

NATIONAL SEMINAR ON "COOPERATIVE MARKETING OF AGRICULTURAL PRODUCE"

DACCA, BANGLADESH

NOVEMBER 5-15, 1973

C o n t e n t s

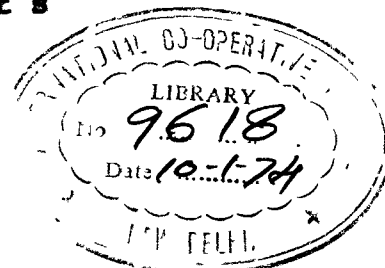
I. Draft Report of the Seminar

II. Background Papers :

1. Agricultural Cooperative Marketing in Bangladesh : A broad outline of problems, by P.K. Chowdhury
2. Management and Marketing Problems of Agricultural Products in Bangladesh, by Saleh Uddin Ahmed
3. Financial Need of the Agricultural Marketing Cooperatives in Bangladesh, by Nurul Hoda Khan
4. Marketing of Fruits & Vegetables in Bangladesh, by Sadullah Choudhury
5. Agricultural Cooperative Marketing in Bangladesh, by Sundar Ali Miayan
6. Some Problems and Aspects of Agricultural Cooperative Marketing with special reference to transport, communication & State sponsored institutions in Bangladesh, by A.K.M.Fazlul Huq
7. Agricultural Products and Marketing Problem in Bangladesh, by Mosleh Uddin
8. Organisation and Management sides on Agricultural Cooperative Marketing in Bangladesh, by Fazlul Haque
9. Agricultural Cooperative Marketing, by A.M. Yahya
10. Role of Cooperation for Marketing of Agricultural Produce, by Abdul Latif Siddiqui

III. Lecture Papers :

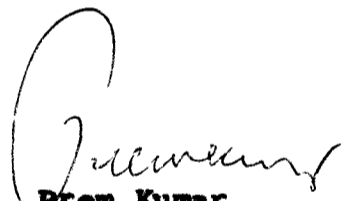
1. Cooperative Marketing of Foodgrains, by L.R. Khan
2. Cooperative Marketing of Milk & Milk Products, by A.K. Imam Uddin Ahmed



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3. **Cooperative Principles, by Lionel Gunawardana**
 4. **Government's Role in the Marketing of Agricultural Produce and its support to Marketing Cooperatives, by A.N.M. Eusuf**
 5. **Operations of Primary Marketing Society, by M. Kasaoka**
 6. **Causes of High Costs of Marketing, by Lionel Gunawardana**
 7. **Foundations of Marketing, by Olle Hakelius**
 8. **Role and Organisation of Farm Guidance Activities, by M. Kasaoka**
 9. **Financial Control as a Tool of Effective Management, by Olle Hakelius**
- IV. **Group Reports**
- V. **Programme of the Seminar**
- VI. **List of Participants**

New Delhi,
21 November 1973.



Prem Kumar
Seminar Secretary

International Cooperative Alliance

DRAFT REPORT

pk / 15 November 1973

Draft

REPORT OF THE ICA/SCC/BJSU

NATIONAL SEMINAR ON "COOPERATIVE MARKETING OF AGRICULTURAL PRODUCE"

Dacca, Bangladesh - November 5-15, 1973

The National Seminar on Cooperative Marketing of Agricultural Produce was held in Dacca, Bangladesh, jointly by the Bangladesh Jatiya Samabaya Union, International Cooperative Alliance and the Swedish Cooperative Centre, from 5th to 15th November, 1973.

The inaugural session of the Seminar was held on the 5th November 1973 under the Chairmanship of Mr. H. Dewan Farid Gazi, State Minister for Rural Development & Cooperation, Government of People's Republic of Bangladesh. Mr. Amirul Islam, Minister of State for Food, Government of People's Republic of Bangladesh, was the Chief Guest. In addition to the Chairman and the Chief Guest, the inaugural session was addressed by Mr. M. Fazlur Rahman, Vice-Chairman I of the Bangladesh Jatiya Samabaya Union, Mr. Olle Skelius of the Swedish Cooperative Centre, Mr. Lionel Gunawardena, Joint Director of the International Cooperative Alliance, Mr. A.N.M. Eusuf, Registrar of Cooperative Societies, and Mr. M.R. Choudhury, Director of the Eastern Cooperative Jute Mills Limited.

The following lectured at the Seminar :-

1. Mr. Kazi Muzil Uddin
Director
Directorate of Agriculture & Marketing
Dacca.
2. Mr. A.N.M. Eusuf
Registrar of Cooperative Societies
Dacca
3. Mr. L.R. Khan
Joint Secretary
Ministry of Agriculture
Dacca.

4. Mr. Immemuddin Ahmed
Deputy General Manager
Eastern Milk Producers' Cooperative Union
Dacca.
5. Mr. I. Fazlur Rahman
Vice-Chairman I
Bangladesh Jatiya Samabaya Union
Dacca
6. Mr. Ralph Townsend,
Adviser
Bangladesh Jatiya Samabaya Union
Dacca.
7. Mr. Olle Skelius
Swedish Cooperative Centre
Stockholm
8. Mr. Lionel Gunawardana
Joint Director
ICR Regional Office & Education Centre
New Delhi
9. Mr. M. Kasaoka, Marketing Specialist
ICR Regional Office & Education Centre
New Delhi

The Seminar considered the scope of probable difficulties in strict observance of the Cooperative Principles under conditions prevailing in Bangladesh and took note of the following:-

- (i) Some motivation work is necessary to form cooperatives.
- (ii) Some participants observed that in few cases democratic control is disturbed due to lack of awareness on the part of the general members.
- (iii) The physical facility of cooperative education is limited to the extent of government assistance, the movement does not have any education facility.
- (iv) The cooperation amongst different types and tiers of cooperative organisation seems to be inadequate due to some internal and external reasons.

The Seminar considered the mode of operation of the marketing cooperatives in the prevailing agricultural situation in Bangladesh. It was felt that the operation of the marketing cooperatives should be

based both in type and technique due mainly to the following reasons:-

- i. Large-scale production is not possible due to small and uneven size of members' holding.
- ii. Number of agricultural items is large and marketing facility needed for increasing production ensuring price incentive.
- iii. Develop market of indigenous agricultural items and create demand for such items at the consumers' level.
- iv. Continue operation during the whole year to reduce overhead cost and attain economy of scale gradually.

At present the agricultural societies deal in production input (seed, fertilizers, fuel) side by side, they can take up marketing of selected agricultural items and gradually increase the number of items.

In the process of organisational tie up the secondaries may assist the primaries in the matter of price fixation, commission incentive to the persons handling operations, procurement and transport, storage and marketing, processing and development of processing facility and the apex organisation may assist them by providing market intelligence and linking them to the consumers cooperatives in the urban areas.

The Seminar felt that marketing societies in Bangladesh generally face the following operational problems:-

1. Members awareness and involvement in the activities of the society.
2. Inadequacy of the volume of the marketable produce.
3. Efficiency and sincerity of the Managing Committee.
4. Inadequacy of own finance and credit facilities.
5. Coordination with different tiers.
6. Availability of facilities required for marketing.
7. Difference in weights, measurements and absence of gradation which create confusion.
8. Price of fluctuation of the produce, and
9. Disposability of the produce.

The Seminar considered the pre-conditions for making a primary marketing cooperative viable and was of the opinion that to make a marketing cooperative viable the following pre-conditions should be fulfilled:-

1. The members should be well-motivated and disciplined.
2. The marketing activities of the society should be broad-based.
3. The volume of the marketable produce should be adequate.
4. There should be better coordination between different tiers of cooperatives and between different types of cooperatives.
5. The society should have access to the facilities required for marketing.
6. The society should (i) be financially sound, and (ii) have easy access to credit facilities, and
7. The produce of the society should be easily disposable.

The Seminar considered the factors that should be taken into account while drawing up of management plans of cooperative marketing societies and felt that the objective of a management plan of a marketing cooperative is to match marketing with production. Therefore in drawing up management plan the society should invite the members to draw their individual production plans. The members plans should mainly give information regarding:-

- a) area of land, particulars of seasonal crops proposed to be raised, expected yield, marketable surplus etc.
- b) input requirement, service requirement, facility requirement.
- c) resources available, financial assistance needed after taking into account the harvesting expenses.
- d) particulars of estimated income, estimated expenses, and seasonal and annual surplus.

Because most of the members are not educated, they have to be allowed to submit the information verbally and the society should have arrangement to record them.

The individual production plans may be scrutinised by a general meeting with the assistance of a technical person for the benefit of the members.

By compiling these individual targets, the society gets its own target in respect of:-

- i. requirement of inputs
- ii. requirement of credit in cash
- iii. estimate of total yield, marketable surplus, and
- iv. also the estimate of the quantity of the produce that the members would actually require to market.

After making the rough estimate of production, the procurement and sale programme may be finalised.

The management plan will exhibit the details of the targets, resources already available and to be made available, cost and revenue and estimated surplus.

The Seminar felt that the marketing cooperatives should receive the following types of assistance from the government for development of their activities while maintaining their essential autonomous character:-

1. Facilities in respect of credit, warehousing and storage, training, market information, technical know-how and trained personnel for planning, guidance and operation.
2. Supplies of inputs and equipment
3. Development of market and market facilities.
4. Maintenance of stability of price.

Some participants of the Seminar were of the view that the marketing cooperatives should receive tax remission and subsidies in respect of transport and supplies, while few participants observed that government may participate in the share capital of the society where the members so desire.

The present system of purchase and supply of fertilizer prevailing in Bangladesh is as follows: The BADC is the sole importer and distributor of the fertilizer. The BADC has godown facilities spread all over the country more or less at every Thana level. The BADC, in most cases, distributes fertilizer to the farmers through appointed private dealers. Only in very limited cases the BADC gives its dealership to TCC's (secondary federation at Thana level) and only in limited cases the primary agricultural cooperative is allowed dealership of the fertilizer. In view of the conditions prevailing in Bangladesh, the Seminar was of the opinion that the fertilizer can be purchased and supplied to the member-farmers in the following way. The primary societies will assess the requirement of the fertilizer of the different types and consolidated statements of the requirements will be forwarded to the secondary federation and to the financing institution. The primary society, on receipt of retail dealership will arrange storage, credit and transport facilities (may use the transport facility of the secondary/apex society) and also for the distribution of fertilizer and its proper utilization. The secondary society may negotiate with the financial institution for credit facilities and with BADC authority for the wholesale dealership, proper distribution to the primary society as per allocation and as for godown facilities. The secondary federation may also compile the requirements of the primaries and send the same to the apex, may also arrange transport, storage and credit facilities for the primaries.

The apex society will also arrange for the overall policy making in respect of procurement, supplies and distribution, price fixation, and also in respect of credit, storage and transport facilities.

The Seminar felt that the following functions for marketing of (a) foodgrains, and (b) fruits & vegetables, are necessary to be performed by the different tiers of cooperatives:-

1. The primary society will assemble the produce, grade and sort out, and arrange for storage, transport and credit facilities and arrange for selling out the produce effectively.
2. The secondary society will arrange for storage facilities, transport, credit, training and processing (where possible) and to sell at profitable price and to disseminate market information.
3. The apex society may provide for training, processing, credit, transport to influence the government for favourable marketing policy.

The Seminar considered the marketing cost of agricultural products with special reference to the marketing of foodgrains and took note that the quantity of an individual members marketable surplus is small with difference in quality which increases the marketing cost (assembling, packing, storage, processing) and recommends that the cooperatives may undertake the marketing of homogeneous quality of items having (or likely to be created) larger supply source for economy of assembling, storing, process and marketing and transport cost.

The Seminar felt that the quality payment scheme for rice and banana can be introduced by taking following measures in a successive way :

1. Study of consumers' preference
2. Extension work
3. Defining the standard pattern for different qualities (especially in respect of rice)
4. Effective methods of differentiation of different qualities
5. Determination of price of produce of different qualities.
6. Provision for facilities for the increase of the supplies of the quality produce.

The Seminar recommended that quality payment differential should be increased in the situation if effective and aggregate demand of that quality increases, supply of quality produce decreases, cost of production increases and market price increases too.

Quality payment differential should be equal to if the effective and aggregate demand of that quality is in equilibrium.

Quality payment differential should be less if effective and aggregate demand decreases, marketing cost increases and quality of the product deteriorates for obvious reasons.

Since there is no organised market in Bangladesh, the quality payment schemes may not be effective now but may be expected to be applicable in future.

The primary sources for market information in Bangladesh are (i) village and urban market places, (ii) itinerant merchants (faria, bopari etc), (iii) wholesalers, (iv) hoarders (Aratdar) and (v) producers' cooperatives.

The secondary sources are:-

- i. Officers of the Agricultural Marketing Directorate and of the Agricultural Information Directorate.
- ii. Radio
- iii. Newspaper
- iv. Bureau of Statistics, and
- v. Agricultural Journals

The Seminar recommended the following factors which should be taken into consideration while deciding on the location of processing plant for (a) dairy products, (b) cold storage, and (c) packing of fresh fruits and meat:-

- i. Transport cost
- ii. Usefulness of the by-products to the producers
- iii. (a) Extent of increase in value, and
(b) extent of improvement in quality as a result of processing
- iv. Concentration or dispersal of
a) producers
b) consumers
- v. a) Level of test, and
b) Nature of consumers' preference
- vi. Availability of technical personnel
- vii. Availability of infrastructural facilities such as access to electricity, transport and communication facilities.

- viii. Availability of (a) land, and (b) labour
- ix. Banking facilities
- x. Security of the plants etc.

Depending upon the variation of the impact of the factors available for specific project the Seminar felt that processing plants for dairy products and packing of fresh fruit and meat should be nearer to the consumers and that of cold storage nearer to the production points.

The Seminar recommended the following methods in which the marketing societies may carry out the farming guidance services to the farmers:-

- i) By motivating the farmers in respect -
 - a) adoption of improved techniques
 - b) consolidation of holdings
 - c) conducting soil test
 - d) production of selected crops, fruits etc.
- ii) By giving guidance in respect of -
 - a) production plan
 - b) farm budget
 - c) application of different inputs
 - d) use of different equipment
 - e) collection of crops, grading, sorting, preservation, packing etc.
- iii) By providing services such as -
 - a) market information
 - b) procurement of supplies etc.

The Seminar also felt that the marketing cooperative societies should have relationship with their federation in respect of the work of the farming guidance workers in the fields of exchange of market information, policy formalities, training, financing and use of the technical personnel and facilities.

The Seminar expressed the opinion that the services of the farming guidance workers of the societies may be coordinated with the Agricultural Extension work of the government in the preparation of joint work plans, specification of the field of responsibilities of the two sets of workers, understanding and analysing the policies of the government and the requirements of the member-farmers and casual evaluation of the joint work plans.

The Seminar considered the need of farm guidance service in Bangladesh. Due to introduction of high yielding varieties of paddy the farmers need farm guidance facility both in technical and management aspect. In technical aspect soil testing, rotation of crop, use of inputs, maintenance of farm equipment was considered to be most important. In management aspect the publicity about the need of consolidation of the holding, marketing intelligence (input & output) were considered amongst others to be important. The Seminar also considered the existing arrangement for giving guidance to the farmers and recommends that both manpower and facility needs be augmented, specially the need of technical persons and supply of equipment for soil testing etc.

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International Cooperative Alliance

BACKGROUND PAPERS

pk/6 November 1973

AGRICULTURAL COOPERATIVE MARKETING IN BANGLADESH : A
BROAD OUTLINE OF PROBLEMS

by

Pijush Kanti Chowdhury
Bangladesh Cooperative College
Kotbari, Comilla.

A. PROBLEMS OF ORGANISING MARKETING COOPERATIVES

1. Extreme poverty of the farmers.
2. a) Small size of their holdings;
b) Small volume of produce
3. a) Production, in most cases, is not market-oriented;
b) Subsistence Production: Production with a view mainly to family requirements.
4. a) Sale of produce, in most cases, is not out of surplus
b) Sale owing to pressure (of moneylender, occasion for expenditure, wants etc)
5. a) Farmers' indebtedness to the moneylenders and traders
b) Apparent advantages of borrowing from, and selling to, the private moneylenders and traders
6. a) General tendency to avoid formalities;
b) General tendency to remain outside the prescribed disciplines.
7. Absence of any impressive success of appreciable number of marketing cooperatives in different fields.
8. Influence of local vested-interest groups on the farmers - a retarding factor.
9. Co-operation for marketing is yet to appear to the farmers as one of the strong felt-needs.
10. Experience and habit of the farmers have not yet been developed to work in unity with discipline.

B. PROBLEMS OF MARKETING COOPERATIVES

1. Members' loyalty
2. Predominance of vested interest groups in the cooperative organisation.
3. Inadequacy of devoted workers.
4. a) Inadequacy or absence of members' awareness;
b) Inadequacy of members' involvement.
5. a) Problem of trained and efficient personnel.
b) Problem of honest personnel
6. Inadequacy of the volume of marketable produce for profitable business turnover.

7. General tendency to evade prescribe disciplines.
8. Absence of physical facilities such as
 - a) Storage;
 - b) Processing;
 - c) Transportation;
 - d) Information.
9. Financial Problem:
 - a) Inadequate capital of the society;
 - b) Credit facilities absent for many of the agricultural products.
10. Tendency to evade repayment of loan from the cooperatives.
11.
 - a) Absence of the habit of repayment of loan in kind.
 - b) Difficulties of receiving repayment of loan in kind
 - c) Difficulties faced in linking credit with marketing
12. Organisational Problems:
 - a) Different tiers in cooperatives do not always work as effective complementary to each other,
 - b) Absence of effective guidance from the higher-tiers
 - c) Failure of the higher tier to meet the requirements of the lower tiers,
 - d) Absence or inadequacy of coordination between different tiers.
13. Problems of accounts and records keeping
14. Shopping pattern of our consumers in general. Mass consumers are not in the habit of insisting on :-
 - a) Gradation
 - b) Packing
 - c) Quality
 - d) Services etc.
15. Marketing pattern prevailing in the country.

C. TRAINING IN COOPERATIVE MARKETING:

I. FACILITIES AVAILABLE

1. Training institutions such as
 - a) Bangladesh Cooperative College, which provides training facilities to
 - i) Officers of Cooperative Department,
 - ii) Officers of Bangladesh Palli Unnayan Sangstha (IRDP)
 - iii) Officers of the organisations having working link with cooperatives,
 - iv) Workers and personnel of the voluntary organisations working through/with cooperatives.
 - v) Personnel of important cooperatives.
 - vi) Members of cooperative societies.
 - b) Cooperative zonal institutes which provide training to -
 - a) Members and office-bearers of cooperative societies
 - b) Paid staff of cooperative societies.

- c) Peripatetic units of the extension cell of the Cooperative Department which go to the individual cooperative societies and do mainly motivational work at the primary level.
- 2. Bangladesh Academy for Rural Development (BARD) which conducts research work on rural development and provides training for rural development through cooperatives.
- 3. Cooperative societies or their Federations.
- 4. Bangladesh Agricultural University having a Faculty of Cooperation and Marketing.

DIFFICULTIES

- a) Training institutions mentioned above not adequately equipped to provide effective training for marketing cooperatives.
- b) Absence of model of successful marketing cooperatives to be used as training base.
- c) Absence of sufficient number of promising marketing cooperatives - This prohibits the growth of cadre of personnel for marketing cooperatives. People take training in marketing cooperatives mostly as a casual incident and not as an incentive for career building in marketing sector.
- d) For organising marketing cooperatives
 - i) proper motivation of the farmers, and
 - ii) training of promoters and personnel are not insisted on.

D. PROSPECTS FOR AGRICULTURAL MARKETING COOPERATIVES :

- 1. Growing awareness of the government that marketing is a problem for the farmers.
- 2. Rising trend of the price of the agricultural produce.
- 3.
 - a) Introduction of the improved varieties of cooperatives (especially paddy, tobacco, sugarcane etc) and
 - b) Consequent increase in the proportion of purchased inputs.

BACKGROUND PAPER
ON
MANAGEMENT AND MARKETING PROBLEMS
OF AGRICULTURAL PRODUCTS IN
BANGLADESH

BY
SALEH UDDIN AHMED
BANGLADESH JATIYA SAMABAYA UNION
DACCA



ICA/SCC/BJSU/BSMS National Seminar on Agricultural
Co-operative Marketing in Bangladesh - Nov.5th to 17th,
1973.

BACKGROUND OF MANAGEMENT AND MARKETING,
PROBLEMS OF AGRICULTURAL PRODUCE IN BANGLADESH.

Introduction:

Bangladesh is a land of Agriculture. The Nation lives on its agricultural produces, trades by its agricultural produces and builds its economy with agricultural increasing returns.

90% of the economic activities of the nation is engaged with agricultural production and its marketing. The four topographical regions reigned by the six monsoons every year grow a large variety of crops and corns, fruits and vegetables etc.

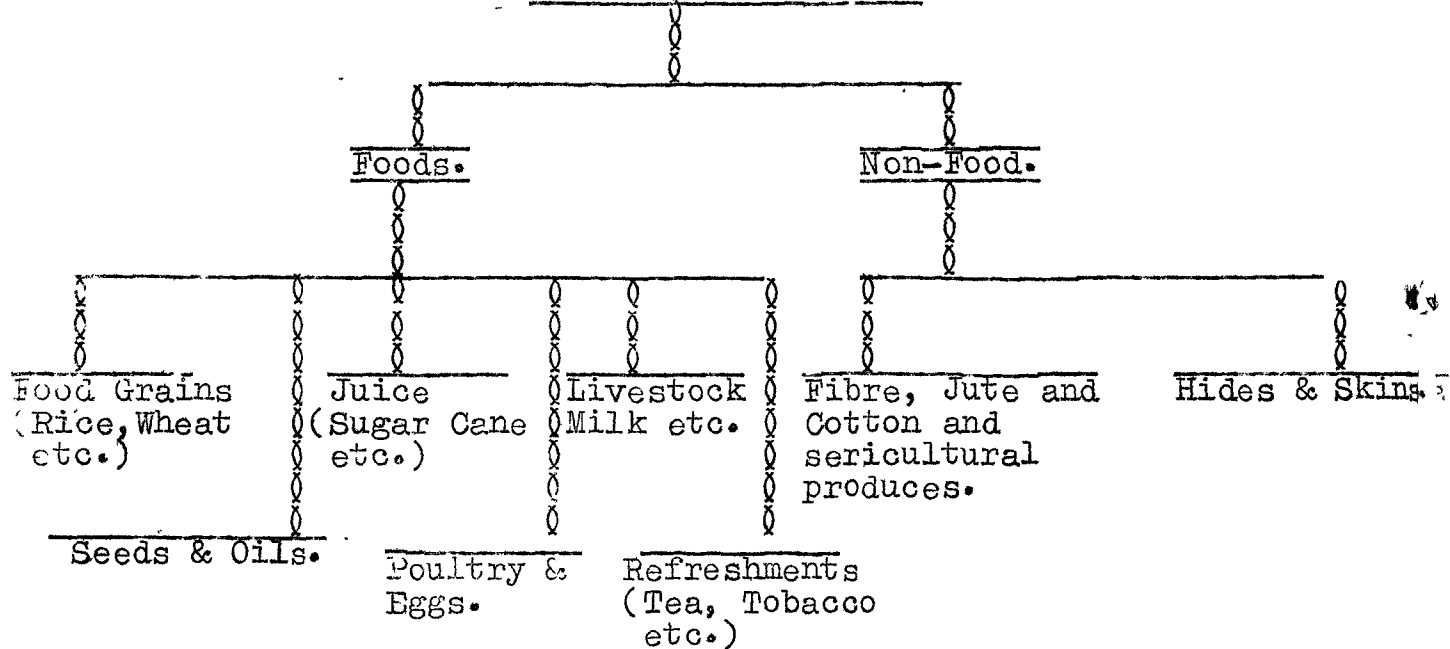
Excepting a few Co-operative Method, all the produces are grown, harvested and marketed by individuals. There is a large difference between the selling and buying price. The real benefit of agricultural farming is swelled up by the private dealers, hoarders, and retailers.

The crops, fruits and vegetables are mostly monsoonal returns. As there is poor number of Co-operative organisation to grade, store and preserve the perishable monsoonal increasing returns, private hoarders and retailers take the advantage of the situation. Due to lack of organised market oriented production, farmer neither get feed back from the nature of demand of his produce nor he is facilitated and directed for the development of quality and increase of his output.

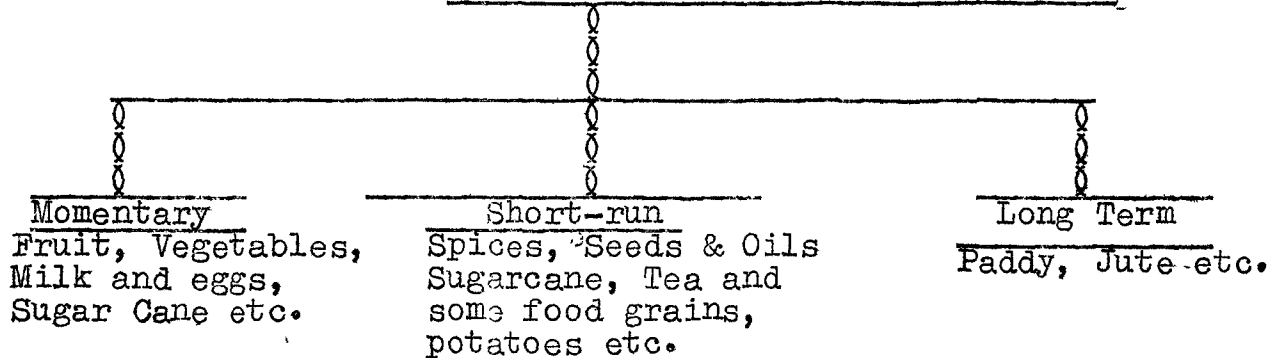
The farmer to-day in Bangladesh is economically shattered. In most cases, the Agricultural Farming has been proved to be uneconomic. Then, why should the farmer produce the Crops? It is because he has no other alternative industry to leave the parent

farming profession. He is now pondering without ends as how to overcome the grip of the situation. He is rushing to form Cooperativ But who will give him relief of the embarrassment by the Co-operativ Official towards the registration of his society ? who will train him up for grading, storing, preserving, marketing and supermarketing

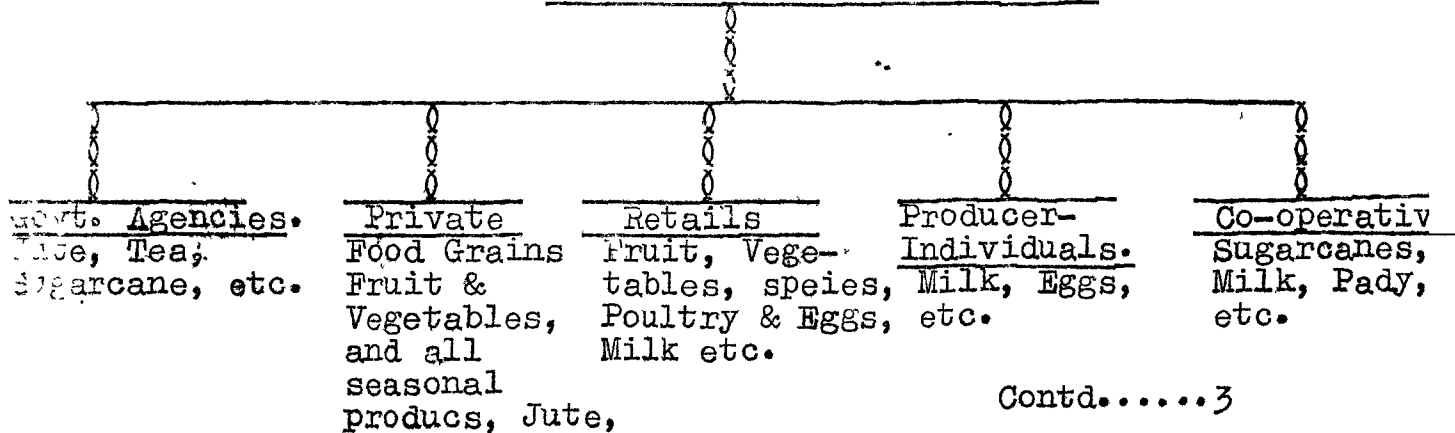
I. AGRICULTURAL PRODUCTS:



II. TYPES OF MARKETS FOR THE PRODUCERS.

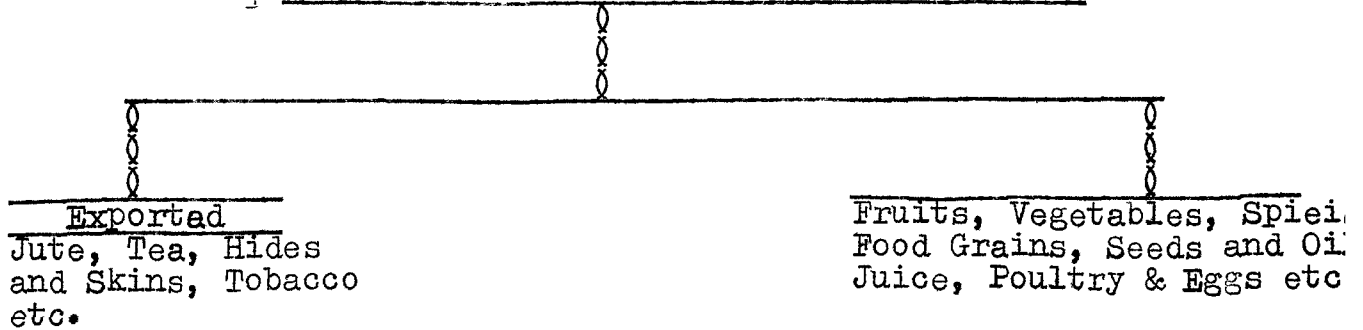


III. TYPES OF MARKETING AGENCIES OF THE AGRICULTURAL PRODUCTS:



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IV. PRODUCES EXPORTED & INTERNALLY CONSUMED:



CO-OPERATIVES MARKETING AGRICULTURAL PRODUCERS:

1) Eastern Milk Producers' Co-op. Union Ltd.

The Union produce Milk of cattle from the Co-operator individual through the primaries and market pasturised and Dry Milk, Cheese, Butter, etc. It has two processing Plants - one the Austo Dairy at Tejgaon, Dacca and the other at Lahirimohanpur, Pabna. The Union have a program to set another at Munsigonj, Dacca. It will set more five plants at Milk abundant locations. The Union is expected to provide animal husbandary facilities and training in Co-ordination with Govt. Officials to the Milk Co-operators.

Bangladesh Jatiya Akhchasi Federation, Rajshahi.

The Federation procure sugarcane of the Co-operator individuals and supply through the primaries to the Sugar Mills. The Federation provide through Central Societies short term loans to the farmers for better yields. Upto 1970 in 13 Mills' hinterland there are 13 Central Societies and 472 Primary Societies. The Sugarcane Co-operator is trained two times in a month at the Central Societies. The federation arrange seminars and meeting to discuss the problems of farming management and marketing of Sugar Cane. The spirit of Sugarcane industry is Suppressed because of the following management and marketing troubles:

1. The Mills are possessed by the Govt. BIBC. There is no Co-operative Sugar Mills and Co-operatives have to depend on the gracious price fixed by the BIBC Sugar Mills Authority.

2. The Sugar Cane growers cannot produce more than the demand of the fixed no. of Sugar Mills and crushing Plants. The Mill authority naturally do not tend to understand the necessity of enlarging the sugarcane crushing Industry. It is mentionable that in comparison to other countries there is an abnormal gap between the price paid to the Sugar Cane Growers and the selling price of Sugar. So it is quite unjust to tell that the price of Sugar is high because of the high cost of growing sugarcanes rather than looking into the wrong and expensive processor of the Mills.

3. Least care had been paid by the opportunists of the ~~ex~~ colonial Govt. to set up the Mills and crushing Plants in the vicinity of the Sugar Cane farms. Instead they have set them up at remote distances. It has therefore effected much towards paying the growers a low-price accounting a high production cost.

4. There has not yet been managed well to procure high yielding and diseaseless seeds, adequate pesticides, irrigate water, remove flood problems and also to facilitate extensive growth of Sugar Cane.

5. However, the federation is pondering much to sell share certificates to the farmers and set up Sugar Mills of their own.

FTCCA CHITTAGONG & EMERGANCE OF NACF:

The momentum of pady growing campaign through cooperative farming and marketing in Chittagong and Chittagong Hill Tracts got started in 1968, with the Agricultural spontaneous campaign

of providing inputs, irrigation facilities, growing greater yields for their marketing. Upto 1971, 1593 Primary Agricultural Co-operatives came into formation and subsequently the Federation of TCCA, Chittagong emerged out. The Federation and its affiliate ~~TCCA~~ TCCAS has got an achievement in growing paddy and also in providing irrigation and cultivating facilities to the farmers.

The paddy growing campaign is also at work in Sudharam, Sonagazi, and Ramgati Thanas of Noakhali District. In Kotwali Thana of Comilla modern block farming is in momentum. But least care has been paid to market the surplus produces every where. Due to lack of organised marketing and since the credit issued for cultivating purpose is inadequate the Co-operator individual sell his surplus paddy at an immatured market to the loaders and Blackmarketeers. Some times he has to sell his surplus paddy at a low price to private traders due to their indebtedness to them.

Eastern Co-operative Jute Mills Ltd.

The Co-operative has 633 member Co-operatives who possess about 51% of the share of the jute Mill and 49% of the share belong to Govt. BADC. Like other private Jute Mills it has also been Nationalised. The major portions of Jute through out Bangladesh is traded by private businessmen. Govt. Agencies like Bangladesh Samabaya Marketing Society, BJMC, BJTC. purchase Jute from these private businessmen at Govt. fixed price. Due to want of Co-operative organisations to procure, purchase, grade process the Jute the farmers are in a good trap to surrender their raw Jute in the hands of private traders and purchasers. This has puzzled the farmers much to break even the cost of their Jute cultivation

Bangladesh Samabaya Marketing Society:

The Society used to procure fruits paddy etc. from localities around them. The member Co-operatives of the Marketing Society are mostly consumer ones. So the Society has leadt no. of Marketing Member Co-operatives to supply them these consumer Agricultural produces. Since the consumers themselves are the producers the BSMS has to activise their consumer member coops. to work simulteneously for marketing as well as suppling consumers goods. The BSMS has a good prospect to set up plants for preservin the monetary and short run market goods and marketing and supermar keting them at profitable prices during unseasons.

Conclussions:

A co-operative to run, it must get answer of three questions well defined: (1) what to market, (2) how to procure, grade, store, transport and process to market with an efficient organisations, management and display (3) and for whom these produces are to be marketed. Since growers themselves are also the consumers and it is un-economic to form three single purpose Co-operatives for the same economic system, the marketing Co-ops. must not only engage their business in marketing the produces only, rather it shall have also to do business of supplying Agricultural inputs and facilities and finished products to the grower-cum-Consumer Co-operator. Can we therefore think of vitally, reactivising the Consumer and multipurpose Co-operatives for supplying inputs marketing produces and distributing finished products and necessities to the Co-operator grower ?

The cultivator to-day have no ideal seeds to plant during the monsoon, no fertilisers, pesticides at the moment of his need, no transport, store and preserving facilities to market at

economic prices, no reliable organisation of their own to market on large scale consignment and no agency to ensure them supply of finished consumer goods at reasonable price for growing and marketing. We have neither Horticultural Co-operatives nor any Co-operative Industry of poultry and Eggs, Jute, the main exportable crops of Bangladesh has got no Co-operative growth and market. In the above Back-Ground of needs of Marketing Co-operatives, few Co-operatives in the field of Sugarcane, Milk, Pady etc. only are in existance. Who will save the economy of the growers of other Crops unless the growers they themselves do not Co-operatively undertake the responsibility of spontaneous growth, market and supply of their produces ? Let us well come the growth of production oriented marketing -cum-consumer Co-operatives and train and facilitate their organisation and mangement.

Let us train our consumer and multipurpose Co-operatives to reorient their organisation for maximum Co-ordination with the Marketing and growers Co-operatives. Let the produces of the grower be marketed, processed and consumed through themselves, so that they can manipulate their master role on the selling and buying prices.

P A P E R
O N
FINANCIAL NEED OF THE AGRICULTURAL MARKETING COOPERATIVES
IN BANGLADESH

F O R
NATIONAL SEMINAR ON AGRICULTURAL COOPERATIVE
MARKETING IN BANGLADESH.

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D A C C A.

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FINANCIAL NEED OF THE AGRICULTURAL MARKETING COOPERATIVES

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FINANCIAL NEED OF THE AGRICULTURAL MARKETING
COOPERATIVES IN BANGLADESH

1. Background

Agricultural products become cheapest in rural areas during harvesting period. Because the agricultural marketing system is not organised and the agriculturists suffer from lack of holding capacity besides acute limitation of storage, they are to depend upon the unscrupulous traders and middlemen for marketing of their farm produce. These middlemen by denying fair price, deprive and exploit the small farmers to a very great extent. Even higher yield really bring very little economic benefit to the small farmers. So, the role of Cooperatives in agricultural marketing to secure the economic interest of the small farmers and to safeguard price incentive for additional production is considered necessary by the Government also.

2. Achievements

I. Experiences reveal that successful Cooperative Marketing arrangement should be equipped with processing units. In last season the Bangladesh Jatiya Samabaya Bank financed 2 such Cooperative Units, one for processing and marketing of rice and another for processing and Marketing of Milk against pledge of stock.

II. Parbatipur Central Cooperative Sale & Supply Society Ltd., Dinajpur, was financed in last aman and aus seasons for purchase of paddy and processing and marketing of the same. The operation of the unit was successful and both production and turnover had increased. The Society also earned profit. But they could consume very little quantity of the members marketable surplus paddy for obvious reasons. It is expected that during the current season the Society will be able to expand their activities further. At present the Society is availing financial accommodation from the BJSB for milling of mustard seeds received mainly from Govt. sources.

III. The Milk processing Unit at Lahirimohanpur, Pabna has, however, been very successful in lifting of the members' produce. There was price stability of Milk in the area. So, the members' production increased. The turnover and the profit of the mill also increased. On successful operational result of the Unit, the Government have already approved a scheme "Establishment of Coop Dairy Complex" at a roughly estimated cost of Ta. 632.14 lacs for improvement of cattle and increase the supply of milk and milk products to the urban population and also to enable the milk producers to get fair price.

3. Scope of Cooperative Marketing

The prospect of expansion of cooperative marketing both in respect of perishable and non-perishable items in Bangladesh is bright due to the following reasons:-

- (a) Increasing trend in price level has reduced the risk of loss due to price fluctuation
- (b) There has been rapid expansion of the consumers' Cooperative in Urban areas in Bangladesh after liberation. This has facilitated the agricultural producers to contact the ultimate consumers through Cooperatives direct.

There is wide scope of marketing expansion covering selected Agricultural items noted below:

- (i) Procurement, processing and marketing of rice
- (ii) Procurement, processing and marketing of Dal (seed of beans, peas etc.)
- (iii) Procurement, processing and marketing of edible Oil seeds
- (iv) Procurement, preservation, processing and marketing of fruit and fruit items
- (v) Procurement, preservation and marketing of fish
- (vi) Procurement, preservation and marketing of vegetables

4. Existing Organisations

I. The particulars of existing Cooperative Organisations capable of handling marketing operations are shown below:-

<u>Type of Society</u>	<u>Status</u>	<u>Position as on 30.6.71.</u>	
		<u>Number</u>	<u>No. of members</u>
Marketing	Apex	1	131) all societies
Fishermen's	Apex	1	373 "
Marketing	Central .	82	2295 "
Fishermen's	Central	9	154 "
Milk	Central	1	70 "
Multipurpose (Union)	Primary	4107	12.95 lacs (individual)
Fishermen's	Primary	728	1.32 " "
Krishi	Primary	24364	4.80 " "
Consumer	Primary	164	0.32 " "
Turmeric Growers	Primary	2	0.30 "
Ground Nut	Primary	6	0.06 " "
Pan Growers	Primary	16	0.02 " "
Vegitable Growers	Primary	3	208 "
Farming Societies	Primary	334	0.12 " "

II. Details of consumers' Cooperatives formed in urban areas after liberation were not readily available.

III. Isolated efforts made in the past to develop marketing through a few marketing Societies organised haphazardly at secondary level did not meet with desired success as those were not properly related to the production targets. Project profile of a scheme "linking of Marketing of Agricultural produce with Cooperative Credit" aiming a modest beginning for organised and systematic development of markets through establishment of a few processing units like rice mills, oil mills, cold storage plants, equipped with adequate transportation and storage facilities in areas likely to be surplus as a result of supervised credit operation through Krishi Samabaya Samities is under consideration of the Government.

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IV. Another project profile" Development of Fishermen's Cooperatives" aiming, amongst others, at increasing the facilities for transportation, storage, processing, preservation and marketing of members catches is also under consideration of the Government.

5. Available facilities

I. Under the scheme of Cooperative Credit & Marketing Structure (2nd 5 year plan 1960-61 to 1964-65) Marketing Go-down at Union (30 ton capacity) and Central (150 ton capacity) society level were constructed with Govt. grant having total storage capacity of about 16000 tons. Although the capacity of such godown seems to be too small to cope with the requirement of a processing industry of any sizeable unit, those are undoubtedly very much helpful at the beginning stage.

II. The Warehousing Corporation has also undertaken construction of a few big wirehouses in rice growing areas. Their storage facility may also be available for the purpose of cooperatives.

6. The Base Level Organisations

The primary agricultural cooperative societies (UCMPS/KSS) should serve as the major procurement base. The participation of the farmer-members in the affair of the societies is not voluntary in majority cases. Motivation and publicity are needed. The affairs of the primary Societies are run by honorary office bearers. They work for part time only. In most of the cases a manager cannot be appointed for financial reasons. Besides the efficiency of a low paid manager is bound to be very poor. Handling of procurement programme at the level of the society is therefore difficult.

Financial incentive to the persons who actually handle the procurement may improve the situation. The office bearers/Managers of the primary Societies (K.S.S./U.C.M.P.S.) may be allowed to procure on commission basis so that they get interest in expansion of the business. By allowing fair price to the farmer-members and commission to the office bearers/Managers of the Societies the produces can be procured upto the level of the processing units.

7. Action programme.

The resources of the existing cooperative organisations are not adequate for undertaking agricultural marketing operations. But some of such organisations can take up marketing and processing operations on limited ^{sales} readily. It is therefore necessary to undertake a survey into the affairs of the existing organisations. The National Marketing Society can take lead in this connection.

i. The Cooperative organisations who have already storing and processing facility may start operation readily. They can borrow working capital, if needed, against pledge of stock.

ii. The Organisations who have already storing facility may also undertake procurement business. It may be possible for them to work as agent of the Govt. (Rice Marketing) or of another Cooperative Organisation. They can also borrow working capital if needed against pledge of stock.

These organisations may construct their own processing unit by utilising capital finance from Bangladesh Small Industries Corporation and Industrial Development Bank of Bangladesh. Although the terms of Govt. finance are considered favourable, the availability of the same is time consuming. Besides the terms of those Institutional Credit can be got liberalised with Govt. permissions.

iii. The Cooperative organisations who have neither of the facilities stated at para I & II above but have potential supply source can also develop and arrange the facilities.

iv. New Societies have also to be organised at potential supply sources. While organising such new societies due care and precaution should be taken about their economic viability keeping in view the long term and short term objectives.

v. The National Cooperative Marketing Society may set up a "Marketing Development Cell" for guiding and Coordinating the activities of the Marketing Cooperative Organisations of the country. The following steps may be helpful towards development of marketing system.

(a) To sponsor and evaluate new proposal

(b) To evaluate the performance of the existing units

- (d) To draw up model bye-laws to bring about uniformity in operation and accounts,
- (e) To link the producers' Cooperatives to the consumers' Cooperative,
- (f) To explore the possibility of exporting processed agricultural items,
- (g) To establish a Cooperative Management Institute in Coordination with the Bangladesh Jatiya Samabaya Union and other International Cooperative Organisations to train up the members and operational staff,
- (h) To establish and run a technological assistance centre to help development and maintenance of the processing units.

8. Economic consideration

Experiences gained in the other parts of the world indicate that it is more profitable to have larger capacity units and to operate them during peak season thereby reducing the cost of storage and other expenses. In the present situation it is not possible to set up large capacity units due to lack of huge capital resources and technological know-how. It may therefore be kept in view the need of gradual co-ordination of the small units to form marketing complex. For this purpose Expert Advisory Service will be necessary in detailed planning and execution of the co-ordination scheme beginning from training of personnel of adequate levels both in the operational and technical fields in the matter of (a) procurement and processing (b) cost accounting and feasibility study (c) transportation, communication and supply (d) marketing and overall management

9. Present prospect

Due to post-liberation scarcity of some consumer items, the Marketing Cooperative Organisations are now active than ever before. They have gained confidence. The members' participation in the affairs of the Societies has also improved. The general trend is encouraging. We may therefore undertake and organise a vigorous drive to-day without waiting for a better tomorrow.

PAPER ON
Agricultural Co-operative Marketing in Bangladesh.

By

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INTRODUCTION:

It is a great pleasure for me to have the association of some foreign experts, veteran Co-operators and other experienced participants in a Seminar on Agricultural Co-operative Marketing organised under the joint auspices of the Bangladesh Jatiya Samabaya Union, International Co-operative Alliance and Swedish Co-operative Centre. So, I offer my thanks to all. I sincerely believe that the participants will be in a position to evolve a suitable agricultural Co-operative Marketing system for Bangladesh to ameliorate the lot of the members of the agricultural Co-operatives as that of other developed countries of the World.

NECESSITY

It is an audited fact that for want of organised Co-operative Marketing system the individual members of the Primary Agricultural Co-operative Societies are compelled to dispose of their produces during the harvesting season at an abnormal low prices to the unscrupulous traders and middlemen to meet the expenses of their daily necessities of life and pay off debts. Subsequently when the market goes up they again purchase the same for their consumption, They have neither any holding capacity nor any safe place for storage. In order to give price incentive to the members, reduce cost of production, minimize margin of difference between the growers and consumers level, facilitate adoption of improved techniques and link up credit with marketing it is considered necessary to formulate a suitable agricultural Co-operative Marketing system in Bangladesh for the interest of the producers as well as that of the consumers.

POST PERFORMANCES

History reveals that the Co-operative Societies Act of 1904 was passed aiming to save the agriculturists from the clutches of the money lenders and since then many changes have taken place in the organisational structure of agricultural Co-ops.

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and Govt. have also formulated plans and programme from time to time for successful marketing operation providing credit, storage, training and other facilities but in any openion desired results could not be achived in the field of marketing. By this I do not like to say that all marketing Societies netherly failed in the marketing operation. Some societies of course, ecrued Profit with appreciable turn over and some societies sustained loss with the result that overall marketing operation was not as expected due to various factors. So, incourse of formulating plans and programms for the future our old litter experiences will be of great help.

FEASIBILITY

Bangladesh is predominantly an agricultural country. Agriculture is the moinstey of 90% population here, there are approximately 30,000 agricultural cooperative societies covering all tiers, Agricultural lands are fertile and the farmers are laborious. Govt. have also allached importance to achieve socielism through Co-operative system. It is also a crying need of the day to go with the green revolution in order to have surplus agricultural out put for meeting the deficit. So, considering the present raising market trued and other relevant, factors I am of the opinion that there is a bright prospect for agricultural marketing in Bangladesh for certain seluted commodities, else what will be achived in production may be lost in the absence of organised marketing system.

PROBLEMS A D THEIR SOLUTION

Under the existing conditions in Bangladesh there are numerous problems in launching successful agricultural co-operative marketing operation. The following are the main problems:-

1. Illiteracy.
2. Lack of knowledge on Co-operative Principles and practices.
3. Lack of adequate training facilities.
4. Small and scallered agricultural hõldings for introducing mechanised cultivation.
5. Small volume of agricultural produce.
6. In addequate and irregular supply of credit and other required inputs.

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7. Lack of storage, processing, power & transportation facilities.
8. Problem of honest and efficient personnel.
9. Frequent failure of crops, etc.

In my opinion it would be a futile attempt for the to give specific suggestions for solutions of ~~the~~ all these problems. So, I leave all these problems before the participants of the Seminar to find out effective ways and means for their solution in order to formulate sound plans and programmes for agricultural marketing in Bangladesh.

CONCLUSION

The economic condition of Bangladesh mainly depends on the development of agriculture. Govt. of Bangladesh have also give top most priority towards agricultural production under the first 5 years plan. The present response of the mass people in Bangladesh towards formation of agricultural and other cooperative societies prove beyond doubt that those days are not far away when the members of the agricultural cooperatives will be able to set up an effective marketing system for improvement of their lot as well as to make the country a really "Sonar Bangla".

pk / 8 November 1973

SOLE PROBLEMS AND ASPECTS OF AGRICULTURAL COOPERATIVE MARKETING
WITH SPECIAL REFERENCE TO TRANSPORT, COMMUNICATION & STATE
SPONSORED INSTITUTIONS IN BANGLADESH

by

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Bangladesh's agriculture is in developing stage and the system of agricultural cooperative marketing is yet to be developed or organized. Naturally, there are many problems while attempts are being made here to grapple with the situation keeping in view that newer measures have to be taken to meet the new problems identifying some of old as well as new problems of transport and communication infrastructure and effectiveness of state sponsored institutions in Bangladesh.

As the post war agriculture of Bangladesh deserves considerable attention and preferential treatment it is high time to adopt new measures for development of agricultural cooperative marketing structure from the practical aspects of the picture giving importance towards establishment and secondary steps of planned projects.

PROBLEMS

1. Infrastructure naturally grew but not arranged in accordance with needs time.
2. Absence of mass communication and exchange of views in between farmers as well as elites in villages.
3. Naturally grown up vicious circle of agrarian economy.
4. Illiteracy, dogmatism and absence of Trade Fairs in farmers.
5. Unqualified propaganda of middlemen and vested groups.
6. Leadership with vested interest in most cases.
7. Absence of communication of Principles of Cooperative and advantages thereof through feasible media.
8. Vicious circle created by middlemen Bepari, Faria, well-to-do-men.
9. Income of farmers below subsistence level.
10. Absence of free mixing with educated and enlightened people.

11. Absence of capital and productive asset other than land.
12. Lack of incentive to join cooperatives.
13. Unscrupulous trading pattern in some areas.
14. Absence of persuasion morally through practicable media.
15. Absence of collection of institutional credit in kind during harvesting.
16. Absence of accurate explanation about the system of cooperative marketing and advantages thereof.
17. Absence of institutional credit for other purposes.
18. Inadequacy of timely supply of institutional credit in accordance with requirement.
19. Lack of incentive for procurement during harvesting.
20. Lack of adoption suitable marketing technique.
21. Inadequacy of honest personnel in cooperatives.
22. Impractical and incomplete method of marketing.
23. Non-availability of transport and communication.
24. Absence of security measures.
25. Flexibility i.e. everybody's responsibility but practically none's.
26. Static behaviour of personnels meant for development of organisations, training and management of cooperatives.
27. Gradual moral breakdown of farmers due to poverty.
28. Insufficiency of the number of personnels recruited by institutions for agricultural marketing development.
29. Lack of confidence in cooperative marketing.
30. Exploitation by vested-interest groups.
31. Inadequate and incomplete supply of facilities under institutional sponsorship.

ASPECTS

1. Cooperatives formed through motivation not voluntarily organised and managed.
2. Institutional sponsorship does not provide complete arrangement.
3. Lack of non-cooperation between members.
4. Influence by vested groups.
5. Unscrupulous leadership i.e. one man in many places.
6. Inproper implementation of rules, laws and principles.
7. Mismanagement of prevailing marketing cooperatives.
8. Tendency of misusing credit by farmers.

9. Inadequacy of supervised credit.
10. Unavoidable climate.
11. Dependence on nature by farmers.
12. Perishable agricultural products ignored.
13. Continuous natural calamity.
14. Lack of incentive for increasing production.
15. Lack of fund in primary cooperatives.
16. Lack of proper administration and interference in cooperatives.
17. Non-availability of infrastructure.
18. Non-availability of road linkage from rural to urban areas.
19. Rivers are not preferred in most cases.
20. Transport cost high.
21. No arrangement of transport in agricultural cooperative marketing like other sector viz. fishery, milk etc.
22. No arrangement by institutions for transportation for procuring, lifting commodities.
23. Ignorance of the role of transport and communication in cooperative marketing while plans and projects prepared.
24. Many unskilled personnel.
25. Absence of due attention by planners.
26. Administration and priority static.
27. Conditional planning of projects.
28. Unscrupulous influence in implementation of projects.
29. Untrained workers for projects.
30. Low wage and insecurity of service of workers.

SUGGESTIONS

1. Adequate provision of finance for projects.
2. Preferential treatment and budgetary provision by state.
3. Extension system reporting three Rs and practical training to farmers.
4. Adequate measures for comprehensive and smooth marketing operation.
5. Legislative measures for eradicating unscrupulous practices.

6. Moral and practical persuasion for implementation, adoption, organisation, management, participation of farmers in cooperatives.
 7. Establishment of infrastructure and other pre-requisites, pre-conditions and take-off principles keeping view of post war economy as may be required from time to time on economic and national basis.
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BACKGROUND PAPER

ON

AGRICULTURAL PRODUCTS AND MARKETING PROBLEM IN BANGLADESH

by

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Bangladesh is the land of agriculture, but it is one of the deficit countries of the world in respect of food due to lack of proper production, storage and marketing management facilities.

Production

Most of the cultivators of our country are ignorant and they do not know how to grow the agricultural produce in modern process. In this respect they require proper guidance, training and education. Here I like to say that the problem can be solved by establishing the mass education centre in village level. Some cultivators are growing crops cooperatively through pump operation.

Storage

The storage depends on the keeping capacity of the commodity, the economic position of the producer and facilities for storage. Ninety two per cent producers are very poor in our country. So most of the growers are compelled to sell after the harvest to pay his Mahajan and meet the numerous demands on his purse, whenever possible he sells his produce in less remunerative price for this purpose. In the district of Barisal, the grower sells paddy immediately after harvest to pay the loan. In the absence of proper storage facilities it is not possible for the grower to provide a large type of rice mills. There are 90 Central Cooperative Multipurpose Societies in the country affiliated to the Bangladesh Samabaya Marketing Society. So the CCMP Societies can store the producers crops with the help of BSMS at primary level in the first step.

Marketing

The system of agricultural marketing in Bangladesh is saddled with a long chain of middlemen, and the remuneration for their sources increases the load of the consumer, although the producer does not derive a similar benefit, but considering the lack of organisation of the

farmers and their economic weakness it must be admitted that the middlemen perform the great function of oiling the wheels of trade and make them run smoothly. Petty cultivators living in a precarious living on their small holding often hail the Bapari or Paikar as the sole means of converting his produce into liquid resources. These Baparis move about from village to village with their boat. The advances which they make to the growers from time to time no doubt creates an obligation on the growers to market their produce through them but this advances are of the great service to the growers as they keep them going through all the months of waiting till the next harvest is ready.

Thus the middlemen carries on his important function of facilitating the course of trade in the midst of a population ignorant and unorganised, economically weak and helpless.

Cooperative Marketing

True cooperation is possible only where the growers control the policy of the national level association through their local associations and in this way can promote contentment and prevent friction. In the national level association on the other hand, although the grower-members vote is very important, in many cases the association sieges into its own hands the right of fixation of prices and distribution. Bangladesh Samabaya Marketing Society has a good prospect to set up plants for preserving the many of the produce of the growers and marketing and supermarketing them at profitable prices.

Conclusion

Agriculture being an industry of slow turnover, the grower requires financial assistance to bridge over the gap between the sowing and harvesting of the crops. With his small scale cultivation and tiny holdings his capital is too small and his income is not such as to leave large savings. The produce of his land does not always suffice for the whole year and he is compelled to seek assistance for subsistence as well as for continuing his agricultural operations in the seasons.

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A brief background paper touching the Organisation
and Management sides on Agricultural Cooperative
Marketing in Bangladesh

by

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Peace and blessings of Almighty, the beneficent and merciful be upon you all. I feel myself very much pleasure to have the opportunity to participate in this seminar in presence of some distinguished international cooperators and some selected cooperators of Bangladesh for finding out the ways and means to solve an acute national problem of our new born country.

My contribution here is to express some experience in cooperative line. I have seen that general people of our country are not really bad. Agriculture is the main source of their livelihood. About 90 per cent population directly depend on agriculture. But it is pity to note here that some dishonest traders are playing with the lots of common people especially in marketing of agricultural products. Most of the people are illiterate and poor and they do not know how to improve their economic and social conditions. The existing marketing practices are killing the producers as well as the consumers also. Cooperative marketing may save most of them if cooperative societies work following the principles of actual cooperation in democratic manner as far as practicable. At present the prices of commodities are always changing and prices of some goods differ in the same market which is completely on the mercy of the dealers and traders. They do not care the consumers interest. The unsettled jumping of prices may be controlled to some extent by proper checking by the government after making certain policy by the cooperative marketing as a whole covering all agricultural produces of the country.

The cooperative is a movement which started in our country for nearly about a century. No movement grows naturally. It requires proper patience, persistence and perseverance for changing the idea of common people as shown in other political movement for independence with the collaboration of the government with the public.

I do not like to discuss the problems as lots of problems have already been put up by other participants and I also agree with them in that point.

This cooperative movement was started in our country by the British Government through legislation on the initiative of the government but not by the cooperatives resulting failure in general for mismanagement by the artificial cooperators and could not earned good reputation to the public as a whole.

The slogans of cooperative have not yet reached the door of poor and illiterate farmers in the villages of our country till today for want of proper guidance and management. They generally know it as loan giving agent like village Mahajan, Farias and traders etc. The village zamindar, jotdars and property holders also circulated anti-propaganda against cooperative movement.

I think it is the proper time to solve the problems if good cooperators can be created from among the common people. In our country generally it is found that cooperative societies run faster than cooperators. That is why real cooperators are very few in the field of cooperative movement. The formation of different cooperative societies without cooperators will paralise the situation just like a patient beyond control of physician i.e. hopeless. We must adopt a policy to create real cooperative in our country for successful operation. Land, labour capital is almost ready but organisations failing to work smoothly for want of proper management and supervision.

My request to the seminar would be to find out ways and means to form cooperative by honest and sincere cooperators to fulfil the dream of "Sonar Bangla by Sonar Manus" as told by the Father of the Nation, Mr. Sk. Mazibur Rahman.

In conclusion, I give my thanks to the Swedish cooperators, International Cooperative Alliance and all other participants of this National Seminar for this noble venture.

PAPER ON
AGRICULTURAL CO-OPERATIVE MARKETING

By
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BACKGROUND:-

The efforts to organise marketing in the Co-operative Sector is not a new thing. But much headway could not be achieved in the Co-operative Sectors because no systematic plans were drawn and nor any specific programme was implemented beyond loan giving; and, hence in our country no record was maintained of the experiences gained in respect of either their failures or success. No step was taken to analyse the situation or exchange the experience as a part of education.

RESPONSIBILITY:

The Co-operative credit institutions were, by and large, responsible for the failures of their consitutents societies in Marketing operation because they did not act beyond extending loan on the recommendation of the departmental Officers. In effects those institutions seted like the Government Treasury which given money on the strength of authorised signatures for a particular approved expenditures.

PRECAUTION:

It is observed that in most cases of failures, the main causes were the absence of plans for the sales and purchases and there was no guidance for the purpose either, there, the sale and purchases were conducted without any coordination between the two, the purchases were made without the sales plans and, like wise, the sales effected made without taking the factors of purchases. Generally, no attention was paid to look to the

problems of storage ensuring safety of the stocks and preservation of the quality. The credit institutions, which were supposed to supervise these of the inseparable aspects of the performances of any marketing organisation, preferred to forget about things after they were happy over the completion of the routine formalities. But, unless these factors are well supervised, the marketing operation will always fail excepting in cases where there are able persons taking keen interest in the affairs and performances of the societies or the success may have been mere a matter of chances. These are the precautions which are religiously observed by even any private individual or organisation in carrying out their own marketing business; and, therefore, a body of cooperatives has to enforce it more rigidly since its small inexperienced Managing Committee has to answer to its large memberships for all of the omissions and commissions.

EXPERIENCES:

Of all the Thana Association in Chittagong, Raozan and Rangunia were the first to have had gone for the marketing and we should, therefore, make good use of their experiences, good or bad, for the benefit of all other Thana Associations. We should also make use of the experiences of the Central and the Primary Multipurpose Societies which had gone into the marketing operation prior to any Thana Association. The experiences may be of good or bad results but these have left behind the traces of many scopes of learning and education.

IDEA:-

The idea of Marketing has developed from the experiences that the producers do not get fair price of their produces while the consumers do not get the products at a fair price either; the big chunk of margin is eaten up by the middlemen. Then, since the Co-operatives give the production loans to the producers who

do not get as fair price as to be even able to return the loans, so the backbone of the producers, economy has to be strengthened first.

PRODUCTION SPHERE:-

The Co-operative activities are limited to financing of the paddy production alone; and this is so because the financing is done under a government programme. It should be deplorable for the Movement that it has no role to play in the sector of the major cash crops like spices, pulses, vegetables and fruits.

LINKS:

If the object of the Co-operative marketing is to benefit the producer-member of a Primary Society, then a proper link has to be established between the member-producer and the sales Society under the marketing plan and the purchase prices are to be well recorded by the procuring Society and the particular with names and number of the member-producers should also be available at the Thana Association. To achieve this and, it is necessary that the procurement is organised only through the Societies where the producers is a Member and, at best, the Multipurpose Societies of the Union where the producer is a member.

OPERATION:

Since the supervision during the purchases and storage is absolutely necessary, so the role of Thana Association is nearly unavoidable. Even if no Thana Association insists or desires to take interest in the matter of procurement of produces, some other Co-operative Organisations, capable to handle the supervision taking full responsibility of the recovery of the marketing loans, have to be employed. Such intermediary Co-operatives or the Thana

Association will be responsible for the payment of the interest to the Central Bank and, for all practical purposes, the Thana Association will be the Business Units undertaking the full risk and responsibility of the loss and profits for the trade. The Primary society shall function merely as the Agent of Thana Association on commission basis only and without any responsibility of loss and profits; so the Primary Society shall not pay any interest towards the loans either. A link should be planned to be established at various stages of Co-operative marketing aiming at the promotion of specialisation in their respective spheres of responsibility which may, in course of time, develop as the management cadres in the Co-operatives.

BANK:-

The Bank while extending the credits shall not play the role of a money-leader; rather it will assist with the finance in the trade of the Co-operatives. Bank shall be to protect the investment the Thana Association in trade, ensure the safety of the stocks in storage and to see that the Thana Association make the profit out of the investments so made in trade. It is obvious that the credits extended by the Bank will be in jeopardy if the Thana Associations suffer in business, despite the fact that viability of the investment does not remain with the Bank after the loans are once extended. The Bank will, therefore, deploy its supervisors for recording the market rates as per programme and from time to time. The stocks in store shall, therefore, have to be pledged with the Bank which shall also have the authority to dispose of the stocks on so advice and also instruct to suspend the procurement of sales at any time it deems necessary.

SALES LINK:-

It may, at thinitial stage, be difficult for any Co-operatives to explore sales and strinke it with as better success as to make the transactions safe and sound and also easier. Hence there is the need for establishment of a sale link through out the country.

INTELLIGENCE:-

Besides surplus areas will have to be contacted for the rates of the product of their respective areas too. The Market Intelligence hence to be gathered and for this purpose a cadre has to be created. The reports gathered from the representatives shall be recorded and compiled for future guidance in marketing. This Report on the marketing by the Co-operatives shall be re-written in the light of the experiences gathered. Such Reports shall be compiled on the basis of the written informations for future guidance.

SUPERVISION:-

Besides supervising the purchases, the Supervisors of the Bank shall also inspect the stocks in various go-downs which shall be technically under the custody of the Bank though, initially the Primary Societies and the Thana Associations shall hold the physical custody of the stocks.

EXPERIMENTAL MARKETING:-

The existing Thana Central Co-operative Associations and the Multipurpose Societies are exclusively engaged in Paddy production. It may be possible for them to link the farmer and production in respect of the Paddy alone. A few Thana Central Co-operative Association and the Multipurpose Societies do carry

our the business in other items but they do it just in the manner of any other business interest in order to augment their income for the benefit of their Members, though by a remote process. This has happened because there is no production programme having scope of receiving credit from either the Co-operatives or any other source without providing "tangible and marketable securities". The reason for such a situation is that no "Markable" link could be established for want of a "tangible" financial assisting production programme as to be able carry on without full recovery of the credit investment, a facility which is provided only for the paddy.

The quality, grades and weight having been thoroughly and honestly inspected and safety & security ensured during storage, there will arise a little or no scope of any losses.

PAPER ON
AGRICULTURAL CO-OPERATIVE MARKETING

By
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SHORT SUMMARY:

BACKGROUND:

Much headway could not be made for want of systematic plans.

RESPONSIBILITY:

Failures of the Societies lie with credit institutions.

PRECAUTION:--

Absence of Plans for the sale & purchases main cause of failures.

EXPERIENCES:--

Use of Past experiences indispensable for success.

IDEA:

Idea of Marketing has developed for providing fair price to the producers.

PRODUCTION SPHERE:

Production sphere need be diversified.

LINKS:

Proper link need be established between member producer & the saler Society. For that purpose procurement through Societies where the producer is a member.

OPERATION:

Thana Association to act as business unit.

BANK:

Bank should not act as mere money lender.

SALES LINK:

Needs establishment of sales link through out the Country.

INTELLIGENCE:

The market intelligence have to be established.

SUPERVISION:

Supervision is a must.

ROLE OF CO-OPERATION FOR MARKETING OF AGRICULTURAL PRODUCE.

Marketing occupies a dominant position in the economics of production and distribution and hence in the process of economic growth and development. It has three major roles in a country's development :-

1. To enlarge the market for farm products and imparts to the extent where farmer's incentive to produce the highest. This is done by maximizing the farmer's share of consumer price multiplying farmers desire for cash with the availability of variety of consumer goods at cheap margin making available to them inputs they need, removing obstacles caused by market imperfection to the normal consumer demand shifts at various level.

2. To contribute to consumer welfare by depressing consumer prices with the help of lowering marketing margins and by widening the range of choice of commodities the consumers want to consume and

3. To give a support to the over-all economic development of a country through an efficient movement of industrial raw materials and labourer's food from the production areas to the industrial sides at cheap margin and by letting the prices indicate the proper sectoral allocation of resources and distribution of income and helping the process of capital formation.

The Agricultural Products have some peculiarities which affect the marketing of agricultural produces like (a) Joint Products, (b) Bulkiness (c) Perishability (d) Seasonal nature of Production (e) Storage problem etc. Due to peculiarities of agriculture produces, the agricultural marketing faces various problems in Bangladesh. Firstly, the lack of an adequate coordinated, extensive and dependable transportation system is a major factor affecting the economy of Bangladesh. Historically, rivers have been of greater importance than roads or rail roads in the movement of goods in Bangladesh. The seasonal nature of river flows and depth of channels during the dry season creates major problems in using rivers for transporting goods. The slowness of this form of transport also makes its use less satisfactory for the products where speedier forms of transport are available. Secondly, lack of standard weights and measures of Agricultural Products. There is no standard weights and measures system in the country. A seer varies from sixty tollas to 100 tollas in

different parts of Bangladesh. Thirdly, lack of proper grading system, growers are deprived of their due share in the produce. Fourthly, lack of proper storage facilities the growers compelled to sell the produce in the pick season with lower prices. Fifthly, lack of financing agencies for finance marketing of agricultural produces at proper time and adequate amount and, lastly, the lack of proper market information causes a serious set back both to the producer and consumers of agricultural products in the country

To overcome the different problems of marketing of agriculture produces one of the ways in which attempts have been made is through co-operative marketing of products. Co-operative may be considered as a type of organisation whose primary unit is generally known as a co-operative society or simply as a co-operative and which may be defined as a voluntary organisation operating on a democratic basis, to realise some common objectives of its members and sharing the benefits or returns in accordance with patronage or participation. Usually though social, educational and other objectives may also be considered in some cases. More specifically the farmer co-operative is a voluntary association of farmers for united action on equal basis solving by themselves either one or many of their Socio-economic problems like credit needs, marketing of their produces, provision of essential farm supplies and services, their knowledge and skill for modernizing their farming methods and increasing their production and income, and thus, betterment of their living conditions and social status. Production plants for farm inputs and processing plants, warehousing etc., for marketing of farm outputs are some of the areas where large capital and highly skilled managerial and technical abilities are essential. Farmer co-operatives only after they are mutual and well grounded throughout the country and a federated system of co-operatives in the country is established can take this kind of ventures. In Bangladesh where the farmer co-operative could not get a real footing, there is no scope for these kind of ventures.

A group action on the marketing of their produces may help getting better prices and increased farm income through orderly marketing, better bargaining strength, proper market information etc. Those importantly remain under one umbrella the farmers are in a better position to stand against cheatings and exploitations by the traders agents, dealers as the Government Officials.

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Co-operative marketing has undoubtedly some advantages. First, it can attract farmer to sell through it not only by returning them a higher price than its competitors, but also by calling into play their loyalty to an organisation which they help to control. Thus it will probably find it easier to deal with a large number of farmers in each locality than can any private concern. Secondly, even if a co-operative marketing organisation only takes over the functions of country dealers, it will improve the bargaining position of farmers, and make it possible for them to negotiate on an equal, or perhaps even a superior footing, with large-scale wholesalers.

Thirdly, it may be able to offer to sell such wholesalers a more regular and assured supply than they could obtain if they had to compete with other wholesalers for the produce of many farmers.

Fourthly, it is possible for co-operatives, provided they control a sufficient volume of the products, to modify the price level prevailing by withholding supplies from the market. Finally, co-operative marketing has the merit of giving the farmer, who is partly responsible for its organisation, an insight into the marketing mechanism. These advantages are considerable, and have resulted in the setting up of a number of highly successful - co-operative organisation in the developing countries.

(Abdul Latif Siddiqui)

International Cooperative Alliance

LECTURE PAPERS

Co-operative Marketing of Foodgrains

By Mr. L.R. Khan,
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In line with its philosophical framework, co-operative marketing is an attempt by a group of farmers to ~~make~~^{Strike} at a better bargaining in getting proper return for their produce. In a competitive world cost of production is the vital consideration for survival in the market. Need for survival dictates joint action and co-operation among the farmers for the adoption of improved techniques and better cultural practices. Similar necessities lead to the formation of Co-operative Marketing Societies of the growers with the objective of reducing the margin of difference between the prices at the growers' and consumers' level. Reduction of this important gap will mean ~~concomitant~~^{concomitant} prosperity for the growers. Though marketing is looked upon a specialised business distinct from production, the classical arguments based on the theory of Division of Labour can hardly be cited as arguments against the growth of producers' Co-operative Marketing Societies. The objectives of Co-operative Marketing Societies may be ~~two~~^{three}-fold, firstly, to maintain reasonable balance in price trends offsetting manipulations by the organised interests in the marketing of agricultural produce to the detriment of the producers. Secondly, reduction of processing, transportation and marketing costs through collective action on large scale operation in an attempt to obviate the limitations of imperfect marketing conditions. Lastly, to reduce the margin of price differences between the consumers and the growers, Co-operative marketing is found useful when margin between producers' and growers' prices is very wide, outlets for marketing of produce are limited and prices are characterised by speculations and post-harvest depressions due to poor holding capacity of the farmers.

To a casual observer, not groomed in the intricacies of institutional development, co-operative marketing of agricultural produce is an easy task. The society should build storage. The producers should bring their produce to the warehouses and receive part payment to meet urgent cash requirements and earn handsome return selling crops at appropriate hours. Planning

with such pious wishes larded us into widest implementation gap in the past . We would return to this specific problem at a latter stage of our discussions .

Due to the prevailing high prices of foodgrains in Bangladesh need for co-operative marketing has been relegated to background. Price of rice, pulses and vegetables have been presumed to be incentive oriented. Need for incentive price in the moulding of cropping pattern is being adjudged unnecessary. The average price of rice has been selling at Taka 80/- presently as against Taka 40/- during 1970. All these concepts seem to be the outcome of a tendency to over simplify problems which look apparently easy on the surface. Incentive price is highly a relative concept and if one tries to locate it precisely it may look like will-O-The-Wisp. It may mean lesser importance to higher price at the consumers' level than reducing the price gap between the producers' and consumers' level. The high prices of foodgrains in Bangladesh has been mainly due to the shift of weight age in the scale vis-a-vis the cash crops like jute, sugarcane etc. A sudden fall of production from the benchmark level of 1970 by 15 to 20 percent caused by the damages during the liberation war, led to rise in the price of rice, Visa vis cash crops because of its direct co-relationship with minimum consumption needs. If the entire budget of the farmer is taken into consideration including the prices of clothing and other necessities of life for a minimum living he is probably at more disadvantageous position than he was before. High rise in the prices of foodgrains is being resented by 80 percent of the people in the rural areas, 10 percent welcoming the change and the rest having no reaction. The results may be received with shocks by those who would like to apply the laws of Economics to our problems of rural development mechanically. Apparently, vast majority of the farmers do not produce any surplus for marketing. The egalitarianists may question the very locus standi and ethics of co-operative marketing. Is it going to subsidize the well-to-do capable of producing surplus ?

The answer is not again so simple. Under a free contract system

the all farmer is too weak to bargain. He is in a hurry to sell for cash income after harvesting of crops, -not only to buy other necessities of life but to pay off his debt to the society to demonstrate his credit worthiness and trust.

Under a structurally complicated agrarian system like that of Bangladesh where small and landless farmers are chained by limitations like inaccessibility to credit, economic erosion due to lack of holding power etc. an interventionist marketing operation may hold out good promises for the handicapped. Firstly, A well administered combination of credit with marketing may make credit and inputs available to the small farmers at reasonable rate in lieu of indigenous money lenders' usurious burden. Secondly, Farmers have been paying heavily in the marketing of produce because of imperfect marketing conditions, which can be counteracted by organized institutional process. Thirdly, a collective effort will help reducing the cost of processing, transportation, standardization, packing etc. and consequently raise marketability of produce. Lastly, at present; small farmers have been selling crops after harvesting at depressed price and buying the same at higher prices during the period of acute scarcity. The vicious cycle of economic law has been accelerating the process of their continued decadence. Storage coupled with marketing facilities at reasonable price after harvesting may produce counter effects. Interventionist type of marketing operation seems to be highly relevant in the context of our strategy or the attainment of food self-sufficiency. Due to heavy reliance on controlled irrigation and high yielding seed based technology, the Five year plan foresees 2/3rd of the projected additional output within 25 percent of the total cultivated areas. Though there is no direct co-relationship between the future Green Revolution and the response of the big farmers, marketing is suited to play more than a proportionate role. A guaranteed incentive price may become the basic precondition to the achievement of the ambitious target.

According to the survey of the Agricultural Marketing Department eight percent of the total produce of foodgrains could come within the purview of some sort of organised marketing operation during 1970 - bench-mark year for future references. In view plan's emphasis on institutional development for training and supply of inputs in the areas of intensive operation, the role of the cooperatives to deal with marketing problems can hardly be open to any controversy.

Experiences of the past.

Co-operatives have practically no credential in the marketing of foodgrains. While credit societies were easy to grow numerically; marketing co-operatives could not avoid confrontation with private traders and money lenders. Lack of experiences and expertise, inability to provide minimum service, acute organisational confusions, administrative incompetence and inflexibility, slow decision making process caused frequent losses and consequent liquidation of marketing societies. It is interesting to note a few Agricultural Marketing Co-operative Societies (of which The Apex Organization is the most glaring example) have been thriving on pure trading of non agricultural items under highly protective umbrella. In most of the cases, co-operative character of the operation has undergone degeneration.

Where Co-operatives may trade?

It sounds oversimplification to organise co-operative marketing societies without adequate assessment of marketing requirements of agricultural produce in different regions of the Country. It is natural to expect that marketing Co-operatives should grow in areas of concentration for increasing agricultural production.

As mentioned earlier the Governmental planning on the promotion of Co-operative Marketing societies were highly academic in nature. The issues should be clearly understood, especially in view of the widest gap between planning and implementation in this sector. It may be appropriate to take these up for discussion.

a) Organisational problem - The present official thinking is in favour of promoting multipurpose Co-operatives at the secondary level - combining credit extension, supply and marketing as a "Package Programme". Such a system may be open to serious limitations. Firstly; in a credit hungry society any multipurpose approach may relegate marketing to secondary importance. Secondly, any shorfall

in repayment of loan will be reflected into the viability of business operation. Lastly: it is hardly possible ^{to} combine diverse types of expertise in one organization. We strongly recommend, though the approach may be multipurpose at the primary level, separate Marketing Co-operative Federations should be promoted instead of combining different dis-similar responsibilities in one organisation. With the expansion in the volume of business, thana Agricultural Co-operative Marketing Societies may federate into a National Federation. The present scale of fruit and vegetable marketing can hardly justify formation of separation marketing societies except in areas of concentration like Chittagong Hill Tracts and parts of Sylhet District.

b) Role of the Government and the Private Sector -

Organised private trade may display more hostility towards the concept of Co-operative Marketing than Co-operative Credit societies. The former involves much deeper inroad into the realm of profit making ventures than credit societies. Private trade is flexible, and capable of putting aside profit consideration of long term planning. Besides, they operate under numerous informal contracts to bind down the producers long before the harvesting of crops; whereas the cooperatives may find linking of credit with marketing needs difficult. A sizeable Co-operative marketing programme on foodgrains can be feasible only under the umbrella of wholesale taking over of responsibilities of procurement of foodgrain by the Government. Government should chalkout comprehensive programme on procurement of foodgrain. Private traders may be permitted to deal in small scale operations in the village markets. The Co-operative Societies should be appointed sole agents of the Government in the procurement of foodgrains from the farmers. Neither any individual nor any producer should be competent to offer foodgrains to the Government for procurement directly.

While the whole arrangement may sound highly egalitarian, it is not without loopholes. The rich farmers and the traders may try to manipulate the cover of cooperatives by trying to deliver rice after procurement from the small and landless farmers under informal contracts. Ingenuity will be specially conspicuous if the Government undertakes any incentive oriented marketing programme to boost up agricultural production in the pockets of plenty. While it will be highly premature to suggest any ready prescriptive solution to the above problem; because of its intimate link with socio-economic arrangements (most of which are informal in character); appropriate administrative measures and clear policy decisions as deterrents will be highly helpful. Any one wanting to deliver foodgrain to the cooperatives for procurement should prove the produce was grown in his land under his direct enterprise. In view of far-reaching departure envisaged in the arrangement from our existing social and economic assumptions and immense administrative efficiency required for the implementation of such a programme, the experiment may be undertaken in a few highly selected areas in the intensive production zones after taking the composition of land holding, institutional development, communication and other existing facilities into consideration.

c) Share & Working capital-Vast majority of the farmers live at and below subsistence level. In the past, due to the absence of return; subscription of share capital and investment of savings with the co-operatives have been looked upon more as taxations by the members rather than assets to be relied upon. In the background of negative results, prospects for the mobilization of share capital and savings for business are not considered bright. Share contributions of the members will have to be supplemented by long term credit facilities from the institutional sources for marketing operation. In view of the unhappy experiences of the past, we do not favour any

direct Government participation in the share capital of the Cooperative Societies. Rather, Government's involvement in the risk sharing of a hazardous business till the cooperatives are capable of standing on their own legs will be more welcome.

D) Guaranteed price, Standardisation and quality control.

The issue of guaranteed price is a highly relevant problem of co-operative marketing. It is quite difficult to administer. The producers may be tempted to supply commodities of inferior quality. The proverbiality is higher with the marketing of fruits and vegetables. It is hardly appropriate to expect adequate expertise among the Co-operative Societies to ~~under take and~~ ensure reasonable performance on standardisation and quality control visavis system of guaranteed floor price. It may be necessary to undertake training programme of personnel under the Co-operative Societies. The Agriculture Marketing Department will be able to do some ~~by pi~~ pioneering work in this respect. In case of rice, the problems of standardisation and quality control will ^{be} easier. The experiences of the Food Department in training their agent i.e. Co-operatives could be utilised.

The price trends of agricultural commodities in different regions of the country should be continuously reviewed. The quantum of incentive price for procurement of foodgrains in different areas should be studied after taking the price of inputs including labour into consideration. An "Agricultural Price Commission" ~~should~~ ^{may} be appointed to sort out the policy issues between the Co-operatives and the Government.

If incentivitive pricing means a distinct premium over the prevailing market prices, where from the subsidy will be available? Apparently the present resource position seems to acute with little scope for flexibility. Hardly any sources for

financing such programme can be found out, while the agricultural credit requirements could not precisely be supported by any re-financing arrangements with the existing financing institutions. Last but not least, with the present status of the surplus farmers and the rural elites and its consequent impact on the Rural Institutions, the possibility of the well-to-do manipulating the benefits to their advantages may be quite high. In the long run the ethics of such an egalitarian approach may become targets for public disapproval. In view of all these shortcomings, our energies may be concentrated ~~the~~ on the stabilisation of food prices with some ~~policy~~^{bias} towards premium. Continued review of price trends, strengthening of administrative arrangements, training of personnel, widespread publicity on the objectives of the programme including audio-visual aids in the remote villages may be able to produce the desired results under highly limiting environment.

The Co-operatives should appreciate that their business activities should be formulated so as to be able to function efficiently in competitive ~~the~~ setup. It may be worthwhile to make advances to the producers to attract him to deliver produce to the societies. As a marketing society may not find it convenient to undertake credit operation, close link should be established with Co-operative Banks to ensure financing of the needs of the producers. Occasionally the marketing Co-operative may have to ~~the~~ be flexible enough to make advances to the producers. If Co-ordination between credit and marketing organisations and extension departments of the Government can be established; the resistance of the private traders can be greatly neutralised.

(E) Storage:

The existing storage capacity of foodgrains is mostly controlled in the Public Sector. The 5 year plan envisages the expansion of storage facilities to 10.58 lakh tons in the public

public sector. Though storage capacities in the Government sector are being multiplied the Co-operative Societies will require expansion of storage facilities for procurement of rice as agents of the Government. An appropriate authority may undertake an assessment of the needs of Co-operative Societies in this respect. Secondly, as regards financing, these could be built under Rural Works Programme as a measure of subsidy to the Co-operatives during the gestation period. Lastly, a Co-operative procurement programme should be comprehensive instead of being half-hearted. The Food Department procures Paddy and Rice under a narrow purview of marketing affording little choice to the sellers. Processing units may inject flexibility in the procurement programmes. The size of operation should be in conformity with the administrative, managerial capability and the extent of the marketing prospects. It may be advisable to start with conservative estimates. Instead of equipping a Tena ~~Central~~ Co-operative ~~Association~~ ^{Marketing Federation} with a large Rice Mill of two ton per hour capacity, simple Husking Machines can be easily installed with credit support from Bangladesh Small Industries Corporation.

(F) Distribution:

If private trading of Foodgrain is restricted with the expansion of state trading with Co-operatives acting at the secondary and ground levels in the chain, distribution should assume more importance. We pointed out earlier the scheme should not seal private trading off from any activity till an elaborate administrative machinery can be built up.

A country wide food rationing should be appropriate field of interest of the Co-operative Marketing societies. A pertinent distinction should be made between the consumers Co-operatives and marketing Societies selling ~~basic~~ basic consumption needs. A consumers' Co-operative Society has to play with the peculiarities of the ~~tastes~~ tastes of the people including their changing pattern. It may not have to wait long to expect the Co-operatives administering Food Rationing System. Government may pick and choose among the Co-operatives for

food distribution. The constituent primary societies should be capable of looking after the shops. The bulk of procurement of rice will be available in the intensive operation areas. The farmers being more productive in these areas, transportation of foodgrains from the surplus to the deficit areas will be the pre-requisite for a successful marketing operation. During the nascent period of growth, the Food Department may be charged with the transportation of grains from one area to another. Lot of inter Co-operative transactions will take place. The National Co-operative Marketing Federation may supply intelligence on price and availability to all the areas and co-ordinate purchase and sale.

(G) Suitability of Co-operative Law:

The present Co-operative Act and its Rules were tailored to the needs of a typical credit hungry peasant society with simple needs. It is full of safeguards and narrows down the scope of enterprise. Regulatory controls of the Registrar inhibits more than helping the process of growth. Experiences have been undervalued by restricting the term of a Director to a specified duration. Many approvals are necessary in investments programmes. Accounting system suits a limited operation. A review of the Co-operative laws is considered necessary to make the frame work business oriented.

In the developing countries Co-operation is likely to remain the chosen instrument of Government for the advancement of agriculture and other allied economic fields. But the developmental process is fraught with difficulties and danger signal. The rural elites and the dependence of the majority on the few for economic survival are great deterrants to the development of institutional solution of problems. In case of credit societies institutional degeneration is reflected in the monopolisation of loans into the hands of the privileged few. The process of the degeneration may be more severe in case of marketing societies. Is there any built-in mechanism to prevent the well to do from taking advantages of marketing facilities after procuring foodgrains from the landless and the small farmers at dictated terms? So long the rural and agriculture sectors have been the most convenient focus of exploitation in most of the developing nations. Besides being exploited from outside by commercial parasites

who live on agriculture without contributing to its development, the common people are dominated from within by the privileged minority. The vested interests of the latter are entrenched into the land tenure system and the numerous loopholes for impersonification by the strong in the name of the weak for taking whatever privilege the society could plan for the small man. While all these will remain the basic problem for which no short cut solution is available, Co-operatives will continue to dominate our thinking as myths for social justice. We have been thinking recently in terms of regulatory measures to democratise Co-operatives and for reducing the social influence of the elites and trying to monopolise institutional benefits. In the past; marketing societies have degenerated into something different from its objectives. Such a process of degeneration and departure from main objectives help the privileged few to establish their domination more firmly. Co-operative character of the organisations is lost in the wilderness. A few long term measure might be helpful in counteracting the above mentioned ~~xxx~~ trends by helping the process of maturity and preserving the value judgments.

1. The character of the constituent primary cooperative societies and their objectives should be made clear.

2. Services should be properly paid instead of being made honorary. Most of the absentee land owners get elected into the Managing Committees of Co-operative Federations due to the vacancies created by the majority who are obliged to keep aloof from managing of business because of their inability to render unpaid services.

3. The membership of the societies should be strictly confined to those who are eligible under the Bye-Law. In the name of fishermen, fish traders managed entry into the cooperatives. Similarly, farmers may not include absentee land owners leaving in the towns.

4. Annual General Meeting should be held automatically at the end of the term without any scope for extension ~~of term~~. The Managing Committee meeting should also be scheduled accordingly and their decisions be publicised widely.

5. A massive educational programme on the objectives of Co-operative movement can help to cement the bond of loyalty of the members to the society.

6. A Government policy with distinct bias for cooperatives will provide stimulus to farmers to organise themselves into cohesive groups.

7. The role of the Government Officers will be of interest. To what extent they are capable of acting as umpires between the conflicting interests of the privileged few and other members should be highly pertinent to the success of the programme.

CO-OPERATIVE MARKETING OF MILK & MILK PRODUCTS

BY

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CO-OPERATIVE MARKETING OF MILK
AND MILK PRODUCTS:

Milk is one of the few items of the Farmer which brings cash money for him everyday. If the Farmer can get a fair price of his Milk, he can substantially meet his daily necessities out of income from Milk and thus be encouraged to produce more and take better care of his Cows in his own interest. But situation in the rural areas of Bangladesh, particularly, the Milk producing areas known as MILK-POCKETS is different. The Farmer does not get a fair price and a ready market for his Milk.

Milk is the most perishable of all agricultural commodities which the Farmers in the rural areas would like to market but cannot do in the absence of a proper organisation and facilities for procurement, processing and marketing of Milk. In fact, if the producer desires to sell the Milk in its liquid form, he must do so within a few hours of its production. These conditions render the rural Milk Producers', particularly, vulnerable to exploitation by Milk merchants who operate in Milk-Pockets.

PRODUCTION:

Overall production of Milk and Milk products has been estimated at 18,590 maunds (1 maund = 82 Lbs.) in the country. Though there is a great need to increase production of Milk and Milk products, there seems to have been neglect of production during the last decade or more as annual growth rate of agriculture marked an increase of 3% while that of live-stock only 1%. Per capita per annum availability of these products has declined as indicated below :-

	1965	1966	1967	1968	1969	1970
MILK AND MILK PRODUCTS - LB.	26.40	25.00	23.80	22.60	21.40	20.40

(Planning Deptt. Agriculture Sector Study No.3).

Low returns from Milk for the lack of proper marketing make Farmers indifferent towards adoption of scientific methods of breeding, feeding, management of Cattle and health control through veterinary services which can raise the production of Milk and productive efficiency of Cattle. Moreover, for factors, such as low yield per Cow (less than 2 Lbs. daily on an average), flood, Cyclone, War of Liberation, diversion of agricultural land exclusively for production of feeds and fodders for livestock is not possible as the pressure of popu-

(PAGE TWO)

population on land and the present level of production and productivity of agriculture have made it imperative that the land use be confined exclusively to agricultural crop production for human consumption and thus lack of grazing fields, want of concentrated feed etc. are the main causes for declining production of Milk and Milk products in Bangladesh to-day.

MILK PRODUCTION IN IMPORTANT MILK-POCKETS:

P A B N A:

Shahjadpur, Sathia, Bera, Faridpur, Ullapura - 5 Thanas of Serajganj Sub-Division of Pabna district are the biggest Milk producing areas of Bangladesh and as per survey report of Agricultural University, Mymensingh and survey report of Mr. Kustrup of Denmark, dated 3rd November, 1972 about 5,000 mds. i.e. 1,85,000 Litres of Milk is available daily in the Milk season from December upto 15th June.

A short survey conducted by the Co-Operative Deptt. and the Co-Operative Dairy Complex reveals that it is possible to collect daily about 40,000 Litres i.e. 1,000 mds. from Faridpur, Manikganj and Tangail each for processing in the Factories. A short survey conducted by the BSIC it reveals that 20,000 Litres of Milk is available in Brahmanbaria (Comilla) for processing. Similarly, considerable quantities of Milk is produced in other Milk-Pockets in the country such as Noakhali, Patuakhali and low lying areas of Mymensingh district.

MILK PRODUCTS:

There are 3 (three) modern Dairies in Dacca, namely, Savar Dairy, Asto Dairy and Baby Ice Cream Factory, 1 in Lahirimohanpur (Pabna), 1 in Comilla, 1 in Kuliarchar (Mymensingh) and one in Chittagong. A Co-Operative Dairy Complex is being established in Dacca and its rural Milk-Pockets - Pabna, Faridpur, Tangail and Manikganj which will set up 5 new Dairy Plants and renovate of the existing Asto and Lahirimohanpur Factories. The total processing capacity of the plants of Co-Operative Dairy Complex will be about 1,00,000 Litres daily, out of which 60,000 Litres of Pasteurized Milk is to be supplied to Dacca and the rest will be converted into Butter, Milk Powder, Baby Food etc. Dacca Savar Dairy is a Govt. Dairy supplying about 2,000 Litres of Pasteurised Milk daily in Dacca City.

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(PAGE THREE)

Comilla Dairy is a Co-Operative Dairy and making some Cheese and Butter.

Kuliarchar Dairy is a privately-run dairy making some Cheddar Cheese.

Chittagong and Dacca Ice Cream Factories are abandoned properties and presently run by the Food and Allied Corpn., and supplying some Ice-Cream in Dacca and Chittagong. Besides, Cottage Cheese, Ghee, Sweets, Butter, Curd (Dahi), Whey etc. are produced by indigeneous process and marketed throughout the country.

SEASONAL VARIATION OF MILK PRODUCTION:

Most of the Milk Pockets are in low lying areas and go under water during monsoons and flood. The monsoon period is normally from July to mid November. As such all villages are flooded and the Cattles are confined to Stall-sheds and fed on Straw and minimum amounts of Bran and Oil-cake. Due to these straining conditions the Cows, in this period being at the end of lactation, go dry early and the production of Milk goes down to 25 to 30% of normal seasonal production.

PRESENT PATTERN OF DISTRIBUTION AND MARKETING:

Milk is now collected by the Milk-Dealers from the individual houses of Farmers or from the Village markets where it is brought by the Farmers themselves. These Milk-Dealers sell Milk to other Dealers who generally bring to Towns and Cities and sell to Town-Dealers. These Town-Dealers sell to small Milk Distributors, who distribute Milk to different house-holds and sweet makers of the Towns and Cities. This system of distribution starts round about 8 O'Clock in the Morning and ends by 3 to 4 O'Clock in the Afternoon. During this long period Milk is not cooled or processed but only some water is added which serves the dual purposes of adulteration and preservation of Milk a few hours longer (it is their belief that water helps Milk keeping a longer life).

The price of Milk is raised from 0.75 paisa per seer i.e. about a Litre at the producers' label to Tk:2.50 at customers' and where the percentage of adulteration is about 50 : Milk is generally brought to market in big G.P. Sheet drum by Bi-Cycle, Cycle Rickshaw, Motor-Vehicles, Motor Launch, Railway, etc.

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Milk producers' are very often paid weekly i.e. on market day and the Milk Dealers always dictate the pricing of Milk. Milk supplied in this way is boiled and consumed. This is the traditional pattern of Milk distribution and marketing.

Dacca Savar Dairy and Asto Dairy are supplying a little quantity of Pasteurised Milk which is a fraction of the total consumption needs of this fast growing metropolis.

Milk-Vita Butter and Milk-Powder, Comilla Butter and Cheese etc. are hygienically and scientifically manufactured and have a reputation and good market but their production capacity is very limited ; so adulterated butter is being sold in the market abundantly. As demand always exceeds supply resulting in high prices, adulteration etc.

CO-OPERATIVE DAIRY MARKETING:

Considering all the difficulties and problems described above, a scheme based on Co-Operative marketing of Milk and Milk products has been recently approved by the Govt. which is known as Co-Operative Dairy Complex as referred to above.

With a proper organisation, use of co-ordinated transport system for Milk procurement from villages (using a combination of Motorised Boats, Trucks and head-loads for short distances) and use of modern Dairy Technology it is possible to link the production of Milk in rural areas with the urban markets. The urban consumers will get Milk of better quality for what they now pay and it will permit the producers to receive an incentive price for Milk which will induce them to adopt the scientific practices of animal husbandry. The Co-Operative Dairy Complex will be operated by a federal organisation called the Eastern Milk Producers' Co-Operative Union & about 500/1000 rural Milk Producers' Co-Operatives are its constituents. The programme of the Co-Operative Dairy Complex is as follows :-

- i) Dacca Dairy will receive 60,000 Litres liquid Milk daily to be collected by insulated Milk Tankers from Pabna, Tangail and Manikganj. This Milk is to be Pasteurised, filled in Plastic Satchets and distributed to the people of Dacca City either through the Milk-booths in different parts of the city. Short

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supply from the rural Dairies in the initial stages and also thereafter during the slack season will have to be balanced by recombined Milk using imported Milk Powder (and if necessary, Butter Oil) ;

- ii) Tangail and Manikganj which have comparatively better road link with Dacca will have only Milk Chilling Centres of 10,000 Litres per day each.
- iii) Faridpur which has a difficult road link with Dacca would have a Milk Pasteurisation Plant with 25,000 Litres Milk per day capacity ;
- iv) The Pabna Dairy at Baghabarighat will be the only Dairy in the Complex that will convert its surplus Milk into Milk Products with a capacity to handle 50,000 Litres of Milk per day.

DAIRY MARKETING PROBLEMS:

1) Quality control, grading, standardisation etc:

There are no law or regulations strictly observed as regards quality, grading etc. of Milk and Milk products. As a result adulterated Milk and Milk products are being sold in the market freely and these products really create problems for the quality products in respect of price etc.

2) Adjustment of supply to market demands:

As discussed, above demand always exceeds the supply and thus creates a gap which affects the smooth marketing. In the lean season, Milk production sharply falls but in the peak season Butter production exceeds the demand, so both shortfall and excess affects the market.

3) Habit:

People are used to drinking Milk after boiling. So, Pasteurised Milk is boiled before drinking and thus the purpose of Pasteurising is defeated.

4) Competition:

Due to absence of strict observance of law and regulations, adulterated Milk is being supplied to the individual house-holds by the traditional Milk-dealers, people have become used to get Milk delivered at their door-steps. This system of delivery, if required to be arranged by the modern Dairy has been found to be expensive

Contd...P/6

and not economical at all unless it is heavily subsidised by the Govt. as is done in U.K., New Zealand and in other developed countries of the World.

As adulterated Milk is supplied by Milk-men, they are in a position to supply at a considerably cheaper prices than the Pasteurised Milk processed in modern factories.

5) Imported Milk Powder :

Imported Milk Powder sometimes affects the Dairy marketing very adversely. In fact Milk-Powder either imported or received for relief is freely sold in the market and in the past we have seen, these being sold at a much cheaper rate than the local factory production.

6) Standardisation:

There is no standardisation of Dairy products marketed in the country.

ADVANTAGES OF CO-OP. DAIRY MARKETING:

In most of the developed countries of the world, Milk and Milk products are processed and marketed through the Co-Operative Societies of the Dairy Farmers. In Denmark, 90% of the total production of Milk is processed and marketed through the Co-Operative Societies of the Farmers. They buy, process and sell on behalf of their members - who are the sole owners. The main purpose of the Co-Operative Dairy is, of course, to obtain the best possible price to the Farmer for his Milk. Similarly, in New Zealand, almost 100% of the production of Milk is processed and marketed through the Farmers' Co-Operative Societies. Even in India, Co-Op. processing and marketing of Milk and Milk products have become successful than the state owned Dairy factories, glaring example of the successful Dairy Co-Op. is "Anul" of Gujrat. Co-Op. marketing maintains higher standards, stimulates better production, interests more producers, makes producers more confident, fosters community spirit, opens better markets, functions for middlemen and brings better price for the Farmers.

ARRANGEMENT FOR BETTER CO-OPERATIVE MARKETING OF MILK AND MILK PRODUCTS:

1) A market-survey should be carried out for finding exact nature of demand of Milk and Milk products and the consumption pattern of Milk and Milk products in various

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sections of the people of the Society. It will help to organise the future course of actions. A similar survey was sponsored by the National Dairy Development Board in 1966 in collaboration with the Indian Institute of Management, Ahmedabad, for the Baroda Co-Op. Milk Plant (Gujrat) when this plant was facing tremendous competition of selling Pasteurised Milk in bottles from the traditional Milk-dealers. The plant management accepted the suggestions offered by this survey for increasing the sale and now it is selling about 1 lakh Litres of Pasteurised Milk daily where it used to sell only 13,000 Litres before the survey.

2) SALES CAMPAIGN:

Milk is an important item of food for children as well as adults. One Litre of Milk contains no less than 25 percent of an adults daily calorie requirements, 10 percent of protein requirements, 100 percent of calcium requirement and a considerable proportion of some of the most important vitamins. So, a Milk Sale Campaign is really a health Campaign.

Raw Milk contains pathogenic bacteria (which causes T.B., Typhoid, Dysentery etc), so to kill this types of bacteria Milk is Pasteurised and then cooled so that this bacteria can not grow. Thus pasteurisation safeguards the consumers against the disease germs and gives it a little longer keeping life than raw milk. The traditional habit of boiling Milk destroys the quality particularly, the vitamins of Milk. Thus vigorous campaign should be made publicising the nutritional value of Milk, safe of drinking pasteurised Milk (and giving more stress that this Milk is safe to drink without boiling) and for the change of habit of boiling milk through different media of publicity such as News-paper, Radio, Television, documentary film, Posters, demonstration etc.

In India, Milk-Powder received from the World Food Programme as gift is processed as recombined Milk and marketed through the different Dairy Plants mainly for the following purposes :-

- i) Imported Milk-Powder does not affect the local production and market of milk and Milk products ;

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- ii) To increase the habit of drinking recombined Milk ;
- iii) To create fund for the development of Milk Industry.

Similar arrangement should be made in our country through Co-Op. system in respect of Milk-Powder received from International organisations.

3) Quality control, grading, standardisation etc:

Regulations should be made for the control of quality of Milk and Milk-products. Different grading should be introduced in respect of quality of Milk and Milk products and standardisation of different products should be introduced. Unless regulations are made and strictly enforced, no regulations and systematic market will develop, Co-Op. Dairy control, grading and standardisation as and is being done in many countries of the world.

∟ Complex project should take lead in the country in quality

COOPERATIVE PRINCIPLES

by

Lionel Gunawardana
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ICA/SCC/BJSU/BSMS National Seminar

on

" AGRICULTURAL COOPERATIVE MARKETING "

Dacca, November 5-17, 1973

COOPERATIVE PRINCIPLES

by

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Definition of a Cooperative Society

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.

Origin of Cooperation

The Cooperation in its broader sense is not a product of any particular land. The idea of cooperation is as ancient as human history itself. There are traces of cooperative actions in human behaviour, from the earliest period of civilization. There are numerous examples, in our society, from ancient times, where people cooperated among themselves, in performing common social functions, and each others's activities.

The idea of modern cooperation, is of recent origin, and the Rochdale Pioneers can be justifiably credited, with bringing into being the modern Cooperative Movement.

The modern Cooperative Movement was started as a consumer movement, when the Rochdale Pioneers - 28 of them - inaugurated their Equitable Pioneers Society in 1844, with a meagre capital of £28 - in the midst of depression, wage cuts and unemployment.

A certain writer has described the getting together of the Rochdale Pioneers in the following words. "At the close of the year 1843, one of those damp, dark, dense, dismal, disagreeable days.....a few weavers, out of employment, and nearly out of food, and quite out of heart with the social state, met together to discover what they could do, to better their industrial conditions".

From this meeting was born, the world Cooperative Movement.

Cooperative Principles

The principles enunciated by the Rochdale Pioneers became the guideline for the cooperators the world over. In a sense they were never being questioned nor have they ever appeared in the agenda of the ICA Congresses for discussion until in 1931, when the Congress resolved to appoint a Committee to examine "the present application of the Rochdale Principles". This Committee made its final report to the Congress of 1934 in Paris.

As a result of this report the International Cooperative Alliance recognised seven Rochdale Principles, but concluded that only four of those could be applied universally at the international level for the purpose of ICA membership.

They were:

1. Voluntary Membership;
2. Democratic Control;
3. Distribution of surplus to members in proportion of their participation in the transaction of the society;
4. Limited interest on capital.

The other three were:

5. Cash trading;
6. Religious and political neutrality;
7. Education

ICA Commission on Cooperative Principles

ICA Congress held in 1963 in Bournemouth decided to request the Central Committee to constitute an authoritative commission "to examine the present application of cooperative principles in different types of society and in different political and economic spheres and to advise on the right formulation of cooperative principles in the light of their application throughout the world at that time".

The Central Committee appointed a five member commission in October 1964. The commission based its studies on answers to a questionnaire it issued to the ICA's affiliated organisations as well as selected non-member organisations and individuals, and interviews it had with leading cooperators.

The commission submitted its report to the ICA Congress held in Vienna in 1966.

In its Report, the Commission recommended six principles as essential to genuine and effective cooperative practice both at present and in the future as far as that could be foreseen.

The six principles are briefly stated as follows:-

- i. Voluntary and open membership
- ii. Democratic control
- iii. Limited interest on capital
- iv. Equitable division of surplus
- v. Cooperative education
- vi. Cooperation among cooperatives

I shall quote each principle as stated in the Rules of the International Cooperative Alliance at the point of explaining it.

The proper application of Cooperative Principles is essential for the success of the movement, for they ~~are those which~~ "are those which are essential, that is absolutely indispensable, to the achievement of the Cooperative Movement's purpose".

All the six principles are equally important. "They form a system and are inseparable. They support and reinforce one another. They can and should be observed in their entirety by all cooperatives if they claim to belong to the Cooperative Movement", (ICA Principles Commission)

The first four principles set out the working methods of the cooperatives and the other two state what is essential for the continued progress of the movement.

Voluntary and Open Membership

"Membership of a cooperative society shall be voluntary and available without artificial restriction or any social, political, racial or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership".

This principle can be sub-divided into two parts, namely, "Voluntary Association" and "Open Membership",

Voluntary Association

- i. The individual should be free to join or withdraw from a society. There should not be any direct or indirect compulsions. However, his entry or exit should not affect the society adversely. Therefore this freedom can rarely be absolute. It can be modified or restricted by other considerations of greater validity.
- ii. The member should be loyal to the society. He should realize and fulfil his obligation to the society and the society in turn should reciprocate.
- iii. This loyalty can come only if the member has joined the society of his own free will and not under compulsion.
- iv. A society is not obliged to retain a member if his conduct is detrimental to its interest. The condition of expulsion however should be clearly laid down in advance and known to both parties.

Open Membership

- v. Those who can make use of the services of a particular cooperative society and are willing to accept the responsibilities of membership should be able to become its members without any artificial restrictions.
- vi. Cooperative movement is at once a social movement seeking to increase its adherents. Naturally it should welcome and encourage the eligible persons to become members.
- vii. Artificial restriction means limitations imposed on the size of membership without there being a practical need to do so. Natural restrictions may exist which prohibit a society from enrolling everyone who is in need of the services of the society. For example, a housing society would have to limit the number of its members in relation to the extent of land available to it.

- viii. "Open membership" does not mean that cooperatives are obliged to enrol all persons who may apply for membership. Those who do not have the common need or can not make use of the services cannot become members. For example, a rice grower need not be admitted to a citrus growers society.
- ix. The selling of shares of cooperatives to the state making it a member of the cooperative concerned is a violation of the principle of "open membership". The common need of the members which the society seeks to satisfy is not the common need of the State. When the common need of the members is the acquiring of articles required by them the State can come only as a supplier and when the sale of articles is the common need the State can come in only as a purchaser. Further, the State is not prepared to submit to the internal disciplines of the cooperative as laid down for members by its administrative organs.
- x. The open membership (with the unavoidable restrictions) makes a cooperative society distinctly different from a Joint Stock Company. Because of open membership shares remain at the nominal value fixed by the society's rules.

Democratic Control

"Cooperative societies are democratic organisations. Their affairs shall be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies shall enjoy equal rights of voting (one member, one vote) and participation in decisions affecting their societies. In other than primary societies the administration shall be conducted on a democratic basis in a suitable form".

- i. The primary purpose of a cooperative society is to promote the interests of its members. To achieve this end the members must have the

final say in the society. Therefore there should be an effective method of consulting the members as a body. To ensure that the members interest gets the highest priority in the administration of the society's affairs, those who administer the affairs must be chosen directly or indirectly by the members.

- ii. "One man, one vote" is the most condensed expression of the democratic administration of cooperative societies.
- iii. In the case of organisations of higher tiers, one member one vote would work satisfactorily only in organisations where there is no great disparity in size between their affiliated societies. If there are wide disparities in size, each affiliated society should have votes in proportion to its own individual membership, a "method which unquestionably pays proper respect to the human factor".
- iv. In developing countries where governments give large funds to the societies, government representation on Boards of Management become necessary. Without generous amounts of government finance, cooperative development in these countries will be slow. However, representation should not continue "a day longer than it is necessary".

Limited interest on capital

"Share capital shall only receive a strictly limited rate of interest, if any".

- i. There are two principles designed to eliminate profit. This is the first.
- ii. The fact that capital adds productivity to labour is recognised. The conception in the cooperative society is that of labour working with capital and not for capital.

- iii. The threemain forms of capital in a cooperative: (i) Share capital; (ii) Capital owned by society in the form of reserves etc; (iii) External borrowing etc. The limitation applies really to the first. No interest is payable on the second. Interest may be calculated for the purpose of internal accounting. In the case of the third, the interest rates are not likely to exceed the rates prevailing in the external money market.
- iv. There is no principle which obliges that interest should be paid. Even if no interest is paid, there is no clash with the principle.
- v. If interest is paid below the rate which may be regarded as fair elsewhere then also it can be regarded as payment of limited interest.
- vi. If a certain limited rate of interest is paid for a certain period but raised or lowered according to the long range movement of interest rates, and not in response to short-term fluctuation on the money market, that does not contravene the principle.
- vii. If a premium is merged into the rate of interest, it is, "from a cooperative point of view, at least dubious".

Disposal of surplus (savings)

"Surplus or savings, if any, arising out of the operations of a society belong to the members of that society and shall be distributed in such manner as would avoid one member gaining at the expense of others.

They may be done by decision of the members as follows:-

- a) By provision for development of the business of the cooperative;
- b) By provision of common services; or
- c) By distribution among the members in proportion to their transactions with the society".

- i. This is the second principle designed to eliminate profit.

- ii. Cooperative way is to render service at cost. The trading surplus is "an overcharge which belongs to those from whom it has been derived and to whom it should be returned" (Calvert).
- iii. With regard to the distribution of surplus there are certain operational aspects that must be considered:-
 - a. Provision of goods and services to members at low prices which hardly leads to accumulation of surplus for distribution.
 - b. The business prudence some time may require that all or large part of the society's earnings to be placed to reserve.
 - c. A major part of the surplus may have to be devoted to provision of common enjoyment to the members.
- iv. In the disposal of surplus, there are two main points that should be kept in mind:-
 - a. How to find the proper balance between the interest of the society and those of the individual members.
 - b. To do justice as between one individual member and another. It is important to remember that economic benefits conferred on the members are of various kinds - money, goods or service.
- v. The distribution of surplus among members is an important characteristic that distinguishes a cooperative from a Joint Stock Company.

Cooperative Education

"All cooperative societies shall make provision for the education of their members, officers, and employees and of the general public, in the principles and techniques of Cooperation, both economic and democratic".

- i. Definition of education for the purpose of cooperation :

"For the purposes of Cooperation, however, education needs to be defined in a very broad sense which includes academic education of more than one kind but much besides. It includes both what people learn and how they learn it. Every phase of experience, which adds

"to people's knowledge, develops their faculties and skill, widens their outlook, trains them to work harmoniously and effectively with their fellows and inspires them to fulfil their responsibilities as men or women and citizens, can have educational significance for Cooperation. Less and less in the contemporary world can education be limited to what is learnt in schools and colleges at special periods of people's lives. According to the cooperative concept, education is a life-long process".
(Principles Commission Report, page 34).

- ii. The persons who should be covered by the process of cooperative education can be divided into three groups :
 - a. Members
 - b. Office holders
 - c. General public.
- iii. The first group, the members, need to be educated in :
 - (a) principles of cooperation
 - (b) rights and duties of members
 - (c) elementary economics which is of relevance to day-to-day life.
- iv. The second group, the office holders, include board members and professionals employed. In case of board members education has to be more intensive than in the case of ordinary members. It should include a great deal of business knowledge. The professionals employed need to be trained in appropriate techniques.
- v. The third group, the general public, should be regarded as potential members, persons who must be won over into the cooperative fold. They should be kept informed about the cooperative movement's "aims, its organisation and methods, its achievements and its plans for the future".

Cooperation among Cooperatives

"All cooperative organisations, in order to best serve the interests of their members and their communities shall actively cooperate in every practical way with other cooperatives at local, national and international levels".

- i. The cooperation among cooperatives is playing now and is destined to play in the future a very important role.

- ii. If the cooperative movement is to achieve continued progress, it has to meet effectively the opposition of big business and of its spokesman, the capitalist press. The cooperative movement, especially in developing countries, has a bad press. It is only a united movement that can meet this opposition effectively.
- iii. Cooperation between cooperatives may take the form of (a) economic collaboration, and (b) ideological cooperation.
- iv. Economic and ideological collaboration among cooperatives may be discussed under three headings :
 - (a) Relationship between primary societies and between primaries and higher tier organisations.
 - (b) Cooperation among different sectors of the movement.
 - (c) International Cooperation.

(a) Relationship between primary societies and between primaries and higher tier organisations :

The ultimate objective of the primary societies and their federations is to serve the primary member. To achieve this end there must be closest possible cooperation and coordination between them.

(b) Cooperation amongst different sectors of the movement:

Ideological and economic collaboration amongst different sectoral cooperatives is very necessary for the continued progress of the movement.

The ideological collaboration can take the form of joint facilities for education and training of members and employees.

Economic collaboration amongst various sectors of the movement can be of mutual benefit to them. Cooperation between producers' cooperatives and consumers' cooperatives will lead to the seemingly paradoxical but true result of producers getting better returns and consumers receiving the products or services at lower rates by eliminating the middleman.

International Cooperation :

Regional and international seminars and conferences of the International Cooperative Alliance and other international and regional organisations have enabled the cooperative movements of different countries to learn from each other and has created a feeling of solidarity amongst them.

There are many national cooperative institutions which receive foreign cooperators for training. These international exchanges have positive effects on the growth of cooperatives.

There are examples of economic collaborations amongst movements in the west and to a lesser extent in the developing countries. The Scandinavian Wholesale Society and Japan-Thai Aid and Trade Agreement in which Japanese Movement is assisting Thai cooperatives in the production of maize are two examples.

Conclusion :

"Humanity at large is seeking, however blindly, for a major transformation from a system dominated by capital to one based on human dignity and equality. The Cooperative Movement, when true to its principles and armed with the courage of its convictions, can prove by practical demonstration that a world society is possible in which man is no longer the slave but master of economic forces".

The objectives and the ideals of the movement as a whole "are no less than the attainment of a stage at which conflict, monopoly and unearned profit cease to exist" and this can be achieved only by "the unstinted and united efforts of all cooperators and cooperative institutions, large and small, national and international".

Government's Role in the Marketing of Agricultural Produce
and its support to Marketing Co-operatives.

-:00:-

S Y N O P S I S

A.N.M.Eusuf
Registrar of
Co-operative Societies.

I. Introduction.

a) Need for Co-operative Marketing:

Need for agricultural co-operative marketing can hardly be over emphasized. Due to improved irrigation facilities and supervised credit in some areas surplus food production has already been achieved. But in the absence of organised marketing facilities, lack of adequate transport and storage facilities the farmers are unable to get fair price in many cases. This may serve as dis-incentive for increased production. The need for organised marketing is, therefore, imperative. Secondly, linking credit with marketing is essential for proper utilization of the credit facilities. In the absence of organised marketing there shall always remain the possibility of the credit being misused to the detriment of agricultural productivity.

b) Benefits of Agricultural Co-operative Marketing:

The benefits are obvious. Firstly, if an organised marketing could be developed the farmer would be assured of fair price for his commodity. This will serve as an incentive for more production. Secondly, the consumers would be assured of a steady flow of supplies at a reasonable price. Thirdly, erratic price fluctuation to a large extent would dis-appear.

c) Existing Agricultural Co-op. Marketing Structure in Bangladesh:

During mid-sixties 35 central multipurpose (marketing) societies and 611 union multipurpose societies were assisted by the Govt. through the then East Pakistan Co-operative Marketing Society. Till 1970 17,245 tons of storage capacity was built-up

built-up through these societies. A total of Tk.80.00 lakhs was made available to these societies as working capital with the storage capacity created and the working capital received the 35 central societies and 611 union societies marketed 29.85 lakh mds. (1.11 lakh tons) of agricultural produce valued at Tk.614.86 lakhs during the third five year plan period. The societies earned a total net profit of Tk.18.90 lakhs although some of the societies incurred loss.

The Committee appointed for review of the existing marketing structure noticed the following short comings:

- i) There has been gross under utilization of the storage facilities.
- ii) Trained managers equipped with the problems of agricultural marketing were not available. Co-operative officers on deputation did not have adequate marketing, back ground and experience.
- iii) Judged from organisational stand point the societies were not conducive enough for large scale marketing operation.
- iv) For successful market operations Co-op. Societies need to be equipped with processing units. Very few of the societies have processing units of their own.
- v) Delayed construction of godowns hampered marketing operations.
- vi) Godowns in many places were not ideally situated.
- vii) The objective of linking marketing with credit could not be achieved.

2. Role of Govt. in Agricultural Co-operative Marketing:

Agriculture in modern concept includes:

- All types of food & non-food crops
- Horticulture & products thereof
- Animal husbandry including cattle rearing,
- Dairy & dairy products
- Poultry and eggs
- Forestry and pisciculture.

Govt. role in Agricultural Co-op. Marketing should be mainly :-

a) Regulatory:

- Determination of market charges & practices
- Arbitration of disputes
- Elimination of arbitrary trade weighing and handling allowances,
- Negotiated fixation of maximum market & handling charges.
- Enforce/arrange improved flooring, watering facilities, sheds for cattle, fowls and rest houses for market users.
- Information services about best type or varieties of crops and market trends.
- Display of information about arrivals, sales and prices of all essential goods & commodities.
- Legislation against malpractices.
- Issue necessary licences to buy and sell
- Introduction of economic handling methods.
- Check misuse of licences for import and export.
- Introduce uniform weights, scales, measures, grades & standards through legislation.
- Specify rules for ware- housing & credit.
- Regulation of public marketing facilities, operation of transport market, slaughtering facilities etc.
- sanitary measures.
- Control of general property rights
- Inspection and certification of programmes.
- Standardisation of products.
- Inspection of standards, grades, ~~labels~~ labels.
- Training programme for producers, processors, whole-salers, retailers and consumers.
- Set standards of business ~~either ethics~~ ethics.

b) Financial:

- Allocation of funds in accordance with planned development programme.
- provide guaranteed loans.
- Construction of needed transport facilities.

... ..

.../...

- Allocation of long term investment capital .
- Provide special local and seasonal transport facilities.
- Facilitate introduction of improved methods of handling, processing & distribution.
- Investment in new equipment.
- Construction of suitable storage and handling facilities.
- Supply the needed production credit & offer relief from tax burdens.
- Facilitate export.
- Assist in forming marketing co-operatives.
- Provide technical advice, services & supplies & loans at low cost.
- Subsidise cost of administration where necessary.

(c) Education & Information:

- Establishment of market information service.
- Crop reporting service
- Market Investigation & research.
- Marketing education & extension programme
- Pilot marketing projects with experts
- Create advisory services for farmers & their organisations in marketing matters.
- Training in marketing practices
- Mobilise technical knowledge, administrative experience and capital needed for improvement through information & motivation.
- Training Programme for managers and other personnel.

3. Some Specific Suggestions:

- a) The existing storage facilities with the marketing societies is too inadequate. The Govt. should help creation of substantial additional storage facilities.
- b) In order to ensure incentive price to the farmers the Govt. should be prepared to buy bulk of the marketable surplus from the Co-operatives.
- c) The Co-operative sector should be given first preference in establishment of rice mill, cold storage dairy, ice-plant and fish processing plant.

- d) Wherever the Co-op. sector propose to establish rice mill, cold storage etc. additional licence in the same area should be denied in order to avoid over capacity and unhealthy competition.
- e) All machineries to be imported for co-operative marketing and processing purposes may be exempted from payment of duties and taxes.
- f) Credit for establishment of marketing set up and processing plants should be provided on preferential terms.
- g) Govt. should announce a support policy for procurement of paddy from the farmers as well as rice from the Co-operative mills.
- h) Govt. should subsidise administrative cost of the marketing set-up for a period of three years.
- i) The Govt. should obtain expert advisory services from abroad for assisting the marketing co-operatives.

4. Programme for the First:Five Year Plan Period:

a) Agriculture:

- i) Linking of Marketing of Agricultural Produce with Co-operative Credit.

The scheme envisages

- a) Establishment of Rice Mills of 2 ton capacity per hour each complete with par-boiling, drying and workshop equipment- ... 5 units.
- b) Establishment of cold storage plants each of 1000 tons capacity- ... 5 "
- c) Dev. of societies-(1)Primary- 100 nos.
(2)Secondary- 10 nos.
- d) Construction of storage godowns-
for primary society(500 tons capacity)-100 nos.
for central society(1500 tons capacity)10 nos.
- e) Purchase of Trucks- ... 30 nos.

.../...

ii) Development of Sugarcane Growers Co-operatives:

The scheme envisages-

- | | | |
|---|-------------------|------------------|
| a) Organisation and development of societies- | (i) Primary- ... | 250 nos. |
| | (ii) Central- ... | 5 nos. |
| b) distribution of S.T. & M.T. loan- | | Tk.13.35 crores. |

iii) Establishment of Co-operative Dairy Complex:

The scheme envisages-

- | | | |
|--|-------------------|----------|
| a) Organisation of milk producers co-operatives- | (i) Primary- ... | 500 nos. |
| | (ii) Central- ... | 1 no. |
| b) Establishment of pasteurisation, products dairy and chilling plants with total capacity to process 1.00 lakh litres of milk per day- (Pabna, Dacca, Faridpur, Tangail & Manikganj)- | | 5 nos. |

Total cost 100. million Taka.

iv) Fisheries Sector:

The scheme in this sector envisages the following:-

- | | | |
|---|-----------------------|-------------|
| a) Organisation & development of Fishermens Co-operatives- | Primary- .. | 200 nos. |
| | Central- ... | 20 nos. |
| b) Construction & mechanisation of (i) Fishing boats- | ..... | 2,000 nos. |
| | (ii) Carrier vessels- | ... 50 nos. |
| c) Construction of ordinary country boats with nets and gears- | ... .. | 3,000 nos. |
| d) Establishment of Ice and Cold storage plants- | ... .. | 25 nos. |
| e) Freezing plants- | ... .. | 2 nos. |
| f) Fish processing plants- | ... .. | 2 nos. |
| g) Repair workshops- | ... .. | 4 nos. |
| h) Purchase of Motor Trucks including 5 nos. of insulated trucks- | ... .. | 30 nos. |
| i) Procurement and distribution of nylon twine, nylon rope, floats and other fishing materials. | | |

.../...

j) Training of Fishermen & crew-	...	5,000 nos.
k) Collection and marketing of members catch -	...	120 lakh mds.
l) Distribution of S.T. and M.T. Loan-	...	Tk.200.00 lakhs.

5. Conclusion:

The Govt. has a very vital role to play for development of agricultural co-operative marketing in Bangladesh, without massive Govt. assistance and subsidy it would not be possible for the marketing structure to flourish. But the initiative must come from the co-operatives themselves. They should be able to stand on their own in the foreseeable future without Govt. subsidy.

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- N.B.:- i) Excepting the Co-operative Dairy Complex project the other schemes have not yet been approved. The plan targets are, therefore, only tentative.
- ii) The views expressed in this paper are of the author and do not necessarily represent the views of the Govt.

OPERATIONS OF PRIMARY MARKETING SOCIETY

By

M. KASAOKA

Needless to say that agricultural cooperative is the organization formulated by small farmers aiming at securing the maximum profit by making use of collective and organized power of the small producers to the possible extent.

Among the functions carried out by primary cooperative, marketing activity would be the final process because only through that it can achieve the target of benefiting the member farmers by assuring the profitable price.

In order that the prices of farm products can be maintained at a reasonable level in the market, it is necessary to improve the quality on the basis of planned farming and to deploy high level marketing activity.

For this purpose, agricultural cooperative provides member farmers with necessary services such as farm guidance, supply of agricultural inputs, processing and marketing of agricultural produces and finances etc. These services should not be functioned independently but in the way of linking each other. Especially with a view to realizing the best return, the planned marketing may be the most important point. In order to bring about the planned marketing, the planned production or planned farm management should be an essential condition. Now it has become indispensable to link production with cooperative marketing particularly to cope up with **over-supply** of farm produce and if necessary, cooperatives take steps to adjust the production towards changing demands. But how can we realize the linking operation, production and marketing. In other words, how to operate marketing business in an integrated way with other business. This is the subject which I have to deal here.

As mentioned earlier, there are two purposes in strengthening the integration. One is to adjust as well as expand the marketing operation. The other is to improve production and its marketing according to consumer preferences beyond the simple function of selling what is produced by farmers. In most of the countries of this region, agricultural technical guidance given by the Government extension officers have aimed at increasing farm production and unfortunately had little concern with farmers' interests. That includes:

- i) How can they get credit - timely and adequately.
- ii) Cooperatives should strengthen marketing activity in favour of member farmers by linking of credit with marketing.
- iii) Cooperative should provide storage facilities to their members.

Such guidance given by the Government extension officers, of course, has its own significance. But more attention and efforts should be paid to farming management. Now our target becomes clear that agricultural cooperative should play an important role in carrying out its own farm guidance activity so that it can integrate production and cooperative marketing resulting in the best return to the farmers.

II. How to work out "Production Plan".

Business programme of agricultural cooperatives should be a plan approved by a majority of member farmers in the general meeting. Usually it is a yearly programme which stipulates the policy and contents of the business as a whole. On the other, a management plan is worked out in more detail for implementation based on the business plan. Therefore, production plan and marketing plan

should be carried out as a part of management plan. Most important factors in carrying out cooperative marketing is that member farmers work out their own plan of farming management as well as utilisation plan of their cooperative so that it can take the necessary steps in advance to meet the requirements from members.

- i. How to promote member farmers in working out "the farm management plan or production plan".

Management plan of each farmer plays a fundamental role to improve farming management and living standard as well. Further it can promote the cooperative business involving the majority of member farmers. Therefore, in drafting management plan, not only member farmers but also cooperative itself should predict the moves in demand and supply situation, prices, and trends in the market and make use of these information to the possible extent in leading farmers.

In drafting, the cooperative also should make arrangement for members to discuss their different ideas in the meeting so that their drafting work will progress. On the occasion of having such meeting, farmers should be divided into several sub-groups so that they can discuss more freely and be given more detailed information. Because apart from excellent farmers, they seem to be rather difficult to fully understand the actual state of their management, to work out their own management plan and to link the plans with various projects prepared by the cooperative. It is, therefore, necessary for the cooperative to help the members to work out their plan through such small sub-groups.

- ii) Contents of "Farm Management Plan".

It would be natural that each farmer put stress on different aspects in preparing their plan due to differences in their farming operations, scale and capacity. As a result, the contents of plan

....4

may not always be the same. Therefore, in order to formulate business plan of cooperative, it is necessary to sum up common features.

Guidance should be given in such a way that the following three points are included in their blueprint:

- (a) planning of production and marketing of farm products including dairy products and livestock.
- (b) planning of purchasing both production material as well as daily consumption.
- (c) estimate of income and expenses.

These three points mentioned above are intimately connected with each other.

iii) How to assemble "Farm Management Plan".

The cooperative, of course, cannot adopt all the figures mentioned in these blueprints. Because it may be difficult for cooperative to take all the responsible actions to meet the wishes made by farmers without considering present status and capacity.

Figures collected from member farmers should be used as fundamental data, but if it seems to be too large or too small, it must be revised in consultation with member-farmers concerned.

Needless to say, such discussions between the cooperative and its members are of great importance. Because to confirm the target figures of the members is of use for increasing their sense of participation in the cooperative movement and they will feel greater responsibility for the cooperative business. Thus, the cooperative comes into next stage where it works out own business plan on the basis of the figures confirmed in the discussion with members.

III. Marketing plan of agricultural cooperative.

The marketing business plan must be in line with the basic business policy of the cooperative. Therefore the marketing plan is of no significance unless it is formulated according to the basic business policy.

The marketing plan of cooperative should be composed of three parts:

- i) Business Volume Plan
- ii) Income and expense estimate
- iii) Fund Plan.

i) Business Volume Plan

A business volume plan should be drafted by the Chief of the Marketing Section in accordance with the management standards.

Primary factors of the plan are volume level, commission income and utilization of upper organisation classified by items.

The following things can be pointed out as important aspects in working out the business volume plan:

- (a) Since business volume cannot be fixed regardless of funds and revenue and expense, the plan should be drafted in line with the management standard of cooperative linking it with the other two.
- (b) Primary cooperative, if necessary, must discuss with the secondary federation in drafting its business plan.

ii) Revenue and Expense Plan

The objective of the revenue and expense plan is to clarify the details of the revenues and expense of the marketing business of cooperative, find out and correct weak points in the business management and help make full use of the comprehensive cooperative management system.

If the cooperative incurs a loss, the following points should be examined:

- a) Is the business volume not too small and is the utilization of cooperative by the members satisfactory ?
- b) Are commission rates appropriate ?
- c) Are operation cost not too large compared with handling volume and commission income ?
- d) How is labour efficiency ?

iii) Fund Plan

Together with the business volume plan and the revenue and expense plan, the marketing business fund plan should be a part of the general financial plan. In the marketing business it is especially necessary to work out a fund plan because a large amount of funds is required and a strict control over credit and debt is essential. During the tight money period, the money control would be a key point to implement a business plan.

Commercial dealers in most countries of the region possess the business funds and work ahead of the cooperatives in the collection of farm produces, usually by making partial payment in advance of collection or at the time of shipment. Therefore, if cooperatives want to compete with commercial dealers, it is quite necessary for cooperatives to extend loans to farmers at the time of the harvest or make advance payment when agricultural produces are carried to the warehouse or shipped.

Before drafting the plan, following preparation would be necessary:

- a) Make a numerical tabulation of the present and past financial records of the cooperative. Especially, in case of consignment system, not buy up system, the consignee in principle receives the sales proceeds after

it is collected and adjusted by the cooperative and if the consigner needs some money in advance, cooperative should make a tentative payment. Without such measure, member farmers may not ship their products to the cooperative but be compelled to sell the products to the merchants to get quick cash income. If the upper federation is in a position to make tentative payment, primary society may not need to make such a fund. Anyhow, it is quite important for primary society to make itself ready for such payment and to grasp each member's financial situation.

- b) Prepare the details of the actual results of the previous year classified by items.
 - c) Examine and arrange each member's sales plan.
- iv) How to examine the results.
- a) The figures in each plan are not merely wishful one but should be a real target that can be achieved by the cooperative. The main reason why the plans are rather neglected and achievement not satisfactory is due to a lack of adequate studies on the state of implementing plans. Therefore emphasis should be made on making studies continuously and regularly during the plan period because the marketing plan is the starting point of a general management plan. Needless to say that figures in a plan are estimates for the future and actual results do not always match the plan. So, personnel who are in charge of marketing business keep watching the progress.

b) As I have already mentioned, the most important point in the marketing business of a cooperative is to collect as much quantity of produces as possible from its members in accordance with the plan.

For this purpose, cooperatives not only rationalize the collection system but also link the marketing with production plan of each member farmers and set up an adequate cooperation system in the field of production technology, supply of agricultural inputs and credit etc.

The following things can be pointed out as essentials for examining business results:

- i) See the state of handling in the light of the plan and if collection of produces is delayed, find out whether it is caused by seasonal factors or by a poor business system.
- ii) See if good collaboration is maintained among those as guidance activities on production technique, propagation of improved varieties, standard fertilization and consolidating organisations for joint pest and insect control.
- iii) Examine whether marketing is conducted in such a way that supply of credit as well as agricultural inputs is done so smoothly that it can be fed back in the form of consigned goods.

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CAUSES OF HIGH COSTS OF MARKETING

By

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INTRODUCTION

Marketing involves all business activities that have to be performed in bringing the agricultural produce from the farm to the ultimate consumer. Thus, it includes activities such as collection of marketable surplus from the farms, their transport, assembly, grading, processing, packing, storage and sale to the ultimate consumer.

In Asian countries where the economy is dominated by agriculture, arrangements for marketing of farm produce assumes vital importance.

The Cooperative Movements in the countries of the Region of South-East Asia have assumed a position of increasing importance in their present economies and they have been instrumental to a great extent in fostering the general welfare of the people. In most of the countries in the Region the cooperative movements have functioned for long periods. However, the entry of the movement into marketing business is comparatively of recent origin. The cooperative movements which were initiated mainly for providing credit for the farmers, hesitated at the beginning to enter the field of marketing. It was in 1930s that the movements in most of the countries in the Region attempted to enter into this field. It has been a very difficult task for the cooperatives to compete with the private traders who had entrenched themselves in this

field, and at the beginning failures exceeded successes. Though in many countries in the Region the marketing cooperatives are doing commendable service they fall far short of their potentialities.

STRUCTURE OF AGRICULTURAL MARKET

Structure of the agricultural market in the countries of South-East Asia follows somewhat a uniform pattern. The primary producer sells his produce largely in the village itself. The traders from cities also come to the villages for collecting produce or make their purchases at the village through their agents. In this method of sale the farmers are saved of the botheration of having to take their produce to distant markets, though they may get lesser prices for their produce than they would get if they sold them in markets situated in cities.

There are weekly or bi-weekly markets in central places covering a group of villages. The farmers bring their produce to these markets on fixed dates and sell to traders who come to make purchases.

The large-scale producers normally bring their produce to bigger cities for sale which enable them to get a higher price for their produce by avoiding the middlemen.

STRUCTURE OF THE MARKETING COOPERATIVES

In most of the countries of the Region the structure of marketing cooperative movement is of federal type, but pattern of organisation is not uniform. Generally, however, it is three-tiered. The primary societies cover a village or a group of villages. These societies are federated at district or regional level. The districts or regional federations are further federated into apex organisations at the state or national level.

REASONS FOR HIGH COST OF MARKETING

As pointed out earlier the farm produce has to undergo a chain of processes which are together termed as marketing before they reach the hands of the ultimate consumer. These processes are essentially productive, for production is the creation of utility. What the farmer produces on the farm is only the raw material. It is the marketing process that adds form, place, time and possession utility to them. Obviously this complicated process of marketing adds to the cost of the product as much as it adds to the utility of the product. Surveys conducted in the United States of America showed that on the average as much as 57% of what the consumer spends on food items goes for marketing charges and only 43% goes to the farmers.

A table showing producers' price, distribution cost and retail prices of some agricultural produce in Japan is given below.

PRODUCERS' PRICE, DISTRIBUTION COSTS AND RETAIL PRICE
OF FRUITS & VEGETABLES IN JAPAN FOR 1965 GIVEN IN PERCENTAGE

	Producers' price	Transport	Packing	Agril. Coop. Commi-ssion	Whole-sale Commi-ssion	Whole-sale price	Retailers' margin	Retail Price
Radish	42	10	1		5	58	42	100
Chinese Cabbage	34	25	2		6	67	33	100
Cucumber	64.8	1.9	3.7	1.6	6.7	78	21.3	100
Apples	46	7	12	3	5	73	27	100
Orange	61	4	5	2	5	77	23	100
Peas	40	5	13	1	4	63	37	100
Grapes	59	2	6	1	5	73	27	100

The share the farmer gets from the consumer's rupee also varies from one commodity to the other. This is because the marketing of some products is more complex than the others. For instance, the farmer's share of what consumer spends on bread is much lower than his share of what consumer spends on rice.

The fact that marketing adds to the price of commodities should not be a reason for complaint by the farmers or for that matter by anybody else, as it is an essential part in the process of production as much as the activities that goes on in the farm. However, considering the substantial part of the consumer rupee that goes to pay the marketing charges, it is an area where attempts should be made to effect economies, not only to increase the farmers share of the consumer's rupee but also to bring down what consumer has to pay for his food.

Agricultural commodities by their very nature are more costly to handle than industrial goods. Following are some of the reasons for this high costs of marketing of agricultural produce arising out of the nature of the agricultural produce as well as other factors that influence their marketing.

Bulkiness

Most of the agricultural produce are bulky in relation to their value. Hence they require more space in storage and transport which would tend to increase the marketing cost. The labour charges for handling is also high as payment for handling has to be made on weight and volume and not on value.

Perishability

The perishable nature of agricultural commodities make it necessary to have special arrangements for storage, transport, etc. Produce has to be moved from the farm to the market swiftly and special conditions for storage like refrigerated warehousing may be necessary. The spoilage and deterioration on storage and transport are greater.

Seasonality

Farm output is seasonal in character. But the demand for them, at least for certain commodities like foodgrains, are relatively steady throughout the year. This makes it necessary to store large quantities for long periods to balance the seasonal production with throughout the year consumption demand. In case of commodities that are produced and consumed in particular seasons they require storage and other facilities that may not be used during the rest of the year.

Localised nature of production

Particular crops can be grown only in particular areas while consumption is widespread. Mostly they are grown in places which are distantly away from the population centres. These situations necessitate long distance transport of agricultural produce.

The small size of the farm

Usually farms in the countries of the Region of South-East Asia are small. Therefore, each farm-hold has only small quantities of marketable surplus. The collection and assembly of these small lots from scattered farms become a costly affair.

Lack of uniformity of cropping

Often it is found that number of crops are grown in the same area. Even when one crop is grown there may be several varieties. This makes their collection, grading and storage complicated and expensive.

Lack of well-developed infrastructure

The difficulties encountered in transportation of agricultural produce from scattered farms are also a contributing factor to the high cost of marketing. Much go waste due to the delays in moving the produce to the consuming or processing centres.

Competition

Competition among various agencies that are engaged in marketing activities is yet another reason that makes marketing costly. Due to the competitive nature and the existence of multiplicity of agencies in the field and the maintenance of various facilities separately by them, full utilisation of these facilities do not take place, thereby increasing per unit overhead expenditure for the marketing operations.

WAYS OF REDUCING COST

It was pointed out earlier that a substantial share of the consumers' rupee goes to pay the marketing charges and the share that goes to the farmer is small. However, it is necessary to point out that the important thing is not the size of the share the farmer gets, but the total return he receives and its relation to his cost of production. Therefore, efforts have to be made to reduce marketing cost not merely to reduce the share that goes to pay the marketing charges but to increase the farmers

returns while keeping the consumers price as low as possible. It is also important to note that as standards of living of the people improve, there will be an increasing demand from the consumers for more processed and elaborately packed food items, which tend to increase the marketing cost. These demands have to be met and these processes cannot be avoided in order to reduce the marketing cost.

Organisation of Cooperatives

The first step the agricultural producers need to take in reducing marketing cost is to organise marketing cooperatively as it is only then that they can exercise a control over marketing operations of their produce. The organisation of marketing cooperatively will result in deriving the advantages of economies of scale as it would enable the pooling of resources in maintaining various facilities necessary for large-scale marketing operations and their utilisation to the maximum extent thereby reducing the overhead cost.

The organisation of cooperative marketing has taken place under two situations.

- a) to provide facilities of marketing where these functions were non-existent.
- b) to provide an alternative to the private trade, where marketing services were performed solely by the private traders.

In situations where facilities for marketing are non-existent the need of organising marketing cooperatives need no explanation.

It is of course hard to find areas where some sort of facilities for marketing are non-existent though they may be inadequate. However, there are areas where no organised marketing facilities are available for certain commodities.

Where facilities for marketing are provided solely by the private trade, need for cooperative marketing arises firstly because of the defects and malpractices in the private trader monopolized marketing system. Private traders as mentioned earlier have entrenched themselves in the marketing business in most of the countries in the Region and they have their own trade channels and through an integrated structure of their own, control the market and manipulate prices. They use money lending as a tool to gain control over farm produce. The farmers who are eternally indebted to the traders hardly have any bargaining power and are almost compelled to surrender their produce at whatever prices traders fix for them. The All India Rural Credit Survey Committee, describing the powerful position of the private trade in India with regard to marketing remarked, that, "Often enough, the cultivators' position is that of having to bargain if he can, with someone who commands the money, commands the credit, commands the market and commands the transport". Under these circumstances cooperative marketing is the best solution if not the only solution to salvage the farmers from the clutches of the private trade. The proper and efficient organisation of a cooperative marketing system will help the producer to obtain a fair price for produce by reducing the price spread between the producer and the consumer.

Other reasons in favour of cooperative marketing may be enumerated as:

- a. It not only supplies and alternative to private trade but also disciplines the private trade.
- b. It educates and trains the farmers in business.
- c. It helps the consumer by way of comparatively low prices by eliminating middlemen.

- d. It helps to make the plan of agricultural production more effective by making agriculture a profitable pursuit and encourage the farmer to produce more.

Integration - Vertical and Horizontal

An examination of the present status of the marketing cooperatives in the Region would suggest that there is a great need for both horizontal and vertical integration of marketing cooperatives, as much as, if not more than, in the other sectors of the movement. The vertical integration and the creation of economically viable units will enable the society to employ well qualified and better trained personnel in their management which is essentially a pre-requisite for effective management. It will enable the societies to derive the benefits of economies of scale by being able to handle larger quantities of commodities. This will also avoid unnecessary competition which results in wastage of limited resources.

The vertical integration of the marketing cooperatives into unions will bring about better cooperation and coordination among individual cooperatives. The union will be in a position to handle more complicated, specialised and heavy capital consuming activities like processing which individual cooperatives may not be able to handle.

Engaging in Supply of Agricultural Inputs

It is important for marketing cooperatives, to undertake supply of agricultural inputs. Apart from the fact that it is easier for the agriculturists to draw their supplies of agricultural inputs from the same society, there

are several economies that could be effected by combining the functions of marketing and supply in one society. For instance, considerable saving can be effected in transport by combining the delivery of the agricultural inputs to farmers with the collection of agricultural produce from them.

Integration of Marketing and Credit

Prior indebtedness of the farmers to private moneylenders have been an obstacle to the progress of the cooperative marketing. The farmers are compelled to sell their produce to the private traders due to their indebtedness to them and are unable to bring their produce to the cooperative marketing societies, even if they are willing to do so. This deprives the cooperative marketing societies a substantial portion of their agricultural produce and in certain cases may not get sufficient quantities necessary for efficient marketing. To overcome this, marketing societies should extend credit to their members for production purposes, at least in places where facilities for cooperative credit is absent or inadequate.

Dealing in all agricultural commodities

The farmers who deal in number of crops may find it difficult to deal with number of societies. Handling of marketing of all crops grown by the farmer members by one society will undoubtedly contribute to the reduction of marketing cost by facilitating easy collection and payment for them and the common use of the facilities necessary for marketing operations. Wherever it is necessary to employ special methods for collection storage, etc. of different commodities and where specialised knowledge is necessary the cooperative marketing societies may set up different sections to handle different commodities but under one coordinated management.

Linking of marketing cooperatives
with consumer cooperatives

Creation of an effective link between marketing cooperatives and consumer cooperatives at various levels is yet another field that must attract the attention of both marketing and consumer cooperatives. Such an effective link would be beneficial to both types of societies. The marketing societies will find an assured outlet for their produce and may be able to bring about considerable reduction in marketing cost by directly dealing with the consumer cooperatives. The consumer societies can feed the marketing cooperatives with market information regarding consumer preferences, etc. which they can pass on to the agriculturists so that they can adjust their production plans in the long run to suit the consumer demand. The consumer societies will have a direct access to the sources of production. Therefore it is in the interest of both these types of cooperatives to have closer coordination and cooperation among themselves.

Uniformity in production

Growing of multiplicity of crops and different varieties of the same crop in the same area make their handling difficult and costly. For instance, if different varieties of paddy are grown in an area covered by a single marketing society it becomes difficult for the society to arrange for their collection, grading, storage and processing. This is an area where farming guidance as well as marketing intelligence services of the cooperatives have important functions to perform. Agriculturists must be properly guided in the desirability of growing fewer and if possible one variety. The selection

of the varieties should be based on consumer preferences.

Grading

Grading is another area which must get adequate attention of marketing cooperatives. When agricultural produce is not graded into different qualities they fetch low prices and thereby not only reduce the total return to the agriculturists but also increase the per unit cost of marketing in relation to their value.

Storage and transport

Storage and transport are some of the major factors that influence the cost of marketing. Greatest possible care should be exercised in those fields to ensure efficiency. Packing of agricultural produce in good containers to avoid their wastage and deterioration on storage and transport is very essential. As far as possible cooperatives should have their own storage and transport facilities.

Processing

Processing is the single stage that adds the greatest utility value to the agricultural produce and in most cases largest costs in the marketing process is involved in this stage and any agency that wishes to exercise control over marketing operations must have an adequate control over this activity. Therefore, it is necessary that marketing cooperatives must have processing units as an adjunct to the normal marketing operations. The marketing cooperatives which would have experience in handling the agricultural produce in the raw form can utilise that experience in setting up processing plants.

Undertaking of processing activities, for instance, in case of paddy will not only help the agriculturists in getting a higher margin for their produce but also in reducing the transport and storage cost.

Modernisation

A large part of the cost of marketing is also attributable to the cost of labour. Methods of reducing labour cost by introducing modern machinery and labour saving gadgets in all stages of marketing have to be employed if this cost is to be reduced. It is not only in reducing labour cost that modernisation becomes essential. Even to enable the handling of increasing production and increasing demand for finished product by the consumers whose standard of living is steadily improving, introduction of modern machinery becomes necessary. Proper training of labour is another way of reducing per unit cost of labour.

Efficient organisation

The need for efficient organisation of marketing activities at all levels and stages as a surest means of reducing cost needs no emphasis. In this respect the organisational structure of the marketing cooperative movement as a whole as well as that of the individual marketing cooperatives need to be examined. In a federal type of structure that exists in most of the countries in the Region, the cooperative organisations at various levels should only be allowed to exist if they perform useful functions in the effective discharge of marketing operations. Duplication of efforts has to be carefully avoided, lest they add unnecessarily to the cost of marketing. Creation of number of organisations at various levels may result in unnecessary movement of stocks and extra handling cost. In the absence of a proper organisation of the cooperatives the extension of the cooperative principle into the marketing business will only court failure and frustration.

pk/8 November 1973

FUNDAMENTALS OF MARKETING

by

Olle Ekelius

LECTURE TITLE

The basis for good marketing is to have a good knowledge of:-
the market (local, regional, national, international)
the functions of the market,
the characteristics of the product

can only be reached by careful study of the market

1. The goal of cooperative marketing operations.

Producers: To get as high as possible return to the producers (long-run) for their products.

Consumers: To get the right product as cheap as possible to the consumer.

2. The function of marketing.

To make the produce available at the right time, in the right place and in the desired form as wanted by the consumer.

2.1 The time function.

Aim: To match production and consumption.
You can have variation in both, going in different directions.
Limited possibilities to store the factors of production which means that you have to store the product.

Different types of storing should be carried out by different agencies:-

Short-term storage	)	:	producer, consumer
Seasonal storage	)	:	marketing agencies
Long-time storage	)	:	Government agencies

2.1.1 Costs of storing:

The different components can be listed as follows:

- a) Interest on capital.
 - relationship easy to calculate
 - The rate either bank-rate or internal (alternative) interest-rate.
 - The evaluation of the stock either the buying cost or the prevailing market price or the selling cost.
- b) Maintenance costs.
 - Actual costs/or work, electricity, insecticides etc.
- c) Fixed costs
 - Depreciation and interest on buildings and machinery.
 - Involves estimation of the right life time of the investment (e.g. its economic life-time) and a decision on whether to use factual building costs or re-building costs.
- d) In and out costs:
 - Easily calculated on a per unit basis.
- e) Quantitative losses :
 - Difficult to calculate in advance.
 - Depends on the products, the facilities and the maintenance.
- f) Qualitative losses :
 - Depends again on the product, facilities and maintenance.
 - Most products deteriorate in quality in an exponential way.
 - Exception sometimes - Fruits
Cheese
- g) Risk-taking :
 - This is a payment for taking the risk of incurring losses.
 - That can be looked upon as a speculation can (and in most cases probably do) even out the price fluctuations.
 - Refined methods of calculation but involves always a projection (guess).

2.1.2 Summary

The price of the products sold = the buying price + cost items (a) to (g) above.

Not on every single transaction necessarily but at least on total storing activities.

From a cooperative point of view probably this should hold for each commodity each season. Otherwise do some members subsidize others.

2.2 Place function

This involves transport, which is one of the technical achievements that have influenced agricultural international trade the most.

2.2.1 The costs of transport favours bulk transports of big quantities as compared to assembling of small quantities of different qualities. The distance class not play an important role in modern transportation technique.

2.2.3 Who should carry the cost of assembling and transport.

Depends on whether the commodity is produced in small quantities and/or

at irregular time periods and/or
is non-perishable

or if it is

produced in big quantities and/or
frequently (daily) and/or
perishable

2.2.4 The theory of production location :

The von Thunen theory. Depending on perishability and transport facilities mainly.

Modifications because of processing is possible.

2.3 Form function :

This means to get the produce in the right quantity, quality, package etc. to meet the consumers demands.

The aim is to find the right consumer for each quantity and quality of the produce and thus maximize the returns from the market to the producers.

The means are listed below:-

2.3.1 Dressing for the market :

The form function should start at the farm and means in its simplest form to take away waste and offals.

Should be done when :

- there is an extra price incentive
- if the payment for the product is done after removal
- if transport costs thereby can be lowered
- if the waste and offals can be used on the farm.

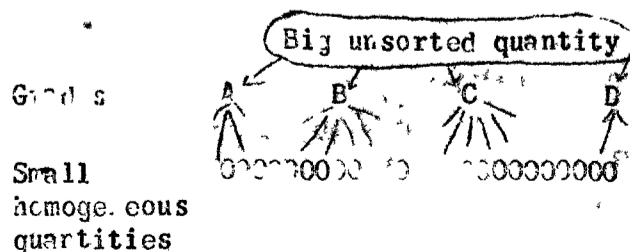
Note that the demand for a product expands and contracts at the lower end of the quality scale.

2.3.2 Classification & grading:

Classification means that by individual inspection of a product put it into specified quality classes.

Grading means to divide inhomogeneous big quantities into homogeneous smaller ones, and put these homogeneous quantities into homogeneous bigger quantities or blend different qualities into a specified wanted mixture.

generally by
some mechanical
device



2.3.2.1 When does quality production pay.

Three main preconditions should be fulfilled.

- a) the quality should have a specific characteristic (e.g. taste, smell, form, colour etc)
- b) there should be a certain scarcity for that quality
- c) there should be effective demand for the quality.

The extra price paid for the better quality should cover the extra cost incurred in primary production and/or marketing.

2.3.2.2. The quality distribution of agricultural produce.

As agricultural production is a biological process, we do generally have a quality distribution that is in accordance with the normal distribution. This means a small quantity of as well high as low quality and the main produce being of medium quality.

This means that there are no undisputable class or grade limits, but they have to be put arbitrarily according to market demands and available production.

To be able to sort it to different qualities you must know the quality distribution of the produce and whether you can find the consumers of the different qualities.

2.3.2.3 Advantages of getting large quantities of a homogeneous quality.

- a) The quality becomes established and well-known.
- b) This makes it possible to trade on delivery agreement.
- c) The formulation of contracts becomes less complicated.
- d) Market intelligence becomes easier to collect and interpret.
- e) The produce can easily be used as a security for loans.
- f) Processing is facilitated.

In general, it could be said that sorting and quality production almost is a pre-requisite for orderly marketing and thereby helps establishing cooperatives.

2.3.2.4 Should the price differentials from the market be taken down to the producer in cooperative pricing?

Educational purposes may indicate that the price differential should be bigger to the producer than to the consumer. On the other side as the costs of marketing higher qualities in general is higher than that of lower qualities the price differential should be lower.

This has to be judged from case to case.

2.4 The dynamic function :

The aim is to help the farmer to plan his production in accordance with market-demands.

This can easily become a problem in cooperative pricing. The cooperative should not act as a wall between the consumer and the producer.

Note also the specific problems for farmers to adjust to changing marketing conditions. These are:-

- a) decisions about type of production can just be taken at certain times (e.g. sowing season).

- b) the farmers often lack production alternatives.
- c) in early stages of development the farmers feel a need of producing his own food.
- d) the farmers work with very high fixed costs.
- e) uncertainties in production are big from as well a biological as an economical point of view.

The dynamic function of marketing means thus :-

in the short run try to find outlets for existing agricultural production,

in the long runs to adjust production to market demands (internal and external).

ROLE AND ORGANISATION OF FARM GUIDANCE ACTIVITIES

By

M. Kasaoka
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ICA/SCC National Seminar

on

"COOPERATIVE FARMING-cum-MARKETING"

Lahore, December 17-31, 1973

ROLE AND ORGANISATION OF FARM GUIDANCE ACTIVITIES

By

M. Kasaoka
Marketing Specialist
ICA Regional Office, New Delhi

In most of the countries of the Region in South-East Asia, agriculture has been managed on a very small scale except several kinds of products and therefore the farmers have been practically unable to do research in the new techniques. Owing to the capital accumulation being small, the introduction of new techniques cannot be effected until decisive results have been clearly demonstrated.

From our experience in the Japanese agriculture, progress has been realised as a result of research in the new techniques at the central or local institute of agriculture and efforts of those who have been trained in Universities and other agricultural schools. However, even if an excellent technique is invented, practical farming will not develop unless suitable organisation is established which can transmit it to the individual farmer or groups of farmers.

1. Actual position of extension services in the Region §

Speaking generally, the basic responsibility for providing agricultural extension services is that of the concerned government departments. Although in Japan and Taiwan, the agricultural extension services provided by the government are, to some extent, more developed than elsewhere, the cooperatives also maintain some extension workers of their own.

§ Cooperatives in Asia: Mohinder Singh

In Japan, a cooperative (with an average regular membership of 981 farmers) employed, on an average, 2.6 extension workers in 1970. In Taiwan, a farmers' association (average membership over 1,600 farmers) employs three to four crop specialists and one or two veterinarians. In both of these countries, incentive extension work has been undertaken for decades.

In South Korea, agricultural cooperatives at the prefectural level (with over 15,000 members) employ, on an average, a little under eight field workers for extension work (including one adviser). There, the staff and budgetary resources of the concerned government department are not adequate for providing guidance in agricultural technology. Elsewhere, it is not customary for cooperatives to employ extension workers; the government set-up for agricultural extension is often weak and there is hardly any effective integration between extension supplies and credit except in some limited selected areas, for example, intensive agricultural district programmes in India and Pakistan.

2. Its importance in increasing production and in ensuring effective marketing

Member-farmers are making efforts to increase their income by introducing new production techniques and mechanisation, expansion of the size of unit holding expected to result in improved productivity. With a view to realise larger income it is needless to say that, on the one hand, basic conditions of production have to be consolidated by land improvement etc. for introducing new production techniques and machines, and, on the other hand, agricultural cooperatives have to increase participation not only in the field of distribution but also in the field of production directly.

Cooperatives have to attain stronger bargaining position for member producers by strengthening the activities from production to

distribution. To attain better marketing position it is necessary to intensify production of selected commodities, which are to be taken up after careful study of economic geography and natural conditions of the area as well as trends of demand in the market. But what is the role of farm guidance ? It is very clear from experience that the success in cooperative marketing depends on whether or not we can organise an integrated system throughout all the process, say, from production to marketing.

Farm guidance activity plays an important role in organising farmers into commodity groups so that cooperatives can be in a position to lead member farmers effectively not only in the field of production but also collection of produces, shipment and marketing. In addition, farm guidance activities can create an interest and willingness among farmers to improve their farm management. If they do not show any interest or willingness to the cooperative movement, it would be impossible for cooperatives to organise the member farmers. So the member farmers work out their farming plan with the help of farming guidance extended by cooperatives and then cooperatives can work out their marketing programme on the basis of marketing plan of individual member farmers. Of course, on the occasion of working out the marketing plan, the cooperative should predict the demand and supply situation and also the prices in the market so that member farmers can adopt the best possible ways in their management. The farming plan of individual farmers may consist of three factors: (i) planning of production and marketing of farm products, (ii) planning of purchase of agricultural input, (iii) estimating income and expenditure as a whole. If there is no help by the cooperative in the field of farming guidance, it would be very difficult for individual member farmers to make their

farming plan and as a result of lack of guidance activity, cooperative itself cannot prepare its marketing plan and cannot give profit to member farmers in the marketing activity.

3. The content of farm guidance and necessary organisation to promote it.

The content of farm guidance would be very complex, but it can be divided into two categories, namely technical instruction including seed and stock improvement, mechanisation of farming operations and disinfection etc., and secondly management guidance including organisation of production systems and farming managements, etc.

As regards the organisation for extending farming guidance, we have some experiences in Japan and in India.

(1) Farming instruction in Japan is conducted mainly by agricultural cooperatives and by agricultural extension officers of prefectural government. Although the status, qualifications and functions of the two differ, farming instruction is their common task. The extension officers of the prefectural government are working mainly for education and propagation of new production techniques developed by agricultural experimental stations and research institutions, while cooperative farm guidance advisers are giving their services in economic matters relating to farming. In other words, their work is closely associated with business economics and facilities established for economic benefit of members. There are some examples of agricultural cooperatives closely collaborating with governmental institutions in order to reach the common goal. For instance, take the soil improving system.

Prefectural union of cooperatives and prefectural marketing (including supply) federation set up the liaison committee in collaboration with prefectural government as well as the agricultural experimental stations. The members of this committee are specialised in soil and

fertiliser, ordinary crops, fruits, vegetables, special crops, farming machinery and so on.

The following matters are to be discussed in the committee.

- (i) To select the crops to be grown on an economically viable scale in the prefecture.
- (ii) To design the plan for soil improvement and effective fertilization.
- (iii) To examine the measures suitable for implementation.
- (iv) To assess the results of its performance.
- (v) To set up the demonstration field.

The primary societies also set up the liaison committee so that they can promote the movement more effectively and more concretely in consideration of special problems confronting primary societies. Therefore, here, the presidents of primary societies are requested to play an important role in organising the committee and generally they take office as the Chairman of the committee.

Main constituents of the committee are

- (i) Farm guidance advisers.
- (ii) Chief staff who are in charge of supply and marketing sections of the primary society.
- (iii) The leader of commodity groups.
- (iv) Farm extension officers.

The functions of the committee are as follows:

- (i) To hold the commodity group meeting and, if necessary go round the member farmers' houses to explain the detail of the plan for soil improvement and better fertilization.
- (ii) To hold field demonstration with a view to check the effectiveness of implementation.

- (iii) To conduct a field survey and provide necessary advice to the farmers from time to time.

(2) Experience in India.

Rao Cooperative Cold Storage, which is located in Indore district in Madhya Pradesh with 230 members, introduced the idea of farm guidance services in June 1972. Since the time of establishment of the society, it has not been in a position to market the potatoes stored in its cold storage and member farmers themselves have transacted the marketing of their produces. However, recently the society decided to market some part of the potatoes stored through society and in order to get advantageous price in the market and to profit the producers, the idea of farm guidance services was introduced.

Farm guidance activity to be provided to the member farmers includes the following functions:

- (i) Soil testing
- (ii) To give the necessary information about the use of
 - (a) fertilizer
 - (b) insecticides
 - (c) pesticides
 - (d) other agricultural input

so that the member farmers can utilise these materials effectively and economically.

- (iii) To set up demonstration plot and show the experiments to the farmers.
- (iv) To introduce the idea of farm management among the farmers which includes : production plan, income and expenditure plan and fund plan.

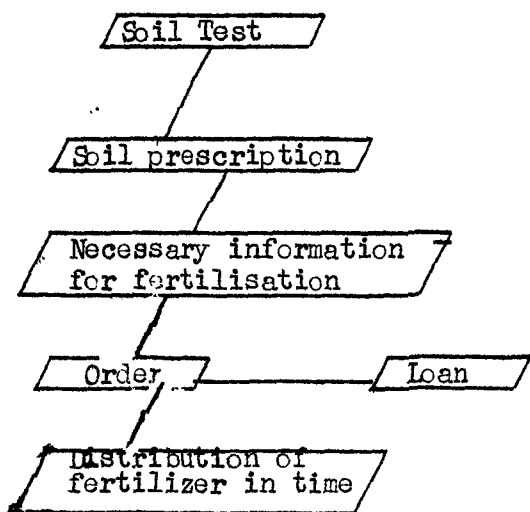
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- (v) To provide member farmers with necessary market information
- (vi) To conduct the course for family education
- (vii) To organise the commodity group such as potato, wheat, vegetable, maize etc.

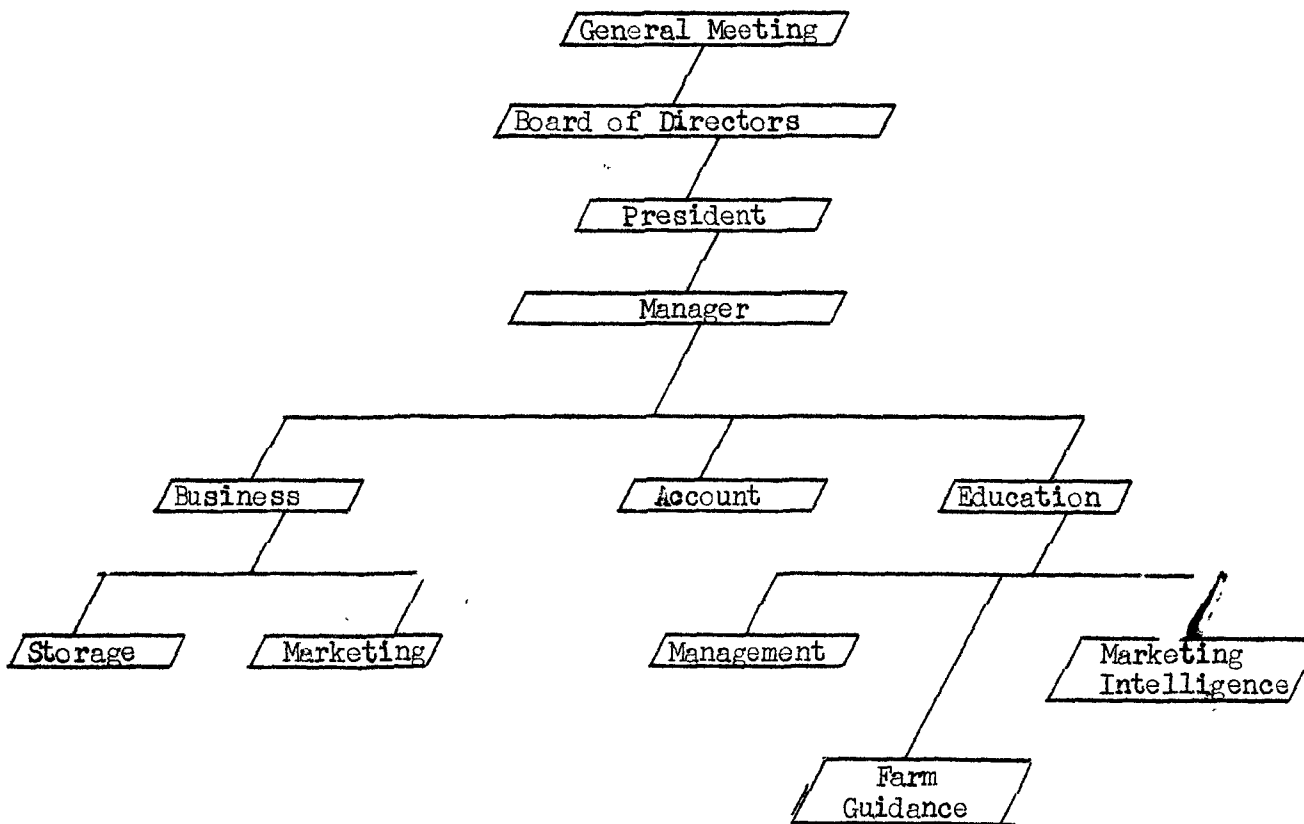
In the initial stage of farm guidance activity of the society, the soil testing was performed. The procedure of soil testing is as follows:

- (i) To hold small group meeting and inform the member farmers as to how to take the soil sample of their farm field
- (ii) Farmers take soil samples and bring it to the society
- (iii) Farm guidance adviser collects those samples and analyses it in collaboration with the specialist for soil testing of agricultural college
- (iv) After getting the result of analysis, farm guidance adviser prepares the soil prescription and informs it to the member farmers concerned.
- (v) Now, farmers are able to know the necessary amount of fertilizer to be applied in accordance with the soil prescription.
- (vi) Society receives the order of fertilizer from member farmers in advance and can take necessary steps to get loans from the central cooperative bank.

Integration of farm guidance and supply credit



Structure of Rao Cooperative Cold Storage



5. Finally, I would like to mention again the importance and role of farm guidance activity through agricultural cooperatives.

(i) Farm guidance activity of agricultural cooperatives should intend improvement of overall farm economy and progress of

cooperative business by means of joint activities relating to agricultural production.

(ii) Farm guidance activity of agricultural cooperatives should be established by their own efforts and initiative.

(iii) Farm guidance activity of agricultural cooperatives should put more emphasis on economic aspects of farm management in order to help farmers in increasing production, reducing production costs and providing best possible marketing conditions, so that better economic returns may be ensured. It is also an education process to change attitudes of farmers and create an interest and willingness among farmers to improve their farm management.

LECTURE OUTLINE

FINANCIAL CONTROL AS A TOOL OF EFFECTIVE MANAGEMENT

by

Olle Ekelius

1. Financial management an integral part of total management. Should be carried out continuously and not only when preparing the annual balance sheet. The outline is divided into two main parts. The first one presenting ratios for measuring liquidity and financial structure, this means control measures on historical performance. The second part treats budgeting as a tool of planning and delegation of power, this means control measures on future activities.

The treatment will be brief.

Note the rough and static nature of all financial measures. The ratios can only be used as guidelines for judging the soundness of an enterprise (cooperative, private or official). Every single case has to be judged from its merits.

2. Liquidity

By liquidity is meant the readiness to meet financial demands. Profitability can be good but liquidity poor. A liquidity reserve has to be created.

If too big = uneconomic
if too small = uneconomic

- 2.1 Causes of bad liquidity

- a) poor profit
- b) too fast expansion
- c) inflation
- d) tied up capital

- 2.2 What affects liquidity

Almost everything that happens in the surroundings of the enterprise or the decisions taken within the enterprise affects liquidity in one way or another. Has to be analysed.

- 2.3 Measures of liquidity

Can be sub-divided in static and dynamic measures.

- 2.3.1 Static measures

These use generally the balance-sheets as the basic information. To be able to interpret the ratios a thorough knowledge has to be gained about the valuation rules applied for determining the items of the balance-sheet. Often difficult if you are an outsider. Thus the ratios here should be used very critically.

2.3.1.1 Liquidity ratio or acid test or guide ratio

$$\frac{\text{Quick assets (= cash, marketable investments, sundry debtors)}}{\text{current liabilities}}$$

Standard = 1:1

2.3.1.2 Current ratio

$$\frac{\text{Current assets (= quick assets + inventory)}}{\text{current liabilities}}$$

Standard = 2:1

2.3.2 Dynamic measures

These measures involve not only the balance sheet but also the income statement. Thus the result of business is related to the financial position. One example

How many days is needed to pay a debt.

Example:

Current assets	Taka 144 lakhs
Current liabilities	Taka 160 lakhs
deficit	<u>Taka 16 lakhs</u>
Show profit	Taka 1.9 lakhs
+ depreciation	<u>12.5 lakhs</u>
	<u>31.5 lakhs</u>

$$\frac{16}{31.5} \times 365 = 185 \text{ days} = 6 \text{ months.}$$

3. How to calculate the need of capital.

To calculate we have to divide into two groups - working capital and fixed capital.

3.1 Working Capital

Financed by own capital and short-term credit mainly.

The need depends on:

a) the turnover = total sales

b) the seasonal variation in business.

c) the profit margin = the margin between received payment and expenses.

d) the rate of turnover = $\frac{\text{Total yearly sales}}{\text{invested capital}}$
the faster the rate of turnover the smaller is the capital needed.

The faster the rate of turnover the smaller need the profit margin to be to equal return to invested capital.

How to calculate, a simple example:

Fertilizer sales 12 lakhs per year = 1 lakh/month.

margin on sales price = 10%

Expenses on sales price = 5%

The fertilizer is stored by the cooperative for average three months.

The fertilizer has to be paid within 30 days after delivery.
As a liquidity reserve 0.1 ltk is needed.

a) $12 \times 0.2 =$ buying price

b) the capital invested in stocks has a rate of turnover of 6

c) working expenses are 0.05×12 ltk.s = 0.6 ltk.s

d) the turnover for working expenses = 4 times

$$\frac{12 \times 0.2}{6} + \frac{0.6}{4} + 0.1 = 2.05 \text{ ltk.s}$$

You have generally to take into account many different products with different margins, seasonal variation and other fluctuations in sales etc. Complicates the calculation.

3.2 Capital need for fixed assets.

Easier to calculate. Generally a detailed plan is made up for each individual case and contractors employed. To get loans a financial plan generally has to be made.

Need of capital is irregular. The smaller the enterprise the more irregular will the need be.

4. Financial structure

This relates to the sources of capital and its uses. The main source can be divided into two different main groups, namely, external and internal sources. As intermediary group is the owners capital, here treated as external capital.

4.1 External sources

Main sources: banks, government, the public and owners.

4.1.1 Short-term capital

Mainly consisting of debts to supplier, bills of exchange, etc. Some of these sources are rather uncertain. The supplies depends on the profitability and trust the enterprise can create with its sellers. Interest generally not shown but is part of the price.

4.1.2 Long-term capital

a) borrowed

This is generally banks or other institutions.

price of the capital = interest

has to be paid irrespective of results.

Mortgage has also to be paid irrespective of result, but can of course be replaced by new loans.

b) Owners capital

Can be either share capital or savings.

The savings should be looked upon as other borrowed capital.

Share capital required by each member should be calculated according to his use of the cooperative.

A rough measure is his acreage, his cows, his amount of loans etc. It is possible for a marketing society the best base is the turnover.

The shares could be paid in full or part in cash or/and in full or part by using the yearly refunds.

4.1.3 Internal financing

a) profits (surplus)

Some has to be allocated according to the law the rest can be used within the cooperative and society or refunded to its members.

b) depreciation

Does add capital if depreciation charges are greater than the actual decrease in value.

Main purpose is to keep the enterprise at an unchanged physical capacity.

(Note:- The depreciation charges are meant to divide the expenditure of an investment over the total economic life-span of the investment.)

To keep the enterprise cooperative it can be argued that the depreciation charges should be done on the replacement-value instead of the actual costs.

(Note:- The depreciation charges are usually not put into a bank, or similar, but used in the day-to-day work in the enterprise. Thus when re-investment time comes. Money must be made available.)

4.2 Factors affecting financial structure. The composition of the sources are generally affected by the following factors.

4.2.1 Availability of capital.

In most cases capital is a scarce resource. Thus the problem is firstly to find any source of capital.

4.2.2 Profitability.

The profitability of own capital increases when the share of borrowed capital increases and return to total capital invested is higher than the interest rate on borrowed capital. This indicates that one should try to borrow as much capital as possible in this case. The limits are set by risk-bearing and dependence on outside sources.

4.2.3 Security

Borrowed capital is an unsecure source. Too much external financing makes an enterprise strongly dependent on external agencies (e.g. banks or government).

4.3 Measures of financial structure

The ratios here are examples of measures that can be applied. As said earlier each ratio has to be critically analysed according to each application.

Ratio analyses can be used in -

- a) comparing different enterprises within the same trade.
- b) analysing the development of a certain ratio overtime.

a) $\frac{\text{Equity Capital}}{\text{Total capital}}$

b) $\frac{\text{Long-term debts} + \text{Equity capital}}{\text{Total capital}}$

c) $\frac{\text{Equity capital}}{\text{Fixed assets}}$

d) $\frac{\text{Equity capital} + \text{Long-term debts}}{\text{Fixed assets}}$

5. Budgeting

A very important tool if seriously done.

- Characteristics:
- a) plan realistic activities to reach a common agreed upon attainable goal.
 - b) concentration of the planning to one period.
 - c) delegate power
 - d) increase each individuals involvement.

The fully developed budget system contains short-term, medium and long-term budgets, integrated and revised continuously.

5.1 Short-term budgeting

By projecting volumes and cost a yearly statement is prepared. The starting point should be the bottleneck in the operation e.g. the limiting factor.

Best possible the production at firm level.

The budget the first year(s) can and should be made in a crude form. Successively it can be refined and sub-divided.

Budgeting can be made in such a way that the involvement and responsibility of the employees are increased. Thus it is a means of delegation of power, and better motivation for all working in the enterprise.

The budget is not a programme but a plan.

If not fulfilled, ask first why?

5.2 Long-term budgets.

The long-term budgets will have to be more rough than the short-term ones.

Long-term budgeting should be used to judge the priority order of different investment alternatives. Yearly (at least) revisions needed.

5.3 Liquidity budgeting.

Forecasting of incomes and expenditure e.g. factual money transaction.

The liquidity budgeting need extreme short-term budgeting.

International Cooperative Alliance

GROUP REPORTS

pk/7 November 1973

ICA/SCC/BJSU National Seminar
on
"Agricultural Cooperative Marketing"

GROUP I

- | | |
|-----------------------------|-----------|
| 1. Mr. A.K.M. Fazlul Haque | Chairman |
| 2. Mr. Md. Fazlul Hoque | |
| 3. Mr. Md. Nurul Hoda Khan | Secretary |
| 4. Mr. Md. Salehuddin Ahmed | |
| 5. Mr. Sunder Ali Miyan | |

Question 1 - Should marketing cooperatives broad-base their operation? Give reasons for your answer. If the answer is yes, explain how its operation could be broad-based.

Observations & Recommendations of the Group

After due consideration of the term "broad-based" the Group felt that operation of the marketing societies should be broad based for economic reasons. This will enable the societies to maintain continuous touch with the members. So the members participation in the affairs of the society will increase. The societies will take steps not only to stabilize the prices but also to ensure fair price to the members. The price incentive will also encourage additional production.

But for certain limitations, the Group felt that in the beginning the marketing cooperatives should deal in some selected agricultural items keeping in view the availability and suitability of such items.

There are above 30000 primary agricultural cooperatives in Bangladesh. They will actually serve as the major procurement base of the marketing cooperative organisations.

The agricultural credit cooperative organisations are already arranging supply of seed, fertilizer, fuel for operation of the power pumps and pesticides for their members for increasing the production. They can also take up plural supply of such items.

In the marketing side these societies can take up the procurement of members produces (selected items) and work in coordination with central marketing societies. The

process of marketing operation way be as follows:-

- (i) Fixation of Price - Procurement price will be fixed up by a committee with the representatives of the central society and the primary societies of the area considering the prevailing market price keeping in view the need of adequate price incentive to the grower-members. The representatives may require to review and refix the procurement price if needed.
- (ii) Procurement incentive and transport - The central societies may allow a fixed commission to the manager/office-bearers for procurement of the produce and delivery of the same upto the level of the arranged godowns. Purchases at the level of the societies may be on cash basis. Central societies may arrange necessary fund for this. At a later stage the members may feel encouraged to repay their loans in kind and also to deposit their produce on part payment basis.
- (iii) Storage & Marketing - There are some godowns at the level of the central societies, they may also hire and use some godowns. They also can coordinate and ensure use of the available godowns at the level of the union. For safety and security of stock in such godowns, the central society will have to engage capable man of the area who will work under the supervision of a committee to be formed by the central society in consultation with the local societies. The individual members may consume some portion of the stock in the off season. So the anticipated surplus may be sold out to the government/other cooperative organisation as the case may be.
- (iv) Processing - The central societies may undertake processing where such facility is already available. They may also expand such facilities at the level of the central and primary societies. Small husking plants at the level of the primary societies will be helpful to the members and will increase the supply of fine rice. At a later stage all such small husking plants may be handed to the primary societies.
- (v) Linking of producers cooperatives to the consumers cooperatives - It is possible to link up the producers cooperative to the consumers' cooperatives in the urban areas to eliminate middleman to reduce the cost of marketing and profit margin to secure the interest of both the producer and the consumers of the items of agricultural produce.

Question 2 - Discuss the difficulties that may be encountered in applying Cooperative Principles under conditions prevailing in Bangladesh.

The Group felt that out of six Cooperative Principles there is some difficulty in application of items (i), (v) and (vi).

Although membership is open it is not always voluntary, some motivation is needed while enrolment of the new members.

The plural facilities of the cooperative education is limited mainly to the extent government assistance. Lack of general education is the main problem. The cooperative organisations do not have adequate profit for carrying out independent education programme. Due to certain internal and external reasons the cooperation amongst different types and types of cooperative organisations is considered by the Group to be inadequate.

pk/7th November 1973

GROUP II

- | | |
|---------------------------|-----------|
| 1. Mr. Sadullah Chowdhury | Chairman |
| 2. Mr. Musleh Uddin | Secretary |
| 3. Mr. P.K. Chowdhury | Member |

Question 1 - What should be the pre-conditions of making a primary marketing cooperative viable?

The Group suggests that the following are the pre-requisites for making a marketing cooperative viable :

1. a) Marketing of the produce should be the felt need of the farmer-members.
b) Members willingness to form the marketing cooperative.
c) Members knowledge and belief in cooperation.
2. a) Volume of the produce of the members and the potential members should be adequate.
b) Number of members should be adequate.
c) There should be commonness of the objects of the members and economic cohesion.
3. a) Principles of Cooperation should be followed by the members.
b) People having confidence of the members should be entrusted in the management of the society.
c) Efficient and honest personnel should handle the business of the society.
4. a) Transactions of the society should be intensive.
b) Society should handle multi-commodities produced by the members.
5. a) There should be coordination between the primary society and its higher tier.
b) Higher tier should be in a position to make certain facilities available to the primary society at times of need.
(i) Credit, (ii) Storage, (iii) Transport,
(iv) Processing, (v) Market intelligence,
(vi) training, etc.
6. Some general utility services should be within the reach of the society e.g. electricity, road, river, better communication.

7. Society should be financially sound by raising funds through (a) share capital, (b) regular savings deposit of the members, (c) ploughing back of the profit.
8. Development of certain facilities within the society e.g. godown, transport, processing, grading etc.
9. a) Members should be discipline abiding.
b) Members involvement in decision making.
10. Sufficient scope and market for disposal of the disposal.

Question 2 - Discuss the difficulties that may be encountered in applying Cooperative Principles under conditions prevailing in Bangladesh.

In respect of the issue "difficulties that may be encountered in applying Cooperative Principles under conditions prevailing in Bangladesh", the Group is of the opinion that there are no difficulties in applying Cooperative Principles in their real spirit but in certain cases some difficulties may appear as noted below:-

1. Taking advantage of the Principle of Democratic Control of cooperative societies, some influential members in the society either get them elected repeatedly to the Managing Committee or remain in the management of the society without holding Annual General Meeting. This violation of Principle becomes possible because of the absence of the awareness of the general members.
2. Bangladesh is facing acute food problem. The country needs much increase in food production immediately by making certain facilities available to the farmers such as power pumps, deep tubewell, shallow tubewell. The farmers are required to use these facilities in groups in the form of cooperatives. If the voluntary participation of the members is to be awaited, the increase in food production may not be attained within the desired time.

pk / 8 November 1973

NATIONAL SEMINAR ON "AGRICULTURAL COOPERATIVE MARKETING"
Dacca, Bangladesh - November 5-17, 1973

GROUP I

- | | |
|----------------------------|-----------|
| 1. Mr. A.K.M. Fazlul Haque | |
| 2. Mr. Md. Fazlul Haque | Chairman |
| 3. Mr. Md. Nurul Huda Khan | |
| 4. Mr. Sunder Ali Miyan | Secretary |

Question 1 - Outline the important factors that should be taken into consideration in drawing a management plan at the primary society level with special reference to linking production plan with marketing plan.

The problem is to match the targets of the production plan with the marketing plan of a primary society. Such targets may be seasonal and annual may also cover much longer period of time.

For the purpose of adopting a management plan of a society it is necessary to invite the production plan from the individual members. In such production plans the members will have to mention at least the following information:-

- (a) area of land; particulars of seasonal crops proposed to be raised; expected yield, marketable surplus etc.
- (b) input requirement; service requirement; facility requirement.
- (c) resources available; financial assistance needed after taking into account the harvesting expenses.
- (d) particulars of estimated income; estimated expenses; and seasonal and annual surplus.

Because most of the members are not educated, they have to be allowed to submit the information verbally and the society will take those written.

Then all the members will sit together to scrutinize the individual production plans in a special General Meeting. It is necessary to have the assistance of a technical person for scrutinizing and approval of the individual production plans keeping in view their past performances. The general body should also adopt adequate measure to

ensure proper implementation of the individual production programmes.

In compiling the individual targets, the society gets its own target in respect of -

- (i) requirement of inputs
- (ii) requirement of credit in cash
- (iii) estimate of total yield, marketable surplus, etc.
- (iv) also the estimate of the quantity of the produce that the members would actually require to market.

So, the production and marketing programme of a society may be approved together. But in the process of implementation of the approved marketing programme which will come later the effectiveness of the production programme will have to be correctly evaluated. After making the rough estimate of production, the procurement and sale programme may be finalised.

Question 2. - What type of assistance marketing cooperative should receive from government in order to develop their activities while maintaining the essential autonomous character of cooperatives?

This is rather a controversial problem. The Group felt that if the cooperatives work on its own plan with government assistance its autonomy can be maintained, i.e. they will take government assistance to the extent and for the period it will actually require such assistance.

But if the cooperatives work on a government plan it cannot maintain the full autonomy.

In the present situation the following government assistance are needed for the growth of the marketing cooperatives:-

1. Stability in price level of the agricultural items; price incentive.
2. Part finance. (short-term and long-term) for processing, transport, working capital against mortgage on liberal basis.
3. Make available technical know-how and trained man for short period.
4. Free training facility for the operational persons.

5. Grant liberal licence for processing units.
6. Tax remission.
7. Subsidized transport facility for the goods and supplies to be handled by the marketing cooperatives.

Such facilities are likely to help the growth of marketing cooperatives without curbing their autonomy.

pk / 8 November 1973

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Dacca, Bangladesh - November 5-17, 1973

GROUP II

- | | |
|---------------------------|-----------|
| 1. Mr. F.K. Chowdhury | Chairman |
| 2. Mr. Saleh Uddin Ahmed, | Secretary |
| 3. Mr. Musleh Uddin | Member |
| 4. Mr. Sadullah Chowdhury | Member |

Question 1 - Discuss the operational problems of a primary marketing cooperative society.

The Group felt that the primary marketing cooperative societies face problems in the following fields in their operations :-

1. MEMBERS

(i) Indifference of the members to the activities of the society.

(ii) Absence of involvement of the members in the activities of the society.

2. PROCUREMENT

(i) Insufficient supply or re-supply of the produce by the members to the society for marketing.

(ii) Poor quality of the produce supplied by the members to the society.

3. MANAGEMENT

(i) Absence of confidence of the general members in the management of the society.

(ii) Lack of business experience and acumen in the members of the Managing Committee.

(iii) Lack of honesty and sincerity of most of the members of the Managing Committee.

(iv) Members' involvement in the policy-making is inadequate.

(v) Inadequacy of the trained and efficient staff and lack of honesty and sincerity of the staff.

(vi) Formalities required to be observed sometimes create difficulties.

3. FINANCE

Own Fund: (i) Savings - not adequately forthcoming
(ii) Share capital - not upto the requirement of the business.
(iii) Profit - absent or inadequate.

Outside Fund: (i) Credit facilities not available for all marketable produce;
(ii) Credit not available upto the requirement;
(iii) Credit not available at the time of need;
(iv) Past performance of the primary marketing society, in most cases, is not encouraging enough to attract outside capital.

4. COORDINATION

(i) Absence of adequate support from the upper tier in respect of (a) guidance, (b) finance, (c) facilities, (d) training, and (e) information.

5. FACILITIES

Most of the primary marketing societies do not have the following facilities at their command for their proper operation:-

- (i) Transportation
- (ii) Godown and storage
- (iii) Market information

6. STANDARDISATION

(i) Difference in weights and measurements create confusion.

(ii) The system of grading, grading is not properly followed.

7. MARKETING CHANNEL

(i) Absence of appropriate and smooth channel for the disposal of the produce of the society.

(ii) Upper tier not actively participating in the marketing of the member primary societies.

Question 2 - What type of assistance marketing cooperative should receive from government in order to develop their activities, while maintaining the essential autonomous character of cooperatives?

In the opinion of the Group the following are the types of assistance the marketing cooperatives should receive from the government

in order to develop their activities while maintaining their essential autonomous character.

1. FACILITIES

The marketing cooperative should receive assistance from the government in respect of the following:-

- (a) credit
- (b) Warehousing and storage
- (c) Training
- (d) Guidance
- (e) Market information
- (f) Technical know how - trained personnel.

2. OVERHEAD FACILITIES

- (a) Electricity, and
- (b) Communication, where possible.

3. PLANNING

The government may assist the cooperatives in designing and preparing development plans.

4. SUPPLIES

By facilitating the supply of inputs and equipment to the marketing cooperatives.

5. MARKETING

(i) By finding out market for the agricultural marketing cooperatives within and outside the country.

(ii) By providing trading facilities in respect of shipping, information etc.

6. PREFERENCE

By giving preferential treatment in respect of (a) purchase from the marketing cooperative, (b) sale to the marketing cooperative, (c) trading facilities e.g. imports and exports, business licence etc.

7. GOVERNMENT PARTICIPATION

The government may participate in the share capital of the marketing cooperatives where the members of the society so desire.

pk / 9 November 1973

GROUP I

- | | |
|-------------------------------|-----------|
| 1. Mr. Md. Nurul Hossain Khan | Chairman |
| 2. Mr. Md. Fazlul Haque | Secretary |
| 3. Mr. Md. Kamal Hossain | |
| 4. Mr. Sunder Chatterjee | |

Question - Identify the functions that are required to be performed at different stages in the marketing process in respect of (a) purchase and supply of fertilizers, (b) marketing of (i) foodgrains, (ii) fruits & vegetables and consider the types of federal services that might be needed at particular stages.

Fertilizer

Supply of fertilizer at present is made available through cooperative societies. The supply of production input is linked up under the supervised credit programme of the cooperatives in coordination with B.A.D.C. who supply fertilizer at Thana level at subsidised government price.

At present the following difficulties are however being experienced:-

- (i) Sometimes adequate supply is not available.
- (ii) Most of the Samabaya Societies have not been given fertilizer dealership as a result members face difficulty in procuring fertilizer from the individual dealers.

The process of estimating the requirement of the societies has been discussed in earlier Group report. So we may take that the society was a annual target of required inputs. The society will submit its total requirement to the central cooperative bank. The central bank (secondary) will compile the requirement of its affiliated societies and submit it to the apex bank. The apex bank will request the B.A.D.C. to make available the required quantity of fertilizer etc, at Thana points and also will provide necessary fund to the central cooperative banks for issuing loans to the societies in cash for labour and in credit voucher (i.e. an authorisation to deliver the input on credit undertaking payment) for production inputs (seed, fuel for irrigation and fertilizer)

The individual members get these supplies from B'DC Thana Headquarter Depot on presentation of the credit vouchers.

In view of the difficulties mentioned above, apex bank should take appropriate measure and negotiate with B'DC to ensure availability of the supplies at Thana godown in time.

The fertilizer dealership should be taken over by the primary societies for the benefit of the members and to encourage the new members to join cooperatives because there is heavy demand for fertilizer in the country side, as first step towards taking over the management of the B'DC Supply Depot at Thana points by the secondary societies. Financial needs of all such operation will be provided by the central cooperative banks (secondary level).

Marketing of Foodgrain

Suggestions have already been made in our earlier group report about procurement of foodgrains at the level of primary societies.

- (a) The societies will procure the foodgrains from the members and arrange delivery of the same at the secondary level.
- (b) Arrange to set up small husking and other processing plants for the benefit of the farmers and encouraging the supply of fine rice.
- (c) The procurement may be on cash basis, part payment basis, and towards recovery of the loans.

The secondary tier will take the following steps:-

- (i) Storing, marking and processing as the case may be.
- (ii) Financing the procurement at the primary level.
- (iii) Ask for all necessary facilities from the apex level organisation.
- (iv) Coordinate the activities of the primaries and provide all necessary facility as may be needed by them.

The apex level organisation will coordinate the activities of the secondary level organisations and

- (i) provide market intelligence
- (ii) arrange finance or link up the financing sources
- (iii) arrange all possible government assistance (direct/indirect) for the marketing cooperatives.
- (iv) take steps for activating the secondary units whenever necessary

- (v) provide advisory and technological assistance
- (vi) arrange training facility
- (vii) assist the secondaries in preparing the feasibility and evaluation reports for facilitating financial and management control.

Marketing of Fruits & Vegetables

For taking up marketing of selected items of fruits and vegetables new societies will have to be organised in selected areas where there is adequate supply source. Suitable storage facility is necessary at the level of the primary society in respect of vegetables while storage (including freezing plant), processing and grading facility in respect of fruits is necessary at a central plane of primary societies. There should be arrangement for quick transport and marketing. Probable functions of the upper tier may be more or less same as discussed above.

pk/

pk / 9 November 1973

GROUP II

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|---------------------------|-----------|
| 1. Mr. Saleh Uddin Ahmed | Chairman |
| 2. Mr. Sadullah Chowdhury | Secretary |
| 3. Mr. F.K. Choudhury | |
| 4. Mr. Md. Ekub Ali Khan | |
| 5. Mr. Md. Mosleh Uddin | |

Question - Identify the functions that are required to be performed at different stages in the marketing process in respect of (a) purchase and supply of fertilizers, (b) marketing of (i) foodgrains, (ii) fruits & vegetables and consider the types of federal services that might be needed at particular stages.

After due consideration the Group is of the opinion that the following functions are to be performed by different tiers of cooperatives in respect of purchase and supply of fertilizers:-

PRIMARY LEVEL

1. to assist the member in preparing the production plans and to determine the requirement of fertilizers of different kinds for each farmer.
2. to collect individual production plans and consolidate the total requirements of the farmer.
3. (a) to submit the consolidated requirement statement to the upper tier and the financing institution
(b) to prepare the statement for distribution of fertilizer through credit and in cash.
4. to arrange godown facilities for storing the fertilizer in the primary/village level.
5. to arrange to receive the allotment of supply from the store of the secondary society/B'DC.
6. to arrange funds for lifting the fertilizers from secondary society/B'DC from financing institutions e.g. Central Cooperative Bank, Secondary/National Marketing Society, Commercial Bank.
7. to arrange for proportionate and proper distribution of fertilizers.
8. to supervise the proper utilization.

SECONDARY LEVEL

1. to consolidate the statements of requirements of fertilizers of the primary societies and to submit the same to the national society and to local authority of B'DC.

2. to arrange for funds from different financing institutions e.g. Central Cooperative Banks, Bangladesh Jatiya Samabaya Bank and Commercial Bank etc.
3. to arrange for storage for the fertilizers either in the BADC godown or in its own godown.
4. (a) to arrange the timely, proportionate and proper distribution.
(b) to arrange for proper supervision of the distribution.
5. to arrange for transportation of carrying fertilizers to and from different distribution centres.
6. to determine the distribution price of the fertilizers and the rate for transportation.
7. to provide training facilities in respect of records keeping, accounts maintaining and correspondence etc, for staff, office bearers and members of the primary societies and for itself.

NATIONAL LEVEL

1. to receive and examine the consolidated statements of requirements of the secondary societies.
2. to negotiate with the BADC authority in respect of the availability of the required quantity of fertilizers.
3. to determine the allocation of fertilizers to different secondary societies keeping in view the availability.
4. to negotiate with secondary society in respect of realization and distribution of profits among the different tiers.
5. to take up problems, if any, with the government whenever necessary.
6. to provide relevant information to lower tiers.
7. to arrange for the training and guidance to the staff of different tiers.
8. to negotiate with the BADC/government in respect of the storage facilities.
9. to arrange and negotiate with the different institutions and organisations in respect of providing fund to the lower level.

After due consideration the Group is of the opinion that the following functions are required to be performed by different tiers of the cooperatives at different stages in respect of marketing of (i) foodgrains (ii) fruits & vegetables.

PRIMARY

1. to assess the marketable produce of the members and to estimate the volume of produces to be marketed through the society.

2. to arrange for proper storage facilities. Special arrangements are to be made for storage of fruits and vegetables.
3. to pool the produces from the members and to arrange for the grading, sorting. Grading and sorting is to be strictly observed in the case of fruits and vegetables.
4. to arrange for the proper preservation and processing.
5. to arrange for financing to the members against the produces deposited with the society.
6. to collect market information.
7. to negotiate with the secondary society in respect of the marketing procedure, finance and transportation.
8. to arrange for training for the staff and office bearers in respect of accounts maintaining, records keeping, handling and preservation of perishable fruits and vegetables.
9. to find market and to arrange for the sale at profitable prices.

SECONDARY

1. to determine the volume of marketable produces of the member societies.
2. to arrange for necessary funds for marketing operation of the primaries and for the society itself for purchasing, storing etc.
3. to arrange for collection and transportation.
4. to arrange for the grading and storage facilities (special arrangement should be made for fruits & vegetables).
5. (a) to find out market and to negotiate with the purchaser.
(b) to sell out and to clear out the accounts.
6. to arrange for the training of the staff and office bearers of the society and as well as for those of the primary societies.
7. to keep contact and negotiate with the apex society in respect of (a) training, (b) marketing information, (c) storage, and (d) problems when arises.
8. to establish processing plants specially for fruits and vegetables wherever feasible.

NATIONAL

1. to collect and disseminate market information.
2. to find market for the marketable produces of the secondary and primary societies.
3. to negotiate and arrange for funds with different financing institutions for the marketing of marketable produce by the secondaries, the primaries and for itself.
4. to negotiate with different agencies for providing storage, transportation and equipment (especially in respect of fruits and vegetables).

5. (a) to take up problems, if any, with the government.
(b) to influence the government's marketing policy.
 6. to provide training facilities for the staff, office bearers and members of the primaries, secondaries and for the apex itself. (special training is required in respect of marketing of fruits and vegetables).
 7. to arrange and establish the processing plants for certain fruits and vegetables.
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pk / 10 November 1973

GROUP I

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|----------------------------|-----------|
| 1. Mr. Sunder Ali Miyan | Chairman |
| 2. Mr. A.K.M. Fazlul Hoque | Secretary |
| 3. Mr. Md. Fazlul Hoque | |
| 4. Mr. Md. Nurul Huda Khan | |

Question - Identify various cost items involved in assembling, storage and transport and discuss how to reduce them with special reference to foodgrains marketing in Bangladesh.

1. Cost of assembling

Preliminary arrangement and publicity, cost of packing material, cost of procurement labor and transport, cost of temporary storing at primary level, cost of lifting to the secondary level, payment of commission to the procurement agent.

2. Cost of storing & processing

Proposed at secondary level - cost of storing for processing and marketing, cost of processing and grading, loss due to probable shortage, cost of security measures including insurance, establishment expenses and wages, depreciation and rent interest on borrowed capital.

3. Transport Cost

At disposal point - cost of lifting and handling, cost of carrying to the market, transit insurance cost,

How to minimise cost of assembling

Bulk and quick procurement should be made. Individual responsibility should be fixed up to minimise shortage and waste. Stock should be lifted to the secondary level promptly to minimise the risk of loss.

How to minimise cost of storing & processing

The stock should be sold out quickly as far as practicable to save cost of storing, security interest on capital as far as practicable.

How to minimise the transport cost

Bulk quantities may be sold to minimise the cost of transport at the point of selling.

pk / 10 November 1973

GROUP II

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|---------------------------|-----------|
| 1. Mr. Musleh Uddin | Chairman |
| 2. Mr. Ekub Ali Khan | Secretary |
| 3. Mr. F.K. Chowdhury | |
| 4. Mr. Sadullah Chowdhury | |
| 5. Mr. Saleh Uddin Ahmed | |

Question - Identify various cost items involved in assembling, storage and transport and discuss how to reduce them with special reference to food grains marketing in Bangladesh.

After due consideration the Group was of the opinion that the following are the items of costs in respect of the marketing processes, namely, :-

1. ASSEMBLING

- Collection cost
- Container cost - special bags in respect of foodgrains.
- handling and labour charges
- transport cost
- space cost
- weighing
- wastage and shortage
- and the interest on the borrowed fund for the purpose.

2. STORAGE

- godown charges
- sorting cost
- packing cost - bags in respect of foodgrains
- handling and labour charges
- shortage
- damages and wastage
- maintenance and supervision
- pilferage
- insurance cost
- security measure
- risk of fall in price
- interest on borrowed fund

3. TRANSPORT

- space cost
- handling and labour charges
- damage and wastage
- special facility at increased rate
- shortage
- pilferage
- insurance cost
- interest on the borrowed fund

The Group also considers that the above mentioned items of cost in respect of assembling, storing and transportation can be

reduced e.g.:-

- i) the volume is large
- ii) the quality is uniform
- iii) the number of collection times can be reduced
- iv) the economy in the use of transport can be achieved
- v) the container of durable nature can be used
- vi) the space/store is owned by the society
- vii) the better supervision and better maintenance

The above mentioned economy can be availed of if: (a) the marketing activities of the society be broad-based, (b) there is coordination among different cooperatives and between the cooperatives of different tiers, and (c) efficient and modern mechanised methods of handling, transportation, gradation and storage is used.

pk / 12 November 1973

GROUP I

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|----------------------------|-----------|
| 1. Mr. A.K.M. Fazlul Haque | Chairman |
| 2. Mr. Md. Nurul Huda Khan | Secretary |
| 3. Prof. Azharul Haque | |
| 4. Mr. Mohsin Ali | |

Question 1 - Discuss and outline a quality payment scheme that successfully could be applied for fruits (bananas).

The Group considered the scheme and its applicability in Bangladesh situation (fruit, banana) in great details. The preconditions set forth in the paper of Mr. Hakelius are present. But the Group felt that the term "quality" has wider sense. Besides reputation of taste, smell, form, colour, size, there is difference in production cost and time, difference in perishability, difference in qualitative losses. But because there is short supply of fruits and poor paying capacity of the masses, the quality payment incentive may be applied in such a way that it brings additional production to suit the paying capacity of the common people where number of consumer is large. With the increase in the income pattern the quality payment incentive will have to be rearranged suiting to the requirement of the larger number of the consumers.

Question 2 - Discuss and try to identify situations when quality payment differentials should be (i) increased, (ii) equal to, and (iii) less than the prevailing in the market. Give examples.

I. Increase in quality payment may be necessary when -

- effective aggregate demand for a particular quality increases.
- supply deteriorate due to various reasons including natural calamity.
- cost of primary production increases.

pk / 12 November 1973

GE UF II

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|---------------------------|-----------|
| 1. Mr. P.K. Chowdhury | Chairman |
| 2. Mr. Saleh Uddin Ahmed | Secretary |
| 3. Mr. Abdulla' Chowdhury | |
| 4. Mr. Musleh Uddin | |
| 5. Mr. Eakub Ali Khan | |

Question - Discuss and outline a quality payment scheme that successfully could be applied for foodgrains (rice).

By quality payment scheme we mean the system of payment of price to the growers at differential rates for the produce (rice) of different qualities so as to give incentive to the growers to produce crop (rice) of better quality.

After due consideration the Group recommended that the following measures can be introduced in a successful way for implementation of the quality payment scheme.

I. to study the consumers's preference for the rice of -

- i. different size
- ii. different colour
- iii. different taste
- iv. different flavour
- v. different ...

II. to conduct extension work -

- i. to popularise better quality among producers
- ii. to popularise better quality among consumers
- iii. to publicise the comparative rates of different qualities
- iv. to produce for better quality crop (rice)

III. to find out standard pattern for different qualities

IV. to find out the effective methods of differentiation of qualities of different standards

V. to determine the price of rice of different qualities on the basis of :-

- i. demand for the type of quality
- ii. availability of the type of quality
- iii. cost of production

VI. to arrange for proper storage and preservation system for rice of different qualities.

- VII. to arrange for proper place and demonstration of different qualities in marketing channel.
- VIII. to give an incentive price.
- IX. cash payment system for quality rice
- X. to give preferential treatment to the producers of quality rice in respect of :-
 - i. supplies of better seeds
 - ii. supplies of inputs
 - iii. credit facilities
 - iv. guidance and training.

Question - Try to list and examine the different sources for market information available in Bangladesh.

The Group feels the following media through which market information can be availed in Bangladesh :-

- I. Itinerary merchants say: Faris, Bapari etc.
- II. Boards - called Atrads
- III. Fairs (village market places) and urban market places.
- IV. (a) Officers of the Agricultural Marketing Directorate placed at different levels.
(b) Agricultural Information Directorate.
- V. Wholesalers at business centres.
- VI. Newspapers
- VII. Radio
- VIII. Agricultural Journal "KISIK/TH"
- IX. Bureau of Statistics
- X. (a) Agricultural Cooperative Marketing
(b) Cooperative Journal "SAMBAYA"

The text one may be used as the most useful source, which may use the sources mentioned in serials I - V.

pk / 13 November 1973

GROUP I

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|-------------------------------|-----------|
| 1. Mr. Sunder Ali Miyan | Chairman |
| 2. Mr. Lohsin | Secretary |
| 3. A.K.M. Fazlul Faque | |
| 4. Mr. Md. Nurul Hossain Khan | |
| 5. Prof. Azharul Haque | |

Question - What factors should be taken into consideration when deciding on the location of a processing plant.
a) dairy products, b) cold storage, c) packing of fresh meat.

(a) Dairy products

Where minimum required infrastructure is available, a milk plant (with arrangement for using byproducts) should be located at producers point with adequate supply source in consideration of the following:-

- a) nearness to supply source
- b) less cost on procurement (large, transport)
- c) incentive to produce more
- d) employment of local labour (rural) which is relatively cheaper

Relative disadvantage of marketing cost, incentive cost or account of skilled labour etc, have also been taken into consideration by the Group.

(b) Cold Storage

At present used for potato.

The Group felt that where infrastructure is available, a cold storage should be located at a central point of the producers area, because a good portion of the stock is used as seeds by the growers. Other benefits discussed above will be same.

(c) Packing of fresh meat

The Group felt that the processing unit of fresh meat should be located at the consumers point i.e. near the cities. Because here profitable use of the byproduct is not possible in isolation. The skin, blood, bone cannot be profitably used at producers point in isolation. Besides the cost of transport of meat will be high (special mode of transport necessary). But the ordinary mode of transport can be used in carrying the cattles. Nearness to the consumer's will also ensure freshness.

pk / 13 November 1973

GROUP II

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|------------------------------|-----------|
| 1. Mr. Bakub Ali Khan | Chairman |
| 2. Mr. Md. Sedulle Chowdhury | Secretary |
| 3. Mr. F.K. Chowdhury | |
| 4. Mr. Salehuddin Ahmed | |
| 5. Mr. Husleh Uddin | |

Question - What factors should be taken into consideration when deciding on the location of a processing plant.
a) dairy products, b) cold storage c) packing of fresh meat.

After due consideration the Group recommended that the following factors should be taken into consideration while deciding on the location of (a) dairy products, (b) cold storage, and (c) packing of fresh meat.

(a) Dairy Products

1. Production area
 - a) whether the producers of milk are concentrated
 - b) or dispersed
2. Availability of transport facilities for collecting milk from production points to processing plant.
3. Chilling facilities
4. Facilities available with the producers/suppliers in respect of containers
5. Infrastructural facilities such as (a) electricity, (b) communication.
6. Availability of technical personnel
7. security of the plant and products
8. Availability of land
9. (a) concentration or dispersal of consumers,
(b) market opening
10. Banking facility

(b) Cold Storage

1. Size of the commodities to be stored
2. Number of producers from whom the commodities come
3. Concentration or dispersal of the produce
4. (a) Types of commodities
(b) Number of consumers to be served
(c) Concentration/dispersal of the consumers

5. Availability of technical personnel
 6. Availability of infrastructural facilities
 - (c) electricity, (b) access to the transport facilities:(i) from the production centre, (ii) to consumption centre.
- (c) Packing of fresh meat
1. (a) Within the easy availability of consumer
(b) consumers preference
 2. (a) Availability of cattle heads
(b) Location of slaughter house
 3. Availability of packing materials
 4. Preservation facilities
 5. Labour
 6. Infrastructural facilities
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pk/14 November 1973

GROUP I

Mr. A.K.M. Fazlul Haque	
Mr. M. Nurul Hossain Khan	Chairman
Mr. Sunder Ali Hossain	Secretary

Question - What type of technical and other information should be communicated to farmers through farming guidance service taking into consideration the agricultural condition prevailing in Bangladesh.

The farming plan of an individual member aim at (i) planning of production (ii) purchase of agricultural inputs (iii) marketing of farm products and (iv) estimating income and expenditure. In this connection a farmer requires guidance for proper implementation of his individual programme.

Technical Guidance

Land preparation, (ploughing) soil testing, rotation of crops, use of seed/seedling, use of other inputs i.e. irrigation, fertilizer, use of pesticides, process of harvesting to minimise wastage, preservation of seed, use and maintenance of the farm equipment.

Management Guidance

Information for consolidation of small and scattered holding explaining the economy, information about availability of inputs (including credit) equipment, popularise the economic use of water reservoir and natural sources (river, oil etc), information about probable price structure of agricultural produces and marketing facilities, probable method of land improvement, the

technique of assessing the results of operation.

Available Media

Field officers of the agriculture department (with technical background), field officers of the cooperative department, employees of cooperative organisations, workers and office-bearers of the primary cooperative organisation. Field channel of the government agriculture & marketing directorate, newspapers, radio, agricultural journal, Samabaya Patrika, leaflet, pamphlet, pictures, pictorials, demonstration farms.

pk / 14 November 1973

GROUP II

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|---------------------------|-----------|
| 1. Mr. Sdullah Chowdhury | Chairman |
| 2. Mr. Ghaleh Uddin Ahmed | Secretary |
| 3. Mr. P.K. Chowdhury | |
| 4. Mr. Enkub Ali Khan | |
| 5. Mr. Musleh Uddin | |

Question - Discuss how the marketing societies should carry out farming guidance services, what relations they should have with the federations in their work and how these services should be coordinated with the agricultural extension work of the government.

After due consideration the Group was of the opinion that the marketing societies should perform the following functions to carry out the farm guidance services:-

1. Appointment of experienced farm guidance workers
2. Training of farm guidance workers
3. Allocation of responsibilities according to the field of specialisation of the workers and requirements of the member-farmers.
4. Determining the fields of production of the member-farmers.
5. Conducting of soil test
6. Consolidation of holdings and improvements of land of farmer-members
7. Determining the requirements of different inputs of the farmers.
8. Helping the farmers in preparing their production plans and farm budget.
9. Collection and dissemination of market information from different sources and to the member-farmers.
10. Provision of training facilities to the member-farmers in respect of timing of production and application of different inputs and the use of different equipment and improved mechanised methods.
11. Conducting of motivational work.
12. Setting up demonstration farm.
13. Training farmer-members in respect of collection of crops, grading, sorting, preservation, packing etc.

The Group also expressed its opinion that the marketing societies should have the following aspects of relationship with the federation in their work :

1. Exchange of market information
2. Policy formulation
3. Training
4. Coordination in respect of the use of (a) technical personnel, (b) facilities
5. Financing where necessary in the farm guidance services.

The Group also felt that the farm guidance services of a marketing cooperative society may be coordinated with the agricultural extension work of the government in the following ways:-

1. Preparation of joint work plan.
 2. Specification of the field of responsibility of different set of workers in respect of technical, economic and management aspects.
 3. Analysing the extension policy of the government to the local workers.
 4. Casual evaluation meeting/conference of the two sets of workers and their controlling authority on the joint work plan.
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International Cooperative Alliance

PROGRAMME

Programme for Inaugural Function of the
ICA/SCC/BJSU/BSMS National Seminar on "Agricultural
Cooperative Marketing" at Hotel Purbani International,
Dacca, on 5th November 1973 at 10 A.M.

1. Telawat-e-Quoran
2. National Song
3. Song of Rebel poet Nazrul Islam on
Cooperation
4. Address of welcome by:-
 - a) Mr. M. Fazlur Rahman, Vice Chairman-I, BJSU
 - b) Mr. Z. Quiyum, Chairman, BSMS
5. Remarks by:-
 - a) Mr. Olle Hakelius, Swedish Cooperative Centre
 - b) Mr. Lionel Gunawardana, International Cooperative
Alliance
6. Speech by Chief Guest - Mr. M. Dewan Farid Gazi,
State Minister for Rural Development & Cooperation.
7. Speech by distinguished cooperators
8. Presidential Address - Barister Aminul Islam,
State Minister for Food, Government of Peoples Republic
of Bangladesh.
9. Refreshments.

pk/

pk/3 November 1973

ICA/SCC/BJSU/BSES NATIONAL SEMINAR
ON
"AGRICULTURAL COOPERATIVE MARKETING"
Dacca - November 5-17, 1973

P R O G R A M M E

<u>Mon. 5th November 1973</u>	<u>Session</u>	
10.00 - 12.00	1	Opening Session
2.00 - 5.00	2	Presentation of background papers
<u>Tue. 6th November 1973</u>		
	3	<u>Review of Agricultural Cooperative Marketing in Bangladesh :</u>
9.30 - 10.15	3.1	Lecture : <u>Cooperative Marketing of Foodgrains</u> - by L.R. Khan
10.15 - 11.00		Discussion
11.00 - 11.30		Tea break
11.30 - 12.15	3.2	Lecture : <u>Cooperative Marketing of Fruits and Vegetables</u> - L.R. Khan
12.15 - 1.00		Discussion
1.00 - 3.00		Lunch break
3.00 - 3.30	3.3	Lecture: <u>Cooperative Marketing of Dairy Products</u> - Imamuddin Ahmed
3.30 - 4.00	3.4	Lecture : <u>Cooperative Marketing of Poultry & Eggs</u> - Mr. Ali Ashraf
4.00 - 5.00		Discussion
<u>Wed. 7th November 1973</u>		
9.30 - 10.30	4	Lecture : <u>Principles of Cooperatives applied to Agricultural Marketing Cooperatives</u> - Lionel Gunewardana
10.30 - 11.00		Discussion
11.00 - 11.30		Tea break
11.30 - 1.00	5	Group work
1.00 - 3.00		Lunch break
3.00 - 5.00		Group Work (Contd)

Thu. 8th November 1973

9.30 - 10.30	6	Lecture : <u>Government's Role in the Marketing of Agricultural Produce and its support to Marketing Cooperatives</u> - A.N.M. Eusuf
10.30 - 11.00		Discussion
11.00 - 11.30		Tea break
11.30 - 12.30	7	Lecture : <u>Operations of Primary Marketing Cooperatives (with special reference to Japan)</u> - H. Kaseoka
12.30 - 1.00		Discussion
1.00 - 3.00		Lunch break
3.00 - 5.00	8	Group work

Fri. 9th November 1973

9.30 - 10.30	9	Lecture : <u>Coordination of Activities between Primaries and their Federations</u> - M. Fazlur Rahman
10.30 - 11.00		Discussion
11.00 - 11.30		Tea break
11.30 - 3.00		Free for prayers
3.00 - 5.00	10	Group work

Sat. 10th November 1973

9.30 - 10.30	11	Lecture : <u>Causes of High Costs of Marketing</u> - Lionel Gunawardana
10.30 - 11.00		Discussion
11.00 - 11.30		Tea break
11.30 - 1.00	12	Plenary or Group work
1.00 - 3.00		lunch break
3.00 - 5.00	13	Group work

Sun. 11th November 1973

F r e e

Mon. 12th November 1973

9.30 - 10.30	14	Lecture : <u>Techniques of Marketing</u> - Oile Hakelius
10.30 - 11.00		Discussion
11.00 - 11.30		Tea break
11.30 - 12.30	15	Plenary on group work
12.30 - 1.00		Discussion
1.00 - 3.00		Lunch break
3.00 - 5.00	16	Group work

Tue. 13th November 1973

9.30 - 10.30	17	Lecture: <u>Need and Importance of Processing for Increasing Returns to Farmers</u> - Dr. Altaf Hossain/ Mr. Mansoor Ali Ahmed/ Mr. Ralph Townsend/ Mr. Oile Hakelius
10.30 - 11.00		Discussion
11.00 - 11.30		Tea break
11.30 - 1.00	18	Plenary on Group Work
1.00 - 3.00		Lunch break
3.00 - 5.00	19	Group work

Wed. 14th November 1973

9.30 - 10.30	20	Lecture: <u>Role and Organisation of Farm Guidance Activities</u> (with special reference to Japan) - I. Kasaoka
10.30 - 11.00		Discussion
11.00 - 11.30		Tea break
11.30 - 1.00	21	Plenary on group work
1.00 - 3.00		Lunch break
3.00 - 5.00	22	Group work

Thur. 15th November 1973

9.30 - 10.30	23	Lecture: <u>Financial Controls as a tool of effective management</u> - Oile Hakelius
10.30 - 11.00		Discussion
11.00 - 11.30		Tea break
11.30 - 1.00	24	Group work
1.00 - 3.00		Lunch break
3.00 - 5.00	25	Plenary on group work

Fri. 16th November 1973

9.30 - 11.30		Final Plenary
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International Cooperative Alliance

LIST OF PARTICIPANTS

ICV/SCC/ ISC/BSMS NATIONAL SEMINAR

(n)

"AGRICULTURAL CO-OPERATIVE MARKETING"

Dacca - November 5-17, 1973

LIST OF PARTICIPANTS

1. Mr. A.K.M. Fazlul Haque,
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2. Mr. Sunder Ali Hayan, District Auditor,
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Comilla
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10. Mr. Badel Rashid
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11. Md. Wazi Uddin Khan
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& Pabna Motor Sramik Samabaya Samity Ltd,
Pabna
12. Md. Nurul Islam
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Bangpur
13. Mr. F.A. Muhammad Hossain
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Thakurgaon Municipality Consumer Cooperative Society
Thakurgaon
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14. Md. Golam Mustafa Khan
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16. Mr. Abdul Qadur Khan
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 4. Mr. M. Mominul Haque
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-

pk / 14 November 1973

NATIONAL SEMINAR ON "MARKETING OF AGRICULTURAL PRODUCE"
Dacca, Bangladesh - November 5-15, 1973

EVALUATION QUESTIONNAIRE

1. What is your opinion regarding distribution of working forms. In your opinion was the time allotted to each one of these forms adequate or do you suggest allocating more time to any particular form.

Adequate More Less

- i. Lectures
- ii. Group Discussion
- iii. Background Papers

2. Please indicate whether in your opinion seminar should have been combined with some study visits.

3. Practical arrangements - Please state comments in brief where arrangements considered unsatisfactory.

- | | |
|--|-------------------------------|
| a) Board & lodging | satisfactory / unsatisfactory |
| b) Seminar timings | satisfactory / unsatisfactory |
| c) Supply of prior information regarding seminar | satisfactory / unsatisfactory |

4. What is your opinion regarding the subject areas covered in the seminar. Do you think that other areas also could have been included with benefits to participants. If so, please suggest them.

5. Any other remarks: