

International Cooperative Alliance

COURSE IN COOPERATIVE MANAGEMENT (CREDIT-SUPPLY-MARKETING COOPERATIVES) FOR AFGHAN COOPERATIVE PERSONNEL

PUNE (MAHARASHTRA) : 26 Nov 80 - 2 Jan 81

C O N T E N T S

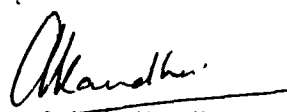


	<u>PAGE</u>
I. FINAL REPORT	... 1
II. PROGRAMME	... 2
III. LIST OF PARTICIPANTS	... 3
IV. <u>BACKGROUND PAPERS</u>	
1. Organisational Behavioural Approach by Sushama Pendharkar, VMNICM	... 4
2. Apple Cultivation by Dr.J.B. Gugare	... 5
3. Staffing - Function and Management	... 6
4. Planning - Function of Management	... 7
5. Scope and Functions of Management	... 8
6. Cooperative Management Approach	... 9
7. Role of Cooperatives in Planned Economic Development	... 10
8. My Perception of a Consumers' Cooperative Society by Prof.S.B. Rao, VMNICM	... 11
9. Grape Cultivation by Dr.J.B. Ghugare	... 12
10. The Control Function of Management by P.V.Mathew, VMNICM	... 13
11. Cooperative Credit Structure in India by Dr.S.C.Mehta	... 14
12. Cooperative Marketing - Nature and Scope by Professor G.S. Kamat, VMNICM	... 15
13. Cooperative Credit Structure Long Term Finance, Policies and Procedures - M.R. Ramdasi, VMNICM	... 16
14. Agricultural Cooperatives in Afghanistan by M.V. Madane, Officer-in-Charge, PACCA, Kabul, Afghanistan	... 17
15. Mass Communication by A.R. Sapre	... 18

BACKGROUND PAPERS (Contd.)

16. Institutional Arrangements for Supply of Inputs - Arrangements of Supplies by Cooperatives by P.K.M. Raja, VMNICM.	...	19
17. A Brief Note on Marketing Intelligence, Marketing Research and Marketing Services by S.P.Gupta	...	20
18. Extension Teaching Methods by Dr.S.L. Tripathi	...	21
19. Agricultural Economics and Cooperatives by Prof.M.V.Namjoshi..	...	22
20. Writing Reports - Some Hints by S.B. Rao	...	23
21. Marketing Finance - Linking of Credit with Marketing - Synopsis by P.K.M. Raja, VMNICM	...	24
22. Regulation of Agricultural Marketing - Role of Cooperatives in Regulated Markets by Dr.A.P.Kansal	...	25
23. Processing as Aid to Marketing Functions and Activities of Processing Societies by P.K.M. Raja, VMNICM	...	26
24. Multi-purpose Cooperatives - Functions, Advantages and Disadvantages by L.Gunawardana, ICA ROEC, New Delhi.	...	27
25. Business Operations of Marketing Cooperatives by Dr.G.S.Kamat, VMNICM	...	28
26. Need, Importance and Problems of Agricultural Cooperative Credit by Lionel Gunawardana, ICA ROEC, New Delhi.	...	29
27. State Policy and Legislative Framework in which Cooperatives Operate by Y.B. Deshpande, VMNICM	...	30
28. Resource Mobilisation in a Cooperative Society by Lionel Gunawardana, ICA ROEC, New Delhi.	...	31
29. Conducting Committee Meetings by D.R. Datar, VMNICM	...	32
30. Rural Cooperative Credit Machinery in India by Dr.S.C.Mehta, VMNICM	...	33
V. SYLLABUS	...	34

New Delhi
February 2, 1981.


Ashok Kandhari
Course Secretary

COURSE IN COOPERATIVE MANAGEMENT
(CREDIT-SUPPLY-MARKETING COOPERATIVES)

FOR

AFGHAN COOPERATIVE PERSONNEL

REPORT

Group discussion on (a) Credit and Supply Activities.
(b) Marketing and Processing Activities for Coops.
in Afghanistan

000000

Group A

Group B

CREDIT AND SUPPLY

MARKETING AND PROCESSING

- | | |
|--------------------------------|---------------------------------|
| 1. Mr. Abdullah, Chairman | Mr. Farouq Shah, Chairman |
| 2. Mr. Abdul Raouf, Rapporteur | Mr. Mohammad Masood, Rapporteur |
| 3. Mr. Mohammad Anwar, Member | Mr. Mohammad Basir, Member |
| 4. Mr. Abdul Halim, Member | Mr. Abdul Hakim, Member |
| 5. Mr. Sayed Aqa, Member | Mr. Gul Khan, Member |
| 6. Mr. Abdul Shokoor, Member | Mr. Shah Zada, Member |

@@#@

BRIEF BACKGROUND ON COOPERATIVE MOVEMENT IN INDIA :

Cooperative movement has been assigned a very crucial role in achieving the objective of economic development in the programmes of economic development in India. Cooperative movement in India started in the year 1904 with the passing of Cooperative Credit Societies Act. The Cooperative movement in the country has achieved a multi dimensional development embracing number of sectors of the economic activities in the rural as well as urban areas, such as Agricultural credit, marketing, processing consumers, industrial, housing and such other sectors.

Cooperative Credit : Structure is the largest and most important sector of the cooperative movement in the country. Short and medium term credit is provided to the cultivator-members and other members in the rural areas through a three-tier structure namely; the primary agricultural credit cooperatives at the village level, federated into Central Cooperative Bank at the district level which are further federated into Apex Bank at the state level i.e. the State Cooperative Bank. Long-term credit is provided through a two tier structure namely; Primary Cooperative Land Development Bank at district level and State Cooperative Land Development Bank at state level. However, in some states long-term finance is provided by a unitary structure i.e. the State cooperative Bank operating at district and lower level through a network of branches. Short-term credit is provided for production purposes on the basis of production requirement of the cultivators, while the term loan is provided for capital formation in agriculture and for development of land.

COOPERATIVE MARKETING AND SUPPLY :

The marketing of agricultural produce is undertaken by cooperatives through a structure consisting of Primary Marketing Cooperatives, district Marketing Cooperatives, State Marketing Cooperative Federation and National Agricultural Cooperative Marketing Federation operating at national level. Marketing cooperatives as well as multi-purpose cooperatives operating at primary level also undertake supply activities in respect of supply of seeds, chemical fertilisers, pesticides and insecticides and other farm implements. Cooperatives play a major role particularly in the distribution of chemical fertilisers. In the field of fertilisers the Indian Farmers Fertiliser Cooperative (IFFCO) is one of the major cooperative enterprise meeting the fertiliser requirements of the farmers.

COOPERATIVE PROCESSING :

Processing also is an important sector of cooperative movement in India. In particular the processing of sugarcane is undertaken by the cooperative sugar factories which accounts for a substantial operation of the sugar produced in the country. Another important processing activity is in the field of milk through a structure of dairy cooperatives. The Dairy Cooperatives consists of primary milk supply societies operating at village levels and milk producers union operating as Federation of Milk Cooperatives at the District level and undertaking milk processing activities. One of the most prominent milk processing cooperative in India is Kaira District Cooperative Milk Producers Union (AMUL), which has been a very successful cooperative organisation providing benefits to large number of milk producers in the area. Similarly the cooperative processing activities have also developed

in respect of commodities like cotton, rice and groundnuts. These cooperative processing activities provide a very valuable support to the cooperative marketing activities of the producers.

CONSUMERS COOPERATIVES :

Consumers Cooperatives also play an important role in providing essential commodities and other consumers requirements to the consumers in the rural as well as urban areas through a network of consumers cooperatives consisting of the primary level multi-purpose cooperatives operating at village level and undertaking consumers business, primary cooperative consumers stores, district cooperative consumers stores (wholesale stores), State cooperative consumers federation operating at state level and National Federation of Consumers Cooperatives operating at national level. Consumers Cooperatives have an important role as channel of distribution, particularly of the essential commodities required by the people.

OTHER COOPERATIVE SECTORS :

The industrial cooperatives as also weavers cooperatives help the industrial artisans and weavers in the rural and urban areas in undertaking their production activities. In the sphere of urban credit there are urban cooperative banks providing finance to the small artisans, small traders and persons of limited economic resources. There are also salary earners' cooperative societies of salaried employees. Cooperative housing sector plays an important role in providing housing facilities to the members on cooperative basis through housing cooperatives particularly in the urban and metropolitan areas.

COOPERATIVE EDUCATION AND TRAINING :

Cooperative Education and training is an important aspect of the cooperative development in India. Cooperative

Education and training activities is undertaken by the network of District Co-operative Unions at district level State Co-operative Unions at the State level and the National Co-operative Union of India. Education to the members and to the office-bearers of the cooperatives and training to personnel of the primary cooperatives is provided through cooperative education instructors. The training for the junior personnel is provided by the Co-operative Training centres within the State. Training to the intermediate category of cooperative personnel are provided by the cooperative training colleges at State level while the training needs of the senior personnel and executives of the cooperative movement of the country are provided by the National Institute of Co-operative Management at Poona.

Cooperative movement, thus, plays a very important role in the economic development of the country with a network of cooperatives operating at different levels and in different sectors and has been embracing almost all the economic activities of the people of the country.

BRIEF BACKGROUND OF COOPERATIVE DEVELOPMENT IN AFGHANISTAN WITH SPECIAL REFERENCE TO CREDIT, SUPPLY AND MARKETING

The cooperative activity started in Afghanistan in the year 1953. These cooperatives were Karakul skin cooperative. But because of poor management, lack of trained staff, poor cooperative knowledge and absence of cooperative law, these cooperatives failed and then again in 1955 the consumer cooperative were started under the able guidance of I.L.O but these also failed owing to the lack of above pre-requisites.

In the year 1968, cooperative efforts were renewed in Afghanistan through the United Nations under the programme for Agricultural Credit Cooperative in Afghanistan (PACCA)

which was financed by the Swedish International Development Agency (SIDA) and executed through the FAO of the United Nations. PACCA Project was created in order to train cooperative staff and for introduction of cooperative ideology and creating atmosphere for the establishment of cooperatives. In 1973, the actual cooperative activity was started when law was enacted and the Department of Cooperative Development was started. Under this law every year two provinces came under its purview. In 1978, there were 135 cooperatives in 12 provinces. After the introduction of the land Reforms Programme, the cooperatives were given an important role in socio-economic development which enabled this activity spread in all the provinces of Afghanistan. At present, there are 1,219 cooperatives with the total membership of 191,064 in the country.

In afghanistan, all primary cooperatives are multi-purpose in character. All short-term, medium-term and long-term loans are given to cooperative members through their cooperatives. The Agricultural Development Bank (Ag.Bank) loans to cooperatives at 9 percent per annum while the lending rates to individual farmers is 10 percent per annum. Besides, giving priority on exports Government is also helping in the registration, supervision and guidance, planning, training of staff, auditing, paying salaries of cooperative book-keepers and education of members, free of charge to all the cooperatives.

NEED FOR COOPERATIVE MARKETING AND ITS LINK WITH CREDIT S AND SUPPLY :

The cooperative credit cannot succeed until organic link with marketing takes place. Once this link is established, mechanism for recovery of production loans and also utilisation of agricultural production becomes easier. Marketing brings development and efficiency on production and processing and is also beneficial in distribution of goods and services to producers and consumers. At present the Agricultural

Development Bank has the authority to deduct production loans from the proceeds of exports made by the cooperatives.

India has a structure of cooperative marketing societies which is federated from primary to national level. The above system helps producers in marketing their produce through cooperatives. The cooperative societies engaged in marketing, help in recovery of loans and better prices are ensured to producers through the system of linking of credit with marketing.

In Afghanistan, at the village level, we have multi-purpose cooperatives but no unions and no special marketing societies. In the absence of marketing societies at different levels, there are problems for producers cooperative societies in selling their produce. This creates a lot of problems on recovery of loans and also result in low prices to the farmer members.

For making cooperative movement more efficient and effective the establishment of cooperative unions consisting of three tier system is very essential where cooperative members can find suitable markets for their products. Construction of warehouses for collection of members produce in order to give him marketing advance is also necessary. Marketing helps cooperative members to get better returns and thereby use agricultural implements and inputs more efficiently and to repay the loans in time.

PROCESSING HELPS MARKETING :

By processing, the commodity becomes more useable and producer is able to obtain fair price for his produce. Processing activities in the rural area is more important for bringing about change in socio-economic life of rural people and for maximizing his income by better development and marketing of his produce. Successful handling of

marketing activity is not possible without processing units and by processing the recovery of production loans become more effective. Processing helps rural industrialisation and bring about socio-economic change wherever these units are located, Stru

Structure of processing units in cooperative sector in India are : independent processing like cooperative sugar factories, processing undertaken by unions such as cooperative dairies and adjuncts to cooperative marketing societies like rice mills, oil mills, etc. Processing cooperatives in India are playing an important and useful role to help the producers.

In Afghanistan, we don't have such processing units in cooperative sector. This is a big problem for our producers. Hence, we should start processing units in cooperative sector in Afghanistan but this should be based upon economic viability including suitability of products, size and location of units, plant and machinery, process of production, raw materials, supplies, man-power planning, transportation arrangement, fixed working capital, cost, profitability and also the sufficiently large membership with adequate quantum of produce to be processed should be available. In this context, the present needs are for processing facilities for raisins, fruits and vegetables and oil seeds.

COOPERATIVE EDUCATION AND TRAINING :

The main objective of cooperative education and training structure in India is to provide member education and personnel training to strengthen the management of the cooperative movement and help cooperative institution in building up professional management by improving the knowledge, experience and skill to the staff employed in cooperatives.

In Afghanistan, in order to fulfil the training needs of the staff-cooperatives, training programme in cooperative sector has been started in 1969 with higher level training with good experts in two parts. The theoretical part was covered during the period of 12 months and practical part in the field during the period of six months. The cooperative personnel were trained at intermediate level. But this institution later stopped functioning. Cooperative Section was added at Higher Agricultural Cooperative Training Institute, but it did not cover fully the needs of cooperative personnel. In view of this the above institute was reorganised as cooperative training institute and since July 1980 it has organised six courses in cooperative management, audit, training and extension.

For Board of Directors, members of supervisory Committee and members, special programmes are arranged. But the syllabus of the Higher Agricultural Training Institute should be suitably changed in order to fulfil cooperative needs. It is also necessary to ensure good trainers for the cooperative training institute.

GOVERNMENT SUPPORT TO COOPERATIVES :

In India cooperative movement receives good support and help from the Government in number of ways. In Afghanistan also government gives a lot of support to cooperatives in order to make the cooperative movement stronger.

In Afghanistan Government helps the cooperatives in following ways...

1. Training of Cooperative Staff;
2. Education of Cooperative Members, Board of Directors and supervisory Committee;
3. The Ag. Bank and Ind. Bank gives loans at concessional rate of interest to cooperatives.

4. Giving land for cooperative farming;
5. Free auditing and supervising;
6. Giving priority on export of cooperative products;
7. Giving subsidy on taxes;
8. Making arrangements with the Banks to fix borrowing limits for the cooperatives.

But at the moment, cooperative movement in Afghanistan is at the infancy stage and mostly Government programmes which are running for the rural development are implemented through the cooperatives.

Government should help cooperatives and make them strong by establishing cooperative marketing unions and giving all possible help. Government should assist and help establishment cooperative processing units in view of their importance on the economic and social life of the members and upon rural development of the country.

@@@@@

100 2

COURSE IN COOPERATIVE MANAGEMENT
(CREDIT-SUPPLY-MARKETING COOPERATIVES)

FOR

AFGHAN COOPERATIVE PERSONNEL
(26-11-1980 to 2-1-1981)

P R O G R A M M E

Date & Day	Session	Topic	Faculty
<u>26-11-1980</u> Wednesday	I	Inauguration	
	II	Discussion on content and Methodology	
	III	Discussion on Statements by the participants on Cooperative Movement in Afghanistan.	
	IV	- do - Continued	
<u>27-11-1980</u> Thursday	I	- do - Continued	
	II	- do - Concluded	
	III	Principles of Cooperation	L.Gunawardana
	IV	Ideological goal of Cooperation	L.Gunawardana
<u>28-11-1980</u> Friday	I	Distinguishing Characteristics of Cooperative Enterprises.	D.R. Oza
	II	Salient features of Agricultural Economics.	MV Namjoshi
	III	Distinguishing features of Cooperative Enterprises.	D.R. Oza
	IV	Cooperative Credit Structure organic and functional relationship.	S.C. Mehta
<u>29-11-1980</u> Saturday	I	Economic Basic of Cooperative Marketing - Need and Prospect of Cooperative Marketing.	G.S. Kamat
	II	Cooperatives and Planned Development.	D.R. Oza
<u>30-11-1980</u> Sunday		H o l i d a y	

Date & Day	Session	Topic	Faculty
<u>2</u> <u>1-12-1980</u> Monday	I	Sectors and Structure of Cooperative Movement + Interrelationship and Development.	D.R. Oza
	II	Role of Cooperatives in Socio-Economic Development.	D. Jha
	III	Extension work to promote change principles of extension work.	SL.Tripathi
	IV	Integrated Rural Development Approach, Strategies, Priorities.	D. Jha
<u>2-12-1980</u> Tuesday	I	Agricultural Credit - Need and Importance.	L.Gunawardana
	II	Role of Cooperatives in Socio-Economic Development.	PR. Dubhashi
	III	Extension work to promote change methods of extension work.	S.L. Tripathi
	IV	Structure and Sectors of Cooperative Movement.	D.R. Oza
<u>3-12-1980</u> Wednesday	I	State Policy and Cooperatives.	D.R. Oza
	II	Mobilisation of Resources by Cooperatives.	L. Gunawardana
	III	Integrated Rural Development + Land Reforms Measures.	D. Jha
	IV	Production oriented system of lending - policies and procedures.	S.C. Mehta
<u>4-12-1980</u> Thursday	I	Cooperative Marketing Structure Function and Activities	G.S. Kamat
	II	Processing as an aid to marketing - role of processing cooperatives.	D. Jha
	III	Cooperative Credit Structure Long-term finance - Policies and Procedures.	MR. Ramadasi
	IV	Cooperative Management Objectives and Approach.	D.R. Oza

<u>Date & Day</u>	<u>Session</u>	<u>Topic</u>	<u>Faculty</u>
<u>5-12-1980</u> Friday	I	Management of Marketing Cooperatives - Policies and Procedures.	G.S. Kamat
	II	Supervision over Agricultural Credit - Mode of Recovery - Defaults.	S.C. Mehta
	III	Regulation of Agricultural Marketing Cooperative and Regulated Markets.	A.P. Kansal
	IV	Deposit Mobilisation by Cooperatives - Measures.	D.P. Garg
<u>6-12-1980</u> Saturday	0 0 0 0	H o l i d a y s	
<u>7-12-1980</u> Sunday			
<u>8-12-1980</u> Monday	I	Principles and functions of Management - Planning.	D.R. Oza
	II	Functions of Management - Organising.	P.K.M. Raja
	III	Functions of Management - Directing.	P.V. Mathew
	IV	Distribution activities of Cooperative Coordination with Marketing and Consumers Cooperatives.	S.B. RAO
<u>9-12-1980</u> Tuesday	I	Functions of Management - Staffing.	D.R. Oza
	II	Marketing Finance - Linking of Credit with Marketing.	P.K.M. Raja
	III	Functions of Management - Controlling.	P.V. Mathew
	IV	Distribution activities of Cooperative Role of Consumers Cooperatives.	S.B. RAO

Date & Day	Session	Topic	Faculty
<u>10-12-1980</u> Wednesday	I	Functions of Management - Staffing - Professionalisation of Management in Cooperatives.	D.R. Oza
	II	Executive-Board-Member relationship in Cooperatives.	D.R. Datar
	III	Legislative Frame Work for Cooperatives.	YB Deshpande
	IV	Peculiarities of Fruit and Vegetable cultivation - farm guidance for development and diversification of Agriculture.	Dr. JB Ghugare
<u>12-12-1980</u> Friday	I	District and Higher Level Cooperatives - organisation and Management.	D.R. Oza
	II	Processing as aid to Marketing - functions of Processing Cooperatives.	P.K.M. Raja
	III	Cooperative Credit Structure - Role of Reserve Bank of India.	G.P. Bhave
	IV	Finance to small farmers - Special agencies and arrangements.	RS Deshpande
<u>13-12-1980</u> Saturday	I	District and Higher Level Cooperatives-organisation and Management.	D.R. Oza
	II	Multi-purpose Cooperatives - Role and activities.	L. Gunawardana
<u>14-12-1980</u> Sunday		H o l i d a y	

Date & Day	Session	Topic	Faculty
<u>15-12-1980</u> Monday	I	Agricultural Cooperative in	
	II	Afghanistan - Comparable features of functions and activities.	MV Madane
	III	Preparation of Country Programme -	
	IV	Discussion on salient aspects.	MV Madane
<u>16-12-1980</u> Tuesday	I	Group Discussions on (a) credit	
	II	and supply activities and	
	III	(b) Marketing and Processing	
	IV	activities for cooperatives in Afghanistan.	
<u>17-12-1980</u> Wednesday	I	Presentation and Discussion of	
	II	Group report on Credit and Supply.	
	III	Presentation and Discussion of	
	IV	Group report on Marketing and Processing.	
<u>18-12-1980</u> Thursday	I	Personal skills in effective Management - General.	D.R. Oza
	II	Communication Process in Management.	A.R. Sapre
	III	Personal skills in effective Management - Report writing.	S.B. Rao
	IV	Personal skills in effective Management - conducting meeting.	D.R. Datar
<u>19-12-1980</u> Friday	I	Personal skills in Management - Executive speaking.	D.R. Oza
	II	Organisation behavioural approach for effective management	Mrs. Pendharkar
	III	Marketing Services - Storage importance and problems.	K.K. Taimni
	IV	Valedictory function (3.30 to 5.00pm)	

Date & Day	Session	Topic	Faculty
<u>20-12-1980</u> Saturday			
<u>21-12-1980</u> Sunday		H o l i d a y s	
<u>22-12-1980</u> Monday	I	Evaluation Session Personal Skills in effective Management - Concluded	D.R. Oza
	II	Discussion on Study Visits Programme - content & Methods	
	III	Discussion on Institutions to be visited during	
	IV	study visits programme.	
	IV	Study visits programme	

Date & Day	Institution and Place	Halt at
<u>23-12-1980</u> Tuesday	Departure for Warananagar (Morning)	
	Study visit to Warananagar Cooperative Sugar Factory, Warananagar Dist. Dist. Kolhapur and Journey to Kolhapur (Evening.)	Kolhapur
<u>24-12-1980</u> Wednesday	Study visit to Shetkari Sahakari Sangh, Old Palace, Kolhapur.	Kolhapur.
<u>25-12-1980</u> Thursday	I Study visit to Multi-purpose Cooperative Society in Dist. Kolhapur.	Kolhapur
	II Study visit to Central Cooperative Consumers Stores, Kolhapur (AN)	
<u>26-12-1980</u> Friday	I Study visit to Kolhapur District Central Cooperative Bank, Kolhapur (AN).	Kolhapur
	II Study visit to Maharashtra State Cooperative Land Development Bank, District Branch, Kolhapur(AN)	
<u>27-12-1980</u> Saturday	Journey to Bombay via Mahabaleshwar	Mahabaleshwar
<u>28-12-1980</u> Sunday	Journey to Bombay and halt	Bombay
<u>29-12-1980</u> Monday	I National Agricultural Cooperative Marketing Federation, Regional Office, Raj Mahal, 3rd Floor, 84 Vir Nariman Road, Bombay.	Surat
	II Maharashtra State Cooperative Marketing Federation, Kanmoor House, Narshi Natha Street, Bombay and Journey to Surat (evening).	

Date & Day	Institution, and Place	Halt at
<u>30-12-1980</u> Tuesday	I Study visit to Pohna-Kumbharia Cooperative Fruit and Vegetable Marketing Society, Station Road, Surat.	Surat
	II Study visit to Purushottam Farmers Cooperative cotton Jinning and Pressing society, Surat.	
<u>31-12-1980</u> Wednesday	I Journey to Anand (Morning) study visit to Kaira District Cooperative Milk Producers Union (AMUL), Anand and National Dairy Development Board, Anand.	Ahmedabad
	II Study visit to Kaira District Cooperative Union, Nadiad (Afternoon) and journey to Ahmedabad (evening).	
<u>1-1-1981</u> Thursday	Study visit to Ahmedabad District Cooperative Fruit and Vegetable Marketing Society (Khedut Sabha) Ahmedabad.	Ahmedabad
	Visit to Gujarat State Cooperative Union, Sahayog, Relief Road, Ahmedabad, Gujarat.	
<u>2-1-1981</u> Friday	I Visit to Cooperative Training College Gandhinagar.	
	II Discussions on Practical training study visits - Institutions and Departure for Delhi by evening flight.	

**COURSE IN COOPERATIVE MANAGEMENT (CREDIT, SUPPLY & MARKETING
COOPERATIVES FOR AFGHAN COOP. PERSONNEL : PUNE, 26 Nov. 60- 2 Jan. 61**

LIST OF PARTICIPANTS

AFGHANISTAN

1. Mr. Mohammad Masoud,
Leader of the Group &
Member of Advisory Board,
Development of Cooperative Development,
Kabul
2. Mr. Abdul Raouf
Member of Credit,
Development of Cooperative Development
Kabul
3. Mr. Mohammad Anwar,
Member of Planning Section
Development of Cooperative Development,
Kabul
4. Mr. Abdul Hakim,
Operations Director of Agricultural
Cooperative Development of
Parwan Province.
5. Mr. Sayed Aqa,
Audit Director,
Agricultural Cooperative Development
of Parwan Province.
6. Mr. Mohammad Basir,
Audit Director,
Agricultural Cooperative Development,
Nangarhar Province.
7. Mr. Shahzadah,
Operations Director,
Agricultural Cooperative Development,
Helmand Province.
8. Mr. Faruq Shah,
District Director,
Agricultural Cooperative Development,
Kabul.
9. Mr. Abdullah Danishmal,
National Director of
Agricultural Cooperative Development,
Baghlan Province.

International Cooperative Alliance

List of Participants (contd.) 2

- AFGHANISTAN**
10. Mr.Gul Khan,
Operations Director,
Agricultural Cooperative Department
of Jawzjan Province.
11. Mr.Abdul Shokeer
Audit Director,
Agriculture Cooperative Department
Jawzjan Province.
12. Mr.Abdul Halim,
Operations Director,
Agricultural Cooperative Department
Samangan Province.
- COURSE
DIRECTOR**
13. Mr.Lionel Gunawardana,
Joint Director & Specialist in Agricultural
Cooperation,
ICA Regional Office & Education Centre for
South-East Asia, "Bonew House",
43, Friends Colony, New Delhi-110065.
- COURSE
COORDINATOR**
14. Prof. D.R. Oza,
VL Mehta National Institute of Cooperative
Management,
University Road,
Pune 411-016 (Maharashtra)
- SECRETARIAT**
15. Mr.Ashok Kandhari,
Course Secretary,
ICA Regional Office & Education Centre for
for South-East Asia,
"Bonew House",
43, Friends Colony (East),
New Delhi-110-065.
16. Miss Sudha,
Stenographer,
VL Mehta National Institute of Cooperative
Management, Pune.
17. Miss Jaya,
Typist,
VL Mehta National Institute of Cooperative
Management,
Pune (Maharashtra)

COURSE ON COOPERATIVE MANAGEMENT
FOR
AFGHAN COOPERATIVE PERSONNEL

ORGANISATIONAL BEHAVIOURAL APPROACH

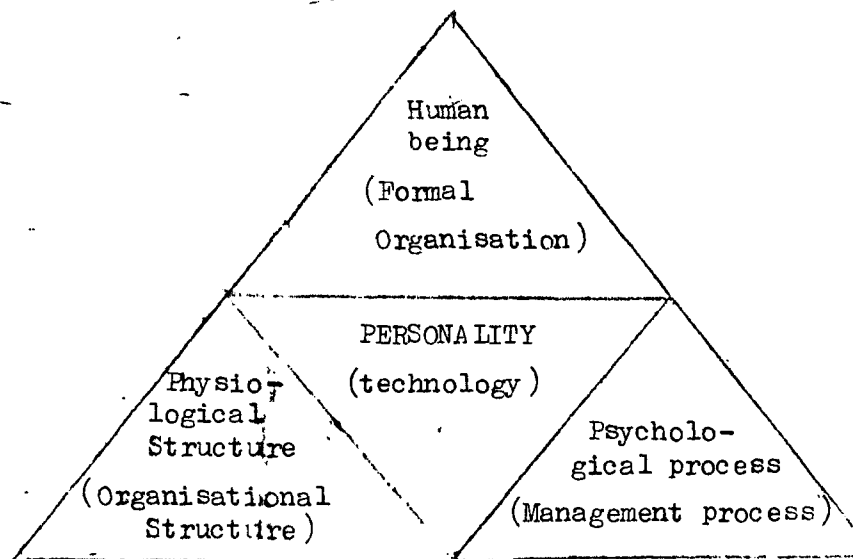
Sushama Pendharkar
VMNICM.

ORGANIZATION :- as defined by Oliver Sheldon "Organisation is the process of so combining the work, which individuals or groups have to perform, with facilities necessary for its execution that the duties so performed, provide the best channels for efficient, systematic, positive and coordinated application of the available efforts", It integrates various jobs of the enterprise into an effective framework to provide for accomplishing the firm's objective.

BEHAVIOUR :- is defined as a function of the interaction between personal characteristics and environmental variables.

Putting these two things together into the infrastructure of enterprise is Organisational Behaviour.

Foundation for Human and Organisational System.



Formal organisation consists of three primary sub-systems :-
Structure, Process and Technology.

Human being also has three primary sub-systems :-
Biological or Physiological structure, Psychological Process
and Personality,

They are interdependent and they interact on each other.
The human being interacting with formal organisation results
in Organizational Behaviour.

Formal Organisation	Human being	Organisational Behaviour
<p>1. <u>Structure</u> classical Neoclassical Modern.</p>	<p>1. <u>Physiological Structure</u> Hereditry Nervous System Sense organs Muscle & glands</p>	<p>1. <u>Organisational Dynamics</u> Group Informal</p>
<p>2. <u>Process</u> Decision-making Communication control</p>	<p>2. <u>Psychological Process</u> Perception learning Motivation</p>	<p>2. <u>Conflict and change</u> Frustration Goal conflict Role conflict Human Resistance</p>
<p>3. <u>Technology</u> Techniques Human knowledge</p>	<p>3. <u>Personality Development Structure</u></p>	<p>3. <u>Human Adaption to Organisation</u> Motivation techniques Leadership techniques <u>Organisational Development.</u></p>

Formal Organisational Structure

- (1) Classical - (i) Principles of Unity of command
 - (ii) Span of control
 - (iii) Delegation of Authority

Main base is superior subordinate relationship.

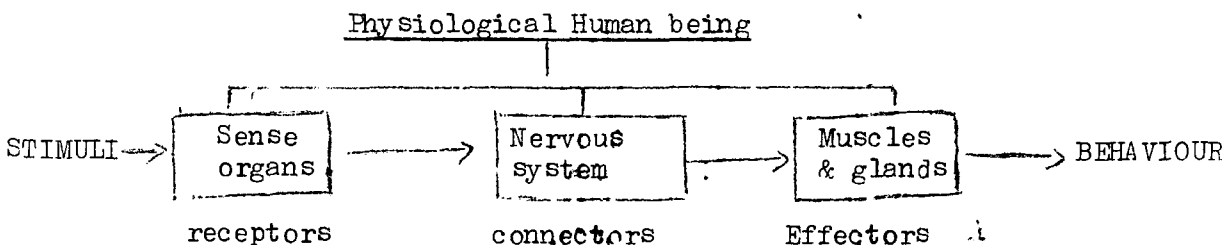
- (2) Neoclassical :- (i) Centralization/Decentralization
 - (ii) Flat/Tall
 - (iii) Line/Staff.

Main base is functional or authority based structures.

Interacting and interdependent with the organisational structure, are management processes - planning, organizing, directing, coordinating and controlling. They are operative dynamically through decision making. Technology means both techniques and total human knowledge that are used to attain the objectives of an organisation.

Human Being as a System

Relationship between various sub-parts of physiological structure



When an analysis of organisational behaviour shows that the interaction between the human and formal organisation has resulted into satisfaction of human need and goal attainment a positive adaptation has occurred. Motivation and leadership techniques helped in obtaining this positive adaptation and vice versa.

COURSE IN COOPERATIVE MANAGEMENT
FOR
AFGHAN COOPERATIVE PERSONNEL

APPLE CULTIVATION

Dr. J.B. Ghugare

Apple is one of the most delicious fruits liked by everyone. Apple-juice is most refreshing and nutritive.

Climatic requirement :-

Temperature is the most important factor influencing apple production. Apple trees require temperature below 7° for nearly 60 to 75 days during winter season for proper chilling. Improper chilling leads to good vegetative growth of trees but their flowering and fruiting will be erratic and as such chilling requirement of different apple varieties being grown in particular areas should be fully met during the winter months. Such conditions are prevailing in the hilly region of North-Western India and are usually found at elevations of nearly 1500 meters and above. Long hot and dry summer, late spring frosts and hail are not favourable for successful apple cultivation.

Soil:-

Deep loam soils are best suited for cultivation of this crop where good drainage facilities are available. Silt loam and clay loam soils are also suitable for its cultivation. Light sandy soils should not be selected.

Varieties :-

Depending upon the agro-climatic conditions, many varieties are suitable for different situations. The following varieties are recommended in different states.

Jammu and Kashmir :-

Ambri, Lal Ambri, American Apirouge, Cox's Orange Pippin, Red Delicious, Royal Delicious, Rich-a-Red, Golden delicious, Maharaja and Razak - Wari.

Himachal Pradesh :-

Red delicious, Royal delicious, Rich-a-Red, Golden delicious, Indeman's woreestar, Red gold, and Granny smith.

Uttar Pradesh :-

Early Shan burry, Benoni, Fanny, Golden delicious, Red - delicious, Royal delicious, Jonathan, Buckingham, Rymer and Winter Banana.

In the hills of south and in relatively warmer areas, apple varieties like Rome Beauty, Tropical Beauty, Beverly Hills, Nanna Vered, and Teomi can be grown.

Propagation :-

Apple plants are propagated by grafting the scion wood of the desired variety on seedlings of crab and other apple varieties like Golden delicious, Red delicious and Jonathan. Apple seeds require stratification for good germination. Grafting operation is done during winter months (December to February) when the plants are in dormant condition. During active growth period (July - August) budding can also be done with success.

Root stocks :-

In India the seedling root stocks continue to be used most commonly. The demand for dwarfing and semi-dwarfing

root stocks like M-IX, M-VII and MM 106 has been increasing steadily.

The use of clonal root stocks for apple is gaining popularity in foreign countries. In India clonal root stocks have been introduced and multiplied in different states mentioned above, however these are not presently used on extensive scale.

Planting :-

Pits of the size 1 m x 1 m x 1 m are dug one month before planting and filled up with a mixture of surface soil, 40 kg. F.Y.M. or compost and 300 grams of super phosphate and 200 grams of 5% Aldrin dust. Planting of grafts of apple trees is done in February-March in colder regions. Planting distance varies according to the type of root stocks used, soil fertility and draining and pruning practices to be followed. However following spacings are recommended on different types of root stocks.

- i) On seedlings and vigorous clonal root stocks, namely
M - XII M - XIII M - XVI - 6 m X 6 m
- ii) On semi dwarfing root stocks like
M - IV, M - VII and MM 106 - 3 m X 3 m
- iii) On dwarfing root stocks like M - IX. 2 m X 2 m

Pollination :-

For good fruit set, cross pollination is desirable. Most of the apple varieties are self pollinated. It is therefore desirable to plant good pollinizers like Golden Delicious, Jonathan, and Red Gold. Care needs to be taken that their flowering time coincides with that of the main variety.

Manures and Fertilisers :-

Under normal conditions following general recommendation is made.

First Year:- Apply per tree 150 grams of Calcium ammonium nitrate in the month of March soon after planting.

Second Year:- Apply 10 kg. of F.Y.M, each year and stabilize Onwards when the dose becomes 40 kg. per tree,

Other fertilisers :-

Apply 30 grams N, 20 grams P, 30 grams K, each year per tree and stabilise at 300 grams of N, 200 grams P, and 300 grams K per tree.

F.Y.M. and Super Phosphate should be applied in December whereas N and K should be applied in spring about two weeks before flowering.

Micro Elements Sprays :-

To avoid Zink and Boran deficiency which is usually noticed, trees should be sprayed with 0.3% borax solution (300 grams Borax in 100 litres of water) in March-April.

Training and Pruning :- In India modified leader system is advocated although there are different systems. Immediately after planting the young plants should be deheaded at a height of 75 Cms. from ground level. The Central leader is allowed to grow and 6 to 8 side branches 20 cms to 30 cms., suitably spaced apart in all directions are selected during initial 4 - 5 yrs. After the selection and development of lateral branches, the central leader is headed back allowing a lateral branch to grow outward.

Pruning :-

Consists of removal of dead, damaged and diseased branches. Crowded branches growing vertically upward are removed. Old spurs are thinned out and tips of long and thin branches are headed back to their 2/3 length to induce new spur formation. Thus the proper growth and production should be properly balanced. Dormant season is the right time for pruning. Cut ends of twigs should be covered with boreaux paste.

Fruiting :-

Apple trees commence fruiting at the age of 6 to 7 years and reach full bearing at the age of 14 to 15 years. A full grown apple tree gives on average 40 kg fruit per year. Trees raised on dwarfing root stock like Mailing IX come to bearing in the third or 4th year.

Pests and diseases :-

1. Woolly aphids, 2 Sanjose scale, defitiating beetles, stem borer, Root borer, Tent caterpillar, scab, powdery mildew, stemblack, stem brown pink disease, sooty bloten and Fly speek are the pests and diseases on apple.

Vaikunth Mehta
National Institute of Cooperative Management
Pune- 16,

Staffing- function of Management

In the Management of an enterprise, staffing is the core function because the effectivity, efficiency and ultimate success of management depends up on the man-power of the organisation, Resources capable of enlargement are essentially human resources, all other resources, even when better utilised, can not have an output more than the sum total of inputs, while human resources can bring about increased output, if properly selected, placed, developed, motivated and inspired by a carefully devised system.

Staffing is not merely confined to selecting, recruiting and placing personnel at different levels in the beginning of an enterprises and later on, to mere replacements of personnel . It is a wider and continuous process of developing man-power and ensuring fair system of compensation for them. Staffing function. Thus includes : (i) Man-power planning (ii) selection and recruitment (iii) Management development (iv) promotions and transfer (v) performance appraisal and (vi) job evaluation .

Man-power planning

Manpower planning, is the process through which the manpower needs of the organisation may be anticipated far-enough in advance to enable the discovery, recruitment and development of the manpower to meet the requirements of the planned development of the business .

It is primarily based on the prediction of the growth and replacement needs of the business. Growth of the enterprise must be anticipated and the effect of this growth on the organisational structure in terms of manpower needs must be determined.

Since the number of manpower requirements alone would not serve the purpose, attention must be paid to the kind of manpower and the executive talent required. Determining of manpower needs necessarily involves dealings in the future, however a reasonable estimate of the requirements can be identified with the help of (a) determining the rate loss from the present manpower and consequent replacement, (b) need of additional manpower requirement as also the qualities of the manpower required, based upon (a) scale of production (b) degree of mechanisation and (c) methods of work. Inventory and analysis of the existing manpower is necessary as a part of the process of manpower planning to determine the present status of available manpower and to discover under developed talent within the organisation. Such exercise will ensure proper location and exploration of the manpower talent potential.

Management Development : Manpower selection and recruitment through proper procedure, has to be followed by suitably planned measures of their proper placement, training and development. It is the specific job-oriented training that enables the personnel to develop their aptitudes, skills, and abilities to perform the specific job. Advantages of manpower development through training are numerous and can be hardly over emphasized. Advantages are :

- (i) Improvement of the quality and quantity of output by increasing the skills;
- (ii) Better and more economical use of the man and material resources;
- (iii) promising and potential talent
- (iv) It provides incentive by developing the personnel.

Various types and range of training programme are devised to suit the job requirements of different types and levels of personnel and can be broadly classified as (i) induction training (ii) foundational or basic training (iii) sectoral training and (iv) functional training (v) refresher training.

@@@@@@@@

PLANNING - FUNCTION OF MANAGEMENT

Planning is defining objectives and priorities. Identification and selection of alternatives and determining course of action to achieve desired end-results for attainment of objectives. Obviously therefore planning is the premier and fundamental function of management - on which the course and extent of all other functions depend.

Planning, though so essential, by itself cannot make the enterprise or activity successful, enterprise or activity has to operate to achieve goals and to succeed. Plans, however focus action on programme and provides shape design and purpose to the organisation.

Nature of Planning : Planning is an intellectual process based upon thinking before taking action. It is also goal oriented because plans are attuned to subserve the goals of the Business. By its very nature, planning is primary and initial function and therefore should precede action and should be pervading in all activities and functions of management.

Managerial planning, includes different types of plans to suit the scale, size and type of organisations or activities to be planned. These are :

Standing Plan : Standing plan is a sort of frame work or guidelines for repeated use and includes certain aspects like :

(1) **Objectives :** Objectives are goals established to guide the organisational efforts. Goals represent the destination or targets but have a multiple character because objectives. goals are set up in respect of each different operational areas such as market standing, innovation, productivity, physical and financial resources, profitability performance, attitudes, public responsibility and development and expansion.

Objectives again may be short-term, long term or perspective. These can be specific or broad, it may be activity - operation specific or integrated for the organisation.

Management by Objectives :

Achievement of organisational objectives is the crux of process of Management. Each activity or operation in an organisation are not directed towards the integrated goal - it would lead to management by crisis or drive or profits - which may not be conducive to attainment of objectives.

Management by Objectives approach first envisaged by Peter Fddrucker focusses attention of the management on objectives. It is an approach under which series of goals and targets for different activities, in tune with the overall objectives are predetermined and used as criteria for evaluating the performance of different functionaries and management as a whole. Since results of management process are to be evaluated in terms of objectives - the approach is also termed management by results.

Management by objective - MBO - approach requires :

- (i) defining organisational objectives
- (ii) deciding sub-goals or unit-goals
- (iii) determining individual targets;
- (iv) periodical performance review
- (v) evaluation of results and
- (vi) review of objectives.

MBO approach has certain basic advantages such that

- (i) focussing attention on objectives,
- (ii) fixing of individual and quantified targets leading to ascertainable attainment;
- (iii) creating sense of involvement and
- (iv) provision of standard for measuring performance.

Policies : Policy formulation is an essential aspect of planning. Policies serve as guidelines for decision making and provide frame work within which to operate. Policy is also a decision but a continuing and modified decision policies may be classified as per its pertainment to top management, division or department. Policies are also classified as (a) original (b) appealed or (c) imposed.

Policies to be effective and purposeful should be clear, unambiguous, positive, definite, reasonable and modifiable only in case of continuing need to meet the changed situation and only to the extent to serve the objectives. Policies should be differentiated from detailed procedure, should be reducing to writing as far as possible and should be communicated properly to all concerned.

Procedures : Procedures are guides for operations and flows from the policies. Procedures are more specific and enumerate steps of actions but these are again different from the mode or method of action. Policy is to guide the action, while procedure is to streamline the action.

Rules : Rules are derived from and should be consistent with policies. Rules are more definite - rigid, do not allow scope for deviation or discretion and carries penalty for breach.

Strategy : Strategy is an integrated action plan based upon policy to meet a specific situation or forces operating in the organisation - such as to meet the competition, need for economy or to cater to the needs of specific area or sector.

Programme : Programme is an aspect of single-use plan devised to meet specific situation of combines policies, procedures, rules and strategy of action. Programme is not continuing phenomenon and ends with accomplishment of a particular task.

Budget : Budget is a numerical plan of actions, and lays down expected results within predetermined limits in respect of finance, time, materials or man-power. Budget begins as planning function but ends as a control measure.

Projects : Project is a part of the programme for accomplishing specified job. It envisages a task-force or specific adhoc arrangement to perform the job within an integrated programme.

Planning, thus implies an orderly and integrated approach to attain organisational objectives. As management function, its importance can hardly be overemphasised. Planning enables management by objectives, to secure economy and system in operation, makes control effective and takes care of uncertainties.

Planning is based upon the permises of (a) controllable factors including policies, procedure and rules decided upon the organisation (b) semi-controllable factors such as assumptions about the economic forces, market trends, external policy changes, shifts of emphasis etc., which are partially controllable by suitably devising policies to meet the situation and (c) uncontrollable permises pertaining to general economic - political situation, unforeseen events like change in the habits, customs, tastes of people. Even though these factors are uncontrollable in nature, planning should take into account possibilities or probabilities in these regards to ensure that planning takes care of to the maximum extent of the situation as may emerge.

@@@@@

....

Scope and Functions of Management

Management is a vital function concerned with all aspects of the working of the enterprise. Collection of physical resources, labour and capital by itself leads to nothing except when these factors are put to work in a coordinated manner for efficient and profitable functioning. Management is what Management does. It implies principally the task of planning, organising coordinating and controlling the efforts towards the fulfilment of specific business objectives.

Management is the function which has its place and role not merely in the world of Business but in any situation which involves the use of human efforts to attain given objectives. Management is often described as process of getting the work done but this characteristics of Management need not be over-emphasised. Management also presupposes leadership, guidance and motivation in getting the work done. It is an integrative process seeking to harmonise the goals of individuals with the goals of the organisation.

Management is also essentially a process of decision making. Decisions have to be take about objectives and its attainment from the alternatives. Decision making, thus is an essence of Management.

Exercise of leadership is also an important aspect of the process of Management leadership consist in influencing, guiding and Directing the behaviour of people towards objectives.

Management is a science in the sense that it is based on certain time tested principles and process which provided norms for the management operations. Management is an art in the sense that it calls for different approach for different situation factors to achieve effective results.

Management viewed broadly as a human activity is universal in character and has been in practice in some or the other form in all aspects of human activities at all times. It was evident in the organised public life of Greece as also in the organisation of church and military organisation. With the advent of industrial revolution, the size of industry and business became extensive and their structure became complex warranting the need for systematic development of management theory and elaborate analysis and techniques of performing various functions of management.

Management Scientists have attempted defining and enunciating Management functions from time to time based upon their experience of the process of Management in actual practice. Henry Fayol, Gullick and others have made outstanding contributions in this regard. Most widely accepted and commonly adopted functions of Management may include planning, organising, directing, coordinating and budgeting. Dealing the overlapping areas amongst these functions, it will be possible to elaborate the management functions as under :

(i) Planning including forecasting, formulation of objectives, policies, programmes, schedules, procedures and budgets.

(ii) Organising including identification and delegation of responsibility and authority, establishment of relationships between authority and responsibility.

(iii) Staffing including, selection, communication, participation, appraisal, counselling, training, and compensation.

(iv) Directing including decision making, guiding, supervising, communicating and motivating.

(v) Controlling including, laying down performance standards, measurement, interpretation and corrective action.

Planning : Planning is deciding the course of action to achieve a desired result. Planning involves projection and anticipation of the future course of events. As Fayol pointed out the plan of action is at the same time, the result envisaged, the line of action to be followed, the stages to go through and methods to be used.

Planning involves problem solving i.e. identification of alternatives and decision making or selection from alternatives. It is also recognised that planning and responsibility for planning cannot be completely separated from managerial performance because all managers, top, middle or bottom have to plan and direct.

Organising : Organising means the creation of a structure of functions and duties for the attainment of the business objectives. It consists of the series of relationships at all levels of authority. According to Gullick, organisation is determining what activities are necessary for any purpose of plan and arranging them in groups which will be assigned to individuals. Organisation has to deal with human and material resources but in doing so it should group men to his ideas rather than ideas to men. The process of organisation includes various steps such as :

- (i) Determination of Objectives;
- (ii) Enumeration of activities;
- (iii) Classification of activities;
- (iv) Fitting individual to functions;
- (v) Assigning of authority ;

In evolving the organisation the basic principles to be observed to make it effective and successful organisation are (1) Unity of objective, (2) efficiency, (3) span of Management, (4) Division of work, (5) Functional definition, (6) Planning principle, (7) Unity of command, (8) Unity of Direction, (9) Responsibility, (10) Flexibility and (11) Continuity.

Types of organisation :

There are generally three types of organisation; (1) line system, (2) functional system and (3) line and staff system.

Under the line system authorities flow from the top to the bottom vertically. The directions are issued by the Manager incharge of the whole organisation and are directly conveyed to the persons responsible simplicity, unified control strong discipline, fixed responsibility and prompt decision while it suffers from the demerits at times of overloading lack of specialisation , inadequacy of communication and scope for favouritism.

In the functional organisation the whole task of management is divided according to the type of work involved. The functional system divide the management into the functional areas and each one of this Department would serve the rest of the organisation in regard to the respective areas. This system has the advantage of

ensuring division of work, level of higher efficiency specialisation and standardisation, while the likely disadvantages are that it is unstable as it weakens the disciplinary control and it lacks coordination.

Line and Staff System : In the line and staff system functions which have direct responsibility for accomplishing the major objectives are classified as line functions while the functions which help the line in discharging their responsibility are classified as staff functions and their authorities are designed accordingly. This system has the advantage that it is based on planned specialisation and provides benefit of expert advice to the line staff. The disadvantages are that the division of functions may not be clear to all.

Directing : Management is essentially the process of getting the work done, hence directing is a very vital function of management. Directing includes (1) issuing of orders and instructions, (2) guiding and teaching proper methods of work, (supervision to ensure performance.

Exercise of leadership is very important in any group endeavour, Leadership enables the harmonisation of individual objectives to group objectives and helps achieving business goals with maximum efficiency. Leadership is a participative phenomenon and so while exercising the leadership a manager has to establish both by his expression and conduct, the community of interest for people in the group to work together.

Communication is a systematic and continuous process of telling, listening and understanding. It is essential for the management to establish and maintain channels whereby it conveys appropriately the thinking and policy to the subordinates and take reactions of their problems.

Motivation connotes the creation of willingness to work and cooperative for the accomplishment of common objective. The motivation is to develop, intensify and sustain the desire of the members of the organisation to work effectively.

Supervision function is to watch, direct and control the performance. The function su of supervision also includes technical guidance and direction, leadership and human relations.

Coordination implies conscious efforts to ensure that the different departments and activities of the organisation are coordinated for the attainment of business objectives. Coordination is concerned with harmonising, unifying and harnessing different activities and different people undertaking these activities.

Controlling : Controlling as a management function consists of the steps to ensure that the performance of the organisation confirms the plans. Controlling therefore presupposes, clear plan and realistic work of action.

Control process includes certain aspects such as :

(a) Control based on plans : control has to be exercised only on the basis of plans.

(b) Action based control : Control implies corrective action.

(c) Delegation essential : Delegation of authorities to take corrective action.

(d) Information to guide the control : Reports and information serve as feed back from the operations.

(e) Establishment of stands : Control is exercise with reference to norms, objectives, targets.

(f) Measuring performance : Performance has to be measured in relation to the norms.

(g) Remedial action : Control process finally involves determination of remedial or corrective action.

Vikunth Mehta
National Institute of Cooperative Management, Pune - 16

COOPERATIVE MANAGEMENT APPROACH

Cooperative is essentially an organisation with strong social purpose but in as much as it is also a business enterprise, its operations have to be based on scientific management to make it a successful business enterprise. The principles, functions and approaches of scientific management therefore needs to be suitably applied in managing the affairs of the cooperatives.

(i) Cooperative Philosophy

It has to be recognised that though cooperatives share all aspects of management with any other economic enterprise, its management will be a management with a difference to the extent that cooperative management will have certain distinguishing features of its own as they emanate from the philosophy principles and purpose of a cooperative organisation. The cooperative management, thus has to ensure the elan-vital of cooperation while attempting to achieve the objectives of scientific management. Management policies of cooperative institutions also needs to be continuously reviewed and remoulded to sustain their relevance for the overall objectives that they are expected to achieve.

(ii) Cooperative Principles

Cooperative Organisation has also the obligation of ensuring the observance of principles of cooperation as directive guide lines, as laid down by the ICA Commission on cooperative principles. These principles are (i) open and voluntary membership, (ii) democratic control (iii) limited interest, if any on share capital, (iv) savings belong to members, (v) provision for education and (vi) cooperation amongst cooperatives.

Principles of cooperation which have since been incorporated in the cooperative legislations have the scope of being observed in the working of the cooperatives, but in respect of other principles the management policies and practices of the cooperatives should ensure that they are implemented and respected in the working of cooperatives.

Cooperative Management, therefore is expected to ensure that efforts to achieve business results or success are consistent with the spirit and substance of cooperative principles.

(iii) Legal framework

Cooperatives are public institutions as different from other corporate organisations. Cooperative management therefore has to keep in view the provisions of the cooperative Act, Rules and Byelaws. It has also to observe the policy directives and guide lines of the concerned authorities.

(iv) Cooperatives as change agents

Apart from the fact that cooperatives have their distinct philosophy and social purpose, cooperative have also to perform the crucial role of change agent in the process of planned economic development to achieve the objective of growth with social justice.

In the context of its role as change agent, cooperative management has to extend its organisational efforts in implementing the programmes and activities of economic development.

(v) Concept of social profit

Cooperatives as business organisation has to ensure economic viability in their overall performance and business results. Cooperative Management however has also to be guided by the concept of social profitability. It has to concede with lower return in the immediate present for pursuit of social benefit of its members or of the community. This implies that cooperative management has to be innovative in attitude and pragmatic in approach keeping in view not merely profitability but also social profitability of its policies.

Professionalisation of Management

With Multi-dimensional growth, rapid expansion and diversification of the cooperative movement, operating under the scenario of multi-agency approach, cooperatives have to attain higher norms of operational efficiency. Professionalisation of Management in cooperatives therefore, assumes paramount importance.

Significance of professionalisation of cooperative management indeed, transcends management considerations, as it can be viewed as a built-in device to preserve the identity of cooperative enterprises.

If the cooperatives do not have the cadres of professionally competent personnel, built through the process of scientific recruitment, training and placement policies and operating under well devised personnel policies, cooperatives will obviously fall short of basic management infrastructure. Cadre formation for cooperatives therefore is a vital step in the direction professionalisation of management.

Next important step is to demarcate the spheres of actions to be performed by the elected office bearers and paid executives. Apparatus of cadre will be effective in achieving desired goals, only if, such inter-exclusive demarcation of spheres are properly designed and implemented.

Demarcation of spheres should envisage that the elected office bearers as representative of members will perform the overall functions of determining the priorities policies and procedures, of approving the plan and programmes of activities and of controlling their implementation by evaluating and results. Within such a policy frame, day-to-day conduct of the operations of the cooperatives should be left in the hands of paid executives and personnel who are recruited on the basis of their relevant qualifications and professional competence.

@@@@@

ROLE OF COOPERATIVES IN PLANNED ECONOMIC DEVELOPMENT

India is an agricultural country with predominance of Rural Population where agriculture constitutes the largest single main source of income and employment for the people. Agriculture has been the way of life for majority of people in the country and therefore Rural Development, obviously is the main plank of sustained economic development. In the process of achieving the objectives of integrated rural development, cooperatives inevitably perform vital role as change agencies as an integral part of planned programmes of economic development.

Cooperatives as a socio economic frame work has been in practice in India since very long time though it was recognised as a corporate proposition in 1904 with the advent of cooperative credit societies Act. With the attainment of independence in 1947, the nation adopted the policy of planned economic development for establishing 'an integrated and just society' providing for individual liberty, equality of opportunity and a basic economic minimum for all.

Accordingly, the First Five Year Plan recognised Cooperation as an instrument of planned economic development with the emphasis that the success of plans should be judged, among other things, by the extent to which it is implemented through cooperative organisations.

As a sequel in this in the year 1951, All India Rural Credit Survey Committee was appointed to survey the scene of cooperative development and devise its approach, particularly to serve the needs of Agricultural development. The Committee in its elaborate report analysed the performance of co-operatives over the period and recommended a well defined, integrated frame work of cooperative development to serve the expanding needs of the development. The recommendations of the committee ushered in and characterised the renewed approach of Cooperative Policies and Programmes.

The approach to cooperative development enunciated in the First Five Year Plan and elaborated by the AIRCS Committee, was reiterated in the second Five Year Plan in which it was maintained that building up a cooperative sector as part of scheme of the planned development is one of the central aims of the National Policy.

During Third Five Year Plan the emphasis was on diversification of cooperative sector with emphasis on the needs of the presents workers and consumers for expansion of employment opportunities and for rapid economic development.

In the Fourth Five Year Plan, consistent with the vastly growing needs of development the policy was to ensure as large and varied opportunities for cooperative activities they can effectively utilise.

During Fifth Five Year Plan also cooperatives were recognised as an important institutional frame work in meeting the needs of the weaker sections and rural areas. The main thrust was on strengthening the primary level cooperatives so as to meet the composite needs of their members, strengthening consumers cooperatives as an important link in overall public distribution system, removal of regional imbalances in cooperative development and professionalisation of management in cooperatives at various levels.

In the Sixth Five Year Plan also, the basic approach of enlarging cooperatives to meet the growing needs of development in the rural areas and particularly of weaker section through integrated approach to rural development has been adopted.

Thus, all through the successive Five Year Plans of the country, the cooperative development has consistently received increasing emphasis and significance in serving the many and varied needs of economic development.

In the year 1970 another comprehensive survey was undertaken by the All India Rural Credit Review Committee which made a series of recommendation to streamlining and rationalise the policies, programmes and procedures of cooperative development. In the phase of Agricultural Credit and Committee emphasised the need of providing adequate credit to weaker section of the rural community, and suggested a brief in arrangement for the purpose, including the frame work of special agencies for small marginal farmers' development.

In the year 1977, the New Cooperative Policy resolution was adopted by the Government of India. The new cooperative policy resolution, inter-alia, provided that reiterated 'cooperatives to be built up as one of the major instruments of decentralised, labour intensive and rural oriented economic development' and to subserve this purpose, development of a strong, viable and integrated cooperative system for total and comprehensive rural development. As to the operation aspects of cooperative development, the resolution envisages, "Formulation of streamlined organisational system-simple and rationalised procedure and development of professional management for cooperatives.

The cooperative institutions, till 1969 were recognised as the 'main and exclusive' agency for development in certain economic spheres particularly agricultural credit. On account of the ever expanding needs of rapid economic development, the Multi-agency approach in providing agricultural credit was adopted. With the Multi-agency approach cooperatives have not

only to be responsive to an ideological dictates of cooperation but also to the economic imperatives of their performance.

While accepting this challenge, cooperatives have recognised the needs of reorganisation and rationalisation to achieve the higher norms of operational efficiency and performance.

Some of the changes envisaged are removal of regional imbalances in the development, and renewed efforts to ensure economic viability of primary level cooperatives through the structural reorganisation like the Farmers Service Societies (FSS) and large sized Agricultural Credit Societies (LAMPS). These large-sized multipurpose cooperatives are expected to take care of multi farious needs of rural people, in addition to extension of farm guidance services.

Along with the structural reorganisation, follows the envitable and crucial need of managerial efficiency of cooperatives at all levels and in different sectors to attain better economic results and to ensure proper services. The professionalisation of cooperative management therefore has since been recognised as one of the crucial aspects of cooperative development.

@@@@@

COURSE IN COOPERATIVE MANAGEMENT
FOR
AFGHAN COOPERATIVE PERSONNEL

My Perception of a Consumers'
Cooperative Society

Prof. S.B. Rao
VMNICM

Consumers' Cooperative Society is the earliest form of cooperative organisation both in our country and abroad. The first cooperative society established in India in 1904, that is, the Triplicane Urban Cooperative Society, which is still operating in Madras city, is a Consumers' Cooperative Society. Since then a number of Consumers' Cooperative Societies were started by the people in urban and Semi-urban areas even without any government patronage and assistance and a number of them are still working. In 1962, in the wake of Chinese aggression, Government of India came up with a massive programme of assistance for establishment of Consumers' Cooperative Societies in large numbers in urban areas of the country. Since then a variety of schemes have been initiated both by the Government of India and the State Governments for assisting the establishment and development of Consumers' Cooperative Societies.

The Consumers' Cooperative Societies, especially those which have started the department stores, no doubt have established themselves as leaders and trend setters by popularising retail trade practices like pre-packing, price-marking, mass display of goods, elegant lay-out, supplying clean quality goods, etc. Some of these societies have also proved their viability and soundness of their operations by showing consistent progress in the matter of sales, generation

or part of their requirement of finances and so in building up satisfied, repeat customers.

The figures of sales, membership, share capital and working capital and societies in profit, as revealed by the statements at annexure I and II, have also been steadily improving.

Yet, they are far away from making any substantial and permanent impact on the country's economy in general and the household budget of the consumers in particular. Assessment of the consumers' cooperatives in the country, by this writer, gives an impression that a large number of consumers' cooperative societies are still struggling to establish themselves and they lack the necessary vitality and vigour to achieve the objectives and expectations of the people.

It is agreed, at the outset, that (a) institutionalised operations are generally inefficient compared to the personalised operations. In our country, 99 percent of the retail business is in the hands of proprietary, joint family or partnership firms. These forms of business organisations are in a position to offer personalised services and give not only tough competition but also often unfair competition; (b) the environment in which these Consumers' Cooperative Societies are operating, like the tax structure (sales tax and octroi duty, in particular) inefficient and corrupt set up for enforcement of measures like Prevention of Food Adulteration Act, Weights and Measures Act, Shops and Establishment Act, etc., is not conducive for institutionalised and honest business operations; (c) the help and support an individual Consumers' Cooperative Society gets from the Consumers movement and the federal bodies like the National Cooperative Consumers' Federation, State Consumers' Federations is also very limited and not always dependable.

These factors impose many constraints and limitations on their operations and pose many hurdles in the development of consumers' Cooperative movement as an agency to look after the interest of the consumers.

Because of this, it is also agreed that the Consumers' Cooperatives can compete with private firms neither on the basis of price for the goods and services they offer nor in offering personalised services. So they must find out some ways by which they could compete successfully with their competitors.

However, there are many jobs and functions an individual Consumers' Cooperative Society could do on its own, which most of them are not doing. The reasons for slow progress of the consumers' movement and ineffective performance of individual units could be attributed to a number of factors such as those discussed in the following paragraphs.

Perhaps, many leaders, both official and non-official, heading the individual Consumers' Cooperative Societies and the movement do not have a clear idea as to the role of Consumers' Cooperatives in the distributive trade and in the national economy. Most of them think what all a Consumers' Cooperative Society has to do is operate retail shops to sell the goods, specified or indicated by the Government and whose supply as well as whose sales are assured by the Government and show some profits if they materialise on their own without any effort on their part. They also do not make any distinction between making a profit and profit-eering. They try to justify their inefficient performance with the argument that cooperatives are not after all for making profit. It is agreed that their prime objective is

not earning profit to be distributed to the shareholders in proportion to their share capital contribution. But at the same time they should show their efficiency of their operations in some other way. Otherwise people would recollect the dogma that some organisations are better when dead rather than when they are alive. These leaders give an impression that they believe neither in cooperative ideology and principles nor in business efficiency.

Justification for introduction of a Consumers' Cooperative Society in the distributive trade is that it is not a middleman. It is a "consumers' purchasing agent" for buying the goods at the cheapest possible price, store them, and supply them to the consumers as and when they require. But in actual practice they operate like any other middleman or as suppliers' or producers' agent or as agents of Government. Their style of functioning does not indicate that they are the consumers' agents. Perhaps that is why they are called Cooperative Consumers Stores rather than Consumers' Cooperative Societies. It is true that this objective cannot be achieved so easily and quickly in a sellers market. But their style of functioning should at least appear that they are aiming at playing such a role. People should go to these shops "for shopping with pleasure" rather than "for shopping with tears". This is their primary task. Apart from this the Consumers' Cooperative should view itself as "family friend (organisation)" of their members not only for supplying the daily necessities of life but also to fulfil the cultural, social and religious needs of its members in particular and public at large. It could, for example, provide facilities for enjoying their leisure so that they can do shopping while enjoying their leisure. Towards this end they could operate, depending upon the availability of space, a canteen/restaurant, playground for children,

club for adults, reading room and library, etc. They can meet their friends and relatives here. These should be places where people would like to go and spend their leisure time in addition to doing their shopping. In fact these should be places to remember for any need or occasion.

The Consumers' Cooperatives, for examples, create opportunities for their members to earn small incomes while working at their homes for the society. The society can supply raw materials to members for making papads, pickles, matches, etc., at members' homes and sell these products in their shops. In this way they not only supply wholesome home-made products to their customers at lower prices but also some additional income to their members, who make their products at home.

They could provide health care facilities. Services of a doctor can be made available for the members to examine and prescribe medicines.

They could arrange classes to impart instructions in various skills and arts to the members, especially the housewives and children like what to buy for what, how to use various products, cooking special dishes, beauty care, health care, hair styles, photography, painting etc., with a view to make as many families as possible spend their maximum time in the store premises.

They could also make the store a centre for providing, of exchanging information which most of the members would like to have like help-wanted, buying and selling of the articles, employment opportunities needed and available, etc.

They can organise cine clubs where the pictures can be screened for the members, which eliminate entertainment tax making the shows cheaper, operate kindergarden schools, etc.

The Consumers' Cooperative will be able to do these jobs successfully, provided it performs, its primary task of supplying the daily needs of the members and the public effectively and efficiently. Having high ambitions without the capacity and desire to perform the basic functions would mean nothing.

That is why I feel it is necessary to change the nomenclature of these organisations. In most cases they are called 'stores'. This means they are viewed only as those for running shops and stores. They should be "consumers' cooperative societies" rather than "Cooperative Consumers Stores".

10 13

COURSE IN COOPERATIVE MANAGEMENT FOR AFGHAN COOPERATIVE PERSONNEL
Pune (Maharashtra): 26 Nov-2 Jan, 81

GRAPE CULTIVATION

By

Dr. J. B. Ghugare,
Jt. Director for Agriculture (Horticulture)
Govt. of Maharashtra,
PUNE

Grape is one of the most delicious refreshing and nourishing fruits. Grapes are easily digestible and are rich in energy supplying sugars, minerals and vitamins. Grape juice is a refreshing soft drink, a stimulant to kidneys and a laxative. In India, 80 per cent of total grape production is used for table purpose; 10 per cent for raisin making and the remaining 10 per cent is utilised for preparation of wines. The area under grapes in India is about 6,000 hectares whereas that in Maharashtra State is over 3,500 hectares.

Climate

Grape is primarily a fruit of semi-arid sub-tropical region. It requires warm dry summer and cool winter with moderate rainfall. Dry weather without any clouds during flowering, fruit-set and fruit development is a pre-requisite for successful grape cultivation. In the regions where severe winters prevail, the grape vines under such situations remain in dormant condition. The ideal temperature range for grapes is 28° to 32° C.

Soils

Grape is adapted to a wide range of soils. Well drained fertile soils with about a metre depth are suitable for its cultivation. The grape-vine does definitely better on light, friable soils rather than on stiff, compact clay soils. The poor soils of course, are as good as rich loams provided they are more heavily manured and frequently irrigated. F^H of the soils should range from 6 to 8.5.

Propagation

Grapes are propagated by hard wood cuttings. These cuttings should be prepared from matured canes of medium thickness. The length of the cuttings varies from 20 to 25 cms. and should have at least three buds. The lower cut of the cuttings should be close to bud and the upper cut should be about 2 to 3 cms above the top bud. Such cuttings are put into the soil for rooting.

One-year-old rooted cuttings are used as planting material. The end of the severe cold weather is known to be the best time for planting grape vines. Planting is done in the trenches or in the pits. The trenches or pits should be of the size from 60 cms to 1 meter and should then be followed in with Farm Yard Manure/compost and superphosphate at the rate of 50 tons and 1.5 tons respectively.

Training the vines

Many systems of training are adopted in different vine-growing countries. The Head system, cane system and the trellis system are the most important systems in vogue.

a) Head System :

In winter, the vine is dormant. It is pruned after the winter season. During the first summer, only one shoot should be allowed to grow which should be trained straight with the help of the support. All the side branches are pinched back as soon as they appear. The developing main shoot is cut to a height of about a meter to meter-and-a-half. This will encourage the growth of three to four lateral branches below the cut. The lateral branches will continue growing till the vines become dormant in the winter season. At the first dormant pruning, the lateral branches should be shortened to spur with one or two buds. These spurs will produce a number of shoots during the second summer and will provide suitable arms for the framework. At the second dormant pruning, a sufficient number of arms growing in different directions should be retained.

b) Cane system :

The trunk of the vine is developed in the same manner as for Head system. The arms selected are in the plane of the trellis. At the time of pruning old canes are cut away. Fruiting spurs are maintained from the canes of medium thickness. The renewal spurs of one to two buds each are kept near the base of the fruiting canes to provide shoots for the next year's crop.

c) Trellis system :

In this system, the arms are trained along the wires of the trellis. The fruiting spurs and the renewal spurs are maintained on these arms as explained in the cane system.

Planting distance

The distance between the rows and between the two vines in a row will depend on soils, vigour of the varieties and methods of pruning, training and cultivation. For Thompson Seedless variety, the distance is 3 mx 1.5m.

Pruning

Pruning is an art of removing scientifically certain part of the plant and enhancing the vine to grow for vegetative and fruitful growth. The vines are pruned during the dormant condition in winter. Fruiting spurs and renewal spurs are maintained respectively for fruiting and for shoots for the next year's crop.

Manures and fertilizers

Farm Yard Manure at the rate of 50 tons per hectare should be applied after pruning. In Maharashtra, for full grown bearing Thompson Seedless vineyard the fertilizers at the rate of 900 kgs. of Nitrogen, 500 kgs of phosphate and 700 kgs of potash are added per hectare per year..

Irrigation

After pruning the fertilizers and manures should be added to the soil and mixed well into it. Afterwards, the land should be made ready for irrigating the vines. The irrigation interval depends upon the soil, the climate and stage of the growth of the vines. The critical stages of the irrigation are pruning times, sprouting of buds, flowering and fruit development.

Measures to improve berry quality

The quality of grapes is very important.

There are various methods to improve the quality of grapes.

They are girdling the trunk or individual fruiting shoots; berry thinning, cluster thinning and use of gibberellic acid.

A/12121980

10 13

COURSE IN COOPERATIVE MANAGEMENT
FOR
AFGHAN COOPERATIVE PERSONNEL

THE CONTROL FUNCTION OF MANAGEMENT

P.V. Mathew
Reader
VMNICM

Control is universal in nature. Human activities have always made use of control, consciously or not. When a housewife tastes the curry she has just prepared to see whether it conforms to her desired taste and when she adds a little salt and chilli to set it right she is exercising control function.

Fundamentally, control is any process that guides activity toward some predetermined goal. The essence of the concept is in determining whether the activity is achieving the desired results. Since the "desired results" must be known before control can be exercised, the concept of control cannot exist without planning. That is why planning and controlling are often referred to as the 'Siamese Twins' of management.

Fundamentally, any control function involves :

1. Establishment of standards
2. Measurement of actual performance
3. Comparison of actual performance with standards
and
4. Applying corrective action.

The managerial function of controlling is the measurement and correction of the performance of activities of subordinates in order to make sure that organisations objectives and the plans devised to attain them are being accomplished.

ESTABLISHMENT OF STANDARDS :

Standards provide a way of stating what should be accomplished. They represent the expression of planning goals of the enterprise or the department in such terms that the actual accomplishment of assigned duties can be measured against them. These standards can be in terms of time, money physical units or some index. Time study is a technique by which management determines the standard time that a normal man should take in doing a given job. Cost standards furnish norms that are helpful in analysing expenditures. Physical units may be used to set quotas by which salesmen can be evaluated. Physical units such as ton-miles of freight, units per machine hour or pounds of scrap per unit of output provide a basic, simple and direct yardstick for operations.

MEASUREMENT OF ACTUAL PERFORMANCE :

The effectiveness of a control system depends upon the prompt reporting of past results to the persons who have power to produce changes. The unit of measurement should be consistent with the predetermined criterion, and reported in a form that facilitates easy comparison. The degree of accuracy to which measurement will be carried will depend upon the needs of the specific application.

COMPARISON OF ACTUAL PERFORMANCE WITH STANDARDS

Since all activity may yield some variation when compared with standards, it is important to determine the limits within

which this variation can be permitted. A manager must be able to distinguish between permissible variation and variation requiring corrective action. If he continues to look for trouble in all cases, he will be occupied with trivial matters and not have time for variations requiring his attention. So he must concentrate only on the exceptions or bottlenecks. This is the basis of Management by Exception principle.

Management by Exception (M.B.E) is a system of identification and communication that signals the manager when his attention is needed. The primary purpose of such a system is to simplify the management process itself - to permit a manager to find the problems, that need his action and to avoid dealing with those that are better handled by his subordinates.

DECISION FOR CORRECTIVE ACTION :

The purpose of comparison is to make needed corrections. The decision made at this point indicates the culmination of the control process. The decision to take no corrective action at that time might also be warranted. Chester Barnard has explained that "the fine art of executive decision consists in not deciding questions that are not now pertinent, in not deciding prematurely, in not making decisions that cannot be made effectively, and in not making decisions that others should make".

Correction of deviations in performance is the point at which control coalesces with the other managerial functions. The manager may correct by modifying his plans and standards or by changing his goals. Or he may correct deviation by exercising his organising function or by additional staffing, by better selection and training of subordinates or through better methods of motivation and leadership.

BASIC REQUIREMENTS OF A CONTROL SYSTEM :

1. Controls must be timely - should report deviations immediately following the control period.
2. It must be simple and understandable.
3. Must reflect the nature and needs of activity.
4. Should be forward looking - deviations must be detected early enough to permit effective corrective action.
5. Should follow management by Exception Principle
6. Must be flexible to take care of uncertainty.
7. Must be objective
8. Must be economical. The relative costs and benefits must be analysed and the benefits obtained from the control system must justify the costs incurred.

IMPORTANT AREAS OF CONTROL :

Some of the major areas of control in an organisation are :

(1) Financial Control : Control of the Financial performance using budgets, projected profit and loss accounts and balance-sheets, etc.

(2) Production Control : Setting desired levels of production, scheduling the operations and arranging facilities, men and materials to achieve the targets.

(3) Quality Control : Setting acceptable levels of quality for bought-out materials and finished products and ensuring this quality through various methods of quality control.

(4) Inventory Control : It deals mainly with the control of purchase and stocking of raw materials, supplies and spare parts.

(5) Control of Sales Operations : Fixing of sales targets, productwise, territorywise, etc., and coordinating the sales activities to achieve the same. It also involves control of selling expenses.

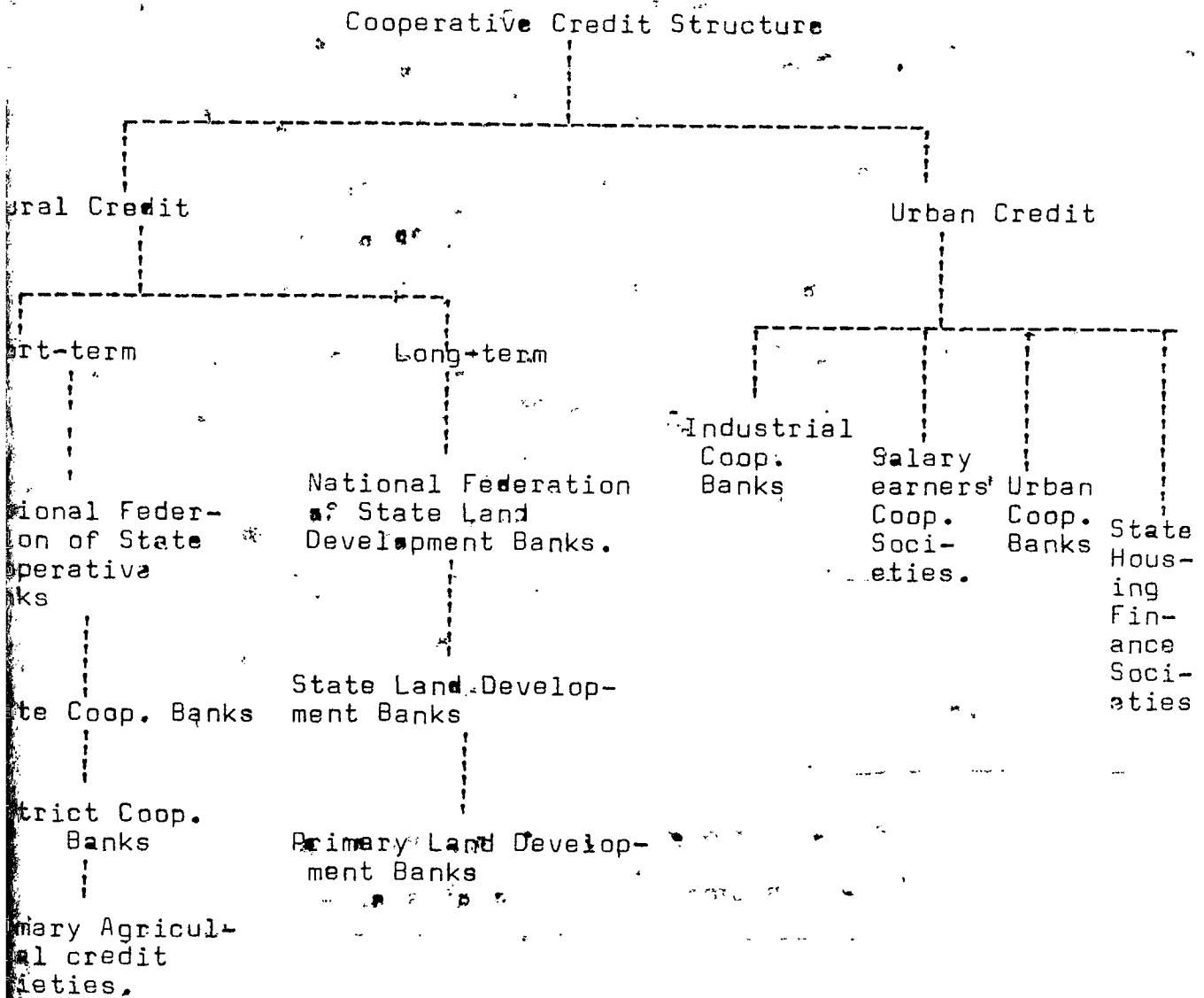
COURSE IN COOPERATIVE MANAGEMENT

FOR

AFGHAN COOPERATIVE PERSONNEL

COOPERATIVE CREDIT STRUCTURE IN INDIA

Dr. S.C. Mehta
Professor
VMNICM
Pune.



The Cooperative Credit Structure in India is explained in the above table. As regards, short-term rural credit, the State Cooperative Banks are at the top in each Indian State, the district Cooperative Banks at the district level and the primary agricultural societies at the lowest level. There were on 30th June 1978, 29 State Cooperative Banks, 347 District Banks and 1.16 lakh primary credit societies affiliating 6.10 crore farmer-members. The total loans advanced to them were Rs.1,273-crores.

In the area of long-term credit, we have the State Land Development Bank at the top in each state and primary bank at the lowest level. There were 19 State and 892 primary banks in 1977-78. In the towns, there are 1192 primary cooperative banks and 20,000 other non-agricultural credit societies serving the people in the towns, besides some industrial cooperative banks. For Housing finance, each state has its Apex Housing Finance Society which is funding housing cooperatives in its area. In total, earning housing finance, the credit movement had a working capital of Rs.12000 crores, deposits worth Rs.2,500 crores and loans outstanding worth Rs.3,400 crores.

SHORT-TERM STRUCTURE :

Barring what the movement raises by way of deposits from members, the main source of finance of short-term

agricultural needs is the Agricultural Credit Department of the Reserve Bank of India. It is normally at 6%, lent to State Cooperative Bank which lends to District Banks at about 6½%. The district banks advance it to primaries at 9½% and the ultimate farmer gets it at about 12%. The interest rates may differ from State to State. For money raised as deposits, the cooperative banks pay from 6% to 11%.

COOPERATIVE LOAN SYSTEM :

The loans advanced to farmers are based and secured against the charge of crops actually raised by them except some amount by way of fertilisers, insecticides, agricultural implement, etc., made through the agency of possibly a marketing cooperative. Besides short-term needs of one year duration, medium term loans are also advanced payable in 3 years.

LONG-TERM CREDIT :

Most of the funds for long-term needs i.e. for a period of more than 3 years are raised by State Land Development Banks through the issue of debentures and are disbursed through the primary banks, mostly for productive purposes. The long-term credit structure is both federal and unitary in character and in some states, the branch of State Banks function as the primary banks

STATE PARTNERSHIP :

For the last 25 years, the Government of India has been participating in the share capital of all district-level and state level institutions and some primary level societies also, mostly on a matching basis. This was done to strengthen the financial position of the banks, so that they could meet their obligations for improving the condition of the common man.

MULTI-AGENCY APPROACH :

For nearly last two decades, the Government has also decided that not only cooperative banks, but commercial banks will also meet the requirements of agricultural credit. The latter have also been allotted quotas of finance which they must fulfill. Hence, while the share of cooperatives is 25%, the share of commercial bank has also gone to 10% of total agricultural credit requirements. It is clear from above that still 65% of the usual needs are met by moneylenders, though at many places, the salutary effect of cooperatives have lowered the interest rates to some extent.

SMALL FARMERS :

The latest policy of agricultural credit is to look after the interests of small farmers. The Reserve Bank has directed that at least 20% of the loans must be to small farmers (with less than 3 acres of land). Many banks have gone even further and in at least 25% of banks, the loans to small farmers have reached a figure of more than 50%. In many states, laws have made it compulsory to elect at least 50% of directors from weaker sections.

13

COURSE IN COOPERATIVE MANAGEMENT

FOR

AFGHAN COOPERATIVE PERSONNEL

COOPERATIVE MARKETING - NATURE AND SCOPE

Dr. G. S. Kamat
Professor
VMNICM.

Marketing is much more than selling of products. It covers all those business activities that direct flow of products from the producer to the consumer. It encompasses function of exchange such as selling (demand creation) and buying (assembling and dispersing) and other facilitating functions like storage, transportation, standardisation, financing, risk bearing, market research etc. These functions are performed one more number of times in the course of flow of goods from producer to the consumer. Even if some of the agencies are eliminated from the system the need for performing these functions would still remain. Objective of marketing is satisfying consumer needs. Earning revenue (profit) is an incentive for the performance of this useful activity. The business basically exist because of the existence of human wants. These are endless and unlimited. To that extent there is scope for expansion of business operations.

In developing countries marketing is the most important multiplier of economic development. It facilitates economic integration and fuller utilisation of assets and productive capacity. The marketing helps to confer better standard of living of the members of the society. In this sense marketing is much more than selling operation.

SPECIAL FEATURES OF AGRICULTURAL MARKETING :

Agricultural marketing is different from industrial marketing. Agricultural produce in most cases is bulky for its value in comparison to many manufactured goods. The need for storage and transport facilities is heavy and specialised in nature lead to heavy costs. The farm output is seasonal in character while the demand from the consumer is spread throughout the year. The agricultural marketing system must plan these to extremes. At the individual level the marketable lot is relatively small in size and therefore collection and assembling process to meet the needs of consumers spread out far and wide becomes a complicated process. The farm produce suffers loss and deterioration in quality during storage and transport. These special features necessitated well organised marketing activities in the agricultural sector. Industrial marketing by virtue of some of these features becomes relatively more easy to organise and manage.

There are different types of markets. (a) Primary, (b) Secondary and (c) Terminal.

Up to the terminal market assembling process goes on and from the terminal market the dispersal process starts. These types of markets make for differentiation in the functionalities operating in the respective markets. Upto the assembling stage the village level merchants and commission agents, brokers assume an important position in the system. In the terminal markets it is wholesalers, the mercantile agent who shoulder the responsibility of facilitating the dispersal of goods. According to these respective functions and respective tasks the functions of the intermediary agencies

between the producer and the consumer also vary. Their responsibility, right and service charges have also vary.

Cooperative marketing is particularly recommended for those relatively weaker section producer in order to enable them secure a larger share in a consumer price for themselves. Marketing Cooperatives are owned by the producers and are controlled by them and are managed by themselves. The various functions stated above are organised by the marketing cooperatives from a survey angle which leads to saving of costs without reducing the quality of service. This ensures a larger share for the producers in the consumer price through economy, conduct of activities and operations.

In developing economy cooperative marketing structure helps to build up an institutionalised process of marketing for the benefit of both the producer and the consumer. The basic necessity of the producers are better served through consumer orientation provided to marketing policies of the cooperative marketing organisations.

The nature and size of the structure will be determined by the local conditions of every economy. The individual producers may organise a village service society which could be federated into a primary marketing cooperative located at the assembling market. The federation of such primary marketing cooperative functioning at terminal market can arrange for better sales to the advantage of both the primary producers and the consumers. Such a structure also can secure integration with consumer cooperatives as envisaged under the principle of philosophy of cooperation. For example, cooperation within cooperatives.

Cooperative marketing structure can secure an economy in costs for the primary producer not only by charging less for services but also by eliminating the malpractices that prevail normally in an unorganised market. These malpractices can be listed as follows :

1. Multiplicity of market charges
2. Unfair trade allowances.
3. Adulteration and lack of grading
4. Defective method of sale
5. Wrong weighment
6. Delayed payment of sale proceeds.

In developing countries regulated markets are also created under the law of the country. The objectives of regulated markets are to create conditions that could facilitate orderly market on the principle of justice, equity and fair trade practices. Of the same need for cooperative marketing will persist. Marketing cooperatives can play a useful role within a regulated market. Marketing cooperatives can be organised on following basis.

- (a) A general marketing society
- (b) Commodity market society.

The decision about the type of the marketing society will be determined by the nature of crops to be handled, marketable surplus available, and the special needs of commodities to be marketed such as processing, pricing, market research etc.

Conditions necessary for success of cooperative marketing may be listed as follows :

1. The size of the market surplus
2. The seasonality or otherwise of the products to be handled.
3. Felt need of the producers and the voluntary character of formation
4. The existence of the principles of cooperation in practice.
5. Scientific management.

In order to ensure the success of marketing cooperatives careful planning at the primary stage is extremely necessary. The structure may be built up from below or it may be a top down structure depending upon the urgency of the situation. But the integration must be secured within different elements and agencies of the cooperative marketing structure.

@@@@@@@@@

COURSE IN COOPERATIVE MANAGEMENT

FOR

AFGHAN COOPERATIVE PERSONNEL

COOPERATIVE CREDIT STRUCTURE
LONG TERM FINANCE, POLICIES
AND PROCEDURES.

M.R. Ramdasi
VMNICM

1. Cooperative Credit Structure : Keeping in view nature of agricultural credit, separate organisational structure for Long-term agricultural cooperative credit was built up in India.

2. Organisation : Integrated agricultural credit for short-term and Long-term was operated through one organisation, but considering technicalities to be followed in Long-term finance to agriculture, a separate organisational structure was built up as follows :

1. Agricultural Refinance and Development Corporation of India.
2. State Land Development Cooperative Bank Ltd.
3. District Land Development Cooperative Bank Ltd (Primary)
4. Branches of Land Development Cooperative Bank.

3. Policy and functions :

(1) Land Development Banks are expected to raise the Long-term funds for agricultural development;

(2) To finance the project such as permanent development such as (a) Small Irrigation Schemes (b) Bunding and levelling of Land; (c) Reclamation of Land; (d) Development of Horticulture; (e) Subsidiary industries to agriculture such as diary, poultry, Piggary, etc.

4. Procedure of Financing :

(1) Proposal for a well or any other improvement in the land is to be submitted along with record of rights.

(2) A group proposal may be submitted under agreement at the group along with records of rights.

(3) Feasibility of the proposal is to be worked out.

(4) Any assistance to be made available under any government scheme is to be indicated with supporting documents etc.

(5) Any special scheme for development of horticulture or any other activity is to be prepared by the cooperative or the group of people in consultation with experts.

(6) Allied activities to agriculture such as Gobar Gas Plant are also encouraged by the L.D. Bank.

(5) Scrutiny of the Proposal :

(1) Title of the property is to be examined properly ;

(2) Technical feasibility of the proposition is to be assessed;

(3) Repaying ability from the increased income is to be assessed;

(4) Adequate involvement of the individual or group is to be decided;

(5) Individual development programme may be supporting the Government policy;

(6) Special schemes for development of vulnerable section may be given priority;

(7) Infrastructural facilities may be conducive for the development of the proposal;

@@@

6 17

COURSE IN COOPERATIVE MANAGEMENT
FOR
AFGHAN COOPERATIVE PERSONNEL

AGRICULTURAL COOPERATIVES IN AFGHANISTAN

M.V. Madane
Officer-In-Charge
PACCA Project.

INTRODUCTION :

Afghanistan is a landlocked country in Central Asia with an approximate area of 270,000 square miles. Almost one-third of the area is covered by high mountains and the population is approximately 17 million. The city of Kabul, which is the capital has a population of about 700,000 inhabitants. Afghanistan is bordered by the USSR in the North, by China in the North-East, by Pakistan in the South-East and by Iran in the West.

The most fertile part of the country is a plateau over 6,000 feet above sea level in the Central and Northern regions. In the North the Hindu Kush mountains rise to over 20,000 feet and north of these mountains the altitude drops to 1,500 feet which makes the area suitable for production of grain, cotton and other cereals. The South-Western part of the country is a desert, hot in summer and cold in Winter. A considerable part of the cultivated area is irrigated.

About 85 percent of the population make their living from farming and livestock production. Major crops are wheat, corn, cotton, barley, sugarbeet, potatoes and grapes, as well as several other varieties of fruits. Main exports are fresh and dried fruits, wool and hides of which karakul

skins form the main part. In addition, natural gas, cotton and carpets also form part of the total exports.

FOLLY COOPERATIVE EFFORTS :

Earlier efforts by the Government led to the establishment of 13 agricultural cooperative societies for karakul and silkworm breeding. These cooperatives were registered around 1958 under the Commercial Code, as there was no Cooperative Law in force at that time. These cooperatives functioned under the Bye-Laws issued by the Ministry of Agriculture. Most of these early cooperatives failed because of a lack of well defined cooperative policy and the absence of member education and staff training programmes. There was also no separate Department for guiding and assisting these cooperatives.

At the request of the Government of Afghanistan, the ILO provided, during 1963-68, the services of three Experts to establish Consumer and Supply Cooperatives, to draft a Cooperative Law and to get training programmes. The five cooperatives organised with ILO assistance were guided by the Rural Development Department which was later dissolved. These cooperatives also failed for almost the same reasons as above.

PACCA PROJECT (FIRST PHASE) :

PACCA is the Programme on Agricultural Cooperatives and Credit in Afghanistan initiated by the FAO of the United Nations in cooperation with the Swedish International Development Agency (SIDA) and the Ministry of Agriculture in Afghanistan. The programme is financed by SIDA, the FAO provides International Experts and the Government of Afghanistan provides the local costs.

The basic objective of the Programme during the first Phase was to help agricultural development in Afghanistan through an integrated approach in providing, through a single channel, credit, agricultural inputs, extension services and other related services, to farmers. During this Phase, two Development Centres and one Training Institute were established to prepare the ground for cooperative development.

The two Development Centres, established in Kabul and Baghlan Provinces did the preparatory work of planning and organising development activities in the field of agriculture and promoted cooperative type of organisations among farmers for providing credit, supply, marketing and extension services.

PACCA PROJECT (PHASE II) :

During the second Phase of the PACCA Project, the emphasis shifted from integrated rural development to the development of cooperatives alone for assisting farmers in credit, supply and marketing. Other services such as extension were to be organised in collaboration with the respective Departments of the Government. With this phase, the PACCA Programme became strictly a Cooperative Development Programme.

With the enactment of the Cooperative Law in November 1974, the work of registering agricultural cooperatives was started. A new Department known as the Department of Cooperative Development (DCD) was established and departmental staff members were sent to various provinces for organising the cooperatives.

Towards the end of Phase II and at the time of Saur Revolution there were 135 cooperatives (Majority of which were agricultural cooperatives) in 14 provinces viz; Kabul

Logar, Nangarhar, Kandahar, Helmund, Herat, Farah, Ghazni, Kunduz, Baghlan, Balkh, Samangan, Jouzjan and Parwan. The total membership of these cooperatives amounted to about 14,000. During four years, the Agricultural Cooperatives advanced to their members loans as follows. These loans were provided by the Agricultural Development Bank of Afghanistan (AgBank).

Production loans :	Afs. 1,8,017,649 ^(x)
Marketing loans :	Afs. 69,425,524

In addition to the above, investment loans worth Afs. 3,137,551 were given to agricultural cooperatives for purchasing water pumps, construction of warehouses and such other purposes.

The fertilizers and agro-chemicals are provided to cooperatives through the Afghanistan Fertilizer Company (AFC).

Most of the marketing activities of Cooperatives are centred ground marketing of raisins, cotton, sugarbeet and some fresh fruits. Most of the raisins are exported to Russia, China and India. Recently, pomegranates were also exported to USSR. Fresh grapes are exported to India. Marketing advances are provided by the AfBank both for domestic marketing and for export.

COOPERATION AFTER THE REVOLUTION :

After the Saur Revolution, the new Government of the Democratic Republic of Afghanistan was established. Land Reforms were introduced and a new Cooperative Charter was passed by the Government. A Five Year Development Plan was prepared under which 4,500 cooperatives were to be established

^z One US\$ = About 44 Afs.

within 5 years. By the end of the year 1358 (1979-80), a total of 1,217 cooperatives were registered in all the 27 provinces. A statement, giving the provincewise breakup of cooperatives at present, is enclosed.

RECENT TRENDS :

After the recent change of Government (i.e., after the Second Phase of the Saur Revolution, the Government appointed a High Power Committee recommended that in future the emphasis should be on qualitative cooperative development. The Government thereafter decided to stop registration of new cooperatives and initiated a plan of consolidating existing cooperatives. The Department of Cooperative Development (DCD) is at present trying to strengthen the existing cooperatives.

PHASE III OF PACCA PROJECT :

PACCA Project which entered the Third Phase of its operations in January 1980, is assisting the DCD in strengthening the existing cooperatives.

The Department of Cooperative Development is headed by a President who is assisted by several Directors-General. Several Directors assist them in specialised fields. At present, there are Directors in charge of Credit and Supply, Marketing, Registration and Establishment, Audit and Book-keeping, Education and Administration. In each Province, the DCD has a Provincial Director who is assisted by Supervisors, Junior Directors and book-keeping and secretarial work.

The DCD is assisted by all the international staff of PACCA Project. The Project Adviser generally advises

the President of the DCD in Planning and developing cooperative activity. In his capacity as Cooperative Development Adviser, he also advises the Registration and Establishment, as well as the Promotion and Supervision Division.

The Credit Supply and Marketing Adviser assists the Director-in-charge of Credit and Supply in preparing credit, supply and marketing procedures and advises in his day-to-day work. He maintains continuous contact with the AgBank and the APC for coordinating agricultural credit, supply and marketing activities handled by the agricultural cooperatives.

The Cooperative Adviser on Book-keeping advises and assists his counterparts in auditing the accounts of the Agricultural cooperatives and often gets the account books written with the maintenance of his counterparts. For sometime in the past there was also an Associated Expert from Sweden who was also engaged in similar work.

Recently, a new Cooperative Training Institute has been opened by the DCD with financial and technical assistance from FAO and the PACCA Project. The Institute conducts training classes for various durations and for various categories of people in the Department. The International experts also lecture at these courses on subjects on which there is no suitable lecturer from the national staff. The DCD staff is also expected to do member education work and conduct courses for the field staff.

The PACCA Project, since its inception has provided more than one hundred fellowships to the staff in the Department for Cooperative Training in other countries. There is a great need for training of the cooperative staff at present working in the Department and in the field.

-: 7 :-

The Department is representating the cooperative movement at home and abroad until the National Cooperative Federation or Union is formed. Efforts are being made to establish a National Union for Marketing.

@@@@

Introductory:

A.R. Sapre

The Sheer mass of communication in a typical enterprises is overwehelling. Every-body initiates and receives messages in same form or other. Research has shown that roughly 61% of the executive time in an Organisation is spent in communicating. we cay say that communication is the means by which organised activity is unified.

Defination:

American Society of Training Directors have defined communication as the inter-change of thought or information to bring about mutual understanding and confidence or good human relations.

Newman and Summar defined communication as an exchange of facts, ideas, opinions or emotions by two or more persons.

Communication is also defined as inter-course by words, letters, symbols or messages; and as a way that one organisation member shares meaning and understanding with another.

Communication Process

The communication process consists of 3 elements:

1. The sender
2. Medium/Media
3. Receiver

Sender: Is the person who attempts to transmit some type of ideas to another person.

Medium/Media: Consist of channels of communication and the particular mechanizum that is being utilised to transmit the ideas.

Receiver: Receiver is the person who obtains the symbols which have been sent and translets them into meaning for himself.

The importance of proper communication can hardly be over emphasised. In fact even though every person in the organisation realises the importance of proper communication, many times the distortion does creep in the communication. Distortions defeat the very purpose of communication. Notable improvement in efficiency could be made if the communication barriers were torn down. Perhaps the following review will encourage improvement of information transfer.

(1) Badly expressed message:-

Irrespective of how a communication is delivered vagueness is all too common. Such fault as empty words below and phrases. Careless omissions, lack of coherence, awkward sentence structure, inadequate vocabulary, jargon etc. are common. This lack of clarity and precision leads to costly errors and need for otherwise unnecessary clarifications.

(2) Faulty Transcription:

It is often not enough to pass on a communication word for word; either it must be put into words proper to the frame-work in which receiver operates, or it must be accompanied by an interpretation which will be understood by the receiver. These processes call for skills which are often non-existent.

(3) Loss by transmission and poor retention:

Successive transmissions of the same messages are decreasingly accurate. Even a written communication is subject to loss and meaning in transmission.

Equally serious is poor retention of information. The studies show, that employees retain only 50% of communicated information and supervisors 60%.

(4) In-attention:-

The simple failure to read the communication thoroughly is very common. In regard to failure to listen to oral communication, the psychologists and educators have noted

that the nonlistener's "earphones" are often turned off while he is preoccupied with his own thoughts.

(5) Unclearified Assumptions:-

Often overlooked but critically important are the uncommunicated assumptions which underline practically all messages. For instance, an authority delegation may appear specific, but how should a subordinate interpret it when he knows he should make a decision not specifically covered, but which he assumes to be implied?

(6) Argot:-

It has been observed that information groups of employees often coin their own terminology which is non-intelligible to an outsider. May time this blocks the communication.

(7) Distrust of Communicator:-

Some superiors are noted for the number of countermanding or modifying messages that follow an original communication. These usually result from ill-considered judgments or nonlogical decisions. Repeated experience with these messages gradually conditions subordinates to delay action or to act unenthusiastically.

Since communication is the activity that initiates and sustains the managerial process, it is necessary that the managers pay adequate attention to communicating properly. Adherence to the following principles would considerably improve the communication quality.

Principles for effective communication:-

(1) Principle of Clarity:

A communication possess clarity when it is expressed in the language and transmitted in a way that will be comprehended by the receiver.

(2) Principle of integrity:-

The purpose of communication is to support understanding by individuals in their achieving and maintaining the cooperation needed to meet enterprise goals. The integrity of the enterprise depends in part on supporting the

position of subordinate managers. Since they occupy centers of communication, the scalar chain should not be, as far as possible, bypassed.

(3) Principle of strategic use of information organisation:-

The most effective and rapid communication results when managers utilise the informal organisation to supplement the communication channels of the formal organisation. It should however, be borne in mind that informal organisations is a most potent tool and needs to be handled with due care.

COURSE IN COOPERATIVE MANAGEMENT
FOR
AFGHAN COOPERATIVE PERSONNEL

INSTITUTIONAL ARRANGEMENTS FOR SUPPLY OF INPUTS -
ARRANGEMENTS OF SUPPLIES BY COOPERATIVES.

SYNOPSIS

P.K.M. Raja
VMNICM

It has been amply demonstrated that timely supplies of agricultural production requisites like chemical fertilisers, seeds, plant protection chemicals, etc., to the farmers can bring a substantial increase in agricultural production. The growing need for food and fibre of the people and supply of various raw-materials needed by the Industries compels every sector of the economy to be concerned with the growth on the agricultural front. Here proper input supplies along with the technology can increase the agricultural production.

Cooperatives in India have been engaged in the task of distribution of agricultural production requisites for a pretty long time. One of the primary functions of village agricultural credit societies and marketing societies at various levels is distribution of agricultural production requisites needed by the farmers.

COOPERATIVE AGENCY = MOST SUITABLE :

The reasons for Cooperatives being considered most suitable for supply of agricultural inputs to farmers are :

- Cooperatives are voluntary organisation of farmers/producers
- Cooperatives are major source of agricultural production credit.
- Cooperative system ensure supply of credit and other inputs to farmers in times of need.
- Cooperative system provides institutional frame work for reaching the inputs to the farmers.
- Cooperative system provides frame work where farmers, needs and efforts and Government objectives for economic reconstruction are coordinated.

COOPERATIVES AND DISTRIBUTION OF CHEMICAL FERTILISERS :

The Cooperatives who were virtually the sole agent for distribution of chemical fertilisers in several parts of the country have now become an important agency in distribution of chemical fertilisers accounting about 55% of the quantity distributed in the country. They have carried fertilisers to far-flung places as a developmental agency, irrespective of financial implications. Since 1966, several concessions have been withdrawn and cooperatives now continue to utilise Bank credit for procurement of fertilisers.

The main channels for fertiliser distribution in India are as below :

- Cooperative distribution channel which accounts about 55% share
- Agro-Industries Corporations
- Private wholesalers & retailers
- Manufacturers through their own depots
- Food Corporation of India
- Indian Potash Ltd
- Various commodity boards

COOPERATIVES AND FERTILISER PRODUCTION :

The Indian Farmers Fertiliser Cooperative Ltd., the largest cooperative society in India with a membership of 27,000 cooperatives is the largest single fertiliser producer in the country. The society which owns plants at Kalol, Kandala (Gujarat), Phulpur (U.P) and producing 8% and 21% of total nitrogenous and phosphatic fertilisers in the country is marketing the entire products through cooperative channels.

Another cooperative fertiliser project, sponsored by IFFCO involving a total cost of Rs.750 crores known as Krishak Bharat Cooperative Society Ltd., has been registered recently which is expected to start production by 1985. This project when completed will produce 15 lakh tons urea annually.

DIFFERENT SYSTEMS OF FERTILISER DISTRIBUTION THROUGH COOPERATIVES :

Normally the State Cooperative Marketing Federations Act as a single central bargaining, financing and coordinating agency and distributes stocks through marketing cooperatives and agricultural credit societies. Four main systems that are in operation are :

- Consignment system
- Consignment-cum-credit system
- deferred payment system
- cash and carry system.

The National Cooperative Development Corporation takes care of some of the operational problems faced by Cooperatives to enable them to work efficiently.

Cooperatives have set up a few granular fertiliser plants (21) and soil testing laboratories (14).

COOPERATIVES AND DISTRIBUTION OF SEEDS :

Cooperatives are involved in distribution of improved/hybrid seeds on a small scale. With a view to expand the activities and meet the country's demand, a few large-sized cooperative seed development projects have been commenced. The World Bank also is proposed to assist seed production and distribution programmes through cooperatives.

COOPERATIVES AND DISTRIBUTION/FORMULATION OF INSECTICIDES AND PESTICIDES

There is only limited involvement of cooperatives in distribution/formulation of insecticides and pesticides. Cooperatives have also started a few units for formulation of insecticides/pesticides.

COOPERATIVES AND DISTRIBUTION OF AGRICULTURAL MACHINERY/IMPLEMENTS

Cooperatives in a few States are engaged in distribution of agricultural implements like Tractors, oil engines and pumpsets and other implements. They have opened a few Agro-service Centres for hiring of tractors and other implements. Also in a few states they have established service-cum-repair workshops to provide servicing/repairing facilities for agricultural machinery, supply of spare parts, supply of diesel and other lubricants.

#####

VAIKUNTH MEHTA NATIONAL INSTITUTE OF COOPERATIVE MANAGEMENT
PUNE

A BRIEF NOTE ON MARKETING INTELLIGENCE, MARKETING RESEARCH AND MARKETING SERVICES.

Training Aids:
- Flip Chart
- Epidioscope.

By S. P. Gupta
Faculty Member

INTRODUCTORY:

The existence of human wants is the basis of all economic activities. The objective of each country, irrespective of its economic system, is to increase productivity so as to fulfill all the wants and needs of its countrymen and thus improve their standard of living. Towards this end a variety of goods and services are produced to be utilised by the consumers. However, these goods and services are produced before they have been ordered for by the consumers of these products and services. Marketing is the economic function concerned with finding the customers for those products and services. Marketing thus includes all those business activities which are involved in the flow of goods and services from production to consumption.

'Marketing' is distinct from 'Selling'. Selling is concerned with the plans and tactics of trying to get the customers to buy the product or services which the sellers have. Marketing is concerned with much more sophisticated strategy of trying to have what the customers will want.

In modern concept, marketing is the function of business which concerns with creation of customers i.e. identification of customers needs and organising the business to meet those needs. Modern marketing is 'Consumer Oriented' in approach.

MARKETING INTELLIGENCE

Marketing research is a part and parcel of the most important function of marketing, viz. marketing intelligence. 'Marketing Intelligence' is the term used for the more respectable methods and 'Industrial espionage' for the less respectable methods.

The inward flow of information, known as marketing intelligence consists of salient facts about institutions and developments in the environment affecting the producer's opportunities and performance.

Major sources of marketing intelligence are : Economy, Technology, Law, Culture - competitors, channels, markets, complementary producers, suppliers.

MARKETING RESEARCH:

In a competitive world and in a wide market (national/ International market), the producer can no longer afford to rely on guess work in creating customers and carrying the customers with their products. Marketing research, market information and market news all are contributing factors to the success or failure of any business.

Marketing research enables a manufacturer or producer to know what the consumers want, at what time they want, in how much quantity they want, how many of them want a particular commodity, how it could be made available and how many other customers would be attracted by the producer or dealer.

'Marketing Research' is distinct from 'Market Research'.

Market research signify the study of those who buy or distribute a product or the products of the manufacturer or the producer. Marketing research is the inclusive term which embraces all research activities carried on in connection with the management of marketing work. Among other things marketing research involves the study of the relationship and adjustments between production and consumption, preparation of commodities for sale, their physical distribution, wholesale and retail merchandising & financial problems concerned.

MARKETING SERVICES:

A marketing function is an act, operation or service by which the original producer and the final consumer are linked together.

In the process of shifting the goods from the producers to the final consumer first the goods are 'concentrated', after collecting from various producers, at a central place usually known as Market. After concentration arises the question of 'dispersion' (distribution).

Marketing functions with regard to 'concentration' and 'dispersion' have been variously listed. They can be summed up as follows:

Marketing Functions

<u>Concentration:</u>	<u>Dispersion:</u>
1. Assembling.	1. Selling.
2. Buying.	2. Storage & Warehousing.
3. Transportation.	3. Standardising & Grading
4. Storage & Warehousing.	4. Transportation.
5. Grading and Standardising	5. Financing.
6. Financing.	6. Risk Bearing.
7. Risk Bearing.	7. Packaging.
	8. Advertising.

1. Assembling: This is the most important of all the marketing functions. Concentration includes the operation of collecting goods from big and small towns and villages at a central place for its further movements to the factory or the consumer. This service signifies the finding out of sources of supply, buying wisely in terms of quantity, quality and variety and also making commodities available at the place and in time they are wanted. The only purpose of concentrating goods at one point is to bring them together where they are required either for production or for consumption purposes and this objective is fulfilled through the efforts of the businessmen, manufacturers or final users.

A number of marketing functionaries are involved in the assembling activities such as village merchants, touring merchants, "Arhtias" etc.

Assembling becomes essential because of certain advantages, such as:

Contd... 4

- a) Economy in transportation and handling.
- b) Availability of goods in bulk.
- c) Facilities of grading.
- d) Economic processing.
- e) Reasonable prices. etc.

Assembling however will be difficult in want of

- a) Special skill.
- b) Well developed means of transport and communication.
- c) Regulated market etc.

2. Buying: Buying includes the determination of one's needs, finding out the sources of supply, making of business communication, negotiating of prices and other terms and conditions and also the transfer of title from the seller to the buyer.

Buying may be of two types:

- a) Buying for consumption.
- b) Buying for resale.

The former category includes the purchases by manufacturers who purchase raw materials and supply finished goods for final consumption.

When goods are purchased for resale the following points deserve consideration:-

- a) Estimating the demand.
- b) Sources of supply.
- c) Market conditions. etc.

3. Selling: Selling may be summarised as the process of distribution of the huge flow of merchandise from factories, farms, forests and mines to the consuming units. Selling in business mean the transfer of ownership of goods or services to a buyer in exchange for money. In the present day competitive world it has become difficult to dispose of goods at satisfactory prices so that the profit of the sellers as well as the interest of the consumers are maximised. Salesmanship of a very high order is required to perform this function. It is an expensive and a difficult art. The salesman has to create demand, find out buyers giving them the information of the availability of goods, satisfy them for the usefulness and assure them for reasonable prices to be charged. There is an old

- 5 -

saying that "Goods should be half sold before they are bought" and that "Goods well bought are half sold".

Selling can be performed in any of the following ways:-

- a) Personal selling.
- b) Sales by advertisement.
- c) Sales by inspection.
- d) Sales by sample.
- e) Sales by description.

Important factors which are to be considered while selling goods are-

- a) Quality
- b) Quantity
- c) Mode of payment
- d) Packing
- e) Delivering

4. Transportation:- All goods, whether commercial or agricultural, are not utilised at the place of their origin. They require some kind of transportation to create place utility. Trade and transport are twin brothers and they should go side by side for their existence.

Generally transportation include three processes:

Movement of goods - a) from villages/manufacturers to the market or the rail-head.

b) for market to consuming centres.

c) from terminal point to port, factory or the distributing centres.

5. Storage and Warehousing:- Storage is an exercise by which commodities are protected from deterioration and surplus supplies are carried over for future consumption during the days of scarcity. Thus, storage provide time utility and place utility as determined by warehouse location. The conditions that give rise to storage are:

a) seasonal production and more or less uniform consumption;

b) uniform production and seasonal consumption;

c) the need for protection or preservation of the commodity;

d) to maintain perfect balance between supply and demand because of the system of round about production.

Contd. ... 6

Storage provides the undermentioned services:-

- a) it protects the physical characteristics of the goods;
- b) it provides facilities to the consumer to get the articles required throughout the year;
- c) to some goods it preserves the maturity or enables the product to ripen;
- d) in certain cases it improves the quality of the product and fetches better prices;
- e) to perishable goods it provides longevity.

Warehousing:

Warehouses render a very important service to the manufacturer, wholesalers and shippers. Nowadays goods are first stored at a central distributing warehouse and from there they are distributed to other warehouses as and when required and from there to wholesalers, retailers, jobbers etc.

Warehouses may be classified on the basis of

- a) Commodity Stored;
- b) Ownership;

In the first category would come such warehouses as Cotton warehouses, Grain warehouses, Potato warehouses etc.

According to ownership basis warehouses may be classified as private warehouses, Cooperative warehouses, Public warehouses, Bonded warehouses etc.

6. Standardisation, Grading and Quality Control:- Standardisation and Grading provides the ethical basis for marketing transaction. As long as no objective standard prevails there is opportunity for the strong to take advantage of the weak and the clever and the unscrupulous to outwit the unwary and trusting.

A standard is the result of a particular standardisation effort, approved by a recognised authority. It may take the form of-

- a) a document containing a set of conditions to be fulfilled;
- b) a fundamental unit or physical constant;
- c) an object for physical comparison.

Contd ... 7

Standardisation is the process of formulating and applying rules for an orderly approach to a specific activity for the benefit and with the cooperation of all concerned and, in particular, for the promotion of optimum effort of economy, taking due account of financial conditions and safety requirements.

The aims of standardisation are as follows:-

- a) to maximise overall economy in terms of cost, human efforts and service of the essential materials;
- b) to ensure maximum convenience in use.

Grading on the other hand is a process of sorting individual specimen of a given product to the standard grades or class to which they belong. To grade is to divide goods into lots which have approximately the same characteristics of type, of size or quality.

This is accomplished in two ways:-

- a) in the grading of some products the individual units are sorted into lots that conform to the established standards. This process is used to grade such products as Orange and Apples and is commonly known as grading;
- b) in the other products a given lot is inspected to determine the standard to which it conforms. This is commonly carried out by examining samples which are assumed to be typical of the lot (butter, grains, cotton). This process is variously called : sampling, classing etc.

Grading starts where standardisation ends.

Some of the significant advantages of Standardisation and Grading are:

- a) They simplify the purchase and sale. Makers of identification trade mark, trades/names or other symbols enable the satisfied consumer to buy the same product again and again. If however, the products are unsatisfactory the same marks make it easy for the customer to avoid purchasing of that product in future.
- b) Standardisation of product is fundamental to the success of sales by advertisement, by samples etc;
- c) Standardisation also helps in obtaining finance while the commodity is in storage or in transit;

d) It also helps in the protection of goods in transit from damage.

7. Financing: Finance is required whenever some transaction takes place. Financing of business has become a subject of special interest to the producers as well as to the wholesalers and retailers because of requirements of funds.

Goods are not sold at the time they are manufactured. It takes time to reach into the hands of the consumers and for the time being their money remains invested. For this reason businessmen look to financial institutions for help.

The purposes for which finance are required during the period from the time of production to the time of sale are:

- a) To carry production, selling and stock peaks, which arise out of seasonal marketing and cause large expenditure in advance of receipts from sale;
- b) To meet anticipated style changes and changes in competing products and services, which are sometimes recurring seasonal problems and sometime exceptional situations which do not recur season by season.
- c) To meet variations in demand from other seasonal cause such as exceptionally high or low prices for product bought or sold or changes in the physical volume of business; and
- d) To carry stocks during a period of usually slow returns, resulting from a slow season, hard times, depressions, uncertainty of prices, ineffective sales efforts or from an unwise extension of credit.

The producer, whether he is a cultivator, or a manufacturer usually requires a large amount of fixed capital and the marketing operators like wholesalers, retailers etc. require a large amount of working or current capital. Marketing entrepreneurs require a very small amount of fixed capital for building, furniture and fixtures etc.

The fixed capital is obtained either from capital investment in the business by the owners or long term loans through bonds etc. The working capital is obtained through the short term loans or some special arrangements of deferred payment.

In marketing, mobilising sufficient working capital is of crucial concern. Working capital required to finance the business depends upon the terms and conditions of purchase and sale, nature of assets to be turned into cash, nature of the business, rate of stock turnover and volume of business transacted.

8. Risk Bearing: All business transactions are entered into with the purpose of getting something in return for the services rendered by producers and middlemen. The very idea of getting the returns induce the producers to grow produce and put them in the market. Middlemen in their turn bear the risk to dispose of their stock received from the producers at better prices and finally the consumers also bear risk when they purchase goods of their requirements for the whole year for reasons of fall in prices and the availability of quality goods in future.

Risk in marketing may be defined as "Uncertainty in regard to cost, loss or damage". Risk is an universal marketing function and is present in the some form or another in all marketing transactions.

Risks are classified as:

- a) Unexpected losses from fire, flood etc.;
- b) Risk of deterioration in quality;
- c) Losses at shipping and producer's ends;
- d) Risk due to transportation;
- e) Losses due to competition;
- f) Losses due to changes in supply and demand or changes in prices.

Risks may be divided into two broad classifications:-

- a) Insurable risks;
- b) Uninsurable risks.

In the first category i.e. insurable risk, fall all those types of business uncertainties against which complete or partial protection may be found through some type of shifting, sharing or elimination. Risks for fire, theft of stock etc. may be secured under certain conditions through insurance.

Into the classification of Uninsurable risks fall those business uncertainties which arise from mistake in judgement and from the inability to foresee the future accurately.

Reference Reading:-

1. Marketing Management, By Philip Kotler, Prentice - Hall Inc. New Jersey, (1967) - relevant chapters.
2. Agriculture Marketing in India. by K.R. Kulkarni, 1956, Vol.I
3. Principles and Practice of Marketing in India by Dr. C.B. Mamoria and R.L. Joshi, Kitab Mahal, Allahabad, 1976.

Dr. S.L. Tripathi

Extension Teaching Methods

Extension workers or the field representatives are the adult educators working at the grass-root level. The primary responsibility of this category of functionary is to educate the farmer or the ultimate user of the modern technology. Since extension teaching grows out of the needs and interests of the people, it follows no rigid pattern or curriculum. Participation in the programme is wholly voluntary with vast difference in age, educational experience, interest, intensity of need and level of living of the participants. The productivity of extension education is greatly influenced by the effectiveness of teaching methods used and the skill with which the agent can fit these methods and the content material to the diverse interests and abilities of each group.

The extension teaching methods or the devices used by the extension agents to create situations in which communication can take place between the teacher and learner.

A large number of extension teaching methods are being used by the extension workers in adult education such as disseminating scientific knowledge regarding hybrid seeds, chemical fertilizers, plant protection measures etc. These methods are classified in different ways.

CLASSIFICATION OF METHODS

Many methods are used in teaching adults. A teacher seldom resorts to one method in a given situation. The following are the common classification.

- I. According to use :
- a. Individual contact methods -
- (i) Farm & Home visit
 - (ii) Calls- Office and telephone
 - (iii) Personal letters
 - (iv) Result Demonstration.

b. Group Contact Methods - this include

- (i) method demonstration meetings.
- (ii) Leader training meetings.
- (iii) Lecture, Conference & discussion.
- (iv) Tours

c. Mass Contact Methods :-

- (i) Leaflets, news stories & circular letters.
- (ii) Bulletins and Books.
- (iii) Radio Broadcasts.
- (iv) Television Programme.
- (v) Exhibition.
- (vi) Posters.

II. According to Form

a. Written.

- (i) Bulletins and Books.
- (ii) News articles and leaflets.
- (iii) Letters - personal and circular.

b. Spoken:

- (i) Meeting of all kinds.
- (ii) Farm & home visit.
- (iii) Office and telephone calls
- (iv) radio Broad-casts.

c. Visual Aids -

- (i) Demonstrations.
- (ii) Exhibits and Specimens.
- (iii) Posters and Charts.
- (iv) Film Strips and Slides.

d. Audio-Visual Aids.

- (i) Television program.
- (ii) Motion Picture.
- (iii) Songs and drama.
- (iv) Puppets show.

The following are the methods used for teaching of adults.

- | | |
|---|--------------------|
| (1) Method demonstration. | |
| (2) Result demonstration. | |
| (3) Exhibits and models. | |
| (4) Projected methods like,
Films, slides, motion
picture and Television. | Objective Methods. |
| (5) Farm and Home visit. | |
| (6) Farmers' Calls. | |
| (7) Meetings. | |
| (8) Group discussion. | Oral methods. |
| (9) Campaign. | |
| (10) Voluntary & local leadership. | |
| (11) Tours & excursions. | |
| (12) Literature - leaflet, folder,
for circular letters, newspaper | Printed Method. |

FACTORS AFFECTING METHODS

The following are some of the factors which a teacher should keep into account in selecting suitable extension teaching method, to be used in a given situation.

1. Nature of the subject matter and objective of teaching.

If the objective is to impart some kind of skill, method demonstration would be the best teaching method. This will give opportunity to the learner to practice the skill. But in case, the aim of teaching is to impart only knowledge and understanding about loan facilities available from Land Development Bank, discussion method will be the most suited method. This will give full opportunity to the learner to ask questions and clear their doubts.

2. Number of learners involved:-

For small group of upto 20 persons, group discussion will be the most suited method and for larger group lecture, cinema etc. (mass contact methods) may be adopted.

(3) Time Available :- Availability of time with the teacher and learner is one of the important factors. Field trips are very instructive but require more time.

(4) Facilities and Material Available :- Availability of facilities and materials play very important part in deciding with out projector, generator etc.

(5) Interest and ability of teacher :- Most teachers have personal preferences and feel more security in using selected methods.

(6) Effectiveness of method :- For extension teaching the most effective methods should be selected. Demonstration, discussion and farm and home visits have been found most effective in Indian village condition, hence, should be selected.

GUIDE IN SELECTING EXTENSION METHODS :-

Village people learn by seeing, hearing, or doing the things to be learned. Since extension teaching consists of arranging situations for the learner to see, to hear or to do that which is to be learned. These opportunities are provided through the skillful use of extension teaching methods. To obtain action to cause people to make desired changes, and to ensure success and satisfaction extension efforts are planned in the following six phases.

1. Call attention of the learner.
2. Make them interested in taking action.
3. Develop desire for making change.
4. Give opportunity for converting desired change into action.
5. Develop confidence in the ability.
6. Obtain satisfaction from the action taken.

I. Method useful in getting attention:- The first stage in the teaching learning process is to divert their attention towards the new idea. This will help the teacher in placing the idea efficiently before them. The following are some of the methods used.

- (i) Picture related to the subject.
- (ii) Demonstrations.
- (III) News Stories.
- (IV) Posters, charts, graphs.
- (v) Radio talk.
- (IV) Exhibits, & models.

II. METHODS USEFUL IN DEVELOPING INTEREST :- The following are some of the methods used for this.

- i. Give information about the subject through : meetings of various types, film, film strip and slides, lectures, subject matter newsitem, radio talk, bulletin, pamphlets, etc.
- ii. Create activity towards the programme by organising community work, leader activity and result demonstration.
- iii. Use appeals to value such as enjoyment, increased income, health, comfort, acquisition of desired things etc.

III. METHODS USEFUL IN DEVELOPING CONFIDENCE :- This can be done by the following methods.

- i. Demonstrations with discussion.
- ii. Farm and home visit.
- iii. Campaign.

IV. METHODS USEFUL IN CREATING DESIRE :- The following methods are used for this job.

- i. People see real object.
- ii. Participation in demonstrations.
- iii. Circulars suggesting benefits.
- iv. Before and after picture.
- v. Leadership in action.
- vi. Samples / exhibits etc.

V. Methods useful in ensuring action :- The following methods promote action.

- i. Make action easy by having services & supplies available, eliminating non-essential steps and delays, and setting out clear-cut definite steps to be taken.
- ii. Use of reminders.
- iii. Leaders at work.
- iv. Cooperative action.
- v. News stories and radio talks about and by people taking action.

VI. METHODS USEFUL IN MAINTAINING SATISFACTION:- Satisfaction development of confidence. It has been observed that in many instances people cease to follow the new practice, due to the lack of real satisfaction. The following methods should be adopted at this stage..

- i. Personal contact with timely hints.
- ii. Farm and home visits.
- iii. News notes and showing value of results.
- iv. Giving more information.

FARM AND HOME VISITS

Farm and home visit is a direct contact by the extension worker with the farmer or the members of his family at his home or at his farm for a specific purpose.

This is used to (i) get acquainted with and gain confidence of the farmer and to give a courtesy call. (ii) to discuss individual or village problems. (iii) to find out problems of which he is not aware. (iv) to teach skills and (v) to obtain or give information.

What to do :-

- i. It should be done with definite purpose.
- ii. Punctuality and consideration of farmers' convenience should be kept in mind.
- iii. A schedule of visit should be worked out to save time in advance.

During such a visit the following points should be considered.

- i. Develop conversation on topics of interest.
- ii. Let the farmers do most of talking and do not interrupt him.
- iii. Speak only when he is willing to hear.
- iv. Be accurate in your statement.
- v. Be sincere in learning as well as teaching.
- vi. Record the date of visit, purpose etc.
- vii. Take if possible news letters, folder etc.

This method is used for the following jobs.

- i. To take skills - individualised skills.
- ii. To create desire to adopt new practices.
- iii. To help rural people to analyse their problems and prepare them for action.

Advantages:-

1. First hand knowledge of rural problems is gained.
2. Good-will is developed.
3. The worker develop confidence when his recommendations are adopted more and more.
4. Better leaders are located.
5. Members not reached by other methods are contacted.

Limitations:-

1. Number of contacts possible is limited.
2. Opportunities suited to the extension worker and farmer are limited.
3. Comparatively a costly method,
4. Creates prejudices in other farmers.

2. GROUP CONTACT METHODS

A group is a body of individuals drawn together around a common interest. Such a group (less than 20 in number) reaching collective decisions through cooperative discussions is utilised to promote an objective. This is useful in solving many important problems of the community. The following steps should be followed

1. After locating several individuals interested in a particular problem through individual contact, invite them to meet and discuss their problems.
2. Find out leader from the group and give him responsibility and training.
3. Choose a comfortable place for meeting and publicise in advance.

4. Discussion should be promoted in friendly atmosphere.
5. Encourage people to talk.
6. Do not give the impression that your solution is the best.
7. Give due credit to the group.
8. Undertake systematic follow-up.

This method is useful for recommending improved farm technology, village sanitation problems, village recreation activities, organising village cooperatives, etc.

Advantages :-

1. Helps in developing objectivity towards ideas and sympathetic attitudes towards those who disagree.
2. Every participant shares the pride of having helped solve the problem.
3. Helps in deciding debatable issues.
4. Leaders, group interest and problems are discovered.
5. Group planning and group action results.
6. Fairly large numbers can be reached.

Limitations:-

1. Factions in the village might hinder in group meetings.
2. Traditional leaders may create trouble.
3. Possibility of creating rivalries.
4. Attendance of person not directly connected cannot be avoided easily.

3. DEMONSTRATION

Demonstration is the foundation stone of extension teaching. Its importance was recognised by Dr. Seaman A. Knapp, who got it approved as a principal means in the Smith Lever Act 1914. It is based on the "show me" idea. It presents a proved, improved practice in terms of practical application to a specific situation. Based on the old adage "seeing is believing" it convinces people by what they see, rather than by what they hear or read. There are three types of demonstrations i.e. method, result and composite or national.

A. Method Demonstration :- It is relatively a short time demonstration given before a group to show, how to carry out an old practice in a better way or entirely a new practice. It helps in acquiring new skills.

B. Result Demonstration :- It is a method of teaching designed to show by example the practical application of an established fact or group of related facts. In other words it is a way of showing people the value or worth of an improved practice whose success has already been established.

C. Composite Demonstration :- It is a whole plot demonstration in which method and result both types of demonstrations are followed.

D. National Demonstration :- These are special result demonstration sponsored by the ICAR for popularising H.V.P. and multiple cropping programmes. In each district there will be normally 25 demonstrations, which will be conducted by a group of scientists or specialists of universities or college of agriculture.

The inputs for the national demonstrations are provided by the ICAR. ICAR also provides vehicle for quick transport of the scientists. It also gives some remuneration.

Some you are concerned with the result demonstration let us discuss it in greater detail.

Types of Result Demonstration:-

- i. Varital.
- ii. Manural.
- iii. Combination of two or more of the aforesaid types.
- iv. Cultural.
- v. Composite demonstration - it includes package of improved practices. National Demonstration is of this type

Principles of Demonstration:-

1. It is based on the principle of seeing is believing and learning by doing.
2. The thing good for one, will have general applications for others under similar conditions.

Objectives of Demonstration:

1. To show the utility and feasibility of IFFCO fertilizers in village condition.
2. To establish confidence among the farmers about the IFFCO fertilizers.

Procedure of Demonstration:

There are three important stages in any type of demonstration viz. pre-demonstration, demonstration and post-demonstration stages.

I. Pre-Demonstration Stages:

1. Analyse the situation and determine needs - this can be done on the answers of the following:
 - a. Is it necessary to establish further confidence in local application of your inputs?
 - b. What has been your experience in the past under similar conditions?
 - c. Is it possible to locate a good illustration of the practice locally?
 - d. Is the need for demonstration felt by the farmers?
2. Decide upon specific purpose i.e.
 - a. Which particular audience should have the learning experience?
 - b. What specifically do you want them to learn?
 - c. Is it to establish confidence of the farmers in your goods?
3. Plan the Demonstration:
 - a. Consult subject matter specialist
 - b. Make demonstration plan as simple and clear cut as possible.
 - c. Decide upon evidence needed and how local proof will be established.
 - d. Determine number of demonstrations needed to accomplish purpose.
 - e. Local sources material.
 - d. Reduce plan to writing.

4. Select the Demonstration:

- a. Consult local leaders and select a farmer who commands confidence and respect of his neighbours and who is interested in the programme.
- b. Visit the purposive demonstrator to make sure that all conditions for success of demonstration are favourable.
- c. The demonstrator should be conscious of his responsibilities in demonstration.
- d. He should be willing to participate in the process.
- e. The demonstrator has to secure supplies before hand as such he should be capable of doing so.

5. Select the Plot:

- a. The plot should be located on a road side for easy accessibility and publicity.
- b. The field should be representative of the soil of the village. It should be even, and should have irrigation resources.

II. Demonstration stage:

1. Conduct the demonstration

- a. Give wide publicity before hand.
- b. Get all needed material ready.
- c. Start demonstration in the presence of the villagers.
- d. Assist in getting the demonstration under way to make certain that omission of certain key points will not make later work fruit less.
- e. Arrange for a method demonstration meeting where skill is involved.
- f. Mark the demonstration plot with large signs so that all can see.

2. Supervise the Demonstration :

- a. Visit the demonstration plot with sufficient frequency. This will help to it maintaining interest of the farmer and also progress can be checked,

- b. Maintain records. This should also be maintained by the demonstrator.
- c. Give publicity to the demonstration and the farmer at suitable stages.
- d. Conduct tours to successful demonstrations at proper times.
- e. Let the demonstrator himself explain to visitors as far as possible.
- f. Mention in news stories, circular letters, radio talks etc. at critical stages.

3. Complete the Demonstration:

- a. Harvest the crop in the presence of villagers.
- b. Take photograph of the field.
- c. Hold meetings and summarise records.
- d. Analyse and interpret data.

III. Post-Demonstration Stage:

Follow-up

- a. Give wide publicity to the results of demonstration.
- b. Encourage demonstrator to report at meetings.
- c. Prepare visual aids based on the results.
- d. Get other farmers to agree to demonstrate during the next season.
- e. Get as many farmers as possible to adopt IFFCO inputs.

Advantages of Demonstration:

1. Increases farmers' confidence in IFFCO fertilizers and the Field Representative's.
2. Useful in introducing new product.
3. Contributes to discovery of local leaders.
4. Provides teaching material for further use.

Limitations:

1. Requires lot of time and preparation.
2. A costly teaching method.
3. Difficult to find good demonstrator who may keep records.
4. Teaching value frequently destroyed by unfavourable weather and other factors.
5. Unsuccessful demonstration may undermine your prestige.

The understanding of efficiency in agriculture is the central task of studies in agricultural economics. This is a matter of encouraging an appropriate combination of land, labour; capital and organisation so that the best results may be obtained.

Here it is important to distinguish between technical efficiency and economic efficiency. In discussing surely technical efficiency one raises the problem of how to maximise production on a given acre by using the required means or inputs like fertilizers, irrigation seeds etc., one does not raise the problem of the costs of these inputs and the difference between costs and returns. The latter question is raised when we consider economic efficiency rather than technical efficiency. The relation between the cost of inputs and the price of outputs is thus the central matter to be studied, and this is done by the production function.

The production function is an equation that studies the relation between inputs and outputs. One has to attempt to bring out the effects of individual and joint variations of inputs on output, and one may have to experiment with various types of equations if full meaning is to be drawn from farm management data. However, economic efficiency has to be thought of not only from the stand point of the returns to the individual farmer but also from the social point of view. Thus we have to consider social efficiency also. Consider an illustration of how different cropping patterns would affect social objectives, for example, in a State like Maharashtra if the entire irrigated land is used for food production you would have self sufficiency in food. It is also well-known that particular crops require a higher labour input and that this is also true of particular rotations. Thus, a particular distribution of inputs would be conducive to attaining full employment

as well as food self sufficiency, but are these desirable objectives by themselves ? The objective of maximising income and its growth is also there, this may require a particular pattern of commercial production and the purchase of **food** and the subsidisation of employment rather than trying to attain these results directly. Thus social requirements may or may not require a partial modification of the pattern of individual economic efficiency. However, technological efficiency, economic efficiency and social efficiency have to be separately considered and the whole analysis has to be put together before a decision can be reached.

The efficiency of the credit system requires separate analysis in this context. The timeliness, the adequacy and the cheapness of credit are the three dimensions by which a credit system may be judged. Credit may be directed towards attaining technical efficiency, economic efficiency or social efficiency. The relative importance given to each in the credit system has to be clearly indicated. Credit covers short term, medium term and long term credit and it may also be thought of as including consumption credit, production credit and developmental credit. These categories cut across the fundamental categories of adequacy, timeliness and cheapness.

Consider briefly the objectives of credit cooperatives and commercial lending. Credit cooperatives maximize services to their members and they should be interested in a better distribution of these services amongst the members. They have to promote adequate, cheap and timely credit. They have to maximize certain purely banking requirements such as maximising lending, maximizing deposit mobilisation and maximizing profitability of lending within the context of meeting certain social requirements and developmental

requirements also. They have to think of a structure which minimizes costs and promotes cheap credit and of a viable size and coverage of activities.

The various federations and primaries in the credit field and their operations have to be judged from the fundamental point of view of their composition of membership and of the services they can render to the members, enterprises and to the government and community.

The cooperative credit system is a part of the total credit system which in turn is a part of the total financial input and output system involving agricultural price, agricultural taxes and agricultural charges in comparison with their counterparts in the industrial sector. Thus the physical inputs and outputs and the credit inputs and outputs have to be considered in a broader economic and social frame.

The analysis of credit cooperatives which we have already made in Chapter (3) is relevant in this context and may be referred to. Cooperative credit institutions in spite of the limitations arising out of their membership composition and the framework of Government credit policies are yet capable of standing up well in comparison with commercial institutions as regards cheapness of credit. They have however, to make considerable head-way before credit becomes fully adequate and timely and a process of consultation develops between the man in the field and the credit institutions.

The cooperatives can help attain not only the objectives by an ideal credit system but they can also help bring about an ideal pattern of rights in land.

The objectives of land reforms are not only distributional but also productive and are further intended to contribute to a solution of the problem of law and order and community development. Cooperatives can help attain these objectives not only through the financing of inputs to those who acquire agricultural land through reforms but also through other means. Matters like improving land and financing the purchase of land by small man where such rights have been given by land reforms may be taken as illustrations. Generally speaking cooperatives services and land reform objectives of Government have been carefully developed in many countries and have led to outstanding success in countries like Taiwan and Korea as well as in Japan. In India, however, we find that cooperative development and land reforms have little relation though efforts have been made by a few institutions such as the Gujarat State Cooperative Bank to bridge the gap. The creation of special agencies like SFDAS, the Tribal Development Corporations and the LAMPS are also illustrations of very indirect efforts to close this gap.

It has to be noted that even countries that do not go in for cooperative farming may attempt a close relationship between land reforms and cooperative development. This relationship would become even closer in countries which attempt to give a significant role to cooperative farming. Cooperative farming may involve pooling of land and pooling of labour to differing extents. The variables of leadership and government support as well as various elements of community structure are likely to make a critical difference to this effort. Cooperative farming usually involves a fundamental divergence between the progress of the individual unit and the socially required progress of the farm sector. Cooperative farming is therefore a particularly difficult sphere of cooperative action. The state promotion of cooperative farming in

in various countries has often led to a reversal of the same through the desertion of farms by the members. It is therefore a field in which the practical administrator as well as the theoretician have to be very cautious. Like the concept of the cooperative common wealth at the macro level, the concept of the cooperative farm at the micro level reflects a certain Utopian content when other conditions are not favourable. Thus the possibilities of cooperative action in this sphere are heavily dependent on environmental social conditions.

The objectives of Government and cooperatives in the spheres of storage and marketing also overlap. The stabilisation of agriculture and the elimination of exploitation are objectives of both Government and of the cooperative movement. The development of proper cooperative institutions for attaining proper storage arrangements, proper pooling of produce, proper decisions and proper linking of marketing and credit is thus a matter of importance. Efficiency in the marketing sphere involves the elimination of certain vested interests as well as the organisation of large scale operations and proper incentives, in this the cooperatives have an important role.

Farm Management studies provide us with the basic data about the costs of inputs and of outputs of various agricultural products in various agro-climatic-zones and under various organisational conditions. Farm Management studies may be made more simple or complex depending on requirements and may again show particular items as a cost of production. Thus whether the consumption needs of

the farmer should or should not be a part of costs is an illustration of the sort of issues involved. Farm management studies have to be used for determining cost of production, for fixing remunerative prices, for re-organising individual farm investment plans, for considering the cost implications to attain various social objectives on the aggregate plain etc. Thus farm management studies provide us with basic economic information which can enable us to choose the proper technology and the proper maximands. The whole issue of the cost of credit is also seen in its total perspective both at the farm level and at the aggregate level. A simple set of farm management studies pertaining to the zone with which an administrator is concerned is therefore of importance. We said earlier that agricultural economics has to be concerned with the overcoming of agricultural dualism, we are therefore concerned with the cost implications of various traditional and modern institutions. This picture also becomes clear through farm management studies. Since farmers may not maintain accounts certain substitute methods of gathering data relating to farms have to be thought of. National income analysis provides us with data suitable only for certain varieties of aggregate level economic planning. For local economic planning and for farm level and input institution level planning one must use farm **management** studies along with aggregate analysis.

The transformation of the agricultural sector can thus be fundamentally assisted by a properly devised cooperative movement. As the urban sector becomes more important than the agricultural sector, the relative importance of cooperatives may decline. But they would have laid the foundations of a better modern society than would emerge without them. Thus

if you look on them as transitory institutions we have to remember that they would be institutions of great importance for several decades. In the urban sector their role would be more limited to the financing of consumption and to the provision of consumers goods including housing and possibly a variety of other services including insurance. There are also important possibilities of various participatory management arrangements and of association with the labour movement. In spite of these important possibilities it is in the agricultural sector that the main significance of the cooperative movement lies. An interdisciplinary analysis therefore has to concentrate more on bringing out the economic problems of rural cooperatives. The development of processing industries is a border line category between urban and rural cooperatives. The full investigation of industries involved in processing agricultural products and their economics is thus a part of our study. Vertical integration of these industries with farming activities are important instruments of modernisation of rural areas.

XXXXXXXX

XXXXXXXX

0 30

Vaikunth Mehta
National Institute of Cooperative Management
Pune - 16.

Writing Reports - Some Hints

By : S.B. Rao

In the following paragraphs some hints are given on writing reports, These hints are gathered from otherwise good reports written by novices, and hence would be very useful to the beginners who wish to learn the art of writing reports.

1) Select a topic on which you can get sufficient information. For example, selecting a topic in March / April 1976 on the impact of 20 point programme initiated in July 1975 on the university cooperatives is not a good choice, though it is topical. We should allow sufficient time to lapse for measuring the impact of the scheme.

2) Select a catchy title but not a misrepresentative one. It should represent the main topic / subject dealt in the report and not necessarily all the topics / aspects covered.

3) Do not use fanciful language. Be brief and use minimum number of words. No one has that much time to go through long reports. At every stage look at the paragraph and ask yourself whether some sentences are necessary and any words or sentences would be omitted. Use cross references instead of repeating the ideas, quotations and sentences.

4) Like chapter headings there should be section headings. Same title should be used both in the table of contents and in individual chapter and section headings.

5) The first few paragraphs of the report should indicate why the study was made and for whom. It should also indicate at whose instance the report is prepared and to whom it is submitted.

The first few paragraphs or the first few chapters should also indicate the methodology used for obtaining and analysing the information, how sample is selected etc.

6) Use profusely side-headings, paragraphs headings for easy reading and grasping of the topic. By changing the size of the letters and underlining important passages it is possible to draw the attention of the readers to the important points made in the report.

7) Do not use abbreviations in the report. Even the abbreviations which appear to be very common may have different meanings for different people. For example, the abbreviation NCDC may mean National Cooperative Development Corporation for the people in the cooperative field but for a general economist it may mean National Coal Development Corporation.

8) Do not use signs in the sentence even if they are common. For example, abbreviation 'viz' is not preferable to 'namely'. Similarly, don't use the "%" sign; better write

"percentage " . Also the abbreviation "e.g." is not good ; it is better to write "for example " . However it is better to write abbreviation "etc" rather than its full form "etcetra " .

9) Do not use the figures 1,2,3 in the report. Write them in words as long as the figures can be spelled in one or two words. For example , write fifty for 50 , rupees one lakh for Rs 1,00,000 . However you may write 537 instead of writing five hundred and thirty seven.

10) Do not use in the report any words from a language other than the language in which the report is made like Latin French or Sanskrit words. If at all they are essential always put in the brackets their equivalent English words or the language in which report is prepared.

11) Quite a bit of information could be presented effectively in the form of tables, graphs, charts and diagrams. Presentation of information in these forms not only saves lot of descriptive sentences but also makes the reading and comprehension of the report easy.

12) There is a way of presentation of information in tables. Different techniques have to be used for presenting different information. What should be presented in vertical columns and horizontal lines varies from situation to situation. For example, if we are giving price indices for a 15 years period we should put the years in the vertical column and

the corresponding price index in the horizontal lines, because it is more difficult to put 10-15 columns horizontally. Also while deciding what should be in vertical and horizontal columns we should take into account what is the normal way of presentation of that information so that the reader would not have any difficulty in reading and comprehending the report quickly.

For every table there should be heading and also reference to the source from where the information has been obtained.

13) In the table the sign "-" is not proper. Say clearly what you want to say like information not available (N.A.) , the figures are insignificant , etc.

14) While giving information you should be very clear as to what you are trying to say . Don't presume that the reader knows it. A statement that percentage of expenses are 2.5 does not mean anything. The expenses are as a percentage of sales, gross profit or working capital .

15) Use consistently the same words and units throughout the report. For example, do not write at some place Kilograms at other place Pounds and still at other place Seers and Maunds. Similarly for presenting the information as to the quantity of cloth produced, don't write at one place bales and at other place sq. metres.

16) There is a definite way of quoting passages from other records. If the quotation runs into number of paragraphs we give quotation marks (") at the beginning of each para and at the end of the last para and not at the end of each para .

17) There is also a definite way of numbering pages in the report. The Foreword, Preface, etc. should have different series of page numbers (for example , i,ii,iii and so on) from that of the text (for example, 1,2,3 and so on)

18) The report should have a table of contents , list of tables etc., in the very beginning of the report . If possible also give subject index at the end of the report.

19) While concluding the report recapitulate briefly the the main observations and points made in the report and the conclusions and recommendations .

oooooo

22

COURSE IN COOPERATIVE MANAGEMENT
FOR
AFGHAN COOPERATIVE PERSONNEL
MARKETING FINANCE - LINKING OF CREDIT WITH MARKETING

SYNOPSIS

P.K.M. Raja
VMNICM

MARKETING FINANCE - NEED AND IMPORTANCE :

Finance is required by all market functionaries for moving crops from farm to the consumer. Producers who form the first link in this movement is the weakest and deserves special attention to enable them to receive fair price for their produce. Here the Marketing Cooperatives can come to their assistance.

Marketing Cooperatives mainly undertake two jobs i.e. marketing of agricultural produce, procurement and distribution of agricultural inputs and consumer articles. These operations require financial accommodation for short-term and long-term: Short-term finance is required for advancing pledge loans, outright purchases of agricultural produce, trade credits, etc, while long-term finances are required for buildings, furniture, and other equipments, purchase of transport vehicles, investment in processing units, etc.

SOURCES OF FINANCE AND DIFFERENT AGENCIES: :

Internal sources of finance are share capital, deposits from members, reserves, etc.

External sources of finance are mainly borrowings from financing agencies and loans and grants from State Governments and other agencies.

The Cooperative Banks, State Bank of India and subsidiaries, Nationalised Banks, National Cooperative Development Corporation are normally the agencies which provide finance to marketing cooperatives. Reserve Bank of India is involved as a refinancing agency for cooperative Banks for advances given to marketing cooperatives.

CASH CREDIT - FEATURES AND TYPES :

The cash credit system provided for marketing cooperatives by the Banks enables them to make frequent drawals and repayments. It also helps the Banks to ensure proper utilisation of funds and watch trend of business operations.

Broadly cash credit is classified as secured and unsecured. Pledge and Hypothecation are secured advances while clean cash credit is an unsecured advance. Guidelines have been prescribed for giving these advances to marketing cooperatives.

ASSISTANCE FROM NCDC :

The National Cooperative Development Corporation established by the Government of India under NCDC Act 1962 is engaged in planning and promoting programmes through cooperatives for production, processing, marketing and storage of agricultural produce. Some of the assistance provided by NCDC to marketing cooperatives are as below :

- Assistance for strengthening share capital and lease of marketing cooperatives.
- Assistance for purchase of transport vehicle
- Assistance for processing of agricultural crops
- Assistance for construction of godowns
- Assistance for production and distribution of Agricultural inputs.
- Assistance for undertaking distribution of consumer articles in rural and semi urban areas, etc.

LINKING OF CREDIT WITH MARKETING :

Cooperative Credit Movement cannot succeed unless an organic link between marketing is achieved. Linking of credit with marketing provides a built-in mechanism for recovery of production credit as well as its proper utilisation for agricultural production. Under the scheme though recovery of loan is important, emphasis is also placed on development of efficient marketing, processing and distribution system to benefit the producer and consumer.

AGENCIES INVOLVED AND THEIR COORDINATION :

The programme of linking of credit with marketing involves four agencies ; namely the individual borrowing member, agricultural credit society, the marketing society district Cooperative Bank. For success of the scheme effective coordination between the various agencies is necessary. This can be achieved if the following procedure is adopted in the matter.

(1) While giving production credit, the credit society should obtain an agreement from members agreeing to sell the produce through marketing/processing society and deduct loan amount from sales-proceeds;

(2) The amount should be paid by the Marketing/processing society to the Bank into the account of credit society or to them directly.

(3) Before harvesting season, a demand list showing the name of member and amounts due from them should be supplied by the credit society to the marketing/processing society;

(4) The credit society should watch the progress of harvest and flow of produce to marketing society and arrange transport etc., wherever necessary.

(5) After sales or pledge of produce and remittance of amount to the District Cooperative Bank or the credit society, the credit society can give receipts to members for recovery of loan.

(6) Repayment of loan should be related to the period of harvest.

It is also to be remembered that for the success of linking cooperative credit with marketing, provision for advancing adequate and timely credit to the farmer for agricultural production and partly for consumption should be ensured to wean him away from trade/money lender.

#####

COURSE IN COOPERATIVE MANAGEMENT
FOR
AFGHAN COOPERATIVE PERSONNEL

35

REGULATION OF AGRICULTURAL MARKETING - ROLE
OF COOPERATIVES IN REGULATED MARKETS

Dr. A.P. Kansal
Reader, VMNIOM.

Producers convert their produce into cash in the primary and secondary agricultural markets. Various malpractices adopted by market functionaries result in exploitation of producers and consumers both as producers get less by way of sale proceeds of their produce and consumer have to part with more money for satisfying their consumption needs. Failing to get better price in agricultural markets, farmers prefer to sell their produce in villages *itself*. To overcome the difficulties faced by the farmers in agricultural markets, the need for regulating sale and purchase of agricultural produces was emphasized by various Committees and Commissions on agriculture from time to time.

A market is regulated when Government establishes a market under enactment and frames rules and regulations for conducting business therein. The main objects of regulating agricultural market are:

- (1) To regulate sale and purchase of agricultural produce,
- (2) To create conditions for fair competition,
- (3) To ensure square deal to producer seller, and
- (4) To provide facilities to all the users of the market.

Advantages of regulated market :

- (1) Excessive charges are reduced and unwarranted charges prohibited.
- (2) Market practices are rationalised.
- (3) Correct weighing is ensured.
- (4) Suitable arrangement for settlement of disputes made.

- (5) Prompt payment is ensured.
- (6) Up to date market news made available.
- (7) Various facilities to the users of the markets provided.
- (8) Encouragement for quality production of agricultural produce.

Constitution and working :

The main object of regulating agricultural market is to provide for regulation of sale and purchase of agricultural produce in the market ensuring fair and equal treatment to all the users of the market.

The Market Committee manages the affairs of the market. Market Committee constitutes of the representatives of growers, traders, commission agents, local bodies, cooperatives and government. Generally, the number of representatives of the agriculturists in the Market Committee is the largest. In some of the States the provision is for the election of Chairman from amongst the representatives of farmers. Secretary and other staff is appointed to assist the Market Committee in the working of the regulated market.

The Market Committee raises funds by borrowing loans from government, levying market fee, licence fee etc.

Sales and weighing are done under the supervision of the staff of the Committee. Daily payment is ensured.

Funds of the Market Committee are used for providing facilities to the users of the market, development of the market yard/market area etc.

For settlement of disputes sub-committee having representatives of farmers and traders is nominated.

Arrangement for providing up to date and reliable market information, rates of arrivals and sales of various agricultural commodities are made. Grading of agricultural commodities is encouraged.

How a agricultural market is regulated ?

Government notifies in the gazette its intention to regulate the sale and purchase of specified agricultural commodities in the specified area. Objections to the Government's intention is invited from all concerned within a specific time. If within the time so fixed, no objections are received from any quarter, the government deems that persons of the market area have no objection to the Government's intention. However, if the objections are raised, those are considered and if declared unreasonable, Market Committee is constituted. Market Committee proceeds with establishment of market yard and notifies the date from which sale of produces will be regulated in the market. Licences to all the market functionaries are issued. Charges for various services are prescribed. After the term of office of the nominated Market Committee expires, it is replaced by elected Market Committee.

Role of cooperative marketing societies in regulated markets :

Generally, a view is expressed that a cooperative marketing society has no role to play once a market is regulated. This view is obviously based on a mis-conception of the role of these two institutions which have different functions. Actually, there is scope for both the institutions to develop and expand, as there is a complimentary relationship between the regulated market and marketing cooperative. The regulated market is designed to regulate the trade in the agricultural market through licencing dealers, while the objective of marketing cooperative is to provide effective competition to the traders and secure better returns for the

farmers' produce. Thus, while a marketing cooperative renders services only to its members by way of providing market credit, assembling produce, grading, processing, storage and marketing, the regulated market, on the other hand, is intended to rationalise trade practices and improve the general trading conditions for sale in market by eliminating the malpractices and thereby rendering services not only to the entire farming community but also to the other sellers including the village merchants. There are instances of non-cooperation by the traders with the functioning of the regulated market, specially when the implementation of rationalised practices is planned. In such cases, marketing cooperatives can assist the regulated market through purchases of the produce following the new practices. Therefore, even for the successful and effective regulation of a market, the presence of a strong cooperative marketing society in each regulated market becomes the absolute necessity. Where as a marketing cooperative can function efficiently in a regulated market under conditions of fair competition without fear of traders, if regulation is effective. Thus, existence of both the institutions is essential for the effective and purposeful working as their roles are complimentary.

COURSE IN COOPERATIVE MANAGEMENT
FOR
AFGHAN COOPERATIVE PERSONNEL

PROCESSING AS AID TO MARKETING FUNCTIONS
AND ACTIVITIES OF PROCESSING SOCIETIES

Synopsis

By P.K.M. Raja
VMNICM.

PROCESSING - MEANING AND ADVANTAGES :

Processing is an act or services of acts which transform the product processed to consumable forms. Some of the advantages of processing are that the commodity processed are made more usable; the quality of product is improved; the commodities are made less perishable etc.

COOPERATIVE PROCESSING - NEED AND IMPORTANCE :

The importance of cooperative processing in the rural economy is enhanced due to the fact that it enables producers to obtain a fair price for their produce and helps to avoid malpractices of private processing plants. Therefore cooperative processing is important in the economic development and cooperative development in particular.

PROCESSING AS AID TO MARKETING FUNCTIONS :

Processing of foodgrains and other agricultural commodities is an important stage in marketing and indispensable in cooperative marketing. Successful handling of marketing is not possible without processing units. Processing units also help recovery of production credit through linking of credit with processing, and aid rural industrialisation bringing socio-economic changes in areas where they are located.

TYPES OF PROCESSING UNIT - PRIMARY, SECONDARY AND TARTIARY

Expansion and proper working of cooperative processing industry depends greatly upon their integration with secondary and tartiary

stages of processing, e.g. Oil seeds crushing units - oil seeds solvent extraction units manufacture of Vanaspathy, manufacture of cattle feed/poultry feed etc. Linking of primary units with secondary and tertiary stages of processing would enhance the efficiency and viability of individual units.

Structure of processing units in cooperative sector in India conforms to two distinct patterns - units established as independent processing cooperatives like cooperative sugar factories, cooperative spinning mills etc and processing units established as adjuncts to cooperative marketing societies eg. Rice mills, Oil mills etc.

PRECONDITIONS FOR SETTING UP PROCESSING UNITS :

A systematic determination of technical and economic feasibility and viability should precede organisation of cooperative processing units. Studies should include economic importance, suitability of product for processing, price of raw materials, selling price of products, size and location of industry, plant and machinery and processes of production, raw materials supplies, man-power planning, transport and distribution arrangements, fixed and working capital requirements and their sources and cost. Profitability of investment should also be assessed. The feasibility study should also contain the type of organisation and planning necessary for implementation of the project.

Another important factor for the success of cooperative processing units is the legality of members which should be ensured.

COOPERATIVE PROCESSING UNITS ORGANISED AND INSTALLED IN INDIA :

Out of a total number of 2339 various cooperative processing units organised in India, 1662 units have been installed, 467 units are large independent units, while 1872 units are organised as adjuncts to marketing cooperatives. Out of 167 cooperative sugar factories organised, 137 units

have been installed. These sugar factories account for about 92% of the total sugar production in the country. Some of them have also installed distilleries unit based on molasses to use the bye-products. In case of foodgrains and pulses cooperatives have 746 rice mills and 77 dal mills for processing of pulses like urad, masoor, moong etc.

In respect of cotton, ginning and processing of cotton is essential before marketing and cooperatives have set up 321 ginning and processing units. There are about 56 cooperative spinning mills. Regarding jute, cooperatives have set up 182 Jute bailing units, as jute bailing facilities are essential for effective marketing of jute. There are about 368 processing units for processing of oil seeds and its bye-products in Cooperative Sector. Some of these units are solvent extraction plants, integrated groundnut processing units, cottonseed processing complexes etc.

For processing of fruits and vegetables, 34 cooperative fruit and vegetable units have been organised of which 28 have been installed. Also Cooperatives have set up processing units for crops like coconuts, cashewnuts, coffee curing units, cooperative tea factories, Cooperative Rubber processing units etc.

December 5, 1980

MULTI-PURPOSE COOPERATIVES - FUNCTIONS,
ADVANTAGES & DISADVANTAGES

By

Lionel Gunawardana
Joint Director & Specialist in
Agricultural Cooperation,
ICA Regional Office,
New Delhi-110-065 (India)

In order to assist the farmers in the developing countries in improving their agriculture, raising their incomes and leading a better life the agricultural cooperatives have to provide all the services they need in the pursuit of agriculture. Provision of credit, supply of agricultural inputs and the consumer goods, the storage of agricultural produce and marketing of produce and processing where necessary should be carried out in an integrated manner against the background of effective farm guidance services.

These are the functions of a multipurpose cooperative. Multipurpose cooperative should assist the farmer in increasing his production by providing credit in cash and kind combining it with activities on modern farming techniques. It should supply agricultural inputs such as improved seeds, fertilizers, insecticides and pesticides and machinery and implements.

It should assist the farmer to receive better prices for his produce by improving his bargaining power by providing collective marketing arrangements, by providing proper grading, storage, packaging and transport facilities.

It should assist the farmer in obtaining his essential consumer needs at reasonable prices so that he receives maximum advantages from his earnings. It should assist the farmer in leading a better and fuller life by undertaking of better living activities such as cultivating in him the habit of thrift and encouraging savings, provision of health and nutrition education and as well as medical facilities and arranging for cultural and general educational activities. (e.g. educational tours, etc.)

Advantages of multipurpose cooperative society

1. It can adopt an integrated approach to cooperative agricultural development.
2. When the rural farmer has to join several societies for the services needed no society get his individual attention. When these services are provided by one multipurpose society it can get his individual attention and its members or the combined effort of the village.
3. When there are number of single purpose cooperatives serving the same area, there can be much overlapping of functions among them. Multipurpose society would prevent this.

4. Village problems are interlinked. Multipurpose society would give farmers an opportunity to discuss these problems at one meeting thereby enabling them to take a more comprehensive view of the problems and also save time.
5. Concentration of several activities make the society a better economic unit.
6. It would be able to employ better managerial personnel and staff by paying them higher salaries.
6. The services of the best men and women in the villages would be available to the whole village through a multi-purpose society.
8. Solution of more than one economic problem by the society make the members' concern for its welfare greater.
9. Capital, physical facilities and management staff can be better utilised.
10. The members have the convenience of doing their business in one place.
11. Surplus from profitable business sections can be utilised to cover deficit from non-profitable but essential sectors.

Disadvantages

1. Greater demands on management skills.
2. Greater demand on time and ability of elected leaders.
3. Society may not be able to give equal services to different members with different interests.

4. Inclusion of different people engaged in different professions might not provide sufficient affirmity of interest to sustain a sense of mutual obligation to each other.
5. Combining credit with trading can be dangerous.
6. Book keeping may be complicated and difficult.

A/

BUSINESS OPERATIONS OF MARKETING COOPERATIVES

Dr. G.S. Kamat
VMNICM.

The success of a marketing cooperative depends upon methods and practices of business. While a cooperative has to satisfy the requirements of cooperative elements in business, it has to succeed in the operation in a competitive market. This can be possible on the basis of managerial and operational efficiency which keep note of changing economic winds and trading practices.

The cooperative structure of marketing institutions at different levels endeavours to evolve a business system in an integrated manner. It makes available larger resources of men, money and material as also economies of scale to itself. Its inter-relationships are built up on the basis of economic and cooperative principles. The basic objective is to pass on a larger share of the consumer price to the primary member. At the same time each marketing cooperative operating at different levels, is assured of a minimum fair margin to enable it to survive and grow. The approach is more from a service angle.

Business Operations

The marketing cooperatives are expected to conduct the following operations :-

- 1) Commission Business
- 2) Transport, Storage, Grading, Finance, Insurance arrangements etc.
- 3) Pooling and Processing
- 4) Outright purchases
- 5) Supplies of inputs like fertilizers, seeds, insecticides and agricultural machinery.
- 6) Distribution of essential consumer goods in rural areas.
- 7) Marketing news, agricultural extension etc.

Commission business is a characteristic function of a marketing cooperative, operating as a trader in the market. The objective is to secure higher price possible for the producer. The manager is the agent to bargain and decide the reasonable price for the agricultural producer owning the agricultural produce. Supplementary to this operation is grading, transportation, storage, provision of pledge finance and arrangement for insurance.

Pooling of members produce is cooperative way of marketing. It increases the scale of operation and improves the bargaining position of the marketing cooperative. It starts depending upon the capacities of the members with pooling of costs or restricted pooling to time may be resorted to. Complete pooling operations go up to the farm level and the operations are completed at the end of the season through final settlement of accounts and cooperative sharing of surplus. Agricultural processing cooperatives are essentially pools.

Outright purchases are sometimes resorted to in favour of producers, having a small marketable surplus. Since they are in need of money they are paid a reasonable price prevailing at a point of time and subsequent risks, if any or marketing are assumed by their marketing cooperative, which are cooperatively shared ultimately in favour of the weak farmer member. Supporting arrangements such as price fluctuation fund, processing etc, would have to be made by the concerned marketing cooperative in order to reduce the impact of uncertain market risks.

Marketing is conducted through securing, linking with consumer cooperatives as far as possible, other things remaining the same such as fair price from the market. On the same basis inter-state trade and export trade operations are conducted. As a part of operation, there is every effort made to link credit to marketing so that the risk involved in financing small farmers is reduced to the minimum.

Should marketing cooperatives give production finance? The approach has to be selective depending upon the strength of the cooperative credit institutions and the needs of marketing operations in its area. The marketing cooperatives have to arrange supplies of agricultural inputs such as fertilisers, insecticides, pesticides, seeds and agricultural equipments required by the farmer members. These supplies help in proper utilisation of agricultural credit advanced to small farmers and also improve effectiveness and efficiency of their agricultural production operation. As a further supporting measure agricultural extension operations are also conducted by the marketing cooperatives to educate the farmers in better agricultural practices. In order to enable to take as far as possible correct decisions on their own and their marketing cooperative makes arrangements to provide the latest market news. Since the farmers are by and large, dispersed in the area of operation of the marketing cooperative, arrangements are made to provide essential consumer goods at convenient nearer points such as groceries, toilet goods, textiles and other consumer products, including consumer durables at fair prices. If these operations are organised within the cooperative sector by the marketing and consumer organisations on the basis of cooperation within cooperatives in the process, both structures can hope to become strong and balanced. However, these approaches can take place, as stated above, on the basis of mutual benefit and convenience only.

The various marketing supply and distribution operations listed above, are offered as a complete package of service to the members of the marketing cooperative. This approach ensures business loyalty of members to their respective organisations on the basis of consumer satisfaction. It also ensures definite and sustained business to the marketing cooperative structure.

20
1 December 1980

COURSE IN COOPERATIVE MANAGEMENT FOR AFGHAN COOPERATIVE PERSONNEL

NEED, IMPORTANCE AND PROBLEMS OF AGRICULTURAL
COOPERATIVE CREDIT

By

Lionel Gunawardana
Joint Director & Specialist
in Agricultural Cooperation,
ICA Regional Office,
New Delhi-110-065

Agriculture is the main occupation of the majority of people in the developing countries including Afghanistan. Nearly 85 per cent of the people in Afghanistan live in villages.

The size of the land holdings in developing countries in South-East Asia including Afghanistan is small and consequently the income of the farmers is low. The farms are barely sufficient to meet the subsistence expenditure of farm families. The avenues of subsidiary employment are few. There is wide spread of unemployment and under-employment in both rural and urban areas.

The farmers do not have the required capital to adopt new methods of agriculture - to use better seeds, more fertilizers, and better cultivation practices. To break this vicious circle of low production and poverty, the peasant cultivator must be provided with the necessary capital. Hence the vital importance of agricultural credit.

Agriculture production is seasonal and, therefore, farmers income is seasonal.

The farmers needs funds to finance his agricultural operations. He needs funds for current agricultural operations, for investments in tools, implements and machinery.

The farmer needs funds for his consumption expenditure including his social needs.

It is essential that the farmer should be able to obtain credit easily and it should be cheap and safe. It should be available in adequate amounts at right time and on easy terms of repayments. The loans should be such that it will assist the borrowers stability, productivity power and independence.

The capacity of the farmers to borrow depends on the confidence the lender placed on him, security he can offer against the loans and his capacity to repay. The conditions of the small farmer is as such that it is difficult for him to borrow and when he is able to borrow from private money lenders it is at a exorbitent rate of interest.

It is only the organisations formed and managed by farmers themselves like cooperative societies that can effectively provide the credit needs of the farmers.

In providing agricultural credit cooperative societies are faced with numerous problems. Some of them are :-

1. Uneconomic size of societies

Most of the credit cooperatives are small and the volume of business handled by them is limited.

2. Lack of trained staff and managerial skills

Trained personnel are not available to rural cooperatives due to various reasons. They cannot be attracted because of poor working conditions and low salaries.

3. Lack of adequate finance

Farmers income being low, accumulation of capital either individually or collectively through the society is difficult and therefore, self-financing of credit cooperatives is a difficult task. Obtaining funds from private institutions is also difficult due to inadequate security, etc. The only source of finance is the government.

4. Inability to grant adequate and timely credit

Due to inadequate source of finance, granting of adequate credit is difficult. Complicated procedures and methods of assessing loan requirements have contributed to the failure of members to get loans in time.

5. Competition from private money-lenders

The strongest enemy of the credit cooperatives is the village money lender. He is changing his ways and methods of lending continuously so as to suit the needs of borrowers. This adjustability of the private money lender is the biggest factor in his favour and makes it difficult for the cooperatives to replace it.

6. Difficulties in obtaining security for loans

The absence of clear title to land makes it difficult for farmers to pledge his land as security.

7. Credit delinquency

Non-repayment of loans can be due to indebtedness to private money lenders, bad lending policies of cooperatives e.g. relating the loan to the farmers assets and not to his repaying capacity; lending indiscriminately to achieve targets; and lack of proper supervision in the use of credit, etc.

4

An integrated approach : the solution

It is now being increasingly realised that a sound credit system could be developed only if the supply of credit in cash and kind, the storage of agricultural produce, and the marketing of produce (after processing wherever necessary), are all integrated against the background of effective farm guidance services. Unless such an integrated approach is adopted, all attempts to drive out the money-lenders and to improve the conditions of the farmer will end in failure and frustration, for credit alone is not a panacea which can solve all the problems of the farmer. The solution lies in the proper integration of credit with extension, supply and marketing services.

A/

COURSE IN COOPERATIVE MANAGEMENT
FOR
AFGHAN COOPERATIVE PERSONNEL

STATE POLICY AND LEGISLATIVE FRAME WORK
IN WHICH COOPERATIVES OPERATE

Y.B. Deshpande
VMNICM

Cooperative Movement in India has already completed 75 years of eventful life. With the winning of Independence in 1947, there had been a very rapid expansion, extension, diversification and all round development of the Cooperative Movement. Cooperative Movement in India which started with Cooperative Legislation has now more than 3 lakhs of cooperative societies and about 10 crores of people as members. This is by far the largest cooperative movement in the World.

The Cooperative Movement in India was started as a result of the desire of the government to help the people, especially farmers, to get rid of the burden of indebtedness. The positive approach of ameliorating conditions of the people in all walks of life has not been present at the initial stages. Subsequently this factor was more and more looked into as time passed. The Cooperative legislation was also at the initiative of the government. That is why the cooperative movement in India has begun with the cooperative legislation. First Cooperative Law was enacted in 1904. This was followed by another cooperative law in India in 1912. The 1912 Act was necessitated, as the 1904 act was restricted in its scope as it was intended to help the agricultural community and that too in the field of credit. Moreover, the financial liability of the members was to be

unlimited. The 1912 Act helped the people and also encouraged them to join the cooperative movement. The cooperative activity has been extended through the legislative process, to marketing, consumers housing and other aspects of human economic activity. However, the cooperative movement in India did not attain large stature and status before the Independence. After Independence however, the people and the government began to realise the importance and effectiveness of the cooperative movement and participated into its developmental activities.

With the passing of Reserve Bank of India in 1935 and Agricultural Credit Department specially to help systematic development of the cooperative movement (through the activity of credit) was very much helpful. The Rural credit Survey Committee Report after Independence strongly recommended that the government should not be silent spectator but join hands with the people in effecting all round development of the cooperative movement. The cooperative law committee prepared a model cooperative bill and on the basis of this model cooperative bill the cooperative movement that was spread in all the States of the country, similar acts were passed in most of the States of the country. Cooperation is a State subject, as such, it is the responsibility of the State to enact legislation and provide rules and regulations etc., for the cooperative activity. In each State, Cooperative Department was established with the triple aspects to be performed viz., audit, enquiry and supervision. The Registrar of Cooperative Societies, have been given considerable powers to control activities of the cooperative movement. In each State there was an Act passed by the Legislative Assembly, there were cooperative rules passed by the Cooperative Department of the government and cooperative bye-laws for the performance of the day to day

functions of the cooperative societies in various activities. For the cooperative movement in Maharashtra, Cooperative Appellate Tribunals have been established. Similarly, Registrar by himself or through his nominee has been granted powers to act as courts for the speedy disposal of cooperative disputes. The audit machinery has been made more and more independent in various States. In the 5 Five Year Plans of the country Cooperative Movement was given greater importance and financial allocation for the cooperative development was made to the greater extent. Government started participation in the cooperative movement by providing share capital to the cooperative societies. The government, in order to ensure systematic and all round development of the cooperative movement, controlled the cooperative activity to the extent necessary. In some cases the Government dissolved the cooperative institutions and nominated the Board of Directors. Government of India also passed the National Policy Resolution in respect of cooperative development with the intention to ensure the implementation of the resolution. The main feature of this National Cooperative Policy Resolution are :

- (a) Cooperatives to become decentralised labour intensive and rural oriented activities.
- (b) The Cooperative Movement shall be developed as a shield for the weak.
- (c) Regional imbalances in the cooperative movement should be looked into and removed.
- (d) The cooperative movement should be made self-reliant, autonomous movement.
- (e) Cooperative democracy should be built up through enlightened participation.
- (f) In the rural areas integrated and comprehensive development by providing link development through all aspect of cooperative aspect.

- (g) Consumer Cooperative Movement shall be built up in
- (h) Professional management shall be built up in Cooperatives for efficient functioning.

For making the cooperative law more effective and related with the development of cooperative movement in India a constant review and revision through the amendments in the cooperative acts are made. The legislative frame work has been designed in various State Governments in such a manner that as far as possible early disposal of various cases in the field of cooperatives are ensured. In every cooperative society there is an elected board of directors and the activities of the cooperative society are conducted through the accepted bye-laws. The Government operates through Registrar of Cooperative Societies for controlling and supervision. In times of need he conducts enquiry with the Directors of the cooperative society for helping improvement in the structure and functions of the society.

Thus the expansion, diversification and development of the cooperative movement has been taken up by the Government so that maximum advantage could be derived by those for whom cooperative movement has been started and is working.

@@@@@

COURSE IN COOPERATIVE MANAGEMENT FOR AFGHAN COOPERATIVE PERSONNEL

RESOURCE MOBILISATION IN A COOPERATIVE SOCIETY

By

Lionel Gunawardana
Joint Director & Specialist
in Agricultural Cooperation
ICA Regional Office,
New Delhi (India)

A cooperative society is an association of persons, or of societies of persons, for the satisfaction of their common economic and social needs through one or more common undertakings, based upon mutual aid and profit elimination.

A cooperative society is formed to fulfil certain common needs - both economic and social of members which they are unable to satisfy individually. The members generally belong to the weaker section of the community. Therefore, the manner in which resources are mobilized in a cooperative is different from that of a private company.

Various ways of raising resources in a cooperative society are :-

1. Share capital

As most of the members are economically weak their ability to contribute to the share capital is limited. Therefore, system of instalment contribution can be practiced.

Another method would be to borrow from a financing institution an initial loan equivalent to the total shares subscribed by members less any sum initially paid by them. The loan would be allotted to all members - to each member an amount equivalent to the sum credited to his share account. Each member gradually settle his loan. By this method society's share capital would be fully paid-up initially and would be available to commence business.

To encourage subscribing more to share capital borrowing from the society can be linked to the shares contributed. For instance, members can be required to contribute upto 10 or 15 per cent of their borrowings to the share capital.

2. Liability

Every member may be required to accept financial liability to guarantee the outside debts. This will result in making the society more creditworthy than the actual share contribution entitles it.

The liability of members may be :

- (a) equal to the face value of shares,
- (b) equal to a multiple of the shares contributed,
- (c) Unlimited.

3. Reserves

A portion of the surplus can be allotted to reserves. This will strengthen the society's own capital base.

Various types of reserves can be created which not only serves the purpose for which they are created but also

contributes to the strengthening of the society's capital base. For instance, bad debts reserves, price fluctuation reserves, etc. The contribution to these reserves can be from society's surplus as well as contribution by members, federations and governments.

4. Deposits

Another important aspect of raising financial reserves in cooperative societies is by encouraging different kinds of deposits by members. In Japan and the Republic of Korea the major source of financing cooperative activities is through deposits. By organising saving campaigns and encouraging members to save for various purposes like education of children, construction of houses, purchase of durable consumer goods, etc, cooperatives can raise substantial deposits.

5. External borrowings

The society can borrow from cooperative banks, commercial banks and governments depending on their credit-worthiness.

6. Government assistance

In developing countries, in order to assist the weaker sections of the society from which consist the bulk of the membership of the cooperatives liberal financial assistance are extended by governments. Such type of assistance has helped strengthening of cooperatives and their rapid development.

COURSE ON COOPERATIVE MANAGEMENT
FOR
AFGHAN COOPERATIVE PERSONNEL

CONDUCTING COMMITTEE MEETINGS

D.R. Datar
VMNICM.

DEMOCRATIC DECISION-MAKING IN COOPERATIVES :-

The process of democratic decision making is basic to the organisation and management of cooperatives. Decision-making is the main function of committees in cooperatives. All members of the Committee, Chairman, Vice-Chairman and Secretary should have a firm grasp of both the procedures and the functions of the Committee. Without this committee work would become chaotic, decisions are challenged and discussions re-opened. Process of decision making by Committee Meetings in Cooperatives involves the following four stages :-

(1) PLANNING COMMITTEE MEETINGS :-

All Committee Meetings should be announced to members sufficiently in advance (atleast 15 days notice should be given) mentioning date, time and venue of the Meeting. There should be a written agenda stating the business to be discussed and it should be sent in advance along with the notice. This is to prevent a difficult or controversial proposal being raised suddenly in such a way that members have no time to think it over, or even have a meeting from which its principal opponents are absent. - A Standard Agenda for Cooperative Committee Meetings is given in Annexure I.

Annexure I

A G E N D A

.....Cooperative Society SID,

Date of meeting:.....

Time:.....

Place:.....

- 1) covering letter from Chairman
- 2) content
- 3) minutes of the last meeting
- 4) action taken on the decisions of the last meeting
- 5) management report for the period between the last meeting and the proposed meeting
- 6) matters relating to:

(matters arising)	business
	finance
	administration
	promotional activities
	staff matters
	member meeting, etc.
- 7) admission of members
- 8) withdrawal of membership
- 9) member education and Committee member and staff training
- 10) important references review, if any
- 11) any other important matters with the permission of the Chair
- 12) date of the next meeting.

As the Agenda of a Committee meeting contains very important policy and management matters, it is essential to plan and prepare the same, well in time with all particulars. The matters are very important and undermentioned needs special attention:

- preparation of operational reports
- preparation of operating and cash/financial budgets
- preparation of Management report
- review of Management and Staff performance
- the arrangements for annual General Body meetings
- schemes and proposals.

The Chairman/Managing Director should see that the above items are on the agenda suitably.

Following arrangements should be made for holding the Meeting :-

- reservation of accommodation for members and special invitees
- lunch
- refreshments
- tea arrangements
- transport arrangements
- travel arrangements
- arrangements for payment of TA, DA and seating fees
- committee room arrangements as given in Check list as Annexure II:

Annexure II

A check list for Committee room arrangement

- Sitting arrangement and sufficient number of chairs, tables, name boards etc.
- Lighting, ventilation, heating and cooling arrangements.
- Switch boards and plugs points.
- Space for serving/tea/snacks, glass tumblers and tea sets.
- Display facilities such as flannel board and fixograph.
- Teaching aids.
- Wall clock and table clock

- Ashtrays and paper weights
- File covers and stationary and other meeting materials.
- Curtains and carpets.
- Call bells.

(2) CONDUCTING COMMITTEE MEETINGS :-

Success of any meeting depends on the active participation of the members and adherence to procedures and rules. The Chairman should handle the situation confidently and tactfully to ensure success. The Chairman should give full opportunity to those who hold different views to express their opinions and should never attempt to force a decision on the committee. As far as possible the Chairman should try to get the committee to arrive at a unanimous decision or at least one in which the minority spontaneously agrees to adopt the majority view. If the matter cannot be decided without a vote, then a formal resolution must be proposed and seconded. The committee will vote first on the amendment which if accepted, becomes the decision of the Meeting. If it is rejected the meeting must then vote for and against the original resolution. If, in either cases, the votes are equal for and against, the Chairman can settle the matter by giving a "casting vote". To ensure fair play the following rules must be observed :

- Quorum,
- equal rights to every member,
- rule of majority,
- protection of minority and
- orderly consideration of one subject at a time.

SOME DON'TS FOR THE CHAIRMAN :

Don't fail to start the meeting on time (the quorum being present)
..10 minutes grace may be allowed.

If there is no quorum start the meeting but take up only preliminary matters and take up the main business a little later, when late arrivals will make up the quorum.

If, after a reasonable time there is no quorum then declare the meeting adjourned for lack of quorum.

- Don't allow the members to get involved in private debates,
- Don't allow the members to get involved in personal accusations,
- Don't lose objectivity and temper.

(3) BEHAVIOURAL ASPECTS OF CONDUCTING MEETINGS :

1. Autocratic - over dominating.
2. Dreamer - ill prepared
3. Absent minded - lost time sense.
4. Sensitive - resent questions.
5. Sadist - picks specific individuals or subjects to be harassed or ridiculed.
6. Clown - taking things very lightly.

MEMBERS BEHAVIOURS :

1. The quarrelsome type
2. The positive type
3. The know-all type
4. The loquacious type
5. The shy type
6. The uncooperative "rejecting" type .
7. The thick-skinned, uninterested type
8. The highbrow type
9. The persistent questioner.

There are of course many other types who need careful handling by the Chairman. Among these are the "expert and the strong character" who may overawe the rest of the group and thus inhibit their contributions. Try to hold these two types back until the rest of the group have given their views.

4. COMPLETING POST-MEETING FORMALITIES;

A written record (on minutes) should be kept of all Committee meetings in the minute book. This should describe briefly the business which was discussed and in particular the decision taken. This is very important, as the recorded decisions of the committee are the authority on which the Secretary or Manager of the Society acts. When, for example, he invests money or engages staff, without written authority his actions may be questioned and if the decision turns out badly, the committee might dis-own responsibility. It is a matter of discretion, how much of the discussion which takes place in committee need be recored in the minutes. The record should be kept as short as possible, but occasionally the reasons why a decision is taken are important and there are occasions when an opponent of the decision would like his views to be put on record.

WHAT MINUTES SHOULD CONTAIN

The minutes should contain:

- (1) All motions in the exact form they are put by the Chairman, no matter what their fate may have been. Even though they were withdrawn, negatived, or superseded, they should be entered into the minutes.
- (2) The names of the movers of such motions.

- (3) Names and numbers of those voting.
- (4) The Chairman's decision on matters of order.
- (5) Date of next meeting.

It might be somewhat difficult in the case of large meetings to get the names of those voting, but the number of votes cast for and against any proposition are essential. If a motion or amendment does not receive a seconder, it should not be entered, except for a committee meeting where a seconder is not required.

READING AND PASSING THE MINUTES :

The first business, immediately after the Agenda has been read, should always be the reading of the minutes of the previous meeting by the Secretary for approval. When the minutes are passed, they should be signed by the Chairman and the date entered underneath. No discussion can be allowed except in regard to accuracy of the minutes.

32

COURSE ON COOPERATIVE MANAGEMENT FOR AFGHAN COOPERATIVE PERSONNEL

RURAL COOPERATIVE CREDIT MACHINERY IN INDIA

By Dr. SC Mehta
Professor, Banking,
VMNICM.

At the end of June, 1978, there were 29 State and 347 Central Cooperative Banks in the country which were catering for short and medium term credit for farmers. There were 1.22 lakhs of Primary Agricultural Credit Societies (PACS). The number of PACS were as high as 2.22 lakhs in 1960-61. But due to a process of re-organisation to weed out weak Societies, the number has been reduced and eventually it is expected to go down to about 90,000. The total offices of State Cooperative Banks were 363 and those of District Banks 6659. As regards, the transactions of the Primary Credit Societies, they advanced in the year 77-78, a sum of Rs.2446 crores of which 945 crores were outstanding^{dues}. The average picture of PACS in 1977-78 shows a membership of 412, a share capital of Rs.6,000, deposits worth Rs. 14,000 and loans outstanding worth Rs.1.55 lakhs.

As regards the average picture of the District Cooperative Bank, it had in 1977-78, 19 branches, a membership of 639 Primary Credit Cooperatives and 20,000 individuals and a paid up share capital of Rs. 87 lakhs, of which the Government contribution was Rs. 26 lakhs. It had reserves of Rs. 56 lakhs, deposits worth Rs. 407 lakhs, borrowings equal to Rs.274 lakhs and working capital equal to Rs. 874 lakhs. Of the total advances of Rs.626 lakhs, which were outstanding, short term advances were Rs. 468 lakhs and medium term Rs. 158 lakhs. The overdues were as high as 38%. As regards deposits, there were current deposits 14%, fixed deposits 39%, savings deposits 37%, reserve fund deposits 3% and others 7%. It had a net profit of Rs. 9 lakhs.

LENDING PROCEDURE :

This short-term credit structure disburses both short term loans which are also termed as crop loans and medium term loans which are for a period of 3 to 5 years. The short term loans are maximum for a period of one year, though they are generally disbursed on the basis of two crops viz., (1) Rabi crop for crops like wheat, gram, linseed etc., and (2) the other for Kharif crop which includes pice, lintels, etc. The loan is issued in two forms (1) Cash and (2) Kind. The cash component includes payment for labour or for sustaining the peasant family during cropping, While the kind component is meant for fertilizers, insecticides, equipment and other expenses.

A maximum loan per acre for different crops in each district is decided each year by a meeting of the Technical Group which includes representatives of the agricultural and cooperative departments and those of the District Cooperative Banks. Normally the loan issued should not exceed one third of the estimated value of the produce per acre. The maximum loan available to each individual farmer in each state is also fixed by the Registrar, Cooperative Societies and which may be as high as 10,000 in Punjab and as low as Rs. 1500 in some states of India. The Secretary of the PAC prepares for loan applications of each farmer on the basis of the acreage of particular crops sown by him; then the Managing Committee of each Society fixes up the maximum credit limit of each farmer. All these applications are jointly sent to the District Cooperative Bank which fixes up the maximum credit limit of each Cooperative Society. In turn, the joint demand of all the Agricultural Cooperatives affiliated to the District Bank is sent to the State Cooperative Bank which formulates a

Joint proposal for transmission to the Reserve Bank of India.

Each individual farmers has to take atleast shares equal to one tenth of the loan requested by him in the Cooperative Society. Similarly Cooperative Societies have to take shares of the District Cooperative Bank according to the loan requested by it from the Bank, though the percentage may be lower. Similarly each District Bank has to take shares of the State Cooperative Bank according to its demand from the State Bank.

Each farmer is issued a pass-book and for the issue of loans either he gets a cheque to be encashed at the District Cooperative Bank or delivered orders against which loan in kind is issued to him either at the office of the Marketing Society or at the Credit Society itself. For short-term loans there is no security accepted, but only charge on the crop raised by the farmer. Therefore oral lessees and share holders who are not owners of land are also eligible for short term loans. But in case of medium term loans the security of land is necessary. But in both the types of loans, two securities are required for each borrower who may undertake to repay the loan, if the borrower fails to do so.

MEDIUM TERM LOAN :-

The medium term loans are issued for the periodic maintenance and the replacement of producing assets like bullocks, cattle sheds, wells, pumping sets, machinery etc. This may also be issued for the redemption of old debts, though the proportion of such loans is very small.

MULTI-AGENCY APPROACH :-

Since the Government found that Cooperative Banks alone are not able to take care of the needs of the farmers, they

directed the commercial banks also to lend to agricultural sector. Further, special types of regional rural banks were established by the commercial banks who took care of only the rural sector. Though still 60% of the total needs of the country side are catered by moneylenders and traders the organised sector is gradually picking up. To avoid unhealthy competition between the Cooperative and commercial banks, rates of interest for lending are generally the same in both the cases. However for raising of deposits the Cooperative Banks are in a favoured position, since they can pay a quarter percent to one percent more interest on the deposits raised. For instance, for fixed deposits for more than five years the rate is 10% for commercial banks, 10 $\frac{1}{4}$ percent for State Cooperative Banks, 10 $\frac{1}{2}$ percent for District Cooperative Banks and 11% for Urban Cooperative Banks.

PRIMARY AGRICULTURAL CREDIT SOCIETIES :

Though most of the Societies are known as primary agricultural credit societies and they may undertake besides distribution of credit the functions of supply of agricultural inputs and supply of consumer needs, some special types of cooperatives have been formed to look after special interest. One such organisation is Large Size Agricultural Multi-purpose Society (LAMPS) which was constituted for tribal population. These are big societies in which for credit, marketing, supplying and technical guidance there are different officers and a competent personnel as the Managing Director of each LAMP. A lot of subsidy is also given to the Society to undertake a number of viable projects for the benefit of tribal people. Another types of society known as Farmers Service Society (FSS) is also of the same type with a number of

functionaries, though these are in the non-tribal areas. Though the loans disbursed by the Cooperative Banks and Societies are productive loans, to some extent worth Rs. 250/- to 300/-, consumption loans may also be advanced to individuals.

Small farmers :-

Since it was felt that most of the advantages of the Cooperative credit system went to bigger farmers, a lot of schemes have been devised to help small farmers. It has been directed that atleast 20% of the loan from each Cooperative Bank should be made available only to small farmers i.e. farmers with lesser than 3 acres of land. But in many Banks the percentage goes quite high and even more than 50%. In many cooperative institutions, it has been provided that at least one third of the Managing Committee or the Board of Directors will be drawn from the weaker sections. Some agencies like Small Farmers Development Agency or the Marginal Farmers and Agricultural Labourers Agencies or the draught prone areas programme also formulated a lot of schemes for the small farmers, in the sector of dairy, piggery, fisheries etc, to help small farmers, with the result that the proportion of loaning to small farmers is constantly going up. Structural reform We have three tier in most of our States namely, State Cooperative Bank, District Cooperative Bank and Primary Society, but in some smaller states there are only the State Cooperative Banks and the Primary Cooperative Society. There has been talks in some quarters that this two-tier structure should be extended to whole of a country. Similarly we have got a separate long term structure for extending long term loans to the farmers. But there is a feeling in some quarters that long term and short term structure should be merged so that one Institution may meet all the needs of the farmers.

VIABILITY OF COOPERATIVES :-

Attempts are being made to raise the Primary Agricultural Cooperative Societies to a level of viability, though the standards of viability differ from place to place, roughly Rs.3 lakh loan business is considered to be adequate for a Society to engage at least one full time secretary, maintain an office and incur other necessary expenses. Besides this if the Society sells agricultural inputs or consumer articles or does some processing of agricultural produce, it will be in a position to earn more income and engage more personnel if required. This would also enable the PAC to earn reasonable profit.

SECRETARY :-

Earlier in the small Societies, one Secretary took care of 3 to 4 Societies in respect of accounts and other activities. But, now one Secretary is indispensable for one Society. In each District Central Cooperative Bank there is a Secretary's pay fund maintained for paying the salaries of all the Secretaries of PACS affiliated to DCB. The recruitment, promotion, transfer etc, of Secretaries are done by the DCB and in the Secretaries pay fund contributions are received from the PACS, from the DCB and if necessary from the State Cooperative Bank and the State Government.

BANKS CADRE :-

Similarly in half of the States, the State Cooperative Bank is maintaining the cadre of the top functionaries in the District Cooperative Banks. Some times this cadre

includes only the General Manager of the DCB, some times it extends even to Deputy Manager, Chief Accountant, and Chief Cashier and in one or two cases it extends even to the Branch Managers. In this case the salaries are to be disbursed by the concerned District Cooperative Bank, but the recruitment, transfer, leave and promotions of this cadre is the responsibility of the State Cooperative Bank, or the Board constituted at the level of SCB.

RECOVERY OF DUES :-

The primary responsibility of the recovery of loans is that of the Secretary of the PAC and its Managing Committee. Each DCB also has its supervisors who monitor the use of loans and also assist in the recovery. During the months of May and June some times, most of the Government field staff in the Cooperative Department is employed for the recovery campaign. Though one percent rebate for prompt payment is generally made by many of the PACS and DCBs, the position of overdues is really very serious: on an average, dues of about 40% in India at the PACS level, though it may range from 10% in Haryana to even 75% in some of the States.

Generally these overdues can be categorised into willful and non-willful defaulters. As regards non-willful defaulters, their overdues may be due to crop failure, floods, drafts and other calamities. In such cases, the short term loan may be converted into medium term loan and suitable instalments may be fixed up for easy payment of the dues. In some genuine cases, the State Government is even writing off the loans. This has been done in respect of the number of DCBs whose condition had become very precarious because of overdues

and who had to be rehabilitated. In case of willful defaulters generally arbitration proceedings are launched in which the Registrar has powers under the cooperative law to refer all such cases to arbitration, avoiding prolonged litigation in the civil courts. There are some police squads in some of the States which also help in the realisation of dues. Measures have been taken in many states to monitor regularly the use of credit so that recovery may not be difficult.

REGISTRARS POWERS :-

In the Indian situation, he has a lot of powers of enquiry, inspection, supervision and audit. When it finds that a Society is being mis-managed it can suspend the Managing Committee or supercede and to appoint an administrator till a new managing committee is elected. Registrar also has got powers of audit of all types of Cooperative Societies though in some states this power has been entrusted to other departments like Development and Finance Department, so as to make cooperative audit independent.

COOPERATIVE TRIBUNAL :-

In many of the States under the Cooperative Law Cooperative tribunals are functioning which take care of the disputes in Cooperative Societies. This makes settling of disputes speedier and more purposeful, though an appeal may lie to the High Court of the respective state. In many States the election of Cooperative Societies is also organised through an independent agency and some times the District Collector is made responsible for the conduct of elections in Cooperatives.

ANNEXURE

COURSE IN COOPERATIVE MANAGEMENT
(CREDIT-SUPPLY-MARKETING COOPERATIVES)
FOR AFGHAN COOPERATIVE PERSONNEL

S Y L L A B U S

(a) Cooperation and Development

1. Principles of Cooperation
- Ideological goals of Cooperation
2. Distinguishing Characteristics
of Cooperative Enterprise.
3. Role of Cooperatives in Socio-Economic
Development - Cooperation and
Planned Development.
4. State Policy and Legislative Frame work
in which Cooperatives operate.
5. Structure and Sectors of Cooperative
Movement - Inter-relationship of
Credit-Supply-Marketing Sectors.
6. Multi-purpose Cooperative Societies
- Role, Functions and Activities.
7. Salient Features of Agricultural -
Production/Marketing Economics.
8. Integrated Agricultural/Rural Development.
Approach, Strategies and Priorities.
9. Extension work to promote change
- Methods and principles of Extension work.
10. Farm Guidance for Development and diversification
of Agriculture.

(b) Management :

11. Principles and functions of Management
- Planning - Organising - Directing and
Controlling.
12. Cooperatives Management approach and objectives.

13. Executive-Board-Member relations in Cooperatives.
14. Communication Process in Management.
15. Personal skills for effective management
Report writing, conducting meeting, executive speaking.

(c) Cooperative Credit :

16. Agricultural Credit - need and importance provision of credit to small farmers.
17. Cooperative Credit Structure and Tiers organic and functional relationships.
18. Production oriented system of lending policies, procedures and problems.
19. Supervision over agricultural credit - mode of recovery - aspects of defaults in recovery.
20. Mobilisation of resources by Cooperatives Deposit
Mobilisation by Credit Cooperatives.

(d) Cooperative Marketing :

21. Economic basis for agricultural marketing - need and prospects of cooperative marketing.
22. Cooperative marketing structure -
Infra-structural Relationship.
23. Management of Marketing Cooperatives
- Procedures, Practices and problems.
24. Regulation of Agricultural Marketing
Role of Cooperatives in Regulated Markets.
25. Marketing of Finance, Storage and services
- linking of credit with marketing.

(e) Cooperative Supplies :

26. Peculiarities of fruit and vegetable cultivation-
input requirements (apples, grapes, vegetables).
27. Package approach to input supply guidance
for their use and application.
28. Institutional arrangement for supply of inputs
- arrangement of supplies by cooperatives.
29. Distribution activities of cooperatives -
Coordination with marketing and consumers cooperatives.
30. Processing as an aid to marketing
- role of processing cooperatives.

@@@@@