENT TRAINING PROJECT NATIONAL REVIEW (FOLLOW-UP) WORKSHOPS

### PANEL DISCUSSION

During the National Review Workshops a Panel Discussion is organised mainly to have an appreciation of the roles played by the organizers, collaborators and user-organisations in the context of Agricoops Management Training Programmes offered under the ICA/Japan Project. The Panel Discussion is also used to ascertain the views of the user-organisations as to the development of human resources within the agricultural cooperative sector as well as to the benefits derived by the sponsoring organisations from these long-term training programmes. During the seven training programmes starting in 1986-87 until 1992-93, 105 participants drawn from agricultural cooperative sector from all over the Asian region have attended, and they had produced 103 development projects based on a high level technical inputs on the techniques of producing development projects with a strong focus on 'value addition in agro-processing' sector. The projects aim at increasing the income of basic members of cooperatives. The management of agricultural cooperatives is also sought to be improved. A number of these projects have been picked up for implementation by the sponsoring organisations, and several of them are already operational in some of the Asia-Pacific countries.

Organizers of these training programmes are: International Cooperative Alliance, the ICA Regional Office for Asia and the Pacific with the funding support made available by the Ministry of Agriculture, Forestry and Fisheries of the Government of Japan.

Collaborators in the conduct of these training programmes are the specialised institutions e.g., the Vaikunth Mehta National Institute of Cooperative Management, Pune in India; the Indian Institute of Management, Ahmedabad in India; the Institute for the Development of Agricultural Cooperation in Asia-IDACA in Japan; and the member-organisations of the ICA in the Asia-Pacific Region.

User-organisations are the nominating and sponsoring organisations which sponsor candidates for training. For each training programme 15 participants are selected from among the candidates sponsored by the nominating organisations.

Beneficiaries of the programme are the user-organisations and their affiliates.

During the Panel Discussion, representatives from these three organisations have to describe their involvement. The User-Organisations are requested to comment upon the following points:

- Usefulness of the training received by their sponsored candidates; usefulness to the organisation itself;
- Relevance of the projects prepared by their sponsored candidates;
- Main problems in not implementing the projects proposed/developed by the candidates during their training; (were the projects not relevant to the organisation? were the projects found to be too small or too large? was funding the main constraint? were the government/organisation policies or priorities not conducive to the project proposals? etc.)
- Were the projects ever discussed at a higher level after the return of their candidates e.g., at the Managing Directors level or in the Board of Directors?
- How has the organisation made use of the skills achieved by the candidates?
- Would the organisation still like to sponsor candidates to such courses in future, and with what objective?

The representatives of the user-organisations are requested to participate in the Panel Discussion with the above mentioned points in view.

1. INTRODUCTION

A. I had the opportunity to attend the very first training course on Strengthening Management of Agricultural Cooperatives in Asia held in India, Thailand, Japan and Republic of Korea from Nov., 1986 to May, 1987. We were 15 officers from 9 countries. None was from Pakistan. The first part of the training was held in Bonow House in New Delhi. Training in India included ~~xxxxxx~~ theoretical feed up and observation visits to some of very good cooperative societies in Maharashtra.

In Delhi, participants presented their country papers followed by detailed discussions, about Cooperative Movement of respective participants countries. Faculty from IIM introduced the concepts of Project preparation, implementation, appraisal, monitoring and evaluation. Various functions of Management were also brought home with the help of case studies and other techniques. Second phase of the training was field visits to Thailand where Cooperative Promotion Deptt. of their Ministry of Agriculture extends financial support to the cooperatives for providing their services to the farmers and others. Visits to integrated farms, set up under the guidance of Japanese Experts and to some of the Land Settlement Scheme Areas that has helped many landless farmers in acquiring land were the special highlights of the field visits. Third phase was stay at IDACA and study of Multi-Purpose agricultural and consumers coops. in Japan. It was there our projects, prepared during Home Country Assignment were appraised by guest faculty. Last phase of the programme was field visits to various cooperatives in South Korea.

contd..."2"

\* C. D. SINGAL  
2nd Course

B. COOPERATIVES IN SOUTH EAST ASIA.

The programme afforded me an opportunity to visit and study the working of agri.cooperative in Thailand Japan and South Korea and make a comparison of different systems and working of agricultural cooperative in these countries with working of Coops.in India. In all the countries,hoped of ruralites rest for their prosperity on cooperative movement and cooperatives. Efforts are on through a network of Agri.Cooperatives to improve the lot of poor masses. In Japan farmers have already attained prosperity under coop.umbrella and now enjoy their share in the benefits of industrilization and latest technology. Through Coops.they market their produce in far off markets, to get best rates,process their products and by products and carry home the additional income. I was convinced that Indian Cooperative Movement was also canable of ameliorating the fate of poor agriculturists. The good features of agricultural cooperatives in Japan could help the Indian Cooperatives also in raising the social and economic status of their members by sharing the profits of processing and industrialization with them. This could be possible only by establishing backward and forward linkages. Marvellous feature of coops. in South Korea is their developed system of Coop.Education to members and coop.leaders of village societies. Coop. Training Colleges have succeeded in creating an enlightened class of coop.leadership.

C. NEW APPROACH RAISES NEW HOPES:

At Bonow House, it was made to believe that AMS-AC was the appropriate approach for Indian Cooperatives. The hypothesis provided for recognition of Coop.Societies as democratic institution owned,managed and controlled by members for their economic and social betterment,operating

through business based on mutual help without any Govt. interference. Under the system, the benefits from processing of products or by products will flow back to the producers/members. It conceived cooperatives as democratic organisations where the affairs would be administered by the persons elected by members. My past experience of 16 years, that I had with the Indian Cooperative Credit Movement, was left behind during the six months programme and a new Manager emerged in me.

With new concepts in mind and new approach in hand on return, I had decided to make my contribution to the movement in my state. The first thing I did was sharing of my experience through about a dozen articles in local press about the special features of working of agricultural cooperatives and their benefits to their members in the countries of study including India. I brought home some of the special and good features of the cooperatives in Japan those have mobilized 100% participation of agriculturists and raised their social and economic status. Today farmers' lobby in Japan can persuade their Parliament to decide Import and Export policy, the way it benefits them. The message was conveyed to millions through 'SAIKARI PAKASHI' a Coop. fortnightly that reaches all the 2269 Mini Banks in villages.

i) In day to day assignment, impact of my learning is visible to me as well as to my institution. With the introduction of Non-Farm-Finance by Cooperatives in India, the knowledge of project preparation and appraisal has been of great use. Farm Guidance is another important area. I could persuade my management to introduce Farm guidance as an important activity of agri.Coops. In nutshell the specialised training has been of great help to me.

2. TITLE OF THE PROJECT " INTEGRATED PADDY COOPERATIVE".

An attempt was made through this model project to flow back adequately the benefits of industrialization in agriculture to the producers through their mutual efforts and self help on cooperative principles. The very basic philosophy incorporated was the ANSAC approach propagated by faculty from I.I.M., Ahmadabad. In the project, it was envisaged to form a Paddy Growers Cooperative Marketing-cum-Processing and Service Society with the object of increasing members' income by raising their productivity, production and by taking up processing of their products and by-products on their behalf by their own society. Processing was to be the another activity of the society. The object was to organise a Model Society with democratic set up, without Govt. interference, owned and managed by members to reap the benefits of the latest technology and industrialization.

This society would have all the required backwards and forward linkages. The benefits from processing of produce and by products should flow back to members. It was envisaged that paddy growers would from their coop. that will make available agri.inputs process and market their produce and bring back adequate additional income to them.

The Salient Features of the Project.

1. The selected project area of 14249 Hect. consisted of rice bowl where farmers grow paddy on 90% of their land.
2. There existed 24 Rice Mills in the area of operations of the proposed society but all were in private sector.
3. Straw had no value in 1987 and it was burnt to clear fields for next crop. It was proposed to set up a



paper mills with paddy straw as the main raw material.

4. As by-product rice bran was being sold to private solvent extraction plants at through away prices with no arrangements in cooperative sector for its processing.

5. Considering the availability of paddy surplus of 17600 M.T., it was proposed to set 2 model Rice Mills of 2.2 T.P.H.capacity each.

6. Society proposed to set a straw/husk board Aunit in due course.

7. Society was proposed to be managed by member farmers without Govt.interference. Participation through village groups was proposed.

#### IMPLEMENTATION OF THE PROJECT

The above project was prepared and subsequently revised incorporating therein the features of an idle philosophy, the concepts of management by members themselves without Govt.interference, sharing of profits of the society accrued from marketing and processing of products and their by-products by members etc. It was based on the philosophy of what ought to be ? While preparing the project, the hypothesis was developed based on new approach, new techniques and it aimed at directly benefiting the members if implemented.

Bylaws of a new society were drafted. Area was visited time and again as a part of mass contact launched for mobilisation of farmers support for formulation of groups in villages.

Govt.officers were consulted but alas no society without adhering and complying with provisions of Coop. Law as it existed could be conceived. The provisions of HARYANA COOP. Societies Act 1984 of rules there under

have to be complied with for organising a new society.

(2) Reasons for Non-implementation of the Project

(i) This project was primarily an academic report, studied with the cherished philosophy and approach. What ought to be to ameliorate the fate of poor members through Coops. was incorporated. AMSAC approach is only a cry for moon in northern states where coop.movement is almost a Govt.Deptt. The reigns of the house are not with the member producers but with coon.dentt. To call movement as democratic is an illusion. Under the existing coon.law in Haryana, no ~~no~~ coop.can be conceived based on the philosophy webbed in the project. It has necessarily to be a creation of coop. law. As such-whereas the project was prepared and subsequently revised on the basis of actual data, it was not possible to put it to practice.

(ii) Under State Govt.Policy, there could be only one Marketing-cum-Processing Society in one Sub-Division. Ismilabad is in the areas of Pehowa Coon.Marketing-cum-Processing Society. As such no new society could be registered in Pehowa sub-division.

(iii) Paddy was a controlled commodity. Its support Price is fixed by G.OI. under Govt.Policy, 85% to 90% rice has to be delivered to Govt.agencies as levey on fixed rates. Hafed a State Level Fed.of Marketing Societies and other 15 Societies in Cooperative Sector including Pehowa Market <sup>-145</sup> had their rice mills but no purchases of paddy was made by these Coons.for last 3-4 years as market rates were higher than minimum procurement rates. The purchase of paddy on Commercial rates would means outright losses to the society.

contd..."7"

(iv) The project provided for crushing of members' paddy on their behalf. On this neither members would agree nor Govt. will allow its shelling.

(v) From the paddy season 88-89, straw that was in past burnt and enjoyed no price, was in demand as fodder on account of drought in states of Rajasthan and Gujrat. It foiled my hopes.

vi) In the project, processing of 'Basmati' was presumed as a free sale item because during 85-86-7, Basmati Rice attracted no levy. This variety with flavour enjoyed market in USSR in 1985-86. Nafed had received big exports order. But during 1987-88 no export orders were received and its rate went down from Rs. 20-25/- per kg. to Rs. 10-12/- per kg. of Rice.

The above were some of the inhibiting factors. In spite of the fact that as a Banker, I was awfully busy with my job, I made lot of efforts to implement this project but it has not been possible.

(3) ALTERNATIVE PROJECT.

As an alternative, another project has been conceived in Naraingarh Sub-Division of Ambala Distt. for "Seed Development of Vegetables". For this purpose an Association of Progressive Farmers in Tehsil Raipur Rani has been formed. Under this project the mother seeds are being grown by member farmers. Offer has also been received for basic Dutch seeds of onion through A.D.C., Ambala. The members have already made preparations for growing onion seeds in 100 acrs of land. 150 farmers have been supplied carrot seeds for 75 acrs of land free of cost. It is proposed to market the seeds through Association at

contd... "8"

remunerative rates. Association proposes to set up its own seed proceeding plant and oil mills in due course. *details are being worked out.*

(4) PROGRAMME UTILITY

The programme was very useful in two ways. Ist it afforded a chance to visit a few countries and see their culture, art and people. Secondly course provided a chance to make a comparative study of the working and of contribution agri.Coops.in developed society of Japan and in developing nations of South Korea and Thailand.

It was a very useful experience.

ii) As regards suggestions at the end of the course. I had made some of the suggestions. Some of additional proposals are as follows:-

(a) In each programme there are participants from credit/Banking Coops. These Credit Coop.enjoy important place in Coop.Movement. As such curricularmen must include study of Coop.Banking and insurance also.

(b) In Japan - One week or parttime for 2 weeks - there should be lessions on language.

(c) In Japan study is confined to multi-purpose societies only. There exists equal no.of functional Agri. Coops - in each Shi-their study should also be included for comparison sake, because for almost 100 years those societies have dominated the movement.

(d) Programme includes too heavy schedule for I.I.M.faculty. It should be limited to concepts and functions of management and project preparation and appraisal only. Concepts of I.R.R.etc. are not used in S.S.I. <sup>and as</sup> Project such are of <sup>made</sup> no use.

NATIONAL COOPERATIVE UNION OF INDIA  
STATUS PAPER  
ON  
PROJECT FOR 'POTATO MARKETING BY JAHANGANJ COOPERATIVE  
SOCIETY, FARRUKHABAD' - PREPARED BY DR.N.P.SHARMA DURING  
FIRST ICA/JAPAN COURSE FOR STRENGTHENING MANAGEMENT OF  
AGRICULTURAL COOPERATIVES IN ASIA-PACIFIC REGION  
-----

1. BACKGROUND

a) I participated in the first ICA/Japan course for strengthening Management of Agricultural Cooperatives in South-East Asia from 1st November, 1986 to 5th May, 1987 at New Delhi (India), Bangkok (Thailand), Tokyo (Japan) and Seoul (Republic of Korea). The main objective of the subject training programme was to equip the participants to strengthen and improve the performance of agricultural cooperatives in Asia-Pacific Region to bring about qualitative and quantitative improvement in the services of cooperatives to the member farmers at the grass-root level. The overall aim was to help the members to increase their income, standard of living and ensure active member participation in the business and operations of agricultural cooperatives.

b) The subject training course has benefited as under :

i) During the course of lecture in New Delhi (India) and field visits to Indian and Thailand Cooperatives, I received a very useful information which facilitated me in preparation of a bankable project for improving the working and increasing the services of a agricultural cooperative society.

ii) The training course has enhanced working knowledge, skill and efficiency.

c) After completion of my ICA/Japan training course in 1987, I was given the overall charge of cooperative education programme and additional charge of Principal, National Centre for Cooperative by my organisation the National Cooperative Union of India (NCUI). I introduced in the trainer's training programme and Leadership Development programmes the preparation and examination of bankable project for implementation at grass-root level agricultural cooperatives. Since the same approach of development of agricultural cooperative has been adopted in a nation wide programme known as Adoption of Business Development Plans at Primary Agricultural Cooperative Society in the country.

## II. INFORMATION ON THE PROJECT PREPARED

### 'Potato Marketing by Jahanganj Cooperative Society'

a) After my first part of the training course at New Delhi (India) and followed by field study visits to agricultural cooperatives in India and Thailand, I left for home-country assignment to prepare a viable and bankable agricultural cooperative development project. I identified that India is amongst the five major potato producing countries of the world. The other countries are erstwhile USSR, China, Poland and USA. Even in 1989-90 the potato production in India was 15.14 million tonnes i.e. over five per cent of the world's production. The fact that potato produces more well-balanced protein and more calories per unit, land area per unit time than any other major food crop, makes it a most suitable non-traditional crop for attacking world hunger. The increased production of potato and its utilisation would increase the nutritive value of the diet of people. In event of increase in production and better price would

increase the income of member farmers. However in India Uttar Pradesh (U.P.) is leading potato growing state, followed by West Bengal, Bihar, Punjab, Assam and Madhya Pradesh. As per the production figures about 45 per cent of the total potato production of India is contributed from U.P. only. In U.P. Farrukhabad district contributes 8 per cent of the total production of the country. In Farrukhabad district, the Kamalganj block is important for potato production. In Kamalganj block there are 9 Primary Agricultural Cooperative Societies known as Farmer's Service Societies (FSS). It was ascertained from the agricultural production data that potato is the main crop of member farmers of the project society i.e. Farmer's Service Society (FSS) Ltd. Jahanganj. In the year 1986-87 almost all the quantity of potato produced by the member farmers of the society was marketed to the private traders on throw away prices.

In view of the above background, I prepare a bankable project for Potato marketing and processing by Farmer's Service Society Ltd., Jahanganj. The main objective of the project was to arrange marketing and processing of potato produced in such a way that the member farmers should get the remunerative price and also additional income by processing their produce before marketing.

The project aim and salient features were as under :

- a) to help the potato growers in increasing per hec. yield and reduce wastages.
- b) to enable the growers to retain the stock of potato produce and arrange marketing at an opportune time so as to get remunerative price of the produce.

c) to market the potatoes of the members of the society directly on through an appropriate agency.

d) to promote the economic interests of the society members by undertaking value adding activities of potato produce.

b) Short details of implementation of Project

A Special General Body Meeting of the project Society was convened on 2nd July, 1987 to discuss the project document for implementation. The Managing Director, U.P. Potato Marketing Development Cooperative Federation Ltd., Farrukhabad, District Potato Development Officer, Farrukhabad and I participated in the said meeting as special invitees. The following decisions were taken in the meeting :-

- The Farmer's Service Society Jahanganj will implement the project as prepared.

- The U.P. Potato Marketing Development Cooperative Federation will provide the services of one Agriculture Supervisor who will advise the farmers the improved practices of Potato production as per the research results and improved practices developed by Agricultural Universities Central Potato Research Institute, Shimla and All India Coordination Potato Improvement Project (Indian, Council of Agricultural Research) etc. Such advice to farmers will include preparation and digging of fields, soil testing, appropriate use of fertilizers, sowing irrigation and harvesting timings etc.

- A cold storage of 4000 tonny capacity will be constructed from the own funds of the society and loan received under financial assistance scheme of National Cooperative Development Corporation (NCDC), District Cooperative Bank and the



contribution made by Uttar Pradesh Government for the purpose.

- The processing activity as provided in the project document will be taken up after the construction of cold storage and increase in production achieved. A decision in this regard will be taken at appropriate time.

In persuasion of the above decisions the amount received from the undermentioned organisation is given below :

| <u>Name of Organisation</u>    | <u>Amount received (Rs.)</u> |
|--------------------------------|------------------------------|
| 1. N.C.D.C.                    | 16,73,000.00                 |
| 2. Distt.Coop.Bank Farrukhabad | 23,01,250.00                 |
| 3. Contribution from U.P.Govt. | 28,40,250.00                 |
| 4. Own funds of the Society    | 1,80,000.00                  |
|                                | -----                        |
| Total                          | 69,94,500.00                 |
|                                | -----                        |

The following expenditure were made from the construction of cold storage :-

|  |                 |
|--|-----------------|
| i) Land Cost                                   | Rs. 72,475.00   |
| ii) Cost of building construction              | Rs.19,92,000.00 |
| iii) Cost of machinery including<br>compresors | Rs.22,12,000.00 |
|  | -----           |
| Total  | Rs.42,76,475.00 |
|  | -----           |

In construction of cold storage was completed under the supervision of U.P.Processing and Cold Storage Federation. The cold storage was constructed by M/s. Suraj Perkash and Sons, Fatehgrah. The construction was completed on 20th February, 1988

and put in use from the year 1988-89 with the under mentioned staff :

| <u>Post</u>                         | <u>Pay Scale (Rs.)</u> |
|-------------------------------------|------------------------|
| Manager (One)                       | Rs.750-900             |
| Accountant (One)                    | Rs.750-900             |
| Machinest (Four)                    | Rs.600-750             |
| Security Guard (two on daily wages) | Rs.30/- per day        |

For a period of one year i.e. during 1988-89 the cold storage was operated under the guidance of U.P.Processing and Cold Storage Federation. The income and expenditure details on cold storage facility were as under :

| <u>Year</u> | <u>Income (Rs.)</u> | <u>Expenditure</u> | <u>Loss/Profit (Rs.)</u> |
|-------------|---------------------|--------------------|--------------------------|
| 1988-89     | 94974.68            | 186943.40          | - 91968.72               |
| 1989-90     | 575994.44           | 705410.23          | - 124415.79              |
| 1990-91     | 691093.40           | 674231.40          | + 16862.00               |
| 1991-92     | 724468.00           | 698725.50          | + 25742.50               |
| 1992-93     | 712866.20           | 701228.40          | + 11637.80               |

As on 31st March, 1993 the cold storage facility of the society is in loss of Rs.1.67 lakhs inspite of the profit earned through the cold storage business of the society.

c) PROBLEMS FACED IN IMPLEMENTATION

The following problems were faced :

i) The potato price offered by society has not acceptable to the produce farmers, as the quality and size of potato was different and in open market the different price was paid. The farmer wanted to use the cold storage facility on custom duty basis and wanted to dispose off their produce individually.

ii) The potato producer farmer decided in their meeting that the processing unit as per the project plan should be taken up after 5 years experience of utilization of cold storage facility.

d) How these problems were solved :

i). Since the farmers had bad storage experience of their potato produce with the private cold storage owner and hence the project provisions of potato marketing by society was postponed for a period of 5 years to convince the fair deal and promised services to the farmers. Accordingly the project working was modified as under

- Use of cold storage facility was allowed on custom duty basis, which was fixed by Govt. of Uttar Pradesh as Rs.35.50 per quintal.

- The setting up of potato processing activity was postponed to be taken up from January, 1994.

e) The project was prepared for the business development of the society and was to be implemented with the consent of the members and hence the operation of the project was accordingly modified.

### III. PROGRAMME UTILITY

a) The training programme is useful in improving the management and working of agricultural cooperatives. I have used the training material in number of courses organised by the National Centre for Cooperative Education, New Delhi.

b) New additions to the training programme

The main objective of the subject training programme is to improve the performance of agricultural cooperatives in Asia Pacific Region. The majority of Primary Agricultural Cooperative Societies in most of the South-East Asian Countries are not only weak but unviable organisations and are accumulating losses in their limited business operations. Hence it is desirable that the subject training programme may include the following aspects:-

- i) Responsibility of federal organisations to their member cooperatives.
- ii) viability norms and Agricultural Cooperatives.
- iii) Cooperative values - Honesty, carrying democratic approach and constructions and faith in cooperative ways etc.

IV. SUGGESTIONS

There is a need to make a study of the various ways in which the established Agricultural Cooperative organisations may be revitalized. To some extent this is a task for cooperative research and ICA may take a leading role in this regard.

**Project on**  
**Sheep and Wool Marketing**  
**Through**  
**Dungarpur Shepherd's Cooperative Society Ltd., Dungarpur**

---

by : Rajiv I.D. Mehta  
Participant II ICA Japan  
Training Programme

1. Background:

As a part of in-vivo exercise of the II ICA-Japan Training Programme on strengthening the Management of Agricultural Cooperatives held from Oct '87 to May 88 in New Delhi, Bangkok, Tokyo and Seoul under the joint auspices of ICA and MAFF, Japan I had prepared an Integrated Cooperative Development Project on Sheep and Wool Marketing in one of the most backward and isolated pockets of India called Dungarpur. Administratively, it is a District unit comprising of five blocks consisting of about 100 panchayats and 500 villages. In all there are about 18,000 Shepherds with a total of 2,50,000 sheep population. Cooperatively, Dungarpur was a virgin area in respect of sheep and wool activities. Furthermore, the sheep population in the area was not migratory.

2. Project Profile:

Dungarpur is one of the most backward tribal belts in India. Dungarpur district is situated in the south-west part of Rajasthan State between the parallel of 23.20' and 23.30' north latitudes and 74.09' and 76.12' east latitudes. The area of the district is 0.38 million hectares surrounded by low rocky hills "ARAVALIS". The area under cultivation is only 31% of the total area and the average size of the land holding is 1.5 ha. The climate is dry althrough the year and temperature varies from 42 degree C in summer to 80 degree C in winters.

Sheep rearing is one of the most common subsidiary occupations of the tribals in the area. Tribals constitute almost 70% of the total population of the district. It was proposed to start the project in one of the total 5 blocks of Dungarpur district. Important activities envisaged under the project included:

- a. Extension work with the help of Government and local voluntary organisations to educate the Shepherds on Animal Health Care, Cross Breeding, Quality of Wool & Animal, Cooperative Education and self help groups.
- b. Formation of Shepherds' Cooperative Society initially in one block with the involvement of local voluntary agency "Rajasthan Sewa Sangh" and "Social Work and Research Centre".
- c. Supplement the efforts of Government in developing pasture land and animal health care centres in the area.
- d. Training camps to be organised to teach advantages of cross breeding, proper wool shearing and animal health care to selected shepherds.
- e. Initially collection of wool and animals from the members by the cooperative extension officer with the help of selected shepherds.
- f. Transferring democratic control to the leaders of the cooperative society and management to a responsible manager well-versed in the trade practices of sheep and wool coupled with cooperative ideology.
- g. To expand the area of operation of the project by forming four more cooperative societies in remaining blocks.
- h. To provide a strong and stable alternative marketing channel thereby making sheep rearing a totally professional venture.

### 3. Work Report :

The Project was first discussed with the local voluntary agencies namely "Rajasthan Sewa Sangh" and "Social Work and Research Centre" operating in Dungarpur. Discussions were also held thread bare with the District Collector local sheep and wool officer and the Deputy Registrar of Cooperative Society, Government of Rajasthan. Following was the outcome of the discussions:

- i. To form a cooperative society of minimum 1000 shepherds in Dungarpur block of the district.
- ii. To open 5 sub-centres with a radius of 15 kms for the purpose of extension work and collection of wool and animals.
- iii. Identify minimum 50 volunteers for each sub-centre.
- iv. Government support in the following manner was proposed:
  - Appoint Manager of the Cooperative at Govt's Expense *out of TSP Budget of the Govt.*
  - Provide training on Animal health care, wool shearing, cross breeding etc with the help of government's support
  - Develop pasture land and cross breeding centres at government expenses for the cooperative society.
  - Payment of wages & salaries of the volunteers & managers from the Govt's Community Development Project "PAHAL". It is a SIDA/GOI joint venture for the Tribal Sub-Plan area, *with an outlay of 3 m. USD*
  - Arrange marketing of wool through "Rajasthan Coop Tribal Development Federation" and local voluntary organisation.
  - Gradually set-up "Handlooms" to weave woollen blankets and fabric.
- v. Marketing activities to be linked with Khadi and Village Industries Commission.

4. Project as on "TODAY"

i. Eight cooperative societies have been organised with the support of Rajasthan Cooperative Tribal Development Federation Ltd., Udaipur. These coop societies are spread in all the 5 block of the District. These societies are headed by one manager each appointed by the above named federation. These societies were formed on 29.8.90. The details are here under:

1. Tonkwas Shephards' Coop Society Ltd.,  
Members: 128 ; Manager : Mr. Shanker Lal Bhoi
2. Thana Shepherds' Coop. Society Ltd.,  
Members: 310 ; Manager : Mr. Lal Shanker Nanama
3. Barothi Shepherds' Coop Society Ltd.,  
Members: 90 ; Manager : Mr. Ratan Lal Varjath
4. Raghunathpura Shepherds' Coop Society Ltd.,  
Members : 515 ; Manager: Mr. Ram Chandra Roth
5. Punali Shepherds' Coop. Society Ltd.,  
Members : 182 ; Manager: Mr. Waji Ram Meena
6. Simalwara Shepherds' Coop Society Ltd.,  
Members: 280 ; Manager: Mr.Gauri Shanker Ahari
7. Deval Shepherd's Coop Society Ltd.,  
Members: 308 ; Manager Mr. Gautam Lal
8. Surajgarh Shepherds' Coop Society Ltd.,  
Members: 182; Manager: Mr. Karan Singh Rajawat

ii. During the last 3 years 150 youths have been trained by the Sheep & Wool Department of Government of Rajasthan on Animal Health Care, Cross Breeding, Wool Shearing and first-aid. These youths are now working as extension agents of the cooperative societies and are paid honorarium to meet their minimum needs. These youths have helped in increasing the membership, improving wool collection by the members.



- iii. Total wool collection during 1992 by all these coop societies was 8000 kgs which is expected to touch 12,000 kgs by Dec 1993. This speaks quite a bit about the impact the project has created.
- iv. This year 25 women & youths have been trained by the local voluntary agency "Social Work and Research Centre" to work on Handlooms.
- v. Sale of on-foot animal has not been done. It is still in the hands of private traders.
- vi. There is a plan to organise training programme on cooperative education and self help groups in local government schools in Dungarpur District. The tribal youths from these schools will be deployed (part-time) to work for the betterment of the cooperatives in the area.
- vii. Last year, in November, 1992 a fair was organised by the group of 8 societies and around 800 animals were brought in the fair and a prize of Rs. 1900/- paid to the best Animal Pair. This fair has left a deep impact and many more shepherds are looking forward to joining the coops at the time of next fair. There are plans to organise such fairs twice in a year.
- viii. Community Development Project (PAHAL) funded by SIDA has developed 4 cross breeding centres in the district. The blood level of the native breed with the members of cooperative has improved to 25% by cross breeding and it is hoped that by the end of December, 1994 the average blood level of the native breed will go up to 50% which is optimum.
- ix. Improved blood level in the native breed has improved wool quality and size of the animal.

5. Constraints:

- i. lack of education and awareness at grass-root level and cultural backwardness.
- ii. Absence of local leadership
- iii. Lack of coordination among various implementing agencies.
- iv. Lack of initiative from the managers of the coops.
- v. Weak linkages.

**STATUS PAPER** of Sri Garapaty Ganga Rao, General Manager, The KDCC Bank Ltd., Machilipatnam

It gives me great pleasure and am delighted to express my gratitude for the opportunity given to me to participate in the third ICA Training Course for strengthening management of Agricultural Crops in Asia from October 1988 to May 1989 and for attaining immense benefit out of it. A better opportunity was given to study the developing events in Agricultural Developments in the South East Asian Countries particularly at Japan, Thailand, China besides India.

I was very much enriched abundantly to know how the enrollment of membership, providing the agricultural credit and providing non-credit facilities such as in the supply of Seeds, Fertilisers, Banking and other services and also in particular about the resource mobilisation at the agricultural organisations with ultimate object of increase the income of the farmer.

My District covering an area of 8727 Sq. Miles, including 88 Kms. of coast line, a total population of 36.89 lakhs of which 23.70 lakhs of rural population with around 6 lakh hector cultivate are was covered under the area of operation of my DCCB. The total membership of the affiliated societies is 1140 of which,

|  |   |     |
|--|---|-----|
| Primary Agricultural Cooperative Societies | - | 456 |
| Milk Supply Cooperative Societies          | - | 112 |
| Coop. Farming Cooperative Societies        | - | 117 |
| Weavers Cooperative Societies              | - | 44  |
| Employees Cooperative Societies            | - | 240 |

The 456 PACS are having a gross cropped area of is two million acres (inclusive of Khariff and Rabi) of which one million acre is irrigated area. The paddy crop is being the main, the Banana, Mango, Chilies, Tobacco, Ground-nut, Turmeric, Pulses, production of Prawn and Fish are grown in other areas.

Being the Chief Executive of the Bank with a total working capital of Rs. over 300 crores and having a very wide and rich potentiality in the District. I could plan and execute many of developmental activities more successfully in the area with the learning and the experience acquired in the training course and the managements of the Agricultural Cooperatives were improved about which the following with reveal.

|                  | (Rs. in Millions) |         |         |         |
|------------------|-------------------|---------|---------|---------|
|                  | 30.6.90           | 30.6.91 | 31.3.92 | 31.3.93 |
| 1. Share Capital | 123.45            | 183.82  | 191.27  | 209.17  |
| 2. Own Funds     | 18.11             | 18.30   | 25.76   | 26.66   |
| 3. Deposits      | 317.70            | 416.77  | 388.38  | 474.31  |

LENDINGS:

|         |         |         |         |         |
|---------|---------|---------|---------|---------|
| 1. S.T. | 1179.10 | 1715.49 | 1847.86 | 2021.15 |
| 2. L.T. | 142.33  | 222.45  | 183.45  | 265.92  |

The achievements were made only due to the various services rendered to the farmers for providing timely and adequate agricultural credit and the non-credit facilities for supply of the improved seeds, fertilisers, pesticides and also for the distribution of consumer articles and for investment credit. The primaries were made to open Banking counters at the scat of the societies to inculcate the Banking habit among the ryots and to spread the Banking habit in the rural areas at large. The mobilisation of deposits are quite encouraging and all the facilities were provided with a prime motive and with sincere effort for improvement of the income capacity besides to assist them for more production.

While the agricultural development was at its growth the areas with Horticultural activities were not left without any assistance. More and more credit facilities were provided. An area of 0.08 lakh hector acres are growing fruits, tree crops etc. Added to it the Pisciculture in the prawn and fish farmers were developed in the entire coastal region and other places which was flourishing more. Thus it is needless to emphasise that our training imparted by the ICA for management of agricultural cooperatives in Asia proved fruitful and increased our experiences many times.

### PROJECT PREPARATION:

I had the opportunity to present a project profile on "The Mango Fruit Processing and Marketing", the salient features of which are

- (1) Coverage of 900 Mango growing farmers in 4 mandals of the Dwaraka Tirumala PACS area which has great potentiality
- (2) The expected Mango pulp of 1800 MT in an year
- (3) The 2 MT per hour with an output of 50% expected working days of 90 per year.
- (4) The overall capital investment will be Rs. 36.86 lakhs
- (5) The members, the NCDC and the DCCB are the main sources of funding and the total period of the project will be 10 years while its implementation period is only 12 months.

Unfortunately, the project could not be implemented in time due to the unprecedented and unexpected heavy cyclone of May 1990 has caused a heavy loss for the years 1991-92 too devastating all the crops in the State. Thus the unfavourable climate conditions and the unexpected demise of the dynamic, sportive and enthusiastic president Sri G. Satyanarayana of the Dwaraka Tirumala PACS stood as unsurmountable abstacles for the implementation of the project. Further to it there are two such projects in private sector to which it has to compete. The lack of marketing facility is also the other item to be considered off. Inspite of all the above with a greater enthusiasm I have also approached the District authorities. It was informed that this project was included in the VIII<sup>th</sup> Five Year Plan under the District level scheme of the Cooperative Department of

the District with an outlay of 45.00 lakhs and the finalisation was awaited. I hope and trust with all earnestness that this project will be implemented in the plan period.

**PROGRAMME:** utility

The National Cooperative Development Corporation (NCDC), New Delhi, the premier organisation dedicated to the overall development of the Cooperatives was pleased to finance its brain child programme of "Integrated Cooperative Development Project" in our Krishna District accepting our Bank as the "Project Implementing Agency" of the District. We have proposed various schemes for implementation under the said project for which a sum of Rs. 1875 lakhs were sanctioned. There were no predetermined pattern of assistance as it is an area development programme and the schemes are to be tailored as per the local needs and available natural resources.

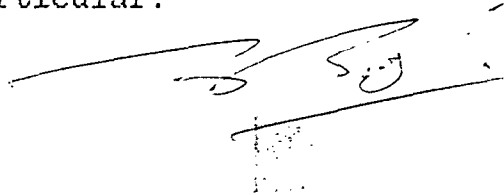
Proposals were made for construction of godown-cum-residences and offices at 133 PACS with an outlay of Rs.377.00 lakhs and for opening of deposit counters at 215 PACS at a cost of Rs.75.25 lakhs for augmenting the deposits and to inculcate Banking habit among ryots. Cash Credit Accommodation was provided for purchase and sale of non-credit articles.

It was programmed to provide credit for modernisation, repairs etc. of the 8 paddy processing units in cooperative sector provided the exemption of preconditions imposed by Government, at a cost of Rs.86.40 lakhs. Further programmed for financing the fisheries societies which covered 4048 acres of water spread are by supplying fish seed, feed, nylon and learn money etc. The need of assistance for the Weavers the weakest of the weak by providing a sum of Rs.151.64 lakhs under ICDP for full employment by stepping up optimum production, providing marketing infrastructure and quality improving through noted designing, better dyeing techniques etc. The sericulture which was gradually gaining ground for export facility also is not neglected.

Proposals for the cold storage project, fruit processing projects, provision for transport facilities for pisciculture and vegetable growing areas under the ICDP. I hope all the schemes proposed will be achieved in a phased period of 5 years. Thus the overall development Cooperatives in the fields of supply of credit, inputs, services including Banking services, value addition projects for the uplift of the ryots and for the profitability of the cooperatives was emphasised in the future programme.

The Bank has initiated and programmed to provide necessary financial assistance for " Dr. K.L. Rao " Lift Irrigation Scheme at Kasaravada to bring 690 acres of land into cultivation at an outlay of Rs. 48.72 lakhs. Similarly Mustabada L - I Scheme is providing irrigational facilities to 851 acres with a cash of Rs.30.00 lakhs and lastly Dharmavarapupadu L - I scheme to cover 126.48 acres with an outlay of Rs.15.67 lakhs and develop agriculture in the District.

The selection of value addition projects for increase of the income of the farmers is not only sufficient but a detailed and concerted study of the increase of the resources of the cooperatives by mobilisation of deposits, Banking and services of supply of inputs, seeds, fertilisers and other credit and non-credit services are equally essential for implementation of scheme for strengthening the managerial and financial position of the cooperatives in Asia, and India in particular.

A handwritten signature in black ink, appearing to be 'S. S. S.', is written over a horizontal line. Below the line, there are some faint, illegible markings.

**NATIONAL FOLLOW-UP/REVIEW WORKSHOP FOR  
INDIAN PARTICIPANTS OF ICA/JAPAN MANAGEMENT COURSES**

**STATUS-PAPER**

**OF**

**PROJECT REPORT ON ONION MARKETING OF LASALGON**

**BY**

**DR. PRAMOD KUMAR, NAFED, INDIA**

**1. BACKGROUND :-**

- a. I attended Third ICA/Japan Training Course for strengthening Management of Agricultural Cooperatives held in India, Thailand, Japan and China from 24th October 1988 to 7th May 1989.
- b. The course was beneficial to me in many ways :
  - i) It gave me an opportunity to visit a large number of successful cooperative Organizations in India, Thailand, Japan and China. The visit enabled me to analyse the reasons for success of these cooperatives.
  - ii) It gave me an opportunity to prepare a project on onion marketing in Lasalgaon. the project was subsequently implemented under my guidance.
  - iii) The course provided an indepth knowledge in preparation and execution of an economically beneficial project contributing increase in income of grower members of a cooperative society.
  - iv) The training programme changed my out-look in Cooperative Management. Earlier I thought that improvement of business and profitability of my organisation is the index of our achievement. Now I believe that success of a cooperative should be judged by increase in income of its members through the activities of the cooperatives. Our objective therefore should be to improve socio-economic conditions of the members of the cooperative societies
- c. The learning and the experience gained during the training programme was extensively used in my current work. Some of the initiatives taken by me in the course of discharge of my duties are the following :-
  - i) Chalking out programme for improvement of farm produce by farm guidance and assistance to the growers by our agricultural scientists.

- ii) Undertaking Village Adoption Programme aimed at overall improvement of socio-economic conditions of the members of the village cooperatives through improved agricultural practices, farm guidance and sale of produce to the distant markets at the best available prices.
- iii) Multi-dimensional marketing programme for the agricultural produce have been chalked out whereby different qualities of produce are targeted to different market segments and value addition by processing is undertaken.

## 2. INFORMATION ON THE PROJECT PREPARED

**Title :-** Onion marketing in Lasalgaon

### **Salient Features :**

- a This is a micro- level project aimed at value addition to the agricultural commodity produced by the members by storage and deferred marketing. The prices of Agricultural commodities are low during harvest and peak arrival season while it is high during lean period. The project aims at storage of onion purchased by the society from it's members during the peak arrival period for disposal during the lean period.
- b The project has been fully implemented by Vegetable and Fruit Cooperative Marketing Society Ltd., Lasalgaon, dist. Nasik, Maharashtra India. Its current status and achievements of the cooperative society vis-a-vis project preparation year is as under:-

#### **Share Capital**

|                       |     |          |
|-----------------------|-----|----------|
| 1986-87               | Rs. | 1,20,800 |
| 1992-93               | Rs. | 1,92,000 |
| Percentage increase : |     | 136%     |

#### **Reserved & Other funds**

|                       |     |           |
|-----------------------|-----|-----------|
| 1986-88               | Rs. | 3,60,000  |
| 1992-93               | Rs. | 26,72,999 |
| Percentage increase : |     | 742%      |

#### **Turn over**

|                       |     |               |
|-----------------------|-----|---------------|
| 1986-87               | Rs. | 80,51,874     |
| 1992-93               | Rs. | 458,99,294.25 |
| Percentage increase : |     | 573%          |



## Exports

|         |     |           |
|---------|-----|-----------|
| 1986-87 |     | Nil       |
| 1992-93 | Rs. | 63,42,000 |

From the above we observe that as a result of implementation of the project the society has emerged stronger and has achieved 136% increase in share capital, 742% increase in the Reserved and other funds and 573% increase in the annual turnover. The exports which was NIL in the beginning has reached to a level of Rs. 63,42,000.

The Society has constructed its own Commercial Complex, Ware House and grading and packing yards with the help of NCDC Loan. It has purchased two trucks, one tempo and other equipments to help the growers. The Society has disbursed 12% dividend and in addition substantial patronage rebate to its grower members.

The market practice is of charging sales commission of 3% for ADHAT but the society is making 1% refund to its members. Thus it is only charging 2% of commission from the members to cover its administrative cost. The society has made itself extremely popular among the growers and has achieved more than 50% of market share in the commission business of onion in Lasalgaon market.

### c. The problems faced in implementation of the Project :-

The major problem faced in implementation of the project were related to the climatic factors like unseasonal rain and continuous dry spell which created wide fluctuation in onion prices. The onion price fell to uneconomic level in February-March, 1989 and again in March-1990 and March - 1992.

During November-91 and November-December, 93 the onion prices have gone up to Rs. 700-1000 per quintal due to adverse weather conditions and poor crop.

Wide fluctuations in the price have created the problems of surplus and deficit before the society.

- d. In order to overcome the problem of seasonal glut the society has taken help of NAFED and its research organisation Associated Agricultural Development Foundation to provide pre and post harvest technology to the farmers and also formulated farm guidance facilities to enable the farmers to change their cropping pattern and plan the cropping area in advance.

The structure of original project was partially modified and the following modifications were implemented :

- i) The storage facilities of onion were evenly distributed at many locations and the target of storing 10000 MTS of onion was reduced by 50%.
- ii) Commission business was started to provide remunerative and spot prices to the growers by the society. This has eliminated unfair trade practices being followed by the traders and constituted additional facility to the growers by way of efficient handling of their produce and quick payment of their dues. This has enabled the society to introduce fair marketing practices and bring discipline in the trade.

The society introduced the system of patronage rebate, and refund of 1% commission of sales in addition to disbursement of maximum dividend (12%) allowed by law to the farmers year after year.

### **3. PROGRAMME UTILITY:**

- a. I found this training programme very much useful in the context to my own work because it gave me opportunity to visit similar cooperative institutions of other countries and observe their way of working. Many good points of such organisations were appraised to the Management of my society and improvement was brought about in the organisational working.
- b. The following new additions to the training programme may be made.
  - i) A package on corporate planning, general management and personnel management may be introduced so that the participants could get practical orientation in managing their Organisation and staff.
  - ii) The course may have a component of language training and perhaps for first one month two hours extra classes may be introduced in English language to enable the participants to gain sufficient proficiency over spoken and written English.
- c. The greater emphasis on numerical analysis could perhaps be deleted from the training programme because computer soft ware packages are available for undertaking such numerical analysis. In the alternative greater emphasis may be given to management aspects of financial analysis.

The field visit to poorly managed societies may perhaps be dropped and only very well managed societies may be covered.

### **4. SUGGESTIONS AND RECOMMENDATIONS :**

- i) The selection process of the participants should be more objective. Only such candidates should be selected for the course who have reasonable command over spoken and written English language and who are directly

associated with formulation and implementation of projects in their home country.

- ii) The field visits and class room lectures should be evenly matched. A week's class room session may perhaps be followed by a week's field visit.
- iii) Theoretical orientation of Japanese Cooperative Movement could perhaps be curtailed and field visits in Japan could be increased. For a practical functionary of a cooperative field visits offer greater opportunity for learning.

Each field visit may be followed by an in-depth analysis session of the society visited. This would enhance the purpose of field visits manifold.

**DR. PRAMOD KUMAR**

**BRANCH MANAGER**

**NATIONAL AGRICULTURAL COOPERATIVE  
MARKETING FEDERATION OF INDIA (NAFED)  
NASIK, MAHARASTRA, INDIA**

STATUS REPORT

ON

POTATO DEVELOPMENT THROUGH

INTEGRATED COOPERATIVES IN

HASSAN TALUK, HASSAN DISTRICT

KARNATAKA STATE

INDIA

BY D.T.RANGASWAMY

1. BACKGROUND:

a) Brief Introduction to the Course attended by you;

The International Cooperative Alliance, ROAP New Delhi has been arranging Management Training Programmes on "Strengthening Management of Agricultural Cooperatives in Asia" for the benefit of the Middle/Senior level officers working in Cooperatives since 1986. The training programme has been funded by the Government of Japan.

I had attended the 4th ICA/Japan Management Training Programme from October 23, 1989 to May 11, 1990. The course was inaugurated at ICA, ROAP, New Delhi on October 23, 1989 by his excellency Mr. Ei-jiro Noda, Ambassador of Japan, in New Delhi, India and concluded on May 11, 1990 at National Agricultural Cooperative Federation, Seoul, Republic of South Korea. The course was attended by 15 participants representing 9 countries, viz., India, Bangladesh, Pakistan, Srilanka, China, Malaysia, Philippines, Thailand, South Korea. All the participants were asked to introduce their country papers and case studies prepared by them. The participants briefed the working of cooperatives in their countries. This had helped all participants to understand the working situation of cooperatives in the Asian Region. Sri.G.K.Sharma, Regional Director, ICA(ROAP), New Delhi gave a detail picture of the activities of I.C.A. Sri.M.V.Madane, Project Director gave a detail background of ICA/Japan Management Training Programme executed by I.C.A.

The main purpose of the ICA/Japan Management Training Programme was to study how the cooperatives in Asian Region are functioning to enhance the socio-economic life of the farmer member. How the integrated cooperative system would benefit the farmer member to increase the production vis-a-vis income of a farmer member.

Excellent faculty was drawn from IIM, Ahmedabad, NABARD, VMNICOM\* ICA. It was a unique opportunity for all participants to discuss on the functioning of different types of cooperatives in these countries.

b) In what way you have benefited from your training;

It was a opportunity for me to join other friends coming from various countries and share with them their experiences in the field of cooperation. I was able to understand how cooperatives are working in their countries. During the stay, I was able to interact with them about their culture, civilization and development.

Every participant briefed the background of the working of the cooperatives followed by case studies. How various cooperatives have been functioning right from gross root level to National level. How they are accounting for the socio-economic development of farmer member in cooperatives.

..3..

\*Vaikunta Mehta National Institute of Cooperative Management, PUNE.

During field study visits, I understand Milk Unions in Gujarat State, Processing units in Maharashtra State were very much successful in India. Because of the good management in these cooperatives, the movement has become successful and farmer members are getting good income for their produce.

In Thailand, the cooperatives are striving hard to provide better facilities to farmer members. During field study visits, I observed that Primary Agricultural Cooperatives are providing all needs like Farm Guidance, Credit, Fertilizers, Marketing etc.

In Japan and South Korea, Cooperatives are doing excellent work in achieving the objective of increasing the income of a farmer member. Though they are small countries they have achieved self sufficiency in Food Grains. All types of cooperatives viz. PACS, Marketing, Fisheries, Processing, Livestock, National Federations, Milk Unions etc. are committed for the welfare of the farmer members. Another interesting thing which I noticed was that the Government of Japan and Government of South Korea are supporting the cooperative movement in all respects.

One of the component of the Training Programme was that every participant was asked to prepare a project paper based on the training received. As per that, I had an opportunity to prepare a project paper on potato development through Integrated Cooperatives in Hassan Taluk, Hassan District which no doubt will help the farmer members to increase their income, on its implementation.

c) How have you been able to make use of the learning and experiences in your current work;

On my return from ICA/Japan Management Training Programme, in association with Senior Officers of the Bank, I had prepared project paper on Establishment of Cooperative Management Development Institute in our Bank under the financial assistance from RCBO Bank, Netherland Government. The Project Proposal was sent to Robc Bank, Netherland Government seeking its financial assistance. The estimated project cost was around Rs.1900.00 lakhs and the assistance sought from them was around Rs.700.00 lakhs. I am happy to inform you that the Netherland Government has already accepted the proposal and agreed to extend the financial support. Formalities of entering into agreement between the two governments, is yet to be completed.

The salient features of the proposed Training Institute is to provide training facilities to the employees and non-officials working in various types of cooperatives in the State of Karnataka. Special emphasis will be made to organise Women Cooperatives manned and controlled by them in all districts.

I am working in State Cooperative Apex Bank. This is a premier credit organisation, at the State level catering to the credit needs of all Agriculturists in the State. All PACS/Marketing Societies/Processing Societies/Milk Unions are members of the District Central Cooperative Banks and in turn all DCC Banks are members of our Bank. The entire Agricultural Credit channalise through our bank itself.



We appraise the credit limit applications received from CCBs and forward to NABARD for getting sanction of credit limits to all CCBs for advancing khariff and rabi crops. As and when the drawal applications are received from CCBs amount will be released immediately. This would help all CCBs to provide financial support to respective PACS.

Training is an essential input for the personnel working in cooperatives. Training facility has been arranged by our Bank for both employees and non officials working in PACS.

2. INFORMATION ON THE PROJECT PREPARED BY YOU

a) Title of the Project, its salient features;

The title of the project is "Potato Development Through Integrated Cooperatives" in Hassan Taluk, Hassan District, Karnataka State. The salient features of the project are:

- i) To increase the income of the potato growers in the project area.
- ii) To provide strong and sound marketing channel for potato which will be run and controlled by the growers themselves.
- iii) To improve the profitability of potato by providing technical know-how, plant protection and disease control to the growers.
- iv) To provide marketing and processing facilities for value addition.
- v) To motivate potato growers through interaction and involvement to develop local leadership for developing the economic and social activities

(vi) To help the producer members to secure better market for their produce by increasing stock retention capacity and processing activities.

b) If the project proposal has been implemented, what is the current status, its achievements, and how far have you been able to involve yourself in the implementation of the project:

The project has not been implemented so far. However, the current status is as follows; In view of several difficulties faced by the potato growers in the project area, progressive growers assembled and discussed the problems such as non-availability of credit, seeds, fertilizers and pesticides, marketing problems, distress sales of potato etc. They decided to organise their own cooperative exclusively for the benefit of potato growers in the district. The Pilla Parishat Chairman was chosen as the Chief Promoter to promote/register the society under the style "Potato Growers Marketing & Processing Society Ltd.," Hassan Taluk, Hassan District. As required, the proposal was sent to Joint Reg. of Coop. Societies for getting the society registered under KCS Act 1960. Without a separate organisation, it will be difficult to provide the necessary facilities to the growers.

Recently the Government of Karnataka has decided to construct 1000 MT capacity cold storage in the project area at a cost of Rs.36 lakhs. The required land has already been acquired by the society. The HOPCCMS\* has been asked to take up the construction of cold storage in the project area. There is another proposal for construction of cold storage of 1000 MT capacity by the Karnataka State Cooperative Marketing Federation.

..7..

\* Horticultural Producers Cooperative Marketing Society

If once the cold storages are made available to the growers, the distress sales could be avoided when there is market glut and the farmer members may get better market price for their produces.

The project area is about 200 Kilometers away from Bangalore, the place of my working. The Administrative Office of the HOPCOM for which the Government of Karnataka has sanctioned a loan of Rs.85 lakhs to take up the construction of cold storage of 1000 MT capacity is also located at Bangalore. Hence, it will be easy for me to pursue HOPCOMS & KSCMF to start construction of cold storages early.

c) Problems faced in the implementation of the project, for instance, organisational problems, financial constraints, your own personal problems;

The growers will not come united to get the society registered and to bring pressure on the Government for early registration of the society. Unless, the society is organised and registered, the growers will not collectively think of their problems, faced by them, at present. Though, they are facing severe problems like inadequate credit facility from the DCC Bank, non-availability of fertilisers and pesticides, non-availability of quality seeds, non-availability of farm guidance etc., the farmer members are not taking keen interest in organising the cooperative.

As the project area is quite far off, it is difficult for me to contact the growers frequently. However, I am influencing the growers to take interest, to overcome the problems faced by them, so that the socio-economic status of the grower members would be improved.

d) How were you able to overcome the problems in the implementation of the project;

In view of the decision of the Government of Karnataka to provide 2000 MT capacity cold storage in the project area, the problem of storage will be solved. It would definitely provide value addition to the grower members of the project area. However all required facilities are not available to the grower members until the proposed society is registered and started functioning.

e) What could be the most probable solutions to the problems in the implementation of the project:

The Registrar of Cooperative Societies in Karnataka, Bangalore who is the registration authority has to give his approval of registration immediately. The local leadership from among the grower members should come forward and bring influence on the concerned for obtaining early registration of the society and also the loan for acquiring land and construction of building. Unless, this is done, the farmers in the project area will not get the benefit of timely credit, fertilizers and pesticides, facility of farm guidance and others. Therefore, there is a necessity of new marketing and processing society exclusively for the benefit of potato growers in the project area.

3. PROGRAMME UTILITY:

a) How far you found the training programme useful in the context of your own work, from the point of your Organisation:

Curs is a premier credit cooperative institution in the State of Karnataka. All the funds are being channelised through our Bank only. In a 3 tier system we arrange for sanction of credit limits from NABARD to the CCBs in the State, where all the Primary Agricultural Cooperative Societies are the member borrowers. Thus timely credit is ensured to the borrower members.

Training courses are being conducted for both the employees and the Directors/Members of the Coopeatives, every year.

By conducting periodical inspections, the Cooperatives Organisation will be guided in their working. Meetings/Seminars are being organised by the CCBs for the benefit of the members of PACS.

b. What could be the new additions to the programme:

In my opinion, the methodology adopted and the subjects discussed in the training programme seems to be adequate. since participants working in different types of cooperatives are being selected for the training programme, there is a scope to discuss the problems faced by the respective cooperatives in providing facilities to the farmer members vis-a-vis how these organisations be built and improved so that member farmers income would be increased. Therefore for practical study, one good working cooperative institution in each type of cooperative viz., Banking, Marketing, PACS, Consumers, Processing, Land Development may be selected so that the participants would be benefited to know the working of different types of cooperatives.

c. What could be deleted from the Programme:

The syllabus set for the training programme particularly for the I Part of the training programme is voluminous. The syllabus may be condensed.

4. SUGGESTIONS AND RECOMMENDATIONS:

The ICA (ROAP), New Delhi has been continuously arranging seminars/work shop/training programmes for the benefit of the Management Personnel working in the cooperative institutions. Such seminars/workshops/training programmes would definitely enhances the knowledge and skill of the management personnel.

The ICA is striving hard to promote the principles of the cooperation throughout the world. The input provided to the management personnel in the form of training programmes would certainly help them to develop the cooperative institutions.

The main intention of the Management Training Programme organised by ICA was to provide an opportunity for the Management Personnel to study the different types of Cooperatives in the Sub-Continent of Asia and to further improve the socio-economic conditions of the farmer members. One of the component of the ICA/Japan Management Training Programme is to prepare a project based on the training received by the participants. So that the training should be useful to the organisation and on implementation of the project, the farmer members will be benefited. Most of the projects prepared by the participants could be implemented provided the local leadership comes forward as the whole objective is, how to increase the income of the farmer members in cooperatives.

In order to make the training programmes more purposeful, the ICA may have to take up the following steps:

- a Financial assistance to the projects for their implementation.
- b The ICA should correspond with the organisations responsible for implementing the projects.
- c The ICA should review the progress of the projects periodically.
- d The ICA should extend financial support to the participants to follow up the projects prepared by them.

A STATUS PAPER PREPARED BY L.S. RAWAL, Sr. Area Manager KRIBHCO Moradabad (U.P.) one of the former Indian participant of the 4th ICA/Japan Trading Course for strengthening management for Agricultural Corporation in Asia, October 23, 1989 to May 1990. In the national review work shop on Management of Agriculture cooperative of the former Indian participants at New Delhi 1 to 3rd Dec. 1993.

---

It is really a appreciable decision of ICA/New Delhi to hold National-wise follow up review workshop of the former participants of the ICA/Japan Management Trading Course . It is an opportunity to former participants to get together and exchange their notes with regards to work and implimentation of their projects , and also to exchange their notes to the current course participants, & idea of ICA officials.

#### BACK-GROUNDS

##### INTRODUCTION OF THE 4th ICA/JAPAN MANAGEMENT TRAINING COURSE:

The 4th ICA/JAPAN training course for strengthing management of Agriculture Cooprstive and Asia commenced in Delhi Bono-House on 23rd Oct. 1989, and was attended by 15 participants from 9 Asian and pefic countries under the dynamic & appriciable leader ship of Mr. M.V.Madana Project Director, The traning course was organised in 4 countries i.e. India, Thiland, Japan, and Koria and was concluded in republic of Koria on Dated 10 May 1990.

The main objective of traning course through this project is to help, strengthen and improve agriculture cooperative performance in the Asian Region in order to try about a qualitative and quantitative improvement in Cooperative Services to member farmers at the root level. The over all aim is to help improve members income and ensure his active participation in cooperative movement.

##### A. BRIEF INTRODUCTION OF THE 4th ICA/JAPAN MANAGEMENT TRAINING COURSE:

###### Module on integrated cooperative developement:

1. In a week period from 23 Oct to 31st Oct 1989, particepents presented country papers of their respective

country give a little idea of cooperative movement and also structure of Agriculture Cooperative.

2. 1st Nov. to 7th Nov, period learnt from faculty members from I.I.M. Ahmedabad in class room, regarding integrated cooperative development, management and planning, project designing through case study like sarang cooperative society and Rayal Multi purpose cooperative society etc.

3. During this period potential for developing integrated project demand analysis demand for casting, basic cost concept and analysis through case study each case study was followed by group discussion and group presentation by participants.

Module on planing and management;

The planing and management part of the traning were the most difficult part of the traning commenced from 8rth Nov. to 26 Nov. 89, During management techniques through class room excrecise, group presentation and discussion was the back bone for study the different type of Agriculture Cooperative.

2. We have learn break even analysis cash flow, time value of money, tecniques of investment analysis and private and social cost benifit analysis through Prasad Cotten Mills, BTR Ltd. and XYZ Casin Ltd Cases.

3. For analysing the report we have learnt the computer and used for presentation . 16 to 26 Nov. financial analysis and planing management through straw board project and Jassamy Brothers Case.

4. Feel study visits in India:-

27,th Nov to 13 Dec 1989 visited different type of Agriculture Cooperative in Gujrat State like Amul Dairy complex and oil deed product Cooperative in Anand. The Society which we have visited a real agricultural cooperative movement in Gujrat.



In Maharashtra attended a workshop in Vamnicam Pune in Ahmad Nagar and Nasik visited many cooperative societies after visiting the society some points has come up.

Cooperative Society should be diversified on other business also and should linked with marketing and processing of their product then only maximum profitability will be come up. Agricultural Cooperative are doing only credit business and input supply business which has little margin of profits.

#### FIELD STUDY VISIT IN THAILAND:

From 26 Dec. to 7 Jan. 1990 visited Agriculture Cooperative Federation of Thailand, Bank of Agricultural Cooperative and other pacs. Some points come up related :

1. The Cooperative Movement Thailand is very weak suffered from weak Federal Structure and lack of professional management.
2. There is more domency of movements managers in societies which effects the efficiancy.
3. There is an inadiquate infrastrecture of the Cooperative Society which always effect the Cooperative Movement and there were no link of apex fedration with pacs.

Visit were very effective and there is vide scope of cooperative movement in Thailand.

#### HOME COUNTRY ASSIGNMNT :-

It was an important component of the training programme is the participants has to prepare a agro vase agriculture project, value adding through processing specifit to their own location during 45 days stay in their home country.

I have prepared a project on Feasibility report on marketing of potato in Meerut

#### PROJECT APPRISAL SECTION AND TRAINING COURSE IN JAPAN:

Ind part of the training programme was organised by the Institute for development of Agricultural Cooperative in Asia (IDACA) Tokyo Japan, particepents arrived on dated 24th and 25 feb, 1990 in Tokyo Japan.

The participants presented their project report in Idaca Prof. Gaikward of IIMA and Sri M.V. Madane the project director of the training course give their valuable suggestions to improve the project.

2. The expert from various field narrated the Japanese experience in agriculture, Cooperative and other social changes vice-a-versa and the rapid growth after second world war. During the field visits of Agriculture cooperative in Japan we realized that in real sense Japan Cooperatives are well managed, Planned and also doing many projects value adding to their members in their country.

3. The agriculture cooperative spread their activities like economic and welfare to their members are as follows, Farm guidance legislative activity educational and public relation activity social welfare mutual insurance, better living guidance Consumer items marketing and purchasing of Agro inputs and credit business.

Japan Agricultural Cooperative are the strongest movement in Asian Country but they are also facing problems in various business and very small. If we compare with private sector due to trade liberalizations of Agro products.

FIELD STUDY VISITS IN REPUBLIC OF KOREA. (26 Apr. to 10 May 90.)

Participants arrived in Seoul (Korea) from Japan and visited Agricultural Cooperative fishery Cooperative live straw Cooperative etc. The Cooperative Movement and structure in Korea is the same as we have seen in Japan but they are in developing stage in comparison to Japan.

IN WHAT WAY YOU HAVE BENEFITED FROM YOUR TRAINING:

This programme was carried out in four countries and participated from 9 countries so during 7 months long training period we have learned the culture of the different countries with regards religion & also studied real life of the rural peoples. I have developed myself to live and work in different culture religion climate & status of peoples which is a great achievement for me.

And with regards my nature of job being a manager I have learned a real cooperative movement in Japan as well as another country of Asia which enhance my knowledge in a proper way.

BENIFITS OF LEARNING AND EXPERIENCE IN MY CURRENT WORK:

Being a manager in a National Level farmer Organisation Kribhco which is working at route level, my present duties including supervision marketing of our produce PACS to the farmers and also giving transfer of latest technology directly to the farmers by organising meetings traning demanstrations Exivitions and also fertiliser promotions in rural area. I am giving my specific imphasis to farmers to participate in their PACS activities and also encureage. PACS to made there business plan to give maximum return to the members of the society.

I am also encurasing to the farmers more and more membership and also including the PACS for reduce in their expenditure for making more PACS vible on the basis of cost concept.

WITH REGARDS MY ORGANISATION BENIFITS:

If the farmers benifited through PACS then directly or indirectly my organisation will be benifit due to increasing PACS membership with Kribhco and social status of rural area my maximum sale of our product.

INFORMATION OF THE PROJECGT

Title and salient features of the project:

Title of the project:- Facibility report on marketing of potato in Meerut.

The area of operation of the project is in 30 Villages with in a radies of 5 Km. of Nagli Kithor, Distt. Meerut and will be benifited to the 400 farmer members by generating higher income for them. The main onjective of the project is to marketing and processing of potato so as to retain the remunerative price to the potato grovers.

The project envisage a better marketing alternative for grovers by organizing their own expenditure, which will procure total potato produced and will marketed in Delhi Bombay Mandi as well as in local Meerut Mandi.

At initial stage the project will be implimented by Cooperative marketing society Keser Ganj Meerut because potato grovers farmers potato society is a part of cooperative marketing society Keser Gang.

Potato farmers coop- Society in association with state farm. Will supply potato seeds to the grover members and P.G.F.Cooperative Society association with Kribhco will supply input intensive farm guidance and extansive education etc,. to the members.

Potato grovers farmers cooperative society (P.G.F.C.S.) in association with NAFID with sale their produce in Delhiand Bombay mandi and also arrange credit facility through primary cooperative society. It is presume that P.G.F.C. Cooperative society will distribute 50% Cooperative profit to their farmers every years and 50% will be deposited in reserve fund

The cold storage facility will be provided by Kesar Ganj Marketting society on rental vasis, in Ist five years society will do marketing and later on society can go for processing.

By implementation of this projects the farmers will get porofit by doing value edison.

REGIONS FOR NOT IMPLEMENTATION:

This project has not been implemented so far due to some reasons. Just after traning programme when I back to my country I was prepairing myself to put up the project to Kribhco Management and also with the cooperative departments, farmers and officials of the Govt. department the unavoidable situation was developed and I transfered from Meerut to Moradabad and all the officials from cooperative/govt departments transfered to different places in India decontrolling the phosplatic and potasic fertilizers by Govt.

taken up, under new economic liberalization policy all fertiliser manufacturers in country had to divert to formulate new marketing strategies in respect of sales, pricing, developing of new economic marketing zone etc. so this project could not implemented.

In Moradabad I remain extrimly busy in my current job, I could not spare time to go to the site even of the project during this period. Regarding Cooperative staff, they never bother for new project because they are not going to benefited by this project.

regarding initial financial expenditure no organisation is ready to pay, now again I will do my best effort to overcome but upto what extent I am not sure. First I have to contect cooperative department for registration of potato grover cooperative society than only I have to take other assistance from cooperative department as well as farmers with regards the facibility of the project in those areas some other private organisation is also comming up and doing marketing and also wanted to start processing and exporting the potato so there is a vide scop of this project implementation.

PROGRAMME UTILITY:-

I am working at the root level of society doing with marketing giving education to the farmers by adopting many programme like demonstration compain seminars soil testing facility village adoption programme cammand area development programme and organising farmers fair exhibition etc etc. I always tell to the farmers in the meeting what I have learnt in traning like value adding programme also discuss in all the way. Kribhco has also started value adding programme i.e. seed multiplication programme and installed to seed processing unit in U.P. By this programme many farmers will be directly benifited and vise-a-versa.

| As I have already mentioned the utility of the traning programme in the contest of my job in Kribhco management may assets the utility of my traning.

NEW ADDITION TO THE PROGRAMME:-

In India Milk Oilseed sugar cane and paddy etc.etc. has now become very common project in rural life it should be avoided and new small scale projects should be included if field visits and also main emphasis should be given to those projects like-mushroom cultivation, beekeeping piggery and sericulture etc.

Hand loom and weavers cooperative, Jute Cooperative society business should also be included.

Some project from hilly areas should be included in field study and also according their needs project should be allotted to participants for preparation and implementation.

Some studies should be included from tribal areas and project must be carried out.

In Japan some moderate small scale industries other than agricultural based project should be included in the field study.

DELETED FROM THE TRAINING PROGRAMME:

To study or visits of the common commodity base project like paddy sugarcane wheat dairy poultry etc should be deleted.

SUGGESTION & RECOMMENDATION:

As I have realised during 4th ICA Training Course that ICA must try to maintain the equal status of the participants with regards educational qualification nature of jobs and age groups which will may be helpful in learning and doing.

A tentative list of the project which has to be prepared during training course must be communicated to the sponsoring organisation & before joining guide line should be given for selecting the project according to the nature of job of the organisation it will be more helpful in implementation.

**NATIONAL REVIEW WORKSHOP ON MANAGEMENT OF  
AGRICULTURAL COOPERATIVES - STATUS PAPERS**

( From 1-3 December, 1993 at ICA ROAP, New Delhi )

R.P. GABA  
DY. MANAGER  
NAFED, NEW DELHI

I attended 5th ICA/Japan Training Course for Strengthening the management of agriculture cooperatives in Asia from 22nd October, 1990 to 10th May, 1991. The programme was conducted by the ICA with the financial assistance from Ministry of Agriculture, Forestry & Fishery of the Government of Japan.

The first part of the training course was held in the ICA Regional Office premises in New Delhi followed by study visits in Maharashtra and Gujarat. After finishing the home assignments, the training course was held in Thailand, Japan and Korea.

The objective of the programme was to help, strengthen and improve agricultural cooperative performance in the Asian region with a view to bringing about a qualitative and quantitative improvement in cooperative services to member farmers at the grass root level with the ultimate objective of improving members' income and ensuring his active participation in cooperative business. In all 15 participants drawn from various countries from Asian Region attended the training programme. The total duration of the programme was little over six months.

International Cooperative Alliance is enriched with the experience of cooperative management of different member countries and therefore, well aware of their problems as also the success stories in tiding over the problems. Indian Cooperative Movement also suffers from a variety of problems. The exposure gained during the training programme has certainly provided me an opportunity to study the cooperative movement of various member countries besides getting a

chance to interact with the faculty members. Resultantly, I feel professionally better equipped in terms of managing the affairs of my organisation more efficiently and effectively.

The title of the project undertaken by me was Cotton Processing & Marketing - Sanawad Cooperative Marketing Society Ltd., Distt. Khargaon, Madhya Pradesh (India). The project was taken up as Nafed and the Sanawad Cooperative Marketing Society were joint venture partners in the purchase, ginning, pressing and disposal of cotton. It had been realised that on account of limited processing and warehousing capacity, the farmers were not being adequately helped. Therefore, there was necessity to not only expand its capacity but also to modernise the Unit. It had been recommended in the project that 36 old Single Roller Gins be scrapped and 48 new modernised Double Roller Gins may be installed with automatic precleaner units. It was also recommended to create additional warehousing capacity by constructing storage space for additional 3000 bales of cotton. It was expected that by creation of additional ginning and warehousing capacity, the average working days in a year will be increased from the level of 120 to 150 days. In addition, it was expected that the Unit will establish proper linkages with the farmer members and encourage them to grow the right type of cotton so that they could get premium which could ultimately help them in obtaining more profits. The projected cost at the time of preparation of the project was of the order of Rs. 7.60 million.

On account of financial paucity, the project is being implemented in phases. In the first phase, 36 old single roller Gins have been scrapped and in their place 24 new modernised double roller Gins have been installed with automatic precleaner units. Similarly, additional storage space for storing 2500 bales has been created. As stated earlier, Nafed is having joint venture operations in cotton with the Sanawad Society for nearly one decade now. By virtue of this, I have been frequently visiting the unit and involving myself in the implementation of the project from time to time.



The project has not been fully implemented mainly on account of financial constraints. The National Cooperative Development Corporation is inclined to provide soft term loan for implementation of the project. However, the State Government has not agreed for contributing the matching share. The Sanawad Society has implemented the project in the first phase out of its own resources.

The major buyer of cotton bales in the domestic market is National Textile Corporation. On account of financial crunch, the off take by NTC mills has declined in the recent past. Further, though the production level of cotton in Sanawad area has remained more or less same, new ginning and pressing units have come up in the private sector providing tough competition to the Sanawad Society. Taking into account these factors, it is felt that the present capacity as a result of implementation of the first phase of the project is sufficient for the time being. Subsequently, as and when the necessity arises, the project can be completed by arranging finance from different sources including commercial borrowings.

The training programme has given an opportunity to understand the organisational structure of agricultural cooperative in Asia and introduction of various forms improving managerial practices. It has also helped in business planning for value addition through cooperative management. The training programme has also helped in resource mobilisation for cooperative development and induction of managerial personnel inform guidance in order to increase productivity and ensure their welfare and greater participation in cooperative activity. As stated earlier, I have been greatly benefitted professionally in the discharge of my responsibilities which inter alia, is the gain for the organisation.

The present module of the training programme is by and large satisfactory. However, it was felt that considerable time was allocated for project appraisal in Thailand and two weeks' study visit in Thailand could possibly be curtailed.

NATIONAL FOLLOW UP REVIEW WORKSHOP OF FORMER  
PARTICIPANTS OF ICA/JAPAN MANAGEMENT TRAINING  
COURSE FROM 1ST DECEMBER TO 3RD DECEMBER 1993.

A REVIEW PAPER FROM  
ZILEY SINGH  
PARTICIPANT OF 5TH ICA/JAPAN  
MANAGEMENT TRAINING DURING  
1990-91  
DEPUTY DIRECTOR(COOPERATION)  
MINISTRY OF CIVIL SUPPLIES,  
CONSUMER AFFAIRS AND  
PUBLIC DISTRIBUTION  
KRISHI BHAWAN, NEW DELHI.

NATIONAL FOLLOW UP REVIEW WORKSHOP OF FORMER  
PARTICIPANTS OF ICA/JAPAN MANAGEMENT TRAINING  
COURSE FROM INDIA

a) Brief Introduction - I attended fifth ICA/Japan training course for strengthening of agricultural cooperatives in Asia with particular reference to India, Thailand, Japan and Republic of Korea from October, 22nd, 1990 to May 10th, 1991. This training course has provided an opportunity to acquire knowledge of the various aspects of strengthening the management of agricultural cooperatives and also to learn the techniques of formulation and implementation of the projects in the cooperative sector. During the training various sizes of cooperatives societies were visited to study their functioning in India, Japan, Thailand and Korea. The main objectives of the training was to acquaint the trainees with the ways and means to increase the net income of farmers/ producers who are working under the umbrella of Cooperative Sector.

(i) In India

b) Organisational Structure - Four tier organisational structure exists in the agricultural cooperative sector. At the village level there is a primary society, at the district level federation/Central societies in which primary societies are members. District /Central societies federate at the State and become members of the State level cooperative federation. At the national level there is a National level Cooperative Federation in which State level Federations are members.

(ii) In Japan, Korea three tier organisational structure is in existence. Nomenclature of these tiers are different in all three countries. In Japan at the village level there is primary agricultural societies. These primary societies formulated a pre-factual federation which is synonymous of a district in India. These pre-factual federations confederated at the national level in a Cooperative Federation.

b) Benefit derived from the training: This training has provided an insight into the working of the cooperative in the Asian countries of Japan, Thailand, Republic of Korea and India. The trainees have gained knowledge of the practical and theoretical aspects of the functioning of the societies in Agriculture Cooperative Sector, their working problems and measures undertaken to overcome those problems.

The trainees were provided unique opportunity to hear a talk by the experts from the Indian Institute of Management, Ahmedabad, India in the field of designing integrated rural/agricultural development projects, identification and preparation of the projects, project appraisal, cost and economic analysis, designing, structuring, operational management, monitoring and evaluation aspects of the project thorough ly. This exposure has not only benefitted the knowledge bank but has provided an effective tool and technique to formulate, implement and monitor the projects, in their respective countries. For strengthening the management techniques in agricultural sector this training has expanded the horizons of my experience and has been very useful in my day to day work. Myself being a senior level officer in Government of India I have utilized this knowledge in formulating, providing financial assistance and monitoring the projects sanctions to the agricultural cooperatives.

THE PROJECT FOR SETTING UP A FRUIT PROCESSING UNIT

Name of the Project :- Fruit Processing Unit  
Location :- Village Narkhed, District  
Nagpur, Maharashtra State, India  
Sponsored by Vasant Dada Sahakari  
Santra (Orange) Prikriya  
(Processing) Karkhana Ltd.,  
Narkhed, Nagpur, Maharashtra

INTRODUCTION:

India is endowed with rich horticultural resources. Fruit cultivation is an important remunerative source of income for farmers. According to an estimate about 22-25% of fruit production goes waste due to inadequate post-harvest management. At present less than 1% of the total production is preserved by processing the horticultural produce.

There is a tremendous scope <sup>not</sup> for fruit preservation and processing activity which/only will increase the availability of the food stuff in the country but will also increase income of the individual farmer as well as the national income.

Inhabitants of the village Narkhed and round about area of District Nagpur in Maharashtra State, are dependent mainly on the horticultural crops. The main items agricultural produce of these villages is orange, lemon, tomato and coarse grain. Coarse grain is the staple food of the people and they earn a very marginal income from the horticultural produce. In order to uplift the socio-economic conditions of the farmers of this area as well as of the farm labourers it was necessary to create some allied agricultural industrial activity to increase income of the farmers as well as to provide additional employment opportunities to the people in the factory to be set up to supplement their income. Since, there was abundance of orange, lemon and tomato in this area and the location was suitable for setting up a processing unit to process these fruits into concentrates syrup, ketchup etc. Though this unit it was envisaged to overcome problem of procurement and marketing of the produce by processing the fruits on one hand and

also to extend technical assistance , seed/plant, fertilisers insecticides, finance etc. to the farmers/grover s for improving the quality and yield of their crops.

A study survey revealed that about 200 tonnes of raw material in shape of orange, lemon and tomato will be available for processing. Necessary expertise for the processing of the produce was available in the country but it was observed that industry has been operating on conventional lines and no efforts have been made to modernize the industry to adopt improved technology in processing and packaging which is common in the western world. In order to derive optimum results from this unit, it was proposed that the machinery and equipments would be imported since they were not available in the country. This unit will be a unique venture established in the cooperative sector for the first time. A project Report was prepared based on the spot study and after ascertaining the views of the farmers/grover s, Government officials of agriculture and horticulture Departments, marketing and financial institutions. The salient features of the proposed project were as under:-

- i) Proposed location : Narkhed, District Nagpur, Maharashtra.
- ii) Plant and Machinery : Imported
- iii) Capacity: 80 tonnes per shift or 200 tonnes per day on 3 shifts basis.
- iv) Raw Material requirement : ( In tonnes )
  - Orange 33,750
  - Lemon 10,400
  - Tomato 6,400
  - Mango 6,200

Contd...

|                           |                          |        |    |
|---------------------------|--------------------------|--------|----|
| v) Product Mix(in tonnes) | Orange Juice concentrate | 2700   |    |
|                           | Lime Juice concentrate   | 810    |    |
|                           | Tomato paste             | 912    |    |
|                           | Mango Pulp               | 1688   |    |
| vi)By-Product(in tonnes)  | Essential oil(Orange)    | 40.50  | 50 |
|                           | Peel Oil(Orange)         | 54.00  |    |
|                           | Essential Oil(Lemon)     | 10.00  |    |
|                           | Peel oil(Lemon)          | 13.50  |    |
|                           | Tomato seeds             | 60.00  |    |
|                           | Mango Seed               | 800.00 |    |

vii)Capital cost of the project(Rupees in lakhs)

|                             |               |
|-----------------------------|---------------|
| Land & Development          | 5.35          |
| Civil works                 | 46.55         |
| Plant & Machinery           | 519.00        |
| Imported                    | 460.00        |
| Indegenous                  | 59.10         |
| Pre-operative expenses      | 106.00        |
| Margin Money                | 150.00        |
| Contingency                 | 40.00         |
| Total:                      | <u>867.00</u> |
| Trng.& Other Dev. Services. | 23.50         |
| Grand Total:                | <u>890.50</u> |

viii)Sources of Finance(Rs. in lakhs)

|   |               |
|---|---------------|
| a. Loan from N.C.D.C. through State Government(70% of the project cost of Rs.867 lakhs)                               | 606.90        |
| b. Share capital from State Government (22.5% of the project cost of Rs.867 lakhs)                                    | 195.08        |
| c. Share Capital from member growers (7.5% of the project cost of Rs.867 lakhs)                                       | 65.02         |
| d. Subsidy for training and development services (50% of the total cost of Rs.23.50 from each of NCDC and State Govt. | 23.50         |
| Total:  | <u>890.50</u> |

This project Report was processed by National Cooperative Development Corporation for providing necessary financial assistance. NCDC after critical analysis and minor modification/alteration in the project sanctioned their portion of the financial assistance. The financial assistance sanctioned by NCDC is routed through the State Government. The respective State Government is also required to contribute their equity share and release the assistance sanctioned by the NCDC alongwith its equity share to the Society. The State Government of Maharashtra for the reasons best known to them has not agreed to release their equity share for the project. The Society due to paucity of funds could not implement the project. Since, the State Government did not come forward to release its share of financial assistance for the project, NCDC later on also cancelled the sanction. However, later on during the informal discussion with the NCDC officials it was learnt that NCDC has referred this project to the World Bank under NCDC project which is yet to be cleared by the World Bank. In this connection the discussions held at Bangkok for appraisal of the Project Reports, several international financing agencies participated. A request was made to them for considering to provide financial/technical assistance for such projects. It is understood that no positive response has been forthcoming from these financial institutions for the projects so far. International Cooperative Alliance may like to take up this issue with the International Financing agencies at appropriate level to make them agree to come forward to provide financial assistance at least to few projects in some of the Asian countries including India.

It will be useful in addition to agricultural cooperatives some other types of cooperatives, are included in the programme in order to enable the participants to have some knowledge of the functioning of some societies of other cooperative sectors.



## RECOMMENDATIONS AND SUGGESTIONS:

- i) It is suggested that such type of training programmes are necessary for the people working in the cooperative sector especially in developing countries like India, Bangladesh, Brilanka, Thiland, Phillipins etc.
- ii) It is suggested that modern management technique and equipments may be introduced and adopted in the cooperative sector to enable them to face stiff competition provided by the multi-nationals and private trade especially in the developing countries.
- iii) There is a need to reconsider the organisational structure of the agricultural cooperatives.  
In Japan and Korea they are thinking to reduce the 3-tier system to 2 tier system. Similarly in other developing countries the organisational structure should be reviewed. In India there is a need to reduce it from 4 tier system to 3 tier system.
- iv) The cooperative institutions in some of the Asian countries are allowed to undertake activities of Banking and Insurance. These societies are earning in the Banking and Insurance sector and on the strength of this earning they are able to serve the agriculture, consumer and other sectors which are not proving to be so economically viable.
- v) The training programme for the workers and members involved with the cooperative sector needs to be strengthened. Training facilities, modern techniques and equipments may be provided in order to expose the workers and members with the latest technology. It will enable the members to develop the managerial or technical skill of the workers and the Executives to match with skill of people working with the multi-nationals and private sector.

Contd....

vi) Better training will equip the Chief Executives to run the institutions on the modern concept as is being done in Japan and Republic of Korea. These Chief Executives are responsible for all day to day administration as well as business. In India the cooperatives have to depend on Government for finances, men and material. In large number of societies, top executives are posted from the Government bureaucracy or with the approval of the Government. Efforts are required to make cooperatives self-sufficient in all respects.

vii) In the training, trainees were exposed to the modern concept of management, facilities for the use of computers, was arranged. The time on computer to learn provided to each trainee was very short. ICA may consider to provide more time on computer to the trainees so that they can derive some benefits from them.

viii) More practical and on the spot study should be arranged for the trainees.

\*\*\*\*\*

A STATUS PAPER, PRESENTED BY Dr.R.N.KUNDU, IFFCO HISAR- One of The Former Indian Participants of The Sixth ICA/Japan Training Course For Strengthening Management of Agricultural Cooperatives In Asia : Oct.21, 1991 -May 10, 1992 in the NATIONAL REVIEW WORKSHOP ON MANAGEMENT OF AGRICULTURAL COOPERATIVES, Of the former Indian Participants At New Delhi : 1-3, Dec. 93.

---

It is, indeed, a praiseworthy decision of the ICA-ROAP, New Delhi to hold nation-wise follow up review workshops of the former participants of the ICA/Japan Management Training Courses. The workshops may provide excellent opportunities to the former participants to share their experiences regarding the implementation of their projects and making use of the managerial inputs, received during the training course, in their day to day work during the post training period. The workshops may also help to afresh their association with the ICA. So, to have a meaningful exchange of ideas, I brought forward the factual status of my project proposals and my experiences regarding the utility of the training course in my present job.

**1. Background :**

**(A) Brief Introduction of the 6th ICA/Japan Management Training Course:**

The 6th ICA/Japan Training Course for Strengthening Management of Agricultural Cooperatives in Asia, commenced in New Delhi on 21st Oct, 1991, was attended by 15 participants from 12 Asian & Pacific Countries. The training course, spread over four countries, namely India, Thailand, Japan and Peoples' Republics of China, was concluded in Beijing, China on 10th May, 1992. The course was having a well conceived combination of classroom learning of the magagement concepts, project formulation techniques and exposure to the varied real life situations through field study visits to the agri.coops. in these four countries.

**-Management Module :21st Oct, -5th Dec. 91.**

To begin with the course, the participants presented country papers on cooperative movement in their respective countries which gave a little idea about the existing status and structure of agricultural cooperatives in Asia & the Pacific Region. During the remaining 7 weeks period of the class room learning uptill 5th Dec. 1991, the learned faculty members from IIMA, headed by Prof. A.H.Kalro elaborated various concepts on Integrated Cooperative Development, Management and Planning, and Project Designing thru' case study method. Each case study was followed by group discussion and group presentations by the participants. The management module covered a comprehensive list of the managerial aspects; viz. Appropriate Management System For Agri.Coop; Business Planning; Basic Cost Concepts, Break Even Analysis; Financial Management; Investment Analysis etc.

The management module exercises were the most difficult part of the training course but lateron, the hard labour during the class room learning proved to be like a Mother's Labour Pain which resulted into sweet fruits. An understanding of the management techniques thru' classroom exercises laid out a foundation for studying the different types of agri.coop during the field visits.

**-Field Study Visits to Agri.Coop. in India :Dec. 6-19, 1991.**

The field study visits to different types of agri.coop in Gujrat and Maharastra states were concluded by a 3 days workshop on Agricultural Marketing/Processing, held at the Vaikunth Mehta National Institute of Cooperative Management, Pune.

Following observations could be drawn from the 1st part of the training course in India, in respect of strengthening the agricultural cooperatives.

- i) Cooperatives are economic institutions, whose primary objective is to increase member's income; whereas most of the existing

agri.coops. behave like social organisations and implement the government policies at the cost of their member's interest.

ii) The agri.coops are dominated by credit business followed by the input supply business, both of which have a little margin; so the cooperatives are not viable.

iii) A study of milk, sugar, fertiliser and a few other agri.coop suggests that the successful coops can be formed by keeping some industry at the centre of its activities, backed by a very professional management which may ensure an effective management of resources and member's participation in day to day functioning of the society.

iv) The existing agri.coop should be diversified into marketing and processing of agro products to make them more viable.

-Home Country Assignment On Project Formulation :Dec. 23,91  
-Feb.4,1992.

All the participants returned to their home countries and prepared agro-processing projects, specific to their own locations on the theme, "Add Value to Primary Agro Products thru' Processing". The exercise proved to be very useful in translating the managerial inputs, received during the management module into viable projects.

-Project Appraisal Session & Field Visits to Agri.Coops in Thailand:  
Feb 5-29, 92 :

The participants presented their respective Projects in Bangkok and Prof. V.R.Gaikwad of IIMA and Sh.M.V.Madane, the Project Director of the Training Course gave usefull suggestions to improve the projects.

The field visits to agri.coops in Thailand revealed that the cooperative movement is very weak and suffers from weak federal

structure, inadequate infrastructure, lack of professional management, domination of credit activities etc., alike Indian Cooperatives but the amalgamation process, preparation of business plan for individual PACS and working of a large number of women managers were the district notable features of Thailand coops. In the context of revitalizing the agri.coops, a recent proposal of the Bank for Agriculture and Agricultural Cooperatives (BAAC), an apex bank for rural development, envisaging the establishment of BAAC-AMC system attracted the attention of everyone. The system proposed to have a joint venture committee at the national level, owned by the coops, the BAAC and the principal input supply and farm-produce marketing private companies.

-Training Course in Japan: March, I - April 25, 1992:

Second part of the training course was convened by the Institute For Development of Agricultural Cooperation in Asia (IDACA), Tokyo, Japan. The experts from various fields narrated the Japanese experiences in Agriculture, Agricultural Cooperatives and Other Social Changes vis-a-vis the Rapid Economic Growth in Japan after second world war. The field study visits to agri.coops. in Kumamoto and Shizuoka prefectures offered an interesting case to learn as to how the Japanese Agri. and Agri.Coops survived during the fast changing economic environment from agrarian to industrial society. The observations are summarized below :

i) Japan had 14,000 agri.coops by the end of 1948, mainly engaged in the traditional credit and farm guidance businesses.

ii) The 'Rapid Economic Growth' period (1955-75) witnessed an all round economic growth in the war torn country brought a gradual change in the working conditions, the food habits, the social values etc. These changes poised a serious threat to the traditional agriculture and agricultural cooperatives.

iii) The Central Union of Agri.Coops (CUAC) initiated the Integrated Business Planning for Agri.Coops in 1955.

iv) The Agricultural Basic law laid the base for New Coop Policy in 1961, which emphasised a) New Villages Construction; b) Suitable Products For Suitable Land; and c) Transformation of Agriculture from Subsistence to Agriculture for Economic Growth.

v) A process of amalgamation of the agri.coops, initiated in 1970 under the Law of Amalgamation Assistance reduced the number of the coops to 3500 by the end of 1991. The process is still continued and it is targetted to further reduce the number to 800 by the turn of the 20th Century. This process enlarged the scale of the coop. management and made them more viable.

vi) The enlarged agri.coops. spread the umbrella of their economic and welfare activities to help the members in every aspect of their life; as summarized below :

a) Farm Guidance; b) Better Living Guidance; c) Marketing of Agro-Products; d) Purchasing of Agrq-inputs & Consumer Items; e) Credit Business; f) Mutual Insurance; g) Utilisation & Processing Business; h) Social Welfare Business; i) Educational and Public Relation Activities; and j) Legislative Activities.

Though Japanese Agri.Coops are the strongest cooperative movement, if compared with agri.coops in other Asian Countries, but their contribution to various businesses is too small, if compared with the strong private sector in Japan. The Japanese Agri.Coops are still facing a great pressure from the Trade Liberalisation of Agro-products under GATT-Negotiations and the ever reducing share of agriculture to the Gross Domestic Product, which presently stands at merely 2 per cent.

-Field Study Visits in People's Republics of China: April 26, -May 10, 1992:

It was, totally, a different experience to study the

management and structure of Agri.Coops in China, in a complete state controlled economy. The weak cooperative movement in China is, gradually, gaining strength, where the state control is being slowly loosened in different sectors of Chinese economy since 1978 under the Economic Reforms Plan. The Cooperatives in China are gradually replacing the state ownership and increasing their share in various businesses; viz. purchasing, processing, marketing, catering services, trade and tourism.

The training course was concluded in Beijing on 10th May 1992 after a six months long management study of agri.coops. under different socio-economic and political systems.

**(1B) Benefit From The Training Course :**

- i) The interaction with the fellow participants enhanced my knowledge about the socio-economic structure of the participating countries.
- ii) The understanding of the Basics of Professional Management gave me a better insight as to how to look at a given management situation.
- iii) The training course helped me to broaden my mental horizon and now I look at cooperatives in the broad perspective of the National Policy rather than individual commercial entity.

**(1C) Use of Learning & Experiences In My Current Work:**

The learning and experiences during the training course are very useful for my present work as Area Agronomist in IFFCO. My present duties, broadly, include supervision and development of field officers, who carry out farmers educational and fertiliser promotional activities in rural areas; organise training for the secretaries of the PACS, and Seed Multiplication Programme. The specific uses are given below :



i) I focus my attention to encourage the member's farmer to participate into their PACS activities and to encourage the secretaries of PACS (Mini Banks) to make their 'Business Plan', assess their annual performance and try to give maximum services to the members.

ii) I am trying to use several basic cost concepts, especially the break even analysis, turnover of the storage space, inventory carrying period etc. at the level of field officer circle, FSCs, Area Office and SMP; so as to decide the minimum level of business turnover by these individual units, for covering up their fixed costs.

## 2. Informations on the Project prepared By Me During the Training Course :

### (A) Title and Salient Features of the project:

- \* Title of the project : Sunflower Seed Oil Cooperative Mill.
- \* Implementation : It was envisaged that IFFCO, New Delhi will promote, 'The Sunflower Seed Growers Coop. Society Ltd', Fatehabad.
- \* Area of Operation : Hisar and Sirsa districts in Haryana State (INDIA).
- \* Objective : To increase income and productivity of the Sunflower Seed Growers and harness the potential of a newly introduced but fast expanding Sunflower crop by installing an Oil Expelling Mill.
- \* Target Group and Benefit to Members : 10,000 Sunflower Seed Growers, Covering an area of 15000 ha in the area of operation, Procuring 70% of the raw material from members @ a minimum of 15 per cent over and above the open market price.

\* Capacity and capacity Utilisation of The Mill :

| Year of Operation | Crushing Capacity (tonnes of seed) |                   | Expected CU (%) |
|-------------------|------------------------------------|-------------------|-----------------|
|                   | In 24 hrs a day                    | In 300 days a yr. |                 |
| 1                 | 60                                 | 18,000            | 70              |
| 2                 | 60                                 | 18,000            | 80              |
| 3-5               | 60                                 | 18,000            | 90 & above      |
| 6-15              | 75                                 | 22,500            | 90 & above      |

\* Capital Investment (Rs. in Lac) -258.75

|                   |       |                        |        |
|-------------------|-------|------------------------|--------|
| Cost of Land      | 10.00 | Misc. Fixed Assets     | 3.85   |
| Land Development  | 07.50 | Pre-operative Expenses | 17.52  |
| Building          | 55.50 | Margin Money for W/C   | 116.21 |
| Plant & Machinery | 36.35 | Contingency            | 12.32  |

| * Source of Funds (Rs. in Lac) | Members | IFFCO | State/Govt./NCDC | Total  |
|--------------------------------|---------|-------|------------------|--------|
| Share Capital                  | 18.29   | 5.00  | 62.18            | 85.47  |
| Term Loan                      | -       | -     | 173.28           | 173.28 |

\* Finished Goods :Sunflower Seed Oil, Oiled Cake and Soap Stock.

| * Financial Highlights :   | Undiscounted | Discounted @ 18% |
|----------------------------|--------------|------------------|
| Pay Back Period (Yrs)      | 3.8          | 5.7              |
| Internal Rate of Return(%) | 35.55        | 35.55            |
| Benefit Cost Ratio         | 10.369       | 2.400            |
| Net Present Values (NCIs)  | 2517         | 376.51           |
| Break Even Point           | 59.44        |                  |

## 2 (B to E) Present Status of the Project :

The project could not be implemented because of two reasons, as given by :

i) On returning back to my work after the training course, I was preparing myself to put up the project to IFFCO management; an unprecedented situation was developed for the fertiliser industry in India due to decontrolling the prices of phosphatic and potassic fertilisers by the Govt. of India under the New Economic Liberalisation Process. So all efforts of the fertiliser manufacturers in the country including IFFCO had to divert their efforts to formulate new marketing strategies in respect of sales pricing, delineation of economic marketing zone and promotional activities etc. So the project could not be put up for implementation.

ii) There are 18 Fos, 18 Fscs and a big SMP in Hisar Area, consequently I remain extremely busy in my current job, sparing almost no time for anyother new activity.

A few observations on Sunflower cultivation in the Project Command Area were noted during last one year, which confirmed the justification and need of the project.

The fast expanding area under Sunflower Cultivation was, drastically, cut due to a) abrupt lowering of the market price as the absence of an exclusive Oil expelling mill in the area resulted into an abundant marketable surplus of the Sunflower Seed; and b) farmers received poor quality seed as there is no Farmers Organisation for supplying the quality seed of the suitable hybrids and consequently, the farmers had to contend with a very low average yield.

## 3. Programme Utility:

(A) I have already mentioned the utility of the training programme in the context of my current work. IFFCO management may assess the utility of my training, if any, but I wish to give a few

examples of the uses of the knowledge of the training course, which I have made for the organisation.

i) IFFCO was doing a small seed Multiplication Programme in Haryana state as a part of its promotional activities since 1978. Our Sr. GM (Mktg.), Dr.V.Kumar wanted to expand the SMP into a full fledged independent activity as an effort to diversify the organisation into seed business. So I prepared the SMP-project, wherein the learning & experiences of the ICA training course were used in 'toto' The Project has already been under implementation in 8 states.

ii) Another project, the Rampura Villages Cluster Development Project was also prepared by me and this project is also under implementation w.e.f. Oct,1 1993.

**(3B) Possible New Addition To The Programme:**

i) One expert talk on the Overall Agricultural Scenario of the country, visited during the training course should be included. Literature on the growth of agriculture in the country will help in understanding the role and present status of agri.coop.

ii) In India, the Handloom & Weavers Cooperatives should also be included in the field study visits.

iii) In Japan, some modern industry, other than agriculture should be included in field study visit to give a better exposure to the participants to Japanese Rapid Industrial Growth and its managerial aspects.

**(3C) Suggestions and Recommendations:**

The classroom lectures on Japanese Agriculture, Agri.Coop and other Social Life Aspects need to be reviewed to avoid repetition.

4. Suggestions and Recommendations :

Based on my experiences during the 6th ICA/Japan training course, the following suggestions are made for making the programme more useful in future :

i) The heterogeneity among the participants in respect of their present status, nature of duties and qualification hampers the process of learning, so it is suggested that the selection process may be standardised.

ii) An evaluation system may be involved to assess the progress of the participants in the middle and at the end of the training course, which may be communicated to the respective organisations of the participants.

iii) The ICA should develop a communication with the participants organisation, suggesting them the use of the participants knowledge in the current work as well as in the long run, assimilated with the overall functioning and broad objectives of the respective cooperatives.

Towards the end I express my gratitude to ICA-ROAP and IFFCO Management for providing me the opportunity to present the status paper in the Review Workshop.

-----

STATUS PAPER

V S SIDHU, PARTICIPANT TO  
SIXTH COURSE

BACK\_GROUND

1. a

I participated in the 6th I.C.A. Programme which started on 21st October, 91 at Delhi and terminated on 10th May, 1992 at Beijing. In India, after the class room studies, a field visit was organised. A base was prepared for the participants to prepare a project suitable in their respective areas. During the 2nd part, the project was to be prepared by the participants in their areas of postings on the guide lines provided by the teaching faculty.

After completion of the project by each participant, the projects were to be appraised at Bangkok in Thailand. This provided the participants an opportunity to understand the points which were required to be incorporated in their respective projects. After the project appraisal session, field visits in Thailand were organised. In Japan, the training programme was organised in excellent systematic manner as side by side class room studies and discussions, visits to local and National Cooperatives were organised as also visits to different prefectures were unique to have studied. In the last leg, visit to China was indeed very useful as China is emerging exporter of various commodities including consumer items. In this field, cooperatives of China are playing a significant role.

Contd....2.....

..2....

b&C AMSAC approach and project preparations, these two fields provided a unique opportunity to me . I am utilizing the knowledge acquired in my present assignment . I am involved in making different types of sub-projects for cooperative societies, which are in the process of being financed by the National Cooperative Development Corporation under Integrated Cooperative Development Project.

II. TITLE OF THE PROJECT

- a. Apple cider/ wine processing unit at Behra, District Shimla.
- b. Project has not been implemented.
- c. As the new management was elected, this has decided not to go ahead with the project for the present.

III. PROGRAMME UTILITY

Shortly after my completion of the I.C.A. training , I was appointed as General Manager in the Integrated Cooperative Development Project. Through it is expected that the societies be made viable through an integrated approach. In this field small cooperatives are being encouraged to undertake certain activities which heither to were not thinkable in my region. These activities are mainly installation of rope-ways, marketing of vegetables fruits as also to strengthen on going activities. I have been able to prepare sub-projects for the cooperatives <sup>with the</sup> ~~which~~ knowledge <sup>which</sup> primarily I acquired during my I.C.A. training.

Contd.....3.....

...3.....

IV SUGGESTIONS AND RECOMMENDATIONS

- (i) There should be more video films used in the training programme in Indian part followed by discussions.
- (ii) During stay in India, it would be desirable the group is taken to Jaipur to give a glimpses of Indian culture. This should be in addition to local visits of Delhi and Agra.

In Japan it would be desirable that group is shown either Nagasaki or Hiroshima, since cooperatives are expected to carry messages of peace and co-existence.

.....



**STATUS PAPER ON JAIPUR FRUIT & VEGETABLE RETAIL MARKETING**  
**PROJECT PREPARED BY R.S. JAKHAR - VII ICA TRAINEE**

**BACKGROUND**

The VII I.C.A. Japan Training Course for strengthening management of agricultural cooperatives in Asia was attended by me which was held in India, Thailand, Japan and Republic of Korea between 9th November, 1992 to 8th May, 1993. Part one of the training course in India was held at I.C.A. Regional Office at Delhi followed by field visits in commanding and pioneering cooperative institutions of cooperative sector in the States of Maharashtra and Gujrat. During our stay in India, we learnt about integrated cooperative development and organisation, concepts of planning and management and designing projects for agricultural cooperatives development. Beside this various activities undergoing at the level of grass-root level co-operatives as well as state level federations and national level federations of co-operatives were also observed by us.

From 5th to 13th January, 1993 the field study visits of agricultural co-operatives were arranged in Thailand where we observed different sets of progressive cooperative institutions under the guidance of Co-operative Promotion Department and Co-operative League of Thailand.

From 14th January to 20th February, 1993, participants were at their home countries for preparation of feasible and viable agricultural development projects.

Part two of the training started at IDACA in Japan on 22nd Feb. 1993 which lasted upto 24th April, 1993. During our stay in Japan we had project appraisal session for 8 days, class-room lectures about the cooperative movement in Japan and Japanese culture for 38 days and 12 days field study visits were also arranged in KAGOSHIMA and

(2)

NAGANO prefectures of Japan. During our study visits in both the prefectures of Japan we learnt about the successful management practices in grass-root level cooperatives with strong involvement of members in management, regional agricultural promotion plans, active participation of members in the affairs of co-operatives, strong multi-purpose primary cooperatives, serving the interests of member-farmers, various accommodating groups within the cooperatives safeguarding the interest of particular producer group as well as cooperative institutions.

On 25th April, we reached Seoul and our last part of the training was arranged from 26th April to 5th May, 1993 which was followed by National Review Workshop of former participants of I.C.A. Japan Training Course from 6th to 8th May, 1993. Our stay in Korea was also a good experience of learning through observations of strong national level federations in co-operatives which are involved in patronising cooperative institutions in the Republic of Korea.

Cooperative Promotion role is being played by the National Agricultural Co-operative Federation, National Livestock Dairy Federation, National Fisheries Federation of Korea.

#### BENEFITS FROM TRAINING

So far as benefits from the training are concerned, I have no hesitation to mention that this training was a rare opportunity for me to be among many cooperative friends from different

...3

(3)

countries of Asia. meeting to-gether, working to-gether in groups, eating to-gether, observing to-gether and sharing our experiences we learnt a lot about co-operative values and principles in real life situations. This training programme was a balanced training which added our knowledge, updated our skills and tried a lot to change our attitude. 'I' was converted in 'We' which was the most important feature of the Training Course for international understanding and co-operation among co-operators. We felt that in almost all developing countries the small farmers have some common problems where co-operatives have a big role to play in solving their problems. Co-operatives are facing managerial problems (lack of professional managers), meagre income affecting economic viability and competitive private enterprises are some of challenges to agricultural co-operatives in almost all the developing countries in Asian Region including Korea. We have to think to-gether for international co-operation among cooperatives in sharing and strengthening management practices and promoting international trade among co-operatives.

The managerial techniques and experience that we gathered during the course would help us to devote ourselves to the task of cooperatives with new vigour and spirit of work.

Though it would be pre-mature to say that I have used my learning and experiences in my current work as I had been the participant in the

...4

current year only. Yet I have no hesitation to comment that this programme has opened new horizons of thinking in my career. Project, designing and appraisal part of the programme has been much useful to me as my institution is also involved in lending for various projects. I would try to involve my own experience for improving the working of myself as well as my colleagues wherever I will work.

#### THE PROJECT PREPARATION

**TITLE : Vegetables and Fruit Collection and Retail  
MARKETING Project.**

The project for collection of storage and marketing of vegetables and fruits was prepared by me which is being implemented by Jaipur Fruit and Vegetable Co-operative Marketing Federation.

The purpose of this Project is to provide a better marketing service to the member-farmers (growers) as well as consumers.

The cost of the project is Rs.4.4 million at 1992 price level, out of this Rs 1.37 million will be obtained from National Horticulture Board as subsidy and Rs.2.8 million loan from National Cooperative Development Corporation and Rs.0.2 million as share capital from Rajasthan State Government and the remainder as share capital from the members.

The project is 10 year plan and primary work will be completed within one year. The pay-back period of the project will be 3 years

according to the financial results of the Project. B.C.R. will be 2.8 and I.R.R. is more than 50%.

Presently the producer is getting only 30 to 40 percent of the consumer money. By this envisaged system of retail marketing the producer will get 70-75 percent of the consumers money, middle-men share will be divided among the society, producer and consumer. So the reasonable price will be there for the consumers also. As the retail out-let scheme of the marketing society will eliminate the middle-men, the availability of fresh vegetables in the market would increase the credit of the growers society.

**PROJECT COMPONENTS :**

Setting up of 7 procurement centres with grading and packing house of 50 x 20 x 10 ft. including one small room of 10 x 8 ft. in production area, for collecting and grading of produce from the member farmers.

Setting-up of one Central Store with one pre-fabricated walk in type, cool air room of capacity of 1200 qbc. ft.

Setting up of 50 retail outlets in Jaipur City with installation of 50 booths.

Transportation of vegetables and fruits from the procurement centre to the Central Storage will be done by the society at its own cost and the farmers will be paid whole sale market price even at the procurement centre itself.

Transportation of vegetable and fruits from Central Storage to retail out-lets will be arranged

according to the financial results of the Project. B.C.R. will be 2.8 and I.R.R. is more than 50%.

Presently the producer is getting only 30 to 40 percent of the consumer money. By this envisaged system of retail marketing the producer will get 70-75 percent of the consumers money, middle-men share will be divided among the society, producer and consumer. So the reasonable price will be there for the consumers also. As the retail out-let scheme of the marketing society will eliminate the middle-men, the availability of fresh vegetables in the market would increase the credit of the growers society.

**PROJECT COMPONENTS :**

Setting up of 7 procurement centres with grading and packing house of 50 x 20 x 10 ft. including one small room of 10 x 8 ft. in production area, for collecting and grading of produce from the member farmers.

Setting-up of one Central Store with one pre-fabricated walk in type, cool air room of capacity of 1200 qbc. ft.

Setting up of 50 retail outlets in Jaipur City with installation of 50 booths.

Transportation of vegetables and fruits from the procurement centre to the Central Storage will be done by the society at its own cost and the farmers will be paid whole sale market price even at the procurement centre itself.

Transportation of vegetable and fruits from Central Storage to retail out-lets will be arranged

by the society through its own vehicles, on indent basis, which will be obtained from retail booths.

### INVESTMENT PROPOSAL

Funding arrangement for this retail outlet project will be made as under :-

(Rs. in Lakhs)

|    |                            |       |
|----|----------------------------|-------|
| 1. | <u>Cost of the Project</u> | 44.00 |
| 1. | Procurement Centre (7)     | 12.46 |
| 2. | Central Store (1)          | 14.55 |
| 3. | Retail outlets (50)        | 15.00 |
| 4. | Vehicles (3 tonner) (2)    | 5.70  |
| 5. | Margin Money               | 5.00  |
| 6. | Pre-operative Expenses     | 0.35  |
| 7. | Contigencies               | 0.94  |

For this requirement, raising of funds will be as under :

|    |  |       |
|----|--|-------|
| 1. | Share capital from members               | 0.23  |
| 2. | Share capital from State Government      | 2.00  |
| 3. | Subsidy from National Horticulture Board | 13.77 |
| 4. | Loan from NCDC                           | 28.00 |

### IMPLEMENTATION

This retail marketing project has been prepared for Jaipur Fruit & Vegetable Cooperative Marketing Federation which has resolved to implement this project in toto. The project papers have been sent to National Cooperative Development Council. It has been screened by the Chief Director, NCDC and NCDC has given a green signal to the Federation to proceed further for implementation.

(7)

This project has been discussed with the State Government Officers who are involved in promoting such schemes viz. Horticulture Department, Cooperative Department and the Agriculture Department. The survey data which were prepared at the time of preparation of the project have revealed the fact that middle-men are getting large share of producers money where cooperatives have to play a vital role in linking producer with the consumer. Later on, a series of meeting is being held at the senior officers' level of Government of Rajasthan and the Agricultural Production Secretary and the Registrar, Cooperative Societies, are keen to promote such retail marketing projects where the Horticulture marketing problem will be solved to save the interest of the horticulture growers. This is the most important achievement of this project that Government has recognised the problems of vegetable and fruit growers and is developing wide infra-structural supports to increase the small growers income which may also be the aim of this I.C.A. Training Course.

Jaipur Fruit & Vegetable Cooperative Marketing Federation is getting full support and assistance from the State Government and a strategy has been made by the society to enroll almost all the vegetable and fruit producers of the Jaipur district.

To phase out the various problems and to co-ordinate with various departments I had been appointed as nodal officer for this project.

...8



PROGRAMME UTILITY & SUGGESTIONS :

This type of course is highly useful to the senior as well as the middle level executives of cooperatives. Learning by sharing the experiences and by observations of different sets of cooperatives in different countries is a rare opportunity for co-operators by which they can create better understanding to develop their own cooperatives. Field study visits in different countries create a positive co-operative attitude among the participants which can be said as an important achievement of such trainees.

The course contents are adequate. Study visits are enough to cover the activities of cooperatives but it would be better if study visit of other cooperatives e.g. fisheries, forestry and consumer is also included during the study visits.

Group formations for discussing various issues should be changed every week to create better understanding of issues as well as to develop better inter-personnel relationship among the participants.

Member-organisations of the I.C.A. who sponsor the participants should commit themselves to implement the projects prepared by the trainees if found feasible and viable. Sponsoring organisation should also take responsibility to utilise the experience of the participants gathered during the training so such rare training becomes more useful to the institution who sponsors the candidates.

Though I.C.A. is conducting the VIIIth Course in 1993-94 it would be better if I.C.A. continues this course for further 10 years.

We are highly obliged to I.C.A. that they arranged such a good exposure and learning course for middle and senior level executives. We can not forget the warm welcome, cordial behaviour and kind cooperation and assistance extended by I.C.A., Regional Office staff at Delhi, Faculty Members or I.I.M. AHmedabad, Faculty members of V.M.N.I.C.M. Pune, Cooperative League of Thailand, I.D.A.C.A. - Japan, N.A.C.F. and N.L.C.F. of Korea.

I would like to convey my regards to Regional Director I.C.A. Shri G.K. Sharma, who always blessed us, and Dr. Daman Prakash and Mr. Ganeshan who were always lending us a supporting hand. We can not forget the cordial atmosphere of IDACA where we were under the kind guidance and patronage of Mr. Shiro Futagami. He managed our successful innings through good arrangement of accommodation, good facilities for reading and well arranged study visits.

**RAM SWAROOP JAKHAR**  
General Manager  
**RAJASTHAN STATE COOPERATIVE LAND  
DEVELOPMENT BANK LTD.,**  
**JAIPUR**  
(Participant-VII I.C.A. Training)



Regional Office for  
Asia & the Pacific

SRI LANKA

*NATIONAL REVIEW (FOLLOW-UP) WORK SHOP ON MANAGEMENT  
OF AGRICULTURAL CO-OPERATIVES - SRI LANKA*

29, 30.12.1993

PROGRAMME

Wednesday

|               |             |   |
|---------------|-------------|---|
| 29th December | 10.00-10.45 | Inauguration  |
|               | 10.45-11.15 | Tea Break   |
|               | 11.30-12.00 | Work shop methodology                                   |
|               | 12.00- 1.00 | Panel Discussion  |
|               | 1.00- 2.00  | LUNCH   |
|               | 2.00- 5.00  | Presentation of status papers by<br>Former Participants |

Thursday

|               |             |   |
|---------------|-------------|---|
| 30th December | 9.00- 12.00 | Programme Continues   |
|               | 12.00- 1.00 | General Discussion  |
|               | 1.00- 2.00  | LUNCH   |
|               | 2.00- 3.30  | Technical Summary on Presentation<br>made during the Workshop<br>Professor A.H.Kalro<br>Dr. Daman Prakash |
|               | 3.30- 4.00  | Tea Break   |
|               | 4.00- 5.30  | Concluding Session  |



Regional Office for  
Asia & the Pacific

NATIONAL REVIEW WORKSHOP ON MANAGEMENT  
OF AGRICULTURAL COOPERATIVES - SRI LANKA  
COLOMBO  
29 - 30 DECEMBER 1993

PROGRAMME

WEDNESDAY, 29 DECEMBER 1993

INAUGURATION  
WORKSHOP METHODOLOGY  
PRESENTATION OF FORMER PARTICIPANTS STATUS PAPERS  
DISCUSSIONS.

THURSDAY, 30 DECEMBER 1993

PRESENTATION OF FORMER PARTICIPANTS STATUS PAPERS  
DISCUSSIONS.

SUMMING UP  
CLOSE OF WORKSHOP.

. . . . .



Regional Office for  
Asia & the Pacific

NATIONAL REVIEW WORKSHOP ON  
MANAGEMENT OF AGRICULTURAL COOPERATIVES - SRI LANKA  
COLOMBO  
29 TO 30 DECEMBER 1993

GUIDELINES FOR PREPARING STATUS PAPERS

At the National Review Workshop, the former training course participants are required to present a brief and factual status paper on the work that has been done on your Project proposal developed by you during your training and the experiences that you had gained while attending the training programme. We would suggest that you follow the following structure for your paper:

1. Background

- a. Brief introduction to the Course attended by you;
- b. In what way you have benefited from your training;
- c. How have you been able to make use of the learning and experiences in your current work.

2. Information on the Project prepared by you

- a. Title of the Project, its salient features;
- b. If the project proposal has been implemented, what is the current status, its achievements, and how far have you been able to involve yourself in the implementation of the Project;
- c. Problems faced in the implementation of the Project, for instance, organisational problems, financial constraints, your own personal problems;
- d. How were you able to overcome the problems in the implementation of the Project;
- e. What could be the most probable solutions to the problems in the implementation of the Project.



Regional Office for  
Asia & the Pacific

### 3. Programme Utility:

- a. How far you found the training programme useful in the context of your own work, from the point of your Organisation;
- b. What could be the new additions to the Programme,
- c. What could be deleted from the Programme.

### 4. Suggestions and Recommendations:

You are requested to make suggestions and recommendations to the ICA leading to the general improvement and upgrading of the contents of future programmes.

Your paper should be brief, factual and to-the-point. It should not be more than ten typewritten pages.

You will be invited to make a brief presentation of your Status Paper at the National Review Workshop for about 30 minutes which will be followed by clarifications and discussions.

The ICA plans to carry out further studies on successfully implemented Projects in the Region and you might be invited to provide further information on your Projects.



Regional Office for  
Asia & the Pacific

NATIONAL REVIEW WORKSHOP ON MANAGEMENT  
OF AGRICULTURAL COOPERATIVES - SRI LANKA  
COLOMBO  
29 - 30 DECEMBER 1993

PROGRAMME

WEDNESDAY, 29 DECEMBER 1993

INAUGURATION  
WORKSHOP METHODOLOGY  
PRESENTATION OF FORMER PARTICIPANTS STATUS PAPERS  
DISCUSSIONS.

THURSDAY, 30 DECEMBER 1993

PRESENTATION OF FORMER PARTICIPANTS STATUS PAPERS  
DISCUSSIONS.

SUMMING UP  
CLOSE OF WORKSHOP.

. . . . .





Regional Office for  
Asia & the Pacific

NATIONAL REVIEW WORKSHOP ON  
MANAGEMENT OF AGRICULTURAL COOPERATIVES - SRI LANKA  
COLOMBO  
29 TO 30 DECEMBER 1993

GUIDELINES FOR PREPARING STATUS PAPERS

At the National Review Workshop, the former training course participants are required to present a brief and factual status paper on the work that has been done on your Project proposal developed by you during your training and the experiences that you had gained while attending the training programme. We would suggest that you follow the following structure for your paper:

1. Background

- a. Brief introduction to the Course attended by you;
- b. In what way you have benefited from your training;
- c. How have you been able to make use of the learning and experiences in your current work.

2. Information on the Project prepared by you

- a. Title of the Project, its salient features;
- b. If the project proposal has been implemented, what is the current status, its achievements, and how far have you been able to involve yourself in the implementation of the Project;
- c. Problems faced in the implementation of the Project, for instance, organisational problems, financial constraints, your own personal problems;
- d. How were you able to overcome the problems in the implementation of the Project;
- e. What could be the most probable solutions to the problems in the implementation of the Project.



Regional Office for  
Asia & the Pacific

3. Programme Utility:

- a. How far you found the training programme useful in the context of your own work, from the point of your Organisation;
- b. What could be the new additions to the Programme,
- c. What could be deleted from the Programme.

4. Suggestions and Recommendations:

You are requested to make suggestions and recommendations to the ICA leading to the general improvement and upgrading of the contents of future programmes.

Your paper should be brief, factual and to-the-point. It should not be more than ten typewritten pages.

You will be invited to make a brief presentation of your Status Paper at the National Review Workshop for about 30 minutes which will be followed by clarifications and discussions.

The ICA plans to carry out further studies on successfully implemented Projects in the Region and you might be invited to provide further information on your Projects.



Regional Office for  
Asia & the Pacific

ICA/JAPAN TRAINING COURSES FOR STRENGTHENING MANAGEMENT  
OF AGRICULTURAL COOPERATIVES IN ASIA, 1 - 8  
1986-87 TO 1993-84

LIST OF PARTICIPANTS FROM SRI LANKA,  
THEIR SPONSORING ORGANISATIONS  
AND PROJECTS PREPARED BY THEM.

| Name and address of participant   | Year    | Sponsored by      | Title of Project Prepared  |
|---|---------|-------------------|--|
| 01. Mr P.L.Gunasekara<br>General Manager,<br>Ruwanwella M.P.C.S. Ltd.,<br>Ruwanwella. Sri Lanka.  | 1986-87 | NCSSL/<br>MPCS    | Rubber Planta-<br>tion Project -<br>Production of<br>Quality Smoked<br>Rubber Sheets |
| 02. Mr U.G.Dayananda<br>Secretary, Member Relations,<br>Sri Lanka Cooperative Marketing<br>Federation Ltd., 127 Grandpass<br>road, Colombo. 3. Sri Lanka. | 1987-88 | NCCSL/<br>MARKFED | Initiation of a<br>Modern Rice<br>Mill Project                                       |
| 03. Mr J K Thungasena<br>General Manager<br>Madampe Multipurpose Coop Society<br>New Town, Madampe. Sri Lanka.  | 1988-89 | NCCSL/<br>MPCS    | Initiation of a<br>Coconut Oil<br>Mill Project                                       |
| 04. Mr E M E G Muthubanda<br>General Manager<br>Naula Multipurpose Coop Society<br>Naula. Matale. Sri Lanka.  | 1988-89 | NCCSL/<br>MPCS    | Initiation of<br>a Rice Mill<br>Project  |
| 05. Mr Sam Deerasinghe<br>Principal<br>National Coop Training Instt.,<br>National Coop Council of Sri Lanka<br>455 Galle road, Colombo.3 Sri Lanka.       | 1989-90 | NCCSL             | Dairy Project<br>in Bandarawela  |
| 06. Mr R.B.R.Perera<br>General Manager<br>Dunagaha Coconut Producers<br>Coop Society<br>Dunagaha. Sri Lanka.  | 1990-91 | NCCSL/<br>MPCS    | Modernisation<br>of Desiccated<br>Coconut Mill<br>Project                            |



Regional Office for  
Asia & the Pacific

- |     |   |         |                |   |
|-----|---|---------|----------------|---|
| 07. | Mr C.A.C.Fernando<br>Manager<br>Kammalpattua Coconut<br>Producers Coop Society Ltd,<br>Wennapuwa. Sri Lanka.  | 1990-91 | NCCSL/<br>MPCS | Desiccated<br>Coconut Proces-<br>sing Mill -<br>Modernisation<br>Programme. |
| 08. | Mr Ananda Walisinghe<br>Supplies and Marketing<br>Manager<br>Cooperative Marketing Federation<br>of Sri Lanka, 127 Grandpass road<br>Colombo. 14 Sri Lanka. | 1991-92 | MARKFED        | Vegetable and<br>Fruit Collec-<br>tion and<br>Marketing<br>Project          |
| 09. | Mr A.F.A.Perera<br>Finance Manager<br>Bandarawela Multipurpose Cooperative<br>Society, Bandarawela. Sri Lanka.  | 1992/93 | NCCSL/<br>MPCS | Dairy Plant<br>in Badulla<br>District                                       |
| 10. | Mr A.G.S.M.Navaratne<br>Banda<br>Production Manager<br>Aranayake Multipurpose Cooperative<br>Society, Aranayake. Sri Lanka.                                 | 1992-93 | NCCSL/<br>MPCS | Establishing<br>a Rice<br>Processing<br>Mill                                |
| 11. | Mr H.A .Siripala<br>General Manager<br>Hungoma Multipurpose Coop Society<br>Thavaluvial, Ambalantota. Sri Lanka   | 1993/94 | NCCSL/<br>MPCS |   |
| 12. | Mr K.L.Bandula<br>General Manager<br>Nattandiya Multipurpose Coop Society<br>Nattndiya. Sri Lanka.  | 1993/94 | NCCSL/<br>MPCS |   |

D. S. Jayasinghe  
Gunasena

Training Course for strengthening  
Management of Agriculture  
Cooperatives in South East Asia.

- A. I received an opportunity to participate the above programme and visit to India, Japan, South Korea and Thailand during the time period of 1st November 1987 to 5th Many as a Sri Lankan participant.

I would like to express my thanks to National Cooperative Council of Sri Lanka for selecting me as a Participant. My thanks for the "IDACA" of Japan for giving me as opportunity to follow the above course.

It is my duty to appreciate the contribution of the Japanese Government which is meant to improve the management system of agriculture Co-operatives in Sri Lanka.

I presented a project report with the intention of increasing the income of rubber small holders through producing quality smoked rubber sheets.

- B. The training programme was very useful and it gave the knowledge and awareness to achieve the above objective. The lectures on Agricultural, Planning, management and Control were very useful for us. Most of the Agriculture societies in these countries are very success, due to various reasons.

We were able together relevant knowledge and awareness regarding the agriculture. Cooperative through this training, specially regarding the following fields.

1. Planning management and control of the agriculture cooperatives in India, Thailand, Japan and South Korea. facilities given to farmers by societies and relationships of farmers enthusiasm of farmers to develop the societies and their relationships.
2. Researches Modern Technology and scientific experiments used to increase productivity.
3. Linkages of primary societies and apexes to produce qualitative agricultural products to enable farmers to get higher precis.
4. Various educational programme for members and their family members

- C. The knowledge and awareness that I gained through this training programme greatly help me to carry out my duties successfully. We were trained and educated on factors of the success of any organization such as, realization of mission. planning management and control the programmes to achieve the mission.

~~Planning, management and control the programmes to achieve the mission~~  
Interrelationship of primary and open societies, employee relation, skill development etc. These experiences greatly help me to not only organize my duties properly; but also to improve my organization in proper manner.

- 2 A. Increase the income of the rubber small holders through a rubber processing centre.

Activities of this centre are :

1. Buying latex from the small holders of the area.
2. Processing quality smoked rubber sheets out of buying latex and market these rubber sheets at a higher price.
3. Educated farmers to produce quality rubber sheets.

- B. Due to lack of facilities such as non availability of smoke houses, rubber rollers etc. It is difficult to process quality rubber sheets individually. Therefore the small holders cannot get a reasonable price for their products. Producing of smoked rubber sheets collectively through a smoke house can consider as a solution to overcome this unfavourable situation. It also helps to uplift the living standards of farmers to a certain extent.

- C. The project has operated successfully up to now and completed two years time period. The farmers of the area bring their latex to the centre and produce sheet rubber with the assistance of the facilities available in the centre

Smoking of rubber sheet drying them and marketing are done by the employees of the society who are attached to the centre. The supervisory staff inspect the activity of the centre and take action to correct if there are weaknesses. Besides that, the farmers actively participate the affairs of the centre specially production process.

- D. As a legal matter arose regarding the ownership of the proposed land for the smoked house, another place had to be selected. As it is a hilly place we had to spend additional cost to preparation of land. The problem was overcome with the help of the farmers and my staff

As The Board of Directors and the General body give their consent, any institutional problem was not arisen, farmers also give their assistance as it is a common place for all of them. Any political problem was also not arisen.

Some management problems were arisen ~~were arisen~~ during the early production period, lack of experienced and skilled persons lack of devotion of new recruits difficulties in continuous inspection etc. were

some of them. Though the water facilities was essential it could not get properly, due to current failure. Therefor the additional labourers had to hired to bring water for the production activities. This problem was over come by getting water from a natural water fall. For this purpose we had to spend Rs 10000.

- E. In the initial stage of the project some problems had been encountered due to various reasons such as :

Difficult to get participation of most of the farmers.

Lack of knowledge of farmers regarding the production of smoked sheet rubber.

Farmers dislike to change their attitudes.

This situation was over come through well organized farmers training programmes and awareness building programmes. Further the farmers were educated on application of fertilizer and pesticides. ways of increasing income and spending their spare time in a fruitful manner etc.

Farmers were also educated on production of quality rubber sheets and its impact towards the national economy and the individual farmers income.

Hence, their participation and devotion was increased and that position was favourable to the development of the centre.

Most of the farmers thought that the measure of metrolac equipment was not correct and hence they could not correct weighage for their latest. These attitude changed gradually and they believed that the equipment in the centre are reliable ones after they were educated.

- C Due to the difficulties arising <sup>in</sup> accession the proposed place for the centre has to be changed to another place. The building has been built according to the prepared plan. Due to the inflation the cost of the building has been increased to a certain extend.

During the past time cost of production and cost of all input has been increased. Though the market price of sheet rubber has been increased the profit margin is not sufficient when compare with the prices of the above factors.

Though the farmers expect to get the latex per 20 days per month due to bad weather they could not get that harvest even for two months time. Hence the income of the farmers decrease to a great extend.

As the Cooperative sector does not have direct export facilities, this ~~may~~ also have to sell this rubber sheets to private exporters.

Besides that the cooperative sectors has to face severe competition due to open economy.

Provide however the farmers do not expect to market their products to private traders other than the society. Their attitudes should be appreciated.

3 A I could improve my knowledge on management system of agriculture cooperative consumer cooperatives livestock development and collective farms etc. The knowledge and practical experiences influenced to organize our organizations in better way and enable to serve the members fruitfully.

Practical programmes meant for giving knowledge on marketing system, various research methods which helps to increase productive system etc. improve our knowledge and skill to a great extend.

The relationship of the primary society and apexes are attractive. Hence the farmers are able to get higher prices for their products.

Besides that these societies educate their farmers to get the benefit of modern scientific researches.

Following reasons are effective influenced to the development of the agricultural societies in Japan India South Korea and Thailand.

1. Devotion of members towards the development of the societies.
2. Benefits given to farmers.
3. Technology and new experiments to increase the productivity

We are now equipped with the knowledge on project preparation and management properly.

Therefore we are in a position to prepare a project and implement it successfully.

B. 1. Giving preference to field visits including practical programmes

As the time period for the field visits to Thailand and south Korea was not sufficient, it is very much appreciated that if the time period could be extent at least up to one month.



STATUS PAPER - TO BE SUBMITTED  
TO THE , NATIONAL REVIEW (FOLLOW-UP)  
WORKSHOP ON MANAGEMENT OF  
AGRICULTURAL CO-OPERATIVES,

SRI LANKA - COLOMBO

DECEMBER 29 - 30, 1993



U. G. DA YANANDA

STATUS PAPER TO BE SUBMITTED TO THE NATIONAL REVIEW (FOLLOW-UP)  
WORKSHOP ON MANAGEMENT OF AGRICULTURAL CO-OPERATIVES, SRI LANKA,  
COLOMBO

DECEMBER 29 - 30 . 1993

---

Dear Friends,

1). BACK GROUND

I got an opportunity to participate by representing Sri Lanka, to the Second ICA/JAPAN Management Training Course for strengthening the Management of Agricultural Co-operatives in Asia, which was organised by the International Co-operative Alliance, with the financial supports from Japanese Government.

The Training Course was held from 26th October, 1987 to 10th May 1988 in five modules within the countries of India, Thailand, Japan and South Korea and it was conducted by the ICA, Regional Office for Asia and the Pacific, with the close collaboration of its member organisations in above mentioned four countries.

Through the training course we got many opportunities to exchange our experiences and knowledges withing among others of the Senior Managers of participated to the course, from ten different Countries in the Asia Region and by other way we got another chance to get a sound knowledge and understanding about the achievement of the successfully Agricultural Co-operatives in India, Thailand, Japan and South Korea, by visiting them, and discussing with their members, leaders and officials. Apart from that we got broad knowledge to finding proper ways for strengthening the management of Agricultural Co-operatives, for given maximum benefit, ultimately to their members by way of adopting processing facilities and give value added price for member farmers Agricultural Produce.

.....

At the same time in various aspects, practically and theoretically we learned about, how to prepare, a viable project for give farmer members, value added price for their produce, more than what they are getting now.

It was a compulsory requirement for all participants to prepare a draft report for viable development project as their home country assignment during the period of 40 days, when they return back to their home countries, after concluding the second part of the course, after the field study visit in Thailand.

When comparing my capabilities of working, before and after the training I myself can satisfy what I have gain, how much I have gain and many things I have gained /through the training course, and after the training I have got a promotion of my designation also. Not only that , But also I myself have realized that there is a considerable improvement in my personal and social life also. Those are the main things that I have benefited from the training.

When considering from my organisation side, quantity of my work quality of my work, / encouraging other subordinages for their work are could be considered as benefited to the organisation.

For applying with my duties in the organisation, and with the farmer members in many ways I have been able to make use of the learning and experiences in my current work.

As for an example, after my training I prepared a Membership Development Project in Markfed in 1989 and with the help of N.C.C. and Canadian Co-operative Association I implemented that. By this project I proposed to organising 24 Agricultural Co-operative Societies in rural areas, and to get enrole 24 new societies to the membership of Markfed. It was very successfully and by 30.11.93 we have organise 50 new Agricultural Co-operative Societies and we have got enroled 45 Agricultural Co-operative Societies as new member of the Markfed, and the project is continucously goin on.

And also we implemented a new project for benefiting to potatoes growers, in up country area by organising them in to as the Agricultural Co-operative Societies and providing them

credit facilities for cultivation of potatoes like as, supplying seeds, fertilizer and agro chemicals on credit basis at a very nominal service charges. At the first stage we distributed about worth of Rs 1.5 million, and it was 100% recovered. At the second stage we have given them seeds and fertilizer worth of Rs. 10 million. We hope that also will be recoverable, like those new things are could be consider as benefited to the organisation and members.

.....

11). INFORMATION ON THE PROJECT.

Title of the project and its salient features.

Project Title.

Starting up a Modern Rice Mill in Mahaweli 'II' area through the Co-operative Sector.

The Government of Sri Lanka has taken every steps to increase the production of the paddy in Sri Lanka which is the main food item of Sri Lankans, by way of given, facilities like as land, water, credit, fertilizer and technical know-how to the farmers, who engage in paddy cultivation.

Mahaweli Development Project is the latest Master Programme of this, and the whole programme has been divided in to 8 stages namely A to H. At the initial stage of this programme the Government start the development of 'H' Zone at first in Galnewa area. After starting and settling the farmers in this area, Markfed itself started 8 purchasing and input supplying centres in this area in 1981 and serve the farmers by providing inputs and collecting their produce at reasonable prices.

Through these collecting centres, Markfed purchase Paddy from the farmers and stored it and process by private rice mills and sold it out. By way of this process, private millers got maximum profit and Markfed or farmers could not get maximum benefit, with this experience management of Markfed was think to start a their own rice mill in Mahaweli 'II' area. This idea was encourage me to proposed a project on starting up a Modern Rice Mill in Mahaweli 'II' area.

.....;

When I was entered to following above training programme there was about 8 collecting centres running by Markfed, in this area in 1987. At the same time there was a sujection to starting up a pilot project for starting up some Agricultural Co-operative Societies in this area and serve the farmers through those.

So I proposed to starting up a Modern Rice Mill in Mahaweli 'III' area with the capacity of output of MT. 10 of rice per day, according to the requirement of my training course and prepared my development project on it.

After concluding the period of my training course in 1988 the above mentioned Mahaweli Farmers Co-operative Societies pilot project was approved and it was started to forming up new societies. After starting up the function of these societies, Markfed deside as a policy decision, to transfered the functions of existed Markfed Collecting Centres to the newly formed societies and help to new societies to marketed their purchases through Markfed.

.....

According to this policy decision, Markfed decide to handed over the project of rice mill also to those societies. On that decision Markfed hand over the project report to the N.C.C. and requested to formup a secondary level society withing those Co-operative Societies and implement the project according to the recommendation in project report. Then after the organising of secondary level Co-operative Society and they modify the project and has taken action to starting up a rice mill in Mahaweli 'H' area. The estimated cost of pady mill is about Rs. 6.5 million and the rice mill is now been under construction. The society expected finishing the construction by end of February '94 and start to production.

Markfed already has a well organised rice market places in Cilombo at Saunders Place and at the Tripoli Co-op City New Market Complex. When the society starts the production of rice of their rice mill, Markfed will take the responsibility of marketing of their production and help them. By way of this, Markfed and those Agricultural Co-operative Societies would able to give more value added who cultivated pady in Mahaweli 'H' Area.

I wish during your field study visit you may be visit to Mahaweli 'H' Zone and you may observe the construction of the rice mill also.

STATES REPORT OF THE RICE-MILL  
AT NAULA

BY. MR. E.M.E.G. Muthu Banda,  
General Manager,  
M.P.C.S.  
Naula,  
Sri Lanka.



# REPORT OF THE CONSTRUCTION OF THE RICE MILL

## BACKGROUND:

Participated in the third ICA Training Course of Management for strengthening management of Agricultural Co-operatives in Asia. This is the third training programme conducted by the ICA and sponsored by the IDACA. This programme of training was held from 24.10.88 to 7.5.89 in India, Thailand, Japan and in China. During the participation field visits were arranged. An opportunity was afforded to familiarize in Agriculture, consumer Co-operatives and Rural banking activities. This I feel is a fortune.

This programme which began on 24th October 1988 was conducted first in New Delhi at the ICA Institute. During the first month there were lectures and workshops in Co-operation and Agricultural Management where we got a comprehensive knowledge. There were group discussions and these groups met together to exchange their information and thereby got a overall picture and gained a thorough knowledge in these spheres. We got a technical knowledge in the preparation of Project reports during this time.

After a month we did a tour of Indian States and got a first hand information on how projects operated. In the course we were able to see historic places of interest like the Taj-Mahal in Agra.

We visited Ahamedabad Management Institute and had discussions on Co-operative and Agricultural Management and visited Chandrigar, and Himmerchel. Here we paid visits to the Banks and met workers from Apple and Potato farms. We were able to talk with them and understand their problems. Then we went to Vikunth Metha National Institute of Co-operative Management and spent about a week there and visited the Co-operative establishments and lift-irrigation schemes where farmers enjoy high standards of living. We were also able to see co-operative sugar factories. On our visit to Ahamedabad we visited a milk production co-operative where milk, butter cheese and yoghurt are manufactured on a large scale. This organisation goes by the name A.M.U.L.

After completing a two month intensive course we went to Thailand to study the agricultural Co-operatives there. We spent two weeks in Thailand and during this period learnt the functioning of Co-operatives specially those of Rice-Mills and farms producing rice. On January 8th all the participants returned to their countries.

From January 1989 till February 18th we <sup>were</sup> are in our respective countries. We were writing reports on our projects. For the writing of those reports the ICA lecture room was used and we got the technical skills for this purpose. We also wrote the project report on our tour of Thailand here.

On the 18th of February 1989 we went to Japan. We went to the IDA<sup>C</sup>A Institute Tokyo the following day. Our Programme began on the 20th of February and ended on the 20th of April 1990. First we presented the reports we had made and then in groups we had discussions on them. We also had lectures in the relevant fields of study and was acquainted with the Co-operative and agricultural establishments in Japan.

After this we were engaged in touring places of co-operative and agricultural interest in Japan in its prefectures and villages specially Yamaguchi, Nikko, Hiroshima. Case studies were undertaken on the present situation of some agricultural Co-operatives with reference to their guidance activities and group farming system by the farmers.

At the end we went to China and visited the Co-operative societies and consumer societies. Here we were able to understand their functioning. The great wall of China was visited and other places of interest. On May 7th after completion of the IDACA Programme we returned to our respective countries.

This training has been helpful in the execution of my duties as the General Manager of the Naula Co-operative Society. I have used my knowledge and training in the work of the society. I am also trying to convince the board of the usefulness of my ideas I have gained in following this programme of work. Not only these I am also trying to bring about a change in the functioning of the consumer co-operatives in my area and bring about an improvement in their economic upliftment.

I have brought about the following agricultural facilities in the last few months and was able to get the members interested in the activities of their society.

Through the 25 Co-operative branches in the area the farmers who are members and non-members the following facilities have been provided.

The production of the farmers have been bought at a reasonable price. These are brought by the Purchasing Centres established under the direction of the Central Govt. Farmers are given loans which are recovered ~~by~~ at the end of the season.

The amount of the fertilizer distributed last season was 108 metric tons whose value is Rs. 1.1 million!

The value of the issued agricultural chemicals was Rs.2.9 million. The total amount of loans given was Rs. 12.474. In addition Rs. 2.4 lacks of rupees were given for the purchased of water pumps. For agricultural wells a sum of 1.42 lack.was given. For villages that have no systematic irrigation facilities funds were provided to improve their economic gains. The following items have been purchased till 30th September 1993.

| <u>Product</u> | <u>Quantity(Kilos)</u> | <u>Value(Rs)</u> |
|----------------|------------------------|------------------|
| Paddy          | 1,72389                | 1,320816.00      |
| Chillies       | 2161                   | 170088.00        |
| Big Onions     | 5158                   | 64369.00         |
| Vegetables     | 1543                   | 37460.00         |

The lift irrigation system used in Pooni was utilised by the farmers in the supply of water by the money given to them. In addition sprayers were given to them on easy loan. By this loan scheme many became members of the agricultural Co-ops. There are ~~at~~ present 3857 members. From the experience gained in China we were able to establish a food Centre( Canteen) for the sale of pre-cooked items.

#### CONSTRUCTION OF A RICE MILL

I had selected the establishment of a rice mill as my project. I have prepared and forwarded the project details to the Board of Directors, of the Society and the members of the General Body of the Co-op Society. I have got their approval for the construction of it in the Naula Area. It is expected to mill one million kilos of paddy and work for 250 days of the year. It is expected to work for 8 hours a day. It is planned to mill 500 kilos per hour for eight hours totalling 4000 kilos per day.

The total capital investment is Rs. 1,15700~~0~~. For the buying of paddy at 14% interest a sum of Rs. 5,907500 has been agreed upon by the Peoples Bank. This loan will be paid back in ten years. It is expected to get a net profit of Rs. 173,460.00 after paying income tax.

This rice mill was not constructed due to financial reasons. The proposed buildings were not released to the society. In these buildings the whole sale stores and the office is there. Now a building of the Paddy Marketing Board and a second hand rice mill has been purchased. As planned the milling of paddy is to be started in this mill in a very short time.

This mill is to be established at Arangala in Naula on the Matale Dambulla Road. It was originally suggested to construct a par-boiled Rice mill but at present only raw rice milling is to be done. A loan of 15 lacks has been got from the Peoples Bank, Matale and another of 7 lacs for the purchasing of rice has been negotiated. It is expected to mill for eight hours a day for 22 days a month. This will function in January 1994. It is expected to pay back the loan and interest at 22% in ten years. The <sup>00</sup>output is 1,056000 kilos. Paddy is to be purchased at Rs. 8/- a kilo and sell the milled rice at Rs. 14/- a kilo. The profit at the end of ten years is expected to be Rs. 1,990934/-. There is already a stock of kilos 100,000 in the grain store warehouse, The total rice output for the year is expected to 3,43200 kilos., of this 3% will be broken rice. 1% will be bran. This quantity will be purchased by the society and distributed to branch co-op retail units for sale. There wont be a question of sales to the market. More over there is a ready market for raw-rice in the Hill country in places like Nuwara Eliya and Welimada. The mill will have to pay an interest of 22% to the bank. It would be more profitable if the Department can give a loan at low interest as in other instances.

~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~

NATIONAL REVIEW (FOLLOW -UP) WORK SHOP ON  
MANAGEMENT OF AGRICULTURAL COOPERATIVES -  
SRI LANKA

NAME: Mr. S. Deerasinghe

Participant to the 4th study course in strengthening management of Agrico-ops 1990.

---

I was able to gain a sound knowledge in the field of co-ops in the Asian Region. From the knowledge I gathered of the experience of the various co-operatives during the study visits I firmly believe that we can improve the living standards of the famous in Sri Lanka through co-operatives if we apply this knowledge properly.

78% of the population in Sri Lanka composes the rural economy 22% of the gross national products is derived from the Agri-products. 65% of the population is engaged in agriculture. Most of the co-operative members are village farmers. When we design education and training programmes we have to observe these specific features of our society.

At the National Co-operative Council we have conducted Education and Training Programmes on the following <sup>lines</sup> ~~the~~:-

- a. Project Preparation and Appraisal for rural agricultural Section for 16 'SANASA' Assistant Secretaries.
- b. Rural Savings and Credit for 35 'SANASA' - Assistant Secretaries for 32 Bank Service Managers of the Multi-Purpose Co-operative Societies, for 76 Bank Managers of the Co-operative Rural Banks.
- c. Training on the subject of savings through economization.

The main problem faced by the rural sector for its development is lack of funds for investment. To increase the funds it is essential to increase the savings of the people. It is very difficult to save money because more than 50% of the population is living below the subsistence level. But as we know these are many unnecessary spending in the society, such as high social standard consumption, consumption of liquor, (dangerous drugs) gamblings, and mythical ideas etc. We have conducted sessions for school children, youth and adults, to assist them to organise their future needs.

According to a survey conducted by a voluntary organisation in the Matara district in 1992, 52% of the male population above the age of 12 years are smokers. They spend on smoking 43 million (Rs) per year. The whole budget for the development activities of this area is only Rs. 30 million.

d. **Programmes on Co-operative Concepts.**

Because the members of a co-operative society should have a knowledge in co-operative concept, I have conducting sessions for school children, parents and students and of the Youths of the Co-operative Foundation Institute.

e. **ENVIRONMENT CONSERVATION**

I have conducting sessions in Environment Conservation including following topics:

- Sustainable Development
- Environment Pollution
- Global Warming and Effect of it
- Forest conservation and tree planting
- Keeping home gardens without Chemicals and in more hygienic conditions.

## f. SOCIAL VALUES.

We are conducting sessions for the members for the Youth and Students of the Foundation Institute to follow the Social Values.

Nowadays due to various factors the social values are condemned by the people. The people gives more value for money than the customs.

## g. COLLECTIVE FARMING ACTIVITIES

We have guided for collective cultivation for the youth farmers in various areas.

## h. VALUE ADDITIONS IN MARKETING OF THE AGRICULTURAL PRODUCTS.

We guided for co-operative societies to begin Projects for value additions of such as competing in the market in cinnamon milling of paddy, etc.

In studying the course of the Agricultural Co-operatives I could gain a sound knowledge now to organise and manage agricultural societies, such as input supplying technical guidance, marketing of products, appraising the viable projects how to face the risks of the project and management of the projects.

I suggest to include to more sessions the course of studies about the theories of the co-operative concepts.

- Thank you -

S. Deerasinghe  
Principal  
Co-operative Development Centre Galle  
147, Pettigalawatta  
Galle.

29th December 1993.

n/.

PROGRESS REPORT OF THE 5TH ICA/JAPAN  
TRAINING PROGRAMME.

I was one of the 5th Shri Lankan participant of the I.C.A. Japan Training course on management of agricultural co-operatives in Asia. This course was held in India, Bangkok, Japan, and Korea from 22nd October 1990 to 10th May 1991. There were 15 participants from 9 different countries. They were from India, Malaysia Philippines, Bangkok, Korea, China, Bangladesh, Pakistan and Shri Lanka. Our project director was Mr. M.V. Madane.

The course was started in India and all the participants went to India first. Soon after the inauguration ceremony we were asked to discuss the country papers prepared by the participants. From that we got a basic knowledge on the co-operative movement of the participating countries. Thereafter the participants were grouped into 3 groups to discuss case studies. After discussing various cases we were asked to find solutions to various problems. Most of the cases were from the co-operative sector, it was interesting and were relevant to the management of our co-operative societies. After this we were taught to prepare budgets and profit and loss A/cs. Also we were given a familiarising course in the use of computers in our day to day work. The next session was the field study visits. We were taken to some of the most powerful and well managed co-operatives in India. We visited Apex level as well as secondary and primary level co-operatives. We had the opportunity of discussing with the Board of Managements on how those co-operatives function, how powerful they were and the pre and post harvest facilities extended to their membership. The procurement policy and the horizontal and vertical integration systems were also discussed. From this study visits we obtained a thorough knowledge on the functions of the co-operatives in India and their effect and influence on the economy of the country.

After completing the field study visits we went to the Indian Institute of Management in Ahmadabath for about three weeks. There we had class room lectures on the preparation of project reports with special emphasis on "Money has time value" Every one of us had a tough time at this institute and some days we had to work till late in the night in preparation of group findings and presentations. At the end of this course every one of us became very thorough on preparation of budgets & project reports.



No sooner we came back to New Delhi it was the time to celebrate Christmas. After attending <sup>the</sup> Christmas party organized by the I.C.A. all the participants left for their own countries.

I prepared my project report without much difficulty. Mr G.S. Gupta from I.I.M. came to Sri Lanka to review my project.

I went to Thailand on 2.2.1991. The Co-operative League of Thailand welcomed us and had an inauguration ceremony for the commencement of the session. We had an elaborate discussion about the Co-operative League of Thailand (C.L.T.) their functions and obligations towards the primary and secondary co-operatives in Thailand. After obtaining the basic knowledge on the operation of co-operatives, we had a lot of field study visits to primary & secondary co-operatives. After completing the field study visits, we had the project appraisal session. All the participants individually had to present their project reports at this session. For this session there were representatives from the International Monetary Boards too.

After the project appraisal session all the participants travelled together to Japan, we were housed at Iddaca Hostel. After the inauguration ceremony, we were briefed on how the Co-operatives function in Japan. For each prefecture there is an apex organization which cater for the secondary and primary organizations. One important factor I observed was that all the farmers in Japan are attached to a primary co-operative Society. The primary co-operative Societies supply all the inputs, machinery fertilizer etc. to their members. In return, members supply all their produce to the Co-operative society for marketing. The Co-operatives sent their collections to Central Markets for selling and thereby the Co-operatives in Japan enjoy the benefits of economics of scale. In addition to this they have established hamlet farming groups to promote the efficient use of agricultural production resources in the area with participation and involvement of all farm households in the area. In Japan Co-operatives play an active role in organizing the entire agricultural structure based on the needs of the country.

was possible

This was feasible by preparing and adhering to a regional agricultural promotion plan which composed of four plans.

They are as follows:

(i) Regional Agricultural promotion master plan.

- (ii) Member-farmer management plan.
- (iii) Regional Agricultural promotion action plan.
- (iv) Business plan of the agricultural co-operative

In addition to the lectures, we had the opportunity of visiting the co-operatives of two prefectures.

From Japan all of us travelled to Korea. There too we had the customary inauguration ceremony and after that we were explained how the co-operatives in Korea operate. In Korea we had more field study visits than class room lectures. We had lot of discussions with the management of co-operatives and we were able to gather information on the Korean way of operating the co-operative societies.

Our Course ended on 10th May 1991.

#### Benefits I have derived from the training

- (1) I was able to gather wider knowledge on the operating of Co-operatives in other countries.
- (2) I have a better knowledge on what type of services that a co-operative should offer to its members.
- (3) I came to know a lot of co-operative terms and systems on which the entire co-operative movement stands. This gives me a big advantage in the performance of my day to day work efficiently.

Some of the terms are as follows:

- (1) Two tire and three tire systems of co-operatives.
- (ii) Pre and post harvest facilities.
- (iii) value addition to the farmers produce and thereby the farmer gets a remunerative price.
- (iv) Democratic way of managing a co-operative Society.
- (v) Horizontal and vertical integration
- (vi) I obtained a thorough knowledge on preparation of project reports.

has

On the whole the training programme helped me immensely to increase my <sup>knowledge</sup> in all aspects of the co-operative movement.

Finally all the benefits from my training will be derived by my co-operative society. As General Manager of the society I must be fully conversant and aware of the Co-operative systems so that I could perform a better service than otherwise.

I can now make full use of my knowledge I gained through the training in the performance of my duties. Entire marketing section of the society is handled by me. Now I can study the speculative pattern of the trade and could take advantage of the knowledge I gained through my overseas training in decision making. It has helped me a lot when deciding what, when, and how to sell and also in procuring raw materials. Pre and post harvest facilities are provided to the members systematically and effectively so that all the farmers will be induced to do the marketing of their produce through the Co-operative Society.

As the General Manager of the society I am required to recommend and submit the policy decisions that has to be taken by the Board of Directors. When recommending the policy decisions I always make use of my overseas learning and experience in framing the policy decisions so that the members reap the full benefits out of it.

(ii) Information on the project prepared by me.

The title of my project was modernization of M.145 desiccated Coconut factory.

My society owns 3 desiccated coconut factories, and all three are semi automated and involve batch processing. All our product was meant for export.

Since our production process involved manual handling the quality of the produce was below the standard required by most of the overseas buyers. There were foreign complaints and there were instances of claims for poor quality product. This became a national problem and the foreign buyers started offering much lower prices for our desiccated coconut than the price they were offering to Philippines. Consequently our government became very concerned of this fact and in order to arrest this problem they offered a package of incentives to modernize the desiccated coconut factories.

When I was selected for the 5th ICA Japan Course in 1991 "Modernization of M.145 desiccated coconut factory" was the most fitting topic for me to base my project and therefore I selected this topic. The total cost of my

project was Rs.170 lakhs, and the project period was 10 years.

The financial analyses was as follows:

|       |                     |          |
|-------|---------------------|----------|
| (1)   | Pay back period     | 5 years. |
| (ii)  | Break even on sales | 65%      |
| (iii) | I R R               | 20.46    |
| (iv)  | N.P.V.              | 16.62    |
| (v)   | B.C.R               | 1.1      |
| (vi)  | D.S.C.R             | 1.30     |

I proposed to modernized the factory to achieve the following.

- (1) To automate the entire production process so that the manual handling will be minimised.
- (2) To produce higher quality desiccated coconut so that we could obtain attractive prices for our product.
- (3) To minimise the rejections rate.
- (4) To prevent human factors hindering quality standard of the product.
- (5) To achieve the "uniform quality" thus avoiding batch processing.
- (6) All the above points will contribute to achieve a remunerative price for product and in return we could pass on this benefit to the members.

This project had already been implemented by me. The factory is currently in operation at 90% capacity level. Upto date I have produced more than 200,000 kgs. of desiccated coconut and the entire production had been sold for export and pre-shipment rejection rate is zero.

I was fully involved in the implementation of this project. There was a special factory modernization committee appointed by our General Body to advise my board of directors on technical matters and evaluation of tenders. The Board of Directors took all the policy decisions accordingly and entrusted the rest of the work to me.

I called all the tenders and the evaluation of tenders was handled by the factory modernization committee. After the finalising by the Board of Directors I opened L.C s' to import required machinery. I signed a contract with the local contractor to handle the balance construction work and the installation of new machinery. There too I was involved in the coordination work with the contractor.

With the co-operation of all concerned I was able to implement this project with least amount of problems.

(i.) Although modernization of desiccated coconut factories was a national requirement there was no set plan or guideline to automate the factories. We had to design our own factory to suit the requirement. There were no competent engineering organizations to get advice nor to submit a detail plan to automate the factory as this type of automation has not been implemented previously.

(ii) After completing the project we didn't have a competent engineer to certify that all the work had been done according to the specifications and in accordance with the food factory regulations.

There was a delay in getting down the steam boiler from U.S.A. There was some problem in the manufacturing company and there was a delay in sending the boiler. So we had to extend the L.C. period. Owing to this also commissioning of the factory got delayed.

There was a miscalculation on the part of M/s. Kilburn Engineering Ltd., from whom we imported the dryer. The radiator that we bought from this Company was under capacity.

After protracted negotiations we were able to convince them that the radiator was under capacity and at last they agreed to send us a free replacement. But it took one full year for this to arrive in Colombo. Consequently we were compelled to close down the factory for nearly one year after 1st commissioning.

We had to change the factory lay-out half way through and shift the control pannels to more suitable locations than in the factory lay-out plan. We had to incur additional cost for this purpose.

Since my society was financially sound I didn't have much financial problems. At the beginning I wanted to raise a bank loan of Rs:75 Lakhs from the Peoples' Bank and after going through my project report this loan was passed. But before realising the loan the bank wanted to fulfil 15 conditions in addition to the land mortgagage.

Since those conditions were not acceptable to us and we didn't obtain the loan.

My personal involvement in implementing the project.

Since this was a project prepared by me I had to sacrifice all my free time on this project implementation work. I had to do the supervision work on building construction, installation of new machinery and modernization of the entire wet section to conform to the new system.

The project engineer used to visit the factory late in the evening and I also had to wait for him and get the necessary advice from him to go ahead with the work.

With determination and conviction I was able to overcome all the problems through negotiations and discussions and completed the modernization work. Before commissioning the factory we obtained a full report from the State Engineering Corporation to the fact that all the work has been done according to the specifications. The most probable solution to the problems in the implementation of the project was as follows:

I would have avoided most of the problems if I had an approved engineering plan prepared with all the drawings and estimates through a consulting engineering firm.

The following are the comparison of figures of the project cost and the actual cost.

|                                 | Project<br>Cost. | A | Actual<br>Cost. |
|---------------------------------|------------------|---|-----------------|
| Total Cost                      | 170 lakhs        |   | 163 lakhs.      |
| Existing machinery cost         | 24.65 lakhs      |   | 20 lakhs        |
| Total machinery cost            | 119 lakhs        |   | 133 lakhs       |
| Building extension and flooring | 2 lakhs          |   | 10 lakhs        |
| Project period                  | 12 months        |   | 10 months       |
| Daily capacity (first year)     | 37800 nuts       |   | 48000 nuts      |
| 70% 90% 100%                    | per day          |   | per day         |

(iii) Programme Utility.

The entire training programme was based on finding ways and means of how to increase the income of the farmers. The main objective of our society is also to increase the income of the farmers. To achieve this objective various techniques and methods have been adopted by various co-operatives in other countries and we were given an opportunity to study those techniques which are very important to our co-operative movement in achieving our objectives.

I trust that the knowledge I gathered would contribute to the progress of our co-operative society in achieving its objectives.

M.B.R.Perera  
General Manager,  
Dunagaha C.P.C.S.Ltd.  
Dunagaha,  
Sri Lanka.

24th Dec. 1993.

NATIONAL REVIEW ( FOLLOW - UP ) WORKSHOP ON MANAGEMENT  
OF AGRICULTURAL COOPERATIVES : SRI LANKA ( ICA / JAPAN  
PROJECT ) COLOMBO SRI LANKA

DEC. 29 - 30 - 1993.

---

STATUS PAPER :

DESICCATED COCONUT PROCESSING FACTORY MODERNISATION  
PROGRAMME

Prepared by

C. A. C. Fernando

KAMMAL PATTU COCONUT PRODUCERS' CO%OPERATIVE SOCIETY LTD.,  
WELINAPPUWA. - SRI LANKA  
TEL. NO. 031 - 5207

\*\*\*\*\*

# STATUS PAPER ; DESICCATED COCONUT PROCESSING FACTORY

## MODERNISATION PROGRAMME

Prepared by C. A. C. Fernando

### Background

I have participated in the 5th I.C.A. Japan Training Course for strengthening Management of Agricultural Cooperatives in Asia - India, Thailand, Japan and Korea from October 22, 1990 to May 10, 1991.

During the training period we had to work with 15 participants from nine Asian countries.

In the theoretical part of our training course we followed with special reference to the following fields.

- \* Introduction to the concept of Integrated Cooperative Systems
- \* Planning and Management of Cooperatives, Techniques for Investment Analysis, Procurement strategies Production and Marketing Planning.
- \* Designing and Preparation of Projects

In the classroom workshops we were divided into groups. In these workshops we took part in discussions, inter-group debates and we had to answer questions from the groups. This Educational System was very helpful to enlighten in the subjects we studied. I greatly appreciate this training method.

In the second part of the training programme we had to work in the field study visits. The theory we applied in the workshops had to be done in the Cooperative movement. There we noticed practical problems and difficulties in the developed and developing Cooperatives in Asian countries. Also we were able to know how these difficulties and problems could be overcome.

---



In the tour we did in countries such as India, Thailand, Japan and Korea, we understood the Profile of the actual performance in the Asian Region Agricultural Cooperative Movement.

In the end of the programme it made me to reach the ideals of the new and live concept of the cooperative movement. For this I deeply thank the organisers of the ICA/Japan Training Course.

The benefits my organisation received from my training is as follows:-

- \* As our Cooperative Society understood the existing Desiccated Coconut ( D.C.) Processing factory were using out-dated techniques in plant and machinery.
- \* My co-operative Society got a well-trained personnel to make a project report in the modernisation D.C. Factory Programme.
- \* My Society was able to submit modifications and amendments to the Project Report as required by the financial agencies such as the Peoples Bank and also incorporating the subsequent changes that took place during that period.
- \* Our Society was able to identify the integrated Cooperative Development work because of having a trained personnel

Information on the Project

The title of my project is as follows:-

"Desiccated Coconut Processing Factory Modernisation Programme."

The Salient features are

- \* Value added to the Member Farmers Production
- \* To earn foreign exchange by exporting products.
- \* Nearly 200 unemployed youths will have opportunity to get employment under the project.

The project is under imolementation and the following works have been completed.

- \* The Supplementary Reports have been completed.
  - 1) The Report of the Civil Engineer
  - 2) The Report of the Electrical Engineer
  - 3) The Report of the Environmental and Water Protection.
  - 4) The Report of the Production Line, and Plant and Machinery.
- \* The completion of the additions and alterations of the Factory Building.
- \* The expansion and Rehabilitation of the electrical project.
- \* Orders have been placed for locally fabricated machinery and equipment.
- \* Among the foreign fabricated plant and Machinery we have imported a Philipino type coconut cutter.

The following works have to be implemented :-

- \* From the imported plant and machinery the purchasing of a Fluid Bed Drier, Radiator and Steam Boiler.
- \* Upgrading the existing quality control laboratory.
- \* Installation of the Plant & Machinery.

To complete the above works, we face financial constraints to purchase foreign fabricated plant & machinery we have to spend Sri Lankan Rupees 60,57, 563.00 ( US Dollars 1,25,000 approximately )

In the project under the heading Sources of Funds we have asked a long term loan from the Peoples Bank for Rs 5000000 and Rs 3000000 as a short term loan. They have not released the loans so far. We have had discussions with the Bank Authorities for nearly two years and as a result there has been a delay to fulfil the work. If we are able to obtain the loan of Rupees eight million ( US Dollars 1,60,000) from the Peoples Bank or any other Funding agency this problem could be overcome.

Comparative Study of the Original Project and the Under Implementation Project.

| <u>Subject</u>                            | <u>Original Project</u> | <u>U.I. Project</u>   |
|---|-------------------------|-----------------------|
| 1. Production Capacity per day C'nuts     | 96000                   | 50000                 |
| 2. No. of working days per year           | 200                     | 200                   |
| 3. Out turn per 1000 nuts for D.C. Kgs    | 125                     | 125                   |
| 4. Procurement price per 1000 nuts Rs.    | 2500/-                  | 2800/-                |
| 5. Average Sale Price per Kg. of D.C. Rs. | 26/50                   | 27/50                 |
| 6. Capital Investment Rs. Million         | 35                      | 20                    |
| 7. Discounted Pay Back period - Years     | 05                      | 03                    |
| 8. Break even capacity - percentage       | 35 %                    | 38 %                  |
| 9. Internal Rate of Return - Percentage   | 27 %                    | 41 %                  |
| 10. Benefit Cost Ratio                    | 1.6                     | 1.8                   |
| 11. Location of the Project               | Kammal Pattu<br>Co-op   | Kammal Pattu<br>Co-op |

### Comparing the problems visualised in the Project

- \* The Annual Production Capacity of 96,000 Coconuts per day and 200 working days per year.

There was a reasonable fear when the production capacity was discussed by the Board of Directors and the General Body of the Society as a result the procurement of raw materials could be a problem in the near future. The Board decided to reduce the Capacity.

- \* Capital Investment - In the original project by importing very expensive plant & machinery and fully automat wet section and dry section of the production line in accordance the capital investment was Rupees 35 million. When the production capacity is reduced the capital investment becomes higher and the project becomes a non viable one.

If this arises the Society have to search from various countries a low cost plant and machinery to arrest this project.

The Society was able to identify plant and machinery at a low cost equivalent to the techniques adopted in the original project plant and machinery.

### Programme Utility

As a result of the I.C.A./Japan training programme, the Society was able to formulate schemes to increase member participation by restructuring production plans and giving incentives and subsidies to the members thereby creating a better membership participation to ensure the production unit with more raw materials.

NATIONAL WORKSHOP TO REVIEW  
PROGRESS ON AGRICULTURAL CO-OPERATIVE MANAGEMENT  
S R I L A N K A

---

29 th to 30 th DECEMBER 1993

---

Sixth I.C.A./Japan Training Programme to strengthen Agricultural Co-operative Management India/Thailand/Japan/China.

A.D. Walisinghe, Supplies and Marketing Manager - Sri Lanka Co-operative Marketing Federation Ltd.,  
(21st October 1991 to 10th May 1992)

1. Back ground

Sri Lanka Co-operative Marketing Federation is popularly known as 'MARKFED' and it functions as the Apex Organisation of primary agricultural co-operative societies, spread throughout Sri Lanka. Co-operative Multipurpose Societies and the primary agricultural co-operative societies are the members of Markfed.

The direct primary society membership is about 300 at present and the indirect individual members, the members of the member societies totals upto about 7,500,000.

The generalbody of Markfed is made up of one representative from each member society, and the Central Committee consists of 22 members, one member representing each Co-operative Administrative District.

The Board of Directors elects the Chairman and the Vice Chairman out of them. Chairman is the Chief Executive officer of the Federation. The General Manager and the executive staff functions under the direction of the Chairman. There are Field Officers and other staff to perform operational work and clerks to perform clerical work and accounting.

As Supplies and Marketing Manager, I belong to the executive staff of the organisation.

I participated in the above training programme from 21st October 1991 to 10th May 1992, which was held for the purpose of strengthening management skills of Agricultural Co-operative Societies in Asia.

.....

The above Training Programme gave me an opportunity to get a clear and broad understanding to workout an effective plan to achieve the following objectives.

- I. To get the farmer member to actively participate in Agricultural Co-operative Movement to improve the income of the farmer member.
- II. To reduce the number of middlemen operating between the producer and the consumer and thereby obtain a reasonable price to the farmer for his produce. Also offer a good quality product to the consumer.

During my period of training, I also got an opportunity to visit India, Thailand, Japan and China where I saw for myself how the co-operative organisations of those countries practically approach the problems and plan and implement those plans to solve problems and achieve the above objectives.

The theoretical and the practical training I received helped me prepare a project report with special emphasis to the following factors.

- I. Profitability of the project.
- II. Selecting suitable area and place.
- III. Availability of resources.
- IV. Financing and financial control.
- V. Planning capacity.
- VI. Improving interrelationship between member, primary society and consumer.

As Supplies and Marketing Manager, my main duties are as follows.

- I. Purchasing of agricultural produce of farmer members.
- II. Marketing of the same at a reasonable price.
- III. Supply of fertilizer, agrochemicals, agricultural implements and other necessary inputs.
- IV. Supply of agrotechnical knowhow through expert sources.

The knowledge and experience I received through the training programme will be of immense help for me to organise and implement the above activities.

This national level workshop will be highly advantageous, as the responsibility of developing the farmer member has directly fallen on Markfed, as it is the Apex Organisation of agricultural co-operative societies.

2). Details of the proposed project.

- 2.1 Proposed project is "Collecting and Marketing of Fruits and Vegetables".
- 2.2 The proposed project report was presented to the Board of Directors on 6.7.1992 and subsequently on 21.7.93 for approval and implementation.

It was discussed in detail by the Board and was accepted as a feasible and suitable project to be implemented by the Federation.

Unfortunately the present financial situation of the Federation does not permit us to implement it immediately. Hence it was decided to see whether foreign aid could be obtained through National Co-operative Council.

This project report will be presented to the Swiss Delegation, that is due to visit the Federation in the very near future. The purpose for the presentation is to explore the possibilities of obtaining Swiss aid for the project.

However a similar attempt made in 1992 to obtain Swiss aid did not meet with success.

On inquiries made by Commissioner of Co-operative Development about my I.C.A. training programme and the proposed project of mine, a copy of the project report was submitted to him on 30.6.1992 for his information.

If the Federation decides to implement the proposed project, as Supplies and Marketing Manager of the Federation, the entire responsibility for the implementation falls on me.

- 2.3 The main problem and the delaying factor is lack of finances. The change in the Board of Management also has affected the implementation in a small way.

The Board of Management that functions at the time of my I.C.A. training has been replaced by a new Board of Management. The General Manager, who encouraged me and extended his co-operation in the preparations of the project has retired from service and the Chairman, who showed a keen interest in the project has left the management. A new Chairman has been nominated to replace the outgoing elected Chairman.

I have been entrusted with personnel and administrative matters,

while supplies and marketing functions have been given over to another officer.

The above changes have slowed down the implementation of the project.

However the present State Minister for Co-operatives, represent an up country area, where vegetable is grown on a commercial basis. He is well aware of the needs and problems of the farmer. He also taken a keen interest in the farmer.

On the directives of the State Minister, a few agricultural primary co-operative societies have been organised in that area and those societies have enrolled themselves as members of the Federation.

Basing on the proposals made in my project report, the Federation has now commenced a scheme to collect the vegetables and fruits grown in that area, while supplying farmer needs such as, fertilizer, agrochemicals etc.

The Federation has now decided to implement it as a pilot project.

In fact the pilot project has already been commenced on a small scale depending on the funds available.

Under the project 22 such primary societies in that particular area have been enrolled farmer membership of the primary societies totals up to about 550.

|     | <u>NAME OF SOCIETY</u>                         | <u>MEMBERSHIP</u> |
|-----|--|-------------------|
| 1.  | Alawathugoda Agricultural Co-operative Society | 25                |
| 2.  | Keppetipola -do-                               | 25                |
| 3.  | Alugolla -do-                                  | 25                |
| 4.  | Hevenakumbura -do-                             | 25                |
| 5.  | Olugama -do-                                   | 25                |
| 6.  | Udubadana -do-                                 | 25                |
| 7.  | Kandepuhulpola -do-                            | 25                |
| 8.  | Getalagamawa -do-                              | 25                |
| 9.  | Bibiligamuwa -do-                              | 25                |
| 10. | Madowita -do-                                  | 25                |
| 11. | Medagodagama -do-                              | 25                |
| 12. | Narawa Karugahaulpotha -do-                    | 25                |
| 13. | Medawola Gangani -do-                          | 25                |
| 14. | Pallewela -do-                                 | 25                |



|                         |      |    |
|-------------------------|------|----|
| 15. Galpattiya          | -do- | 25 |
| 16. Daragala Sampath    | -do- | 25 |
| 17. Perawella North     | -do- | 25 |
| 18. Thawalampola Pubudu | -do- | 25 |
| 19. Udurawana Aruna     | -do- | 25 |
| 20. Idamegama           | -do- | 25 |
| 21. Umaela 'Perakum'    | -do- | 25 |
| 22. Rahupola 'Samagi'   | -do- | 25 |

Federation has already supplied fertilizer to the tune of Rs 15,00,000/- and arrangement have been made to supply Rs. 100,00,000/- worth of seed potatoes for the next season.

It is projected to collect and market their agricultural produce, loan will be recovered out of sales proceeds and the balance money will be paid to the farmer member through the primary societies.

2.4 If foreign aid could be obtained, the proposed project can be implemented straightaway with few amendments with the co-operation of the Board of Management, Department of Co-operative Development and the Ministry of Food and Co-operatives. Otherwise it will be implemented in stages, as it is done now, according to the availability of finances.

This project has been prepared to fulfill the primary objectives of the Federation.

### 03. Programme Utility.

The training received in India under the I.C.A. Training Programme was very valuable. It helped us to identify suitable projects. We got a broad knowledge about the preparation and evaluation of projects. The guidance and knowledge imported to us by the very able lecturers of the 'Indian Institute of Management' was a real wealth to the trainees.

Even if I am unable to implement the proposed project in full with 100% success, the knowledge I acquired in this field could be made use of in the future activities of the Federation. In many occasions I have made use of the knowledge for the betterment of the Federation.

It will be very useful if the training authorities, obtain prior information from the prospective trainees about the projects they intend to present and arrange practical training to suit such projects.

The I.C.A. training programme has been continued for the seven last years. The new trainee will be able to get a prior knowledge about the nature of the programme and participate with better awareness.

It will be very meaningful if the authorities, make same arrangement to give financial assistance to implement projects presented by the Third World Countries like Sri Lanka.



# STATUS PAPER

PREPARED BY,  
MR. A.F.A. PERERA,  
SRI LANKA.

7<sup>TH</sup> I.C.A. JAPAN  
MANAGEMENT TRAINING  
COURSE 92-93

1. BACK GROUND.

A. The seventh ICA/JAPAN TRAINING COURSE for strengthening management of Agricultural Co-operatives in Asia, provided me to learn techniques of formulation and implementation of Projects in Co-operative section. I had a chance to attend the above course as a Sri Lankan participant.

The course MAINLY contended as follows:-

- (a) Theoretical and Practical Training in India and Thailand.
- (b) Preparing a Project Report.
- (c) Project evaluation.
- (d) Study of Agricultural Co-operatives in Japan Korea.

B. BENIFITS OF THE TRAINING COURSE.

- (a) In the very first of the course programme, we had a chance to discuss the all participant country papers. We were from 11 countries and we had a chance to study of Co-operative Movements of relevent countries.
- (b) Secondly Professors of the I.I.M.A./Ahamadbad taught us about the Intergrated Co-operative Development Systems, Modula on planing and Management, Techneques and planning of a Co-operative project.

- (c) We had a chance to visit reputed Co-operative projects such as AMUL, IFFCO and PARAVANAGAR SUGAR FACTORY in India. Also we visited several M.P.C.S. Banks and various kinds of other Co-operatives in Thailand, Japan and South Korea.
- (d) In Japan we were surprised at the high Technology in Japanese farming and its scientific managements.

C. USE OF THE LEARNING AND EXPERIENCES.

As soon as completing the ICA 7th Programme, I started my duties as a finance Manager of the Co-operative Society. During the Course period of the ICA, I obtained many experience of Japanese Co-ops were helpful for me for planning new Projects in my country. I have designed two Agricultural Projects. One Project designed by me was initially accepted by my Society and it is under implementation. Establishing a grinding mill is now approved by the Board of Directors and the Commissioner of Co-operative development. It has been presented to the Peoples bank for the financial facilities.

Another Project designed by me is establishing a Rice Processing complex in bandarawela. So the learning and the experiences obtained by me is very essential for my day to day works.

2. INFORMATION ON THE PROJECT:

- (a) Title of the Project and its salient features.

Title of the Project: DAIRY PLANT in Badulla, District, S.l.l.a.

The Project is to establishing a Dairy Plant of 2500 litres milk processing per day in Badulla District for the interest of Milk Producers of Bandarawela.

(over to 3)

Milk Producers Co-operative Society Limited.

Investment - Rs. 3.5 Million

Finance from - Funding Agencies, Co-operative Development Fund and the Agmark.

Marketing Channels - Co-operative Stores, Marketing Agencies, Super Markets, Hospitals and Govt. Schools.

Financial Liability:

Pay Back Period - 2 years and 4 months (Discounted

B.C.R. - 3.01%

I.R.R. - 41.2%

B.E.P. - 47%

Project Life - 10 years

Project Implementa-

tion Schedule - 1.9.93 to 31.8.94.

Project Implemented by: Bandarawela Milk Producers Co-operative Society Ltd.

(b) If the Project proposal has been implemented/ The Project is still under implementation/ The Project has been designed to implement within one year from September 1993 and end in August 1994, the Society has already discussed and accepted as a viable project. They all agreed with the need and justification of such a plant for their member farmers. Discussions have already been done with the Janasaviya Trust Fund for financial assistance and agreed to grant Rs. 0.5 Million for the Project.

(c) Problems faced with the implementation:

I have recommended that suitable land should be provided by the Uva Provincial Council for the Project. It is very difficult to find a suitable land in the Uva due to shortage of lands. Finally the Society decided to build the factory close to their Head Office in the Bandarawela Town.

Finance for the Project is another problem faced by them. They have already taken necessary action to raise their own funds.

half of the cost will be borne by the Janasaviya Trust Fund and the Agmark, They shall have to consult C.C.D. to obtain a soft loan from the Co-operative Development Fund for the balance amount.

(e) HOW TO OVERCOME THE PROBLEMS:

Land problem is already solved. The main problem faced by the Society is lack of Technical knowledge and inefficient financial position. For the technical assistance, they should have to consult Industrial Development board, Ceylon Institute of Scientific and Industrial Research and successful Dairy Plants. For the purpose of Financial Assistance, they have already discussed the matter with three major Funding Agencies.

(f) MOST PROBABLE SOLUTION TO THE PROBLEMS:

Consult with necessary institutions and train their staff.

3. PROGRAMME UTILITY:

(a) During the study period the 7th ICA/JAPAN Training Course, I had a chance to learn more about Co-operative business. Now I can successfully design a viable and feasible project report for the movement. As a Financial Manager, it is one of my duty to prepare such reports for the Society. I have already prepared two viable Projects for the Society and they are under implementation.

At present my work in the Society is directly related with the business. So the training which I received in the above course is very useful for my day to day work.

(b) NEW ADDITION TO THE PROGRAMME:

- (i) Basic concept of Accounting theory.
- (ii) Basic concept of Cost Accountancy.

(c) WHAT COULD BE DELETED FROM THE TRAINING COURSE:

- (i) Discussing a country report is not necessary. The time allocated for the above purpose should be added for the Training Course.
- (ii) Practical training in F.I.M.A. should be extended.

(d) SUGGESTIONS AND RECOMMENDATIONS:

- (i) This course is very important for the Movement. So it should be continued.

(ii) Contents of the \_\_\_\_\_

1. To render encouragement and understanding to the members of the Co-operative in agricultural productivity.
2. To give an understanding to the members of the Co-operative as to how they could earn an income through a Society.
3. Learning how a project could be organised, ~~and~~
4. To gain knowledge how productivity work should be managed, as Production Manager.

My project is a Raw Rice Mill. Plans have been finalised to start this rice mill in the year 1994. Production of rice flour from raw rice has been started for the present. This rice flour is being sold locally and abroad. At present Flour is being sold abroad under an Agreement signed with a Firm called Kelki. This rice flour is very popular in the local market of Sri Lanka. This rice flour is being produced through Labour. By this method it has been possible to give employment opportunities to members. Each person get a salary of about Rs.1400/- per month and through this about 60 families earn their living. Presently our Co-operative Society needs a Rice Mill to produce raw rice and it is proposed to start my project very early.

On the knowledge gained from India, Thailand, Japan and Korea a packetting project for the commodities produced by ~~our~~ Aranayaka Society, was started. Very attractive packets were designed and commodities produced are sent to the market in these packets. Now I have started the undermentioned packetting system.

1. Raw Rice packets of 450 grams.
2. White Rice <sup>Flour</sup> packets of 450 grams.
3. Ulundu flour packets of 400 grams
4. Kurakkan flour packets of 400 grams.
5. Tea packets of 100 grams
6. Tea packets of 200 grams
7. Chillie Powder packets of 250 grams.
8. Grounded spice packets of 100 grams
9. Salt packets of 1000 grams.

Action has been taken to improve the economy of the members by taking them in batches and giving an understnaidng regarding same. For the cultigation of paddy, co-operative members have been supplied with seed paddy and manure by the Society. The Society buys their produce for a higher price. In the year 1993 125000 Kilograms of paddy were bought from the members and

- 05 -

and they have been paid Rs.10,00000 (Ten Lakhs). It has been planned to buy paddy from the paddy cultivators in the year 1994 also. A building (store) has been obtained from the Government to store paddy. Steps have been taken to buy the agricultural products of the members through local Depots and market them through the Co-operative at Tripoli Market and obtain a higher price.

The Scholarship granted by the I.C.A. has been very beneficial to the Co-operative employees. It is possible to gain a good understanding and knowledge about the income that Co-operative membership should get.

I offer my gratitude, goodwill and honour to the said Organisation for being able to get a Scholarship as a Co-operative employee.

In conclusion I thank you on behalf of the Society and on behalf of Sri Lanka, with honour.





Regional Office for  
Asia & the Pacific

THAILAND.

12/1/94

National Review (Follow-up) Workshop  
on Management of Agricultural Co-operatives  
Thailand

3-4 January 1994

Program

✓ Monday, 3 January 1994

✓ 10.00-10.30

✓ Introduction of former participants  
and current participants

✓ 10.30-10.45

✓ Welcome by Mr. Narong Marukatut  
Director, Co-operative League  
of Thailand

✓ Address by Mr. Shiro Futagami,  
Managing Director, IDACA

✓ Address by Dr. Daman Prakash,  
Project Director, ICA ROAP

10.45-11.00

- Tea/Coffee

11.00-12.00

✓ Workshop Methodology

12.00-13.00

- Lunch

13.00-17.00

- Presentation of Status Papers by  
former participants

Tuesday, 4 January 1994

GPM CLT Dinner

09.00-10.30

- Program Continue

10.30-12.00

- Technical Summary on Presentation  
made during the Workshop  
Prof. A.H. Karlo  
Dr. Daman Prakash

-----

GPM

IDACA dinner



Regional Office for  
Asia & the Pacific

NATIONAL REVIEW WORKSHOP ON MANAGEMENT  
OF AGRICULTURAL COOPERATIVES - THAILAND  
BANGKOK.  
03 - 04 JANUARY 1994

PROGRAMME

MONDAY, 03 JANUARY 1994

INAUGURATION  
WORKSHOP METHODOLOGY  
PRESENTATION OF FORMER PARTICIPANTS STATUS PAPERS  
DISCUSSIONS.

TUESDAY. 04 JANUARY 1994

PRESENTATION OF FORMER PARTICIPANTS STATUS PAPERS  
DISCUSSIONS.

SUMMING UP  
CLOSE OF WORKSHOP.

. . . . .



Regional Office for  
Asia & the Pacific

NATIONAL REVIEW WORKSHOP ON  
MANAGEMENT OF AGRICULTURAL COOPERATIVES - THAILAND  
BANGKOK  
03 - 04 JANUARY 1994

GUIDELINES FOR PREPARING STATUS PAPERS

At the National Review Workshop, the former training course participants are required to present a brief and factual status paper on the work that has been done on your Project proposal developed by you during your training and the experiences that you had gained while attending the training programme. We would suggest that you follow the following structure for your paper:

1. Background

- a. Brief introduction to the Course attended by you;
- b. In what way you have benefited from your training;
- c. How have you been able to make use of the learning and experiences in your current work.

2. Information on the Project prepared by you

- a. Title of the Project, its salient features;
- b. If the project proposal has been implemented, what is the current status, its achievements, and how far have you been able to involve yourself in the implementation of the Project;
- c. Problems faced in the implementation of the Project, for instance, organisational problems, financial constraints, your own personal problems;
- d. How were you able to overcome the problems in the implementation of the Project;
- e. What could be the most probable solutions to the problems in the implementation of the Project.



Regional Office for  
Asia & the Pacific

### 3. Programme Utility:

- a. How far you found the training programme useful in the context of your own work, from the point of your Organisation;
- b. What could be the new additions to the Programme,
- c. What could be deleted from the Programme.

### 4. Suggestions and Recommendations:

You are requested to make suggestions and recommendations to the ICA leading to the general improvement and upgrading of the contents of future programmes.

Your paper should be brief, factual and to-the-point. It should not be more than ten typewritten pages.

You will be invited to make a brief presentation of your Status Paper at the National Review Workshop for about 30 minutes which will be followed by clarifications and discussions.

The ICA plans to carry out further studies on successfully implemented Projects in the Region and you might be invited to provide further information on your Projects.



Regional Office for  
Asia & the Pacific

ICA/JAPAN TRAINING COURSES FOR STRENGTHENING MANAGEMENT  
OF AGRICULTURAL COOPERATIVES IN ASIA, 1 - 8  
1986-87 TO 1993-84

LIST OF PARTICIPANTS FROM THAILAND  
THEIR SPONSORING ORGANISATIONS  
AND PROJECTS PREPARED BY THEM.

|     | Name and address of participant  | Year    | Sponsored by | Title of Project Prepared  |
|-----|--|---------|--------------|--|
| 01. | Mr Sirihatakit Kreingsak<br>Manager, Nongvai Agricultural Cooperative Society<br>213/5, Khonknen, Kalahim road<br>Ampur Meeng. Khenkhen. Thailand.                         | 1986-87 | CLT          | Nong Wai Agrl Coop Project   |
| 02. | Mr Apichat Treejaturon<br>Training Division,<br>Cooperative Promotion Department,<br>Kungkasam road, Thevesn,<br>Bangkok. Thailand.  | 1986-87 | CPD          | Establishment of a Feed Mill Project in Tachang Agrl Coop Society. |
| 03. | Mr Taworn Supanawan,<br>Coop Promotion Dept.,<br>Tewet, Bangkok. Thailand.   | 1987-88 | CPD          | Promotion of Sericulture and Raw Silk Production Project           |
| 04. | Mr Panuwat Nanakornpanom<br>Coop Technician,<br>Land Settlement Coop Division,<br>Cooperative Promotion Department<br>Krungkasam road, Thevesn,<br>Bangkok. Thailand.      | 1987-88 | CPD          | Vermicelli Processing Project                                      |
| 05. | Mr Thawee Thimasaya,<br>Chief, Other Producers Section<br>International Trade Dept<br>Agricultural Coop Federation<br>of Thailand, 97 Rajdamri road,<br>Bangkok. Thailand. | 1988-89 | ACFT         | Expansion of Rice Mill Project                                     |



Regional Office for  
Asia & the Pacific

- |     |   |         |     |   |
|-----|---|---------|-----|---|
| 06. | Miss Wasna Junthieng<br>Manager<br>Mae Chaem Agrl Cooperative Ltd.<br>38 Sutsanti road, Amphur Mae Chaem,<br>Chiengmai. Thailand.                     | 1988-89 | CLT | Production &<br>Marketing of<br>Mangoes                           |
| 07. | Mrs Jansuda Watcharayon<br>Cooperative League of Thailand<br>4 Pichai road, Dusit.,<br>Bangkok. Thailand.   | 1989-90 | CLT | Sericulture<br>Promotion &<br>Raw Silk<br>Production<br>Project   |
| 08. | Ms Pornrut Saitongsuk<br>Coop League of Thailand<br>4 Pichai road, Dusit<br>Bangkok. Thailand.  | 1989-90 | CLT | Soyabean<br>Production<br>Project                                 |
| 09. | Ms Maroum Sutanon<br>Manager,<br>Rongkwang Agrl Cooperative Ltd<br>Rongkwang. Thailand.   | 1990-91 | CLT | Processing<br>Plant for<br>Feed Mix<br>Mill                       |
| 10. | Mr Suriya Thummavaro<br>Manager<br>Muyang Pijit Agricultural Coop Ltd<br>Muyang Pijit. Thailand.  | 1990-91 | CLT | Integrated<br>Farming<br>Project                                  |
| 11. | Mr Pronchadin Potiya<br>Manager<br>Maetaeng Agricultural Cooperative<br>133, Moo 3, Tumbol Sanmahaphol<br>Ampure Maetaeng,<br>Chiengmai. Thailand.    | 1991-92 | CLT | Project for<br>Raising<br>Cattle for<br>Meat and for<br>Breeding. |
| 12. | Mrs Amporn Vongsopa<br>Manager<br>Sanpathong Agricultural Cooperative<br>238, Moo 10, Rambon Yuwa<br>Sanpathong dist. Chiengmai Province<br>Thailand. | 1992/93 | CLT | Rice Mill<br>Project  |
| 13. | Mr Pratin Boontioy<br>Training Dept<br>Cooperative League of Thailand<br>13 Pichai road, Dusit<br>Bangkok. 10300. Thailand.                           | 1993/94 | CLT |   |

NATION FOLLOW - UP/REVIEW WORKSHOPS ON MANAGEMENT OF AGRICULTURAL  
FOR ICA/JAPAN FORMER PARTICIPANTS FROM THAILAND (PREPARED BY TAWORN  
SUPANAWAN) JTC-2

1 Background

(a) Brief introduction

I was the participant of the second Ica/Japan Training Course for strengthening Management of Agricultural Cooperatives in Asia which was held in India Thailand Japan and Republic of Korea during October 1987 - May 1988. This training course consist of 15 participants from 9 countries in Asia

19

The first period of 2 months. The training course was held in The ICA Regional office premisses in Newdelhi to study module on Integrated Cooperative Development, Planning and management, Project Design study visit in various cooperative societies etc.

The second period of 15 days was for field study visit agricultural cooperative movement in Thailand

The third period of 45 days : The participant left their home country for project assignment

The fourth period of 2 months, The participant reassembled in Japan for attending the Project Appraisal Session and to study the Japan experience agricultural cooperative movement and management, practice at IDACA, Tokyo, included study visit to agricultural cooperatives in every level

The fifth period of 15 days was for study visits in Korea



(b) Benefit from this training course

.To learn the different agricultural cooperative movement in different countries and share our experiences

.To learn management technique in agricultural cooperatives in Asia by study various models of development

.To improve quality of rural development through better managed agricultural cooperative

.The procedure of this training course can be applied use for the training course in different purposes

(c) The use of learning and experiences

To relay knowledge and experience gained from this training course to coop members, managing staffs and Board of Directors to realize of coop development by strengthening management of agricultural coop. by emphasizing its members product value by processing under coop. movement in order to keep its own market channel, and also to joint business and benefit among agricultural coop sector and other kinds of cooperatives by mean of mutual benefit and in order to relay it widely, the article named "Another way of Agricultural Cooperative Development in Thailand" was written and distributed to every provincial coop Promotion officials, every Directors and Director ~~Promotion~~ General of CPD. This article has also been printed in Cooperative Journal, conducted by Coop. League of Thailand, distributed to all kinds of every coop. society offices throughout the country

2 Information of the project

a. Project title Sericultural Promotion and Raw silk Production

b. Salient features

Area of operation : Huaisaiyai Agricultural Coop.

Petchburi and Prachuabkirikan Province

Project operation Can be divided into 2 characters

(1) To promote Coop. members at least 200 to work in sericulture in substitute for upland Crops by growing mulberry for rearing silkworm to produce cocoons which return 6 times of income more than revenue from uplandcrops. The coop.borrows loan from Cooperative Promotion Department ( CPD) and the coop. providesloan to its project members in credit in kind to use in mulberry plantation and silk worm rearing. The coop collects all cocoons with average price of 85 Baht/kg.

(2) Raw silk procution after the coop.has at least 200 members it will establish the processing unit in order to process cocoons to be rawsilk, at this stage the coop.can buy cocoons at the price of 100 Baht/kg.

This project needs high investment cost for 200 members with amount of <sup>22</sup>million Bahts CPD. or BAAC may not be able to provide such amount, so my suggestion is that, in the first period, the coop.should launch the project with small amountof project members by selecting from the most suitable members from every group in order to see the possibility and to demonstrate, if the first period fulfil, this will convince CPD to provide loan for member investment by member of 60,100,200 and finally cover all coop members, at this time, the coop will establish processing plant

c. Curent status

The project was approved by Board of Directors in August 1988, in the first period consist of 30 project members, medium-term loan of 50,000 Bahts each was provided by coop. which borrow from CPD with total amount of 1.5 million Bahts

In February 1990, I was transferred to Nong-plub Coop Demonstration Center, after that, the operation was run under the supervise of the new chief of Huaisaiyai Coop Demonstration Center

In the recent. I travelled to follow up the project operation, it was still run in the same as mentioned, There were 30 project members; they could repay loan to the coop 800,000 Baht, the coop has no policy to icerease members due to

1. The problem of mulberry production

The quantity of cocoons depends on the quantity of mulburry leaves, the mulburry plantation depends of amount ofrainfall, the project area always meet the drought condition, this cause less amount of mulburry leaves, so the amount of rearing silkworm was limited

To solve this problem, CPD. provided the budget to dig 30 farm ponds and these have been done since last year

2. The problem from the price of cocoon

The raw silk production factory, which buy cocoons, cannot give the higher price because the raw silk import from China and Vietnam cheaper than the price of raw silk produce in the country around 42 % (the price of domestic raw silk is 1,200 Baht/kg but from China and Vietnam is only 700 Baht/kg)

To help the silkwarm rearing farmers, the goverment decided that the raw silk buyers have to buy all dometic raw silk then they can import from abroad. The goverment set up the proportion of raw silk amount buy from domestic per abroad yearly, the proportion will be changed depends on the amount of domestic raw silk prodUction and consumption

d. The most probable solutions to the problems

The problems faced by project members have been solved in a level, it still needs to solve the remain

1. At present, the raw silk market is not quite well due to the smuggling of raw silk from China and Vietnam, the related goverment agencies have to subjugate the smusglers absolutely

2. The project operation canfulfil, the amount of memberships have to be increase at least 200, so that the amount of cocoons is sufficient for proessing plant, in case it's impossible to run the project for 1 coop. society because of insufficient amount of membership, CPD should encourage the project to the other coop. societies in target area (it may cover the cooperatives in many provinés) in order to reach the amount of cocoon production so that the processing plant can the established which helps the project members increase the price of cocoons their income will be higher,

JTC. 2

✓

National follow-up/review workshops on management of agricultural cooperatives for ICA/Japan former participants from THAILAND.

Name of former participant MR. PANUWAT NA NAKORNPANOM

Land Settlement Cooperative Division

Cooperative Promotion Department

#### L. Background

a. I attended the second ICA Training Course for Strengthening Management of Agricultural Cooperative in Asia.. Which was organized from <sup>October 1987 to</sup> May 1988 in India, Thailand, Japan and Republic of Korea. Funded by the Government of Japan.

b. During the training course I have learnt various aspects of cooperative management, concept of integrated approach and many knowledge for raising farmers income and better of their living. I can learn the management of cooperative in India, Japan and Korea, how they did and success in the business and how they solve their problem. We can share ideas and exchange experiences. These things were through the lecture in class room, study visit and group discussion, which is a very good and effective method.

c. As my work regard to project preparation and appraisal for the development of Land Settlement Cooperative. It is very useful for me in using knowledge gained from the training course to apply which my work.

I have been formulated many projects to implement in Land Settlement Cooperative and some project have been proposed to Government and get

supported. Here is the name of some projects formulated by me :- Commercial Forest Plantation in Northeast Land Settlement Cooperative, Reforest in LCD, Northeast Land Settlement Cooperative Development, Integrated farming in LCD and many occupation promotion projects such as cow raising, dairy cow, fish pond and fruit tree plantation etc.

## II. Information on project prepared.

The project prepared during the course was Vermicelli Processing.

The project focus on establish a processing plant for vermicelli from mungbean. The project site is Sawankalok Land Settlement Cooperative Ltd. Which located in Srinakorn District of Sukothai province in the north of Thailand. Its components are consist of farm guidance, credit, input supply, procurement of raw material, processing and marketing. It is emphasized on procurement, processing and marketing.

Farmers in Sawankalok Land Settlement Cooperative grow many crops such as soybean, mungbean, maize and fruit tree. In the year 1985, 1986 they grow mungbean more than 9,000 rais (6.25 rais = 1 hectare) which produced more than 1,000 tons of mungbean. Because of the low price of the product I prepared The Vermicelli processing from mungbean to solve the members problem. Unfortunately, the project couldn't be implemented. Most of the members have switched to other crop :- soybean. They prefer to grow soybean in order to get better income. So the cultivate area of mungbean has been decreased that its production has not enough to process vermicelli.

As this area has a lot of soybean, the Land Settlement Cooperative Division, in order to serve the members' needs and solve marketing problems, organized women groups to process soybean paste and sell to local market. Last year, LCD advised the cooperative to set up a soybean sauce plant. Now it is under feasibility study process, this project will cost 1.5 million bath as investment cost. The coop. plan to implement soybean sauce project in this year. It will do only processing process and let private company, Thanakorn Trading Co. Ltd., do marketing the product.

However, if the soybean sauce project was successful, the cooperatives' accepted that the vermicelli projects is good to be implemented in the future.

### III. Programme Utility

#### a. The usefulness of training programme.

This training programme is very useful not only for my own work and my organization but for farmer also.

I can apply knowledge and experiences gained from the training to my work, as I told you before. I have prepared many projects, advise cooperatives in management aspects and introduce integrated approach. My office, Land Settlement Cooperative Division, advise cooperatives to do processing business in order to increase value of agriculture product and solve marketing problems, form women and youth groups to do better living programme. At present most of Land Settlement cooperatives have women and youth groups and many of them are implementing Cottage Industry to process simple agriculture products such as

Sawankalok LC. in SuKothai province produce soybean paste from soybean

Bansapan LC. in Prajapkeereekan province produce jam and juice from pineapple.

Maetang LC. in Chiangmai province produce longgan juice from longan.

Kabinburi in Pracheanburi province produce bamboo can from bamboo.

etc.

All these activities done by cooperatives are benefit to farmers. ✓

b. New addition to the training programme.

The training programme should add homestay with farmer or spend someday training in cooperative.

c. Every activities in the training course is good, nothing to be deleted.

-----



JTC-5

5<sup>th</sup> ICA/JAPAN Training COURSE ✓

03/1/94

PROMOTION ACTIVITY OF COOPERATIVE WOMEN GROUP

1. NAME OF THE PROJECT : Promotion Activity of Cooperative Women Group
2. THE PROJECT AREA : Area of the project will covers Rongkwang Agricultural Cooperative area, Rongkwang District, Phrae province.
3. PROJECT IMPLEMENTATION : 2 years from January 1993 to December 1994
4. EXECUTING AGENCY : Rongkwang Agricultural Cooperative Ltd.  
Rongkwang District, Phrae province 54140  
Tel. (054) 597110
5. PROJECT BACKGROUND AND JUSTIFICATION

During in 1987-1991 Most farmers encountered with production problems and price fluctuation. Farm products are often damaged by disease, pests, drought and natural disaster. Even the year of good production, farmers still face with the problems of low market price for farm products. These made farmers having low income and they are still the poorest group in comparison with people of other careers. At present, woman have many roles in family and society. Besides their role as wives and mothers in families, they also do farmworks to assist family and to supplementary ocepation. This is to increase more family income and improve the quality of life. Furthermore, their role are involved in the cooperative activities, so they should have various knowledge concerning cooperatives and occupation. Cultivation was damaged by drought in the last two years in Rongkwang District. This caused farm incomes reduce and not enough

for their expenditures, so , some farmers have to migrant to Bangkok or big cities to earn more income. To assist these farmers, non agricultural-occupation should be promoted for increasing their additional income through women group activities.

Rongkwang Agricultural Cooperative was established in October, 1974 to run businesses in multi-purpose form with including credit, purchasing, marketing and promoting of women group activities and youth groups activities. At present, the society has 3,862 memberships and 555 women group members. Women groups activities are dressmaking, basket work, and other cloth products. The dressmaking activity has been started since 1991 in the Ban Weang Tai Cooperative Women Group with 15 women. It's implementation encountered with low selling price problem, low production capacity due to lack of equipment, working capital and dressmaking technique should be improved. In 1992, Rongkwang Agricultural cooperative would like to <sup>import</sup> ~~support~~ machine from Japan. To achieve successful target, women group, it will be spent for training women members so as to increase knowledge and production skill, whereas the other parts will be spent for procurement of equipment.

## 6. PROJECT PURPOSE

1. Increasing their income by improving production techniques of dressmaking and other cloth products.
2. To promote dressmaking and other cloth products by cooperative women group for their home consumption and marketing.
3. To promote the joint works in accordance with cooperative principle and procedure.
4. Knowledge and experiences attained from training could be applied for the improvement of the quality of life.

5. To enrich mind of women members and their families.

6. To generate income distribution in this local area and minimize labour migration.

7. PROJECT SUCCESSFUL

1. To sacrifice on the cooperative women group activities.

2. To foim working of the cooperative women group.

3. To honest activity on the cooperative women group.

4. The cooperative women group would like to request support of the cooperative and goverment.

8. BENEFIT PROJECT

By implementing the project following benefits can be enumeated :

1. Increasing income oppertunities for reral poor in diversified production and their achive more viable and stable income earening oppertunities.

2. Promoting rural people spending their leisuse time by making cloth products and earening more income.

3. Increasing the knowledge of cooperative women groups members regarding dressmaking and other clothes production.

4. Promoting mutual activities according ot cooperative principle and increasing better attitudes and more understanding among cooperative members"s women group"s members and cooperatives society.

5. Decrasing social problems of labour migration to Bangkok and urban areas.

6. Promoting small-scale cottage industry amoug grass rool level in women group.

7. Incresing rural income and living standard of lacal community and there by national income.

9. NEED AND IMPLEMENTED OF THE PROJECT

1. To be attentive from the cooperative women group members.
2. The cooperative women group have been knowledge dressmaking of fair and not to be share learning.
3. To sink their machine and not to be investement.
4. Activity increasing income for the cooperative women group.
5. Rduce the social problems on migration of labour force to Bangkok and uban area.

10. PROBLEME FACED IN THE IMPLEMENTED OF THE PROJECT

1. The cooperative women group have not enough maney activities.
2. They have not knowledge and experineces dressmaking.
3. The promotion have not in the marketing.
4. Training.

\*\*\*\*\*



03/11/94

PRESENT STATUS AND TASKS  
OF  
SANPATHONG AGRICULTURAL COOPERATIVE  
1993  
BY  
AMPORN VONGSOPA

JTC-7

## CONTENTS

### PART I

1. Background
2. STRUCTURE OF COOPERATIVE
3. ACTIVITIES
4. PROBLEMS

### PART II                      THE 7<sup>TH</sup> ICA/ JAPAN TRAINING COURSE

1. Brief introduction to the 7<sup>th</sup> training Course
2. Benefits from the Training Course
3. Project Preparation
4. Suggestions.

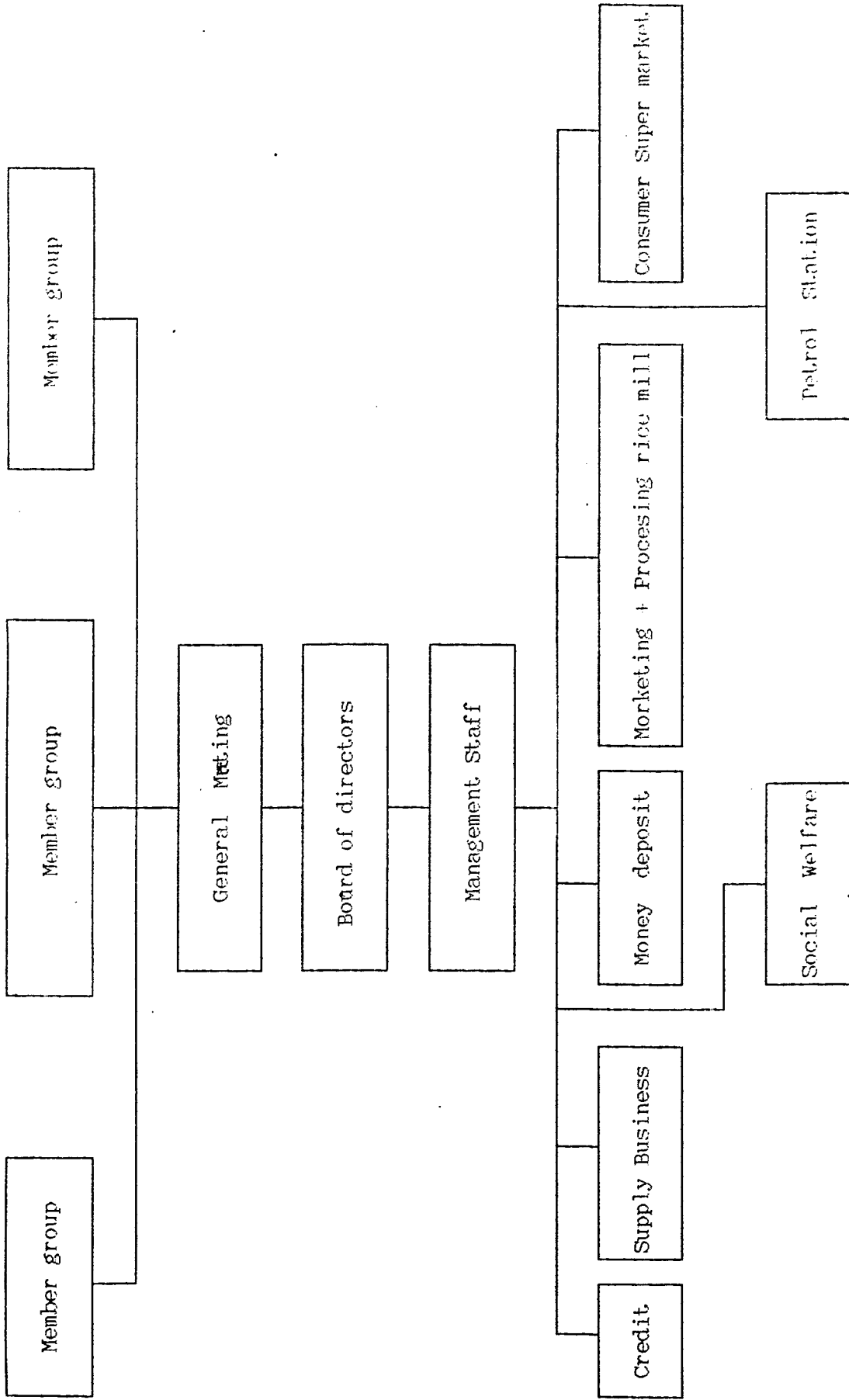
## PART I

### Background information

Sanpathong Agricultural Cooperative Ltd. was registered on June, 9 1971, by amalgamation of 38 credit cooperatives and one marketing cooperative. It was located at Sanpathong District, about 23 kms. from Chiangmai. As of December 31, 1993, it had membership of 7551 persons which can be divided into 103 groups.

The Sanpathong Agricultural Cooperative, ltd. can be considered as one of the most successful cooperatives in Thailand. The Cooperative was selected by the Ministry of Agriculture and Cooperatives as the outstanding cooperative in 1975, His Majesty the King awarded the Cooperative with plaque to acknowledge this achievement.

Organization Structure



- 1. Boads of directors 15 Persons
- 2. Management Staff 74 Persons



### ACTIVITIES

1. Providing Loan
2. Providing input supply and household goods
2. Collecting members produce for selling and processing
4. Receiving deposits
5. Social welfare
6. Consumer supper market
7. Petrol Station
8. Providing extension services

### PROBLEMS

1. Lack of Funds.
2. Price of farm-product was very Low.
3. Cost of farm-product was very high.

PART II THE 7<sup>TH</sup> ICA/JAPAN TRAINING COURSE

1. Brief introduction to the 7<sup>th</sup> Training Course

The 7<sup>th</sup> ICA/Japan Training Course which I have attended was spread over from November 9, 1992 - May 8, 1993 in India, Thailand, Japan and Republic of Korea. The first part of the Training Course was held in the ICA Regional Office premises in New Delhi, followed by study visits in Maharashtra and Gujarat States of India. A two-day Workshop on Management Techniques for Processing and Marketing Societies was held at the Vaikunth Mehta National Institute of Cooperative Management, in Pune and the Module on Project Preparation was held at the campus of the Indian Institute of Management, Ahmedabad. The first part of the training course was organised from 9th November 1992 to 5th January 1993 in collaboration with ICA Member-Organisations in India and with technical collaboration with the Indian Institute of Management (IIMA), Vaikunth Mehta National Institute of Cooperative Management (VMNICM) and cooperative organisations in the States of Maharashtra and Gujarat.

Part-I of the Training Course in India was followed by field study visits to agricultural cooperatives in Thailand from, 5th to 13th January 1993, organised in close collaboration with the Cooperative League of Thailand (CLT) and the Cooperative Promotion Department (CPD), in the Ministry of Agriculture, Thailand.

We left for our home country assignments, after the study visits programme in Thailand to prepare projects in our countries, from 13th January to 20th February 1993.

## PART II

In Japan on 21st February 1993 for attending the Project and to study the cooperative management practices followed in agricultural cooperatives in Japan at the IDACA, Tokyo. The eight-week programme at IDACA from 21st February to 25th April 1993 included study visits to agricultural cooperatives in Kagoshima and Nagano Prefectures in Japan, besides getting acquainted with a variety of national level cooperative federations in Tokyo.

I attended study visits programme to agricultural cooperatives in the Republic of Korea from 25th April to 8th May 1993.

A three-day joint National Review Workshop for former participants from the Republic of Korea along with participants of the 7th training course was held from 6th to 8th May 1993, as a follow-up activity.

### II Benefits from the Training Course

The Training Course was very good I learned and remember importance point which I carried to my country.

1. Financial which was very importance for management in my cooperative. I use for planning project and know what is NPV, BCR, IRR and know how many years pay back period in the project.
2. In what way to make better living activities.
3. Why agricultural co-op in Japan was successful.
4. Why republic of Korea growth up than the other countries in Asian except Japan.

The Training Course we have classroom to learn and visited the co-op in India, Japan and republic of Korea, We met friends to share

experience in our jobs. from 11 countries.

The various managerial techniques and experience I gathered in the course will help me to devote myself to the tasks. I think it had been a good opportunity for me to develop my cooperative and joint with the other co-op in my country.

### III Project Preparation

My project was rice mill project. In my co-op it had one rice mill with capacity 24 tons per day but it was too old. So a board of directors wanted to be change in to 40 tons per day because of rice was very wellknow in Chiengmai, Lamphoon and Maehongson provinces. It will be state on May 1994 because of the land for building a new rice mill is preparing for Cooperative's Day of THAILAND on Feb 25-March 1, 1994.

Investment borrow money from CPD. interest rate 6% 6.5 Millon Bath

Problems face to my project

1. Because of a big rice mill so I must procuement the paddy from <sup>Members</sup> farmers and non ~~farmers~~. <sup>Members.</sup>
2. We must keep care environment because the Land for a new rice mill close to the farmer house.

### IV Suggestions

I would like to suggestion for Training Course

- ✓ 1. Trainig Course should be only 4 months.
- ✓ 2. Schdule of programmee should be send to participants before Training.
3. Expecially Thailand should be 2 persons.
4. ICA should be paid for sending material no limited weight.