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A Study on Prospects of Rural Co-operative Marketing in India

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Abstract

This paper intends to analyze the prospects of cooperative sector in India under free market. It is now, increasingly recognized that the co-operative system in India has the capacity and potentiality to neutralize the adverse effects emerging from the process of globalization. After economic liberalization under the new economic environment, cooperatives at all levels are making efforts to reorient their functions according to the market demands. The failure of the public sector in several cases is a worrisome trend. Privatization has also failed to make an impact in the rural areas. Therefore, there is great hope on the cooperative sector. The paper examines the prospects of cooperative sector in India. In comparison to the step-motherly treatment of the past, cooperatives are now, considered an important plank of development. The government is committed to cooperative development. Cooperatives are also, considered to have immense potential to deliver goods and services in areas where both the state and the private sector have failed. It suggests evolving strong communication and public relations strategies, which can promote the concept of cooperation among the masses. It should also push forward by developing effective strategies to overcome existing weaknesses and for continuing growth of the sector. The paper assesses the future prospects of the cooperative sector of India.

Keywords*: - Co-operative Sector, futures of cooperative sector.*

INTRODUCTION

Rural marketing facilitate flow of goods and service from rural producers to urban consumers at possible time with reasonable prices, and agriculture inputs/ consumer goods from urban to rural. Marketing as a function has started much earlier when civilization started but not recognized as marketing. All economy goods are marketed in terms of goods and services (Barter system). Now money is being practiced as a good exchanging medium. The market may be a street, or a small town, Metropolitan city, Developments in infrastructure, transport, and communication facilities has increased the scope of the rural market.

RURAL CO-OPERATIVE MARKETING

Around 700 million people, or 70% of India's population, live in 6,27,000 villages in rural areas. 90% of the rural population is concentrated in villages with a population of less than 2000. Rural marketing is as old as the civilization. Surplus of agro - products are exchanged in earlier days in the barter system. The introduction of currency, transport, and communication has increased the scope of rural co-operative market. Current agricultural marketing system in India is the outcome of several years of government intervention. Agricultural marketing scenario in India has undergone conspicuous changes during the last 50 years, owing to the increased marketed surplus; increase in urbanization and income levels and consequent changes in the pattern of demand for marketing services; increase in linkages with distant and overseas markets; and changes in the form and degree of government intervention. While the policy framework that influenced the structure, conduct and performance of agricultural marketing is discussed in the third section, some basic features of the system are presented here.

Current agricultural marketing system in India is the outcome of several years of government intervention. Agricultural marketing scenario in India has undergone conspicuous changes during the last 50 years, owing to the increased marketed surplus; increase in urbanization and income levels and consequent changes in the pattern of demand for marketing services; increase in linkages with distant and overseas markets; and changes in the form and degree of government intervention. While the policy framework that influenced the structure, conduct and performance of agricultural marketing is discussed in the third section, some basic features of the system are presented here.

CO-OPERATIVE MARKETING

Another major improvement for rural producers is the formation of cooperative societies. Farmer's common interest helped to increase the incomes of the farmers and avoid exploitation of the middlemen. There are about five lack cooperatives working but very few cooperative societies in selected areas like Dairy, sugar, oil seeds, Mahagrape in Maharashtra, tomato growers in Punjab etc. succeeded in cooperative processing industry.

MARKETING CHANNELS

In India, agricultural commodities move from the farm gate to consumers through several channels. Marketing channels for agricultural commodities vary from commodity to commodity but can be broadly divided into four groups viz.,

a) direct from fanners to consumers;
b) through public agencies or cooperative organizations;
c) through private wholesalers and retailers;
d) through processors.

Some important characteristics and changes in marketing channels witnessed during the last fifty years are as follows:

1. The share of private trade in handling marketed surplus has continued to be large. Taking all agricultural commodities together, the marketed surplus handled by cooperatives has been estimated as 10 percent, and by public agencies 10 percent. The private trade handles around 80 percent of the total marketed quantities of agricultural commodities (Acharya, 1994).

2. The role of transporters and processors in the marketing channel has considerably increased.

3. Specialization of traders in agricultural marketing, both in terms of commodity or marketing functions has shown an increasing tendency.

Other Factors Influencing Marketing

Natural calamities and Market conditions (demand, supply and price), Pests and diseases, Drought or too much rains, Primitive methods of cultivation, lack of proper storage facilities which exposes grain to rain and rats, Grading, Transport, Market Intelligence (up to date market prices to villagers), Long chain of middlemen (Large no. of intermediaries between cultivator and consumer, wholesalers and retailers, Fundamental practices (Market Dealers and Commission Agents get good part of sale of receipts).

MAJOR LOSERS IN AGRICULTURAL MARKETING

Small and marginal farmers, 75% villagers are illiterates or semiliterate, they facing difficulties like proper paper procedures for getting loans and insurance. The farmers facing high interest rates for their credits (Local money lending system). Most of the credit needed for agricultural inputs like seeds, pesticides, and fertilizers.

EMERGING TRENDS IN MARKETS

Online rural market (internet, NICNET)

Rural people can use the two-way communication through online service for crop information, purchases of Agriculture inputs, consumer durable and sale of rural produce online at reasonable price. Farm information online marketing easily accessible in rural areas because of spread of telecommunication facilities all over India. Agricultural information can get through the Internet if' each village have small information office.

Cost benefit analysis in this sector

Cost benefit can be achieved through development of information technology at the doorsteps of villagers. Most of the rural farmers need price information of agriculture produce and inputs. If the information is available farmers can take quick decision where to sell their produce, if the price matches with local market farmers no need to go near by the city and waste of money & time it means farmers can enrich their financial strength.

Need Based Production

Supply plays major role in price of the rural produce, most of the farmers grow crops in particular seasons not throughout the year, it causes oversupply in the market and drastic price cut in the agricultural produce. Now the information technology has been improving if the rural people enable to access the rural communication, farmers' awareness can be created about crops and forecasting of future demand, market taste.

Farmers can equates their produce to demand and supply, they can create farmers driven market rather than supply driven market. If the need based production system developed not only prices but also storage cost can be saved. It is possible now a days the concept of global village.

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SUGGESTIONS FOR SOUND AGRICULTURAL MARKETING IN INDIA

1. Rural markets need more number of godowns and ancillary platforms for packaging places, market office cum information cell, bank and post office.

2. Rural marketing is the nerve center of a rural economy; rural markets are the channels for the movements of goods and services as well as to promote cultural integration.

3. The efficient marketing is predominantly influenced by efficient distribution system it means products such ultimate consumer in the quickest time possible at minimum cost. The development of communication systems appropriate to rural market may cost up to six times as much as reaching an urban market though established media need rural communication facilities.

4. The state marketing board or federation or market committees also the producers, traders and sellers have necessarily to be consulted as they have the principle interest towards its use.

5. Rural communication must be in regional language and dialects.

6. Processing units should utilise fully capacity.

7. There is need to find out markets for agro-processed products within and out-side of the country.

8. The proper packaging technology must be improved.

CONCLUSION

Considering the emerging issues and challenges, government support is necessary for the development of marketing of agricultural produce. The government may adjust suitable budget allocations to rural infrastructure plans, and proper supervision for effective plan implementation. The core areas like transport, communication, roads, credit institutions, crop insurance for better utilization of land and water at appropriate level. The rural people and markets will definitely develop rural income and reduce poverty, on the whole countries economy will boost at an expected level. MANAGE an extension management institution may provide extension services to rural people in crop information, price information, insurance and credit information by using various media. MANAGE may recommend/advice to central and state governments on suitable infrastructure development, current problems in rural markets and problem solving techniques.

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