

MEMBERS PARTICIPATION TOWARDS GENERAL CO-OPERATIVE MARKETING SOCIETIES

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Abstract : Proper co-operation of members among general co-operative marketing society should provide guarantee to deliver all surplus produce of the members of the society. Through this way society can be assured to get a sufficient volume of business. But failure to provide expected benefits to members is a major limitation of general co-operative marketing society that paved the way to depend on other marketing outlets. The study found that inefficient business methods adopted by general co-operative marketing society is the major weakness. Society cannot compete with private business without adopting effective business methods. As a result member's participation towards general co-operative marketing societies goes on decreasing.

Key words : general co-operative marketing societies, members and patronage

Introduction

Prime motive to establish a general co-operative marketing society is to satisfy multiple needs of its members. The involvement of general co-operative marketing societies to the socio-economic development of Kerala's farmers has been remarkable. It is not a mere tool of profit maximization. Service is primary and profit motive is incidental. General co-operative marketing societies through delivering better standard of living aim at creating better men, better society and better nation. There is no discrimination on the basis of sex, religion, caste, wealth and belief.

A well-organized general co-operative marketing society has a contract with small, medium and large sized farmer members. They sell their surplus produce to the marketing society. Gradually they deposit their agricultural produce to the society and obtain pledge advance to carry on with their agricultural operations. Society distributes agricultural inputs and essential consumer articles at reasonable price.

Failure to provide expected benefits to members is a major limitation of general co-operative marketing society that paved the way to depend on other marketing outlets. Poor patronage of members towards general co-operative marketing society adversely

affects the success of general co-operative marketing societies. During the year 2016, of the total of 407 general co-operative marketing societies functioning under the administrative control of Registrar of Co-operative Societies in Kerala, 188 societies are working, 190 societies are dormant and 29 societies are under liquidation.

Review of Literatures

There are number of studies conducted by committees and scholars on several areas of co-operative marketing societies.

Alema Woldemariam Atsbaha (2008) conducted a detailed study on the topic "Analysis of the Role of Cooperatives in Agricultural Input and Output Marketing in Southern Zone of Tigray, Ethiopia," The major constraints in the agricultural input and output marketing services delivered by the co-operatives identified through this study were: Timely audit problem (80.90%), lack of training to members and board of directors (68.20%), lack of professional manager (66.40%), shortage of capital (66.30%), unable to pay dividend to members (66, 10%), financial embezzlement in cooperatives (65.40%), low commitment and disloyalty of members (63.00%), lack of timely market information (62.60%), recurrent draught (62.40%), low input use of farmer members (62.40%), low participation of members on the

coop affairs (61.80%), unskilled management committee (61.70%) and high price of agricultural inputs (61.10%).

The article titled "Prospect for Co-operative Marketing among Surgical Instruments Producers in Pakistan" by Therasa Thompson Chaudhry (2011) based on a survey of Surgical instrument producers in Sialkot, Pakistan. This survey covered several aspects of the exporter's interactions with other firms, including relationships with its customers and suppliers. One portion of the survey dealt with firms current efforts at direct sales to hospitals and doctors and the firms interest in joint marketing initiatives.

In his article "Role of Co-operative Marketing Societies in Agricultural Products in Maharashtra" by Pratab Bapuso Lad (2013) concluded that the Marketing Co-operative Societies in Maharashtra provide credit to the farmers to save them from the necessity of selling their produce immediately after harvesting. It ensures better returns to the farmers. The Co-operative marketing societies generally have storage facilities. Thus the farmers can wait for better prices and their products are out of the danger from rains, rodents and thefts. Bulk transport of agricultural produce by the societies is often easier and cheaper, which reduces cost and botheration of transporting produce to the market.

Sunil Varghese (2012) through his article titled "Challenges and Opportunities of Co-operative Marketing with respect to Small Rubber Growers in Kerala" pointed out that declining profitability of crops, shortage of farm labourers, abnormal increases in land prices and high rate of conversion of agricultural land for other uses are the major problems in the state's agricultural sector.

The thesis prepared by Demeke Tilahun (2007), entitled: "Performance of Coffee Marketing Co-operatives and Members'

Satisfaction in Dale District, Southern Ethiopia", and the results of the study shows the cooperatives were inefficient both on their business management and members handling that lead to the dissatisfaction of the members as customers.

Statement of Problem

Inefficient business methods adopted by general co-operative marketing societies are the major weakness. Society cannot compete with private business without adopting effective business methods. As a result member's patronage towards general co-operative marketing societies goes on decreasing. Lack of co-operation among co-operatives is the major inherent limitation of the general co-operative marketing societies. Self interest of members becomes supreme. Due to poor patronage of members many co-operative marketing societies becomes dormant stage.

Objectives of the Study

Objective of the study is to evaluate the members' participation towards general co-operative marketing societies.

Hypothesis of the study

Hypothesis formulated to test the objective is there is no significant difference in the member's participation and their characteristics.

Methods

Present study focused on the general co-operative marketing societies functioned under the administrative control of Registrar of Co-operative Societies in Kerala. Present study conducted mainly on the reliance of primary data. Primary data collected from members of general co-operative marketing societies. Of the total of 1,78,750 farmers enrolled as members of general co-operative marketing societies during the year 2016, 384 members are selected as respondents as per confidence interval approach.

Table No. 1 Distribution of members by their characteristics

Characteristics		N	%
Age	Below 20	6	1.56
	21-40	162	42.19
	41-60	206	53.65
	Above 60	10	2.60
Gender	Male	372	96.88
	Female	12	3.13
Membership duration	Below 10 Years	98	25.52
	11-20 Years	137	35.68
	21-30 Years	98	25.52
	31-40 Years	31	8.07
	Above 40 Years	20	5.21
Total		384	100

Source: Survey data

It can be identified from the Table No.1 that out of 385 sample members surveyed, 1.56 per cent of members comes under below 20 age group, 42.19 per cent of members comes under 21-40 age group, 53.65 per cent of members comes under 41-60 age group and 2.60 per cent of members comes under the age group of above 60. Likewise, out of 385 total sample members, 96.88 per cent of members are male members and 3.12 per cent of members are female members. Out of the total sample of 385 members, 25.52 per cent of members have below 10 years experience

with the society, 35.68 per cent of members have inbetween 11-20 years of experience with the society, 25.52 per cent of members have inbetween 21-30 years of experience with the society, 8.07 per cent of members have inbetween 31-40 years of experience with the society and 5.21 per cent of members have above 40 years of experience with the society.

Results and Discussion

Present study was carried out to evaluate participation of members towards general co-operative marketing societies. Evaluation is based on the opinions of members of co-operative marketing societies.

Table No.2 Level of members participation to General Co-operative Marketing Societies with Mean Score and Test of Significance

Variables		Very high	High	Moderate	Low	Very low	Mean	S.D	t Value	Sig.
Express members views to the society at the right time	N	22	107	98	100	57	3.1641	1.15696	53.591	.000
	%	5.7	27.9	25.5	26.0	14.8				
Participating chitti operations	N	32	20	106	162	64	3.5365	1.09054	63.547	.000
	%	8.3	5.2	27.6	42.2	16.7				
Participation in the auction market operations	N	62	177	36	66	43	2.6120	1.25703	40.718	.000
	%	16.1	46.1	9.4	17.2	11.2				
Disposing agricultural inputs to society	N	23	161	67	64	69	2.9870	1.24424	47.043	.000
	%	6.0	41.9	17.4	16.7	18.0				

Procuring goods from society	N	17	98	32	106	131	3.6146	1.30370	54.331	.000
	%	4.4	25.5	8.3	27.6	34.1				
Disposing entire products to marketing society	N	81	49	37	109	108	3.2969	1.51593	42.617	.000
	%	21.1	12.8	9.6	28.4	28.1				
Contact with co-operative management committee	N	20	42	72	111	139	3.7995	1.19131	62.498	.000
	%	5.2	10.9	18.8	28.9	36.2				
Active in election procedure	N	0	64	77	99	144	3.8411	1.10460	68.143	.000
	%	0	16.7	20.1	25.8	37.5				
Purchasing agricultural inputs from society	N	30	18	49	119	168	3.9818	1.20797	64.593	.000
	%	7.8	4.7	12.8	31.0	43.8				
Attending general body meeting	N	29	103	42	54	156	3.5339	1.43398	48.292	.000
	%	7.6	26.8	10.9	14.1	40.6				

Source: Survey data

It can be observed from the above table that majority of the members participating general co-operative marketing societies for purchasing agricultural inputs from society(3.9818), followed by active in election procedure (3.8411), contact with co-operative management committee (3.7995), procuring goods from society (3.6146), participating chitti operations (3.5365), attending general body meeting(3.5339), disposing entire products to marketing society(3.2969), express members views to the society at the right time(3.1641), disposing agricultural inputs to society(2.9870) and participation in the

auction market operations (2.6120). The opinion wise variation in respect of all variables seems to be 0.000, the level of significance when t test is applied.

In order to identify interrelationships that exist among a large number of variables, factor analysis was used. Factor analysis is a method of data reduction that reduces all variables to a few principal components. Next step is to determine whether the collected data is adequate or not to proceed the factor analysis. Kaiser Meyer Olkin (KMO) and Bartlett's test was used to measure sampling adequacy.

Table No. 3 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.527
Bartlett's Test of Sphericity	Approx. Chi-Square	1506.480
	df	45
	Sig.	.000

Source: Survey data

The KMO value (0.527) from the above table indicates that the sampling is adequate to proceed factor analysis. The p value of

Bartlett's Test of Sphericity is 0.000. That means, significance is less than 0.05.

Table No. 4 Communalities- Members Participation

Variables	Initial	Extraction
Express members views to the society at the right time	1.000	.839
Participating chitti operations	1.000	.762
Participation in the auction market operations	1.000	.739
Disposing agricultural inputs to society	1.000	.901
Procuring goods from society	1.000	.745
Disposing entire products to marketing society	1.000	.625
Contact with co-operative management committee	1.000	.472
Active in election procedure	1.000	.727
Purchasing agricultural inputs from society	1.000	.743
Attending general body meeting	1.000	.831

Source: Survey data

Table 4 clearly shows extraction communalities values for each variable representing members participation towards general co-operative marketing societies. From the table it can be noted that according to the members of co-operative marketing societies,

the highest extraction value for the factor express members views to the society at the right time got 0.839. The least extraction value for the factor contact with co-operative management committee got 0.472.

Table No. 5 Total Variance Explained

Component	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings					
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %			
Express members views to the society at the right time	4.572	28.921	28.921	2.840	28.399	28.399	2.334	23.336	23.336
Participating chitti operations	3.226	20.408	49.329	2.115	21.149	49.548	2.268	22.678	46.014
Participation in the auction market operations	2.258	14.282	63.611	1.258	12.579	62.127	1.424	14.236	60.250
Disposing agricultural inputs to society	1.857	11.745	75.356	1.171	11.710	73.837	1.359	13.588	73.837
Procuring goods from society	1.409	8.914	84.270						
Disposing entire products to marketing society	.824	5.210	89.480						
Contact with co-operative management committee	.708	4.480	93.959						

Active in election procedure	.411	2.600	96.559						
Purchasing agricultural inputs from society	.327	2.069	98.628						
Attending general body meeting	.217	1.372	100.000						

Source: Survey data

Total variance explained indicates that how much of the variability has been modelled by the extracted factors in the data. Above table indicates about the factors with eigen values greater than one. There are four factors derived from the analysis. The cumulative percentage obtained from Extraction Sums of Squared Loadings indicates that with the help

of only one extracted factor, it is possible to explain 28.399 per cent of the variance. If the second factor considered, 21.149 per cent of the variance can be identified. When third factor is considered, it is possible to explain 12.579 per cent of the variance. If the fourth factor considered, 11.710 per cent of the variance can be identified.

Table No.6 Component Matrix

Factors	Component			
	1	2	3	4
Express members views to the society at the right time	.136	.127	.010	.897
Participating chitti operations	.107	.486	.613	-.373
Participation in the auction market operations	.103	.828	.136	.154
Disposing agricultural inputs to society	-.127	.011	-.932	-.127
Procuring goods from society	-.506	.527	.275	.369
Disposing entire products to marketing society	-.679	.094	-.091	-.382
Contact with co-operative management committee	.601	-.245	.129	-.185
Active in election procedure	.729	.286	.235	.241
Purchasing agricultural inputs from society	.020	.861	-.025	-.008
Attending general body meeting	.816	.399	-.065	.024

Source: Survey data

Table 6 illustrates the four components extracted by the rotated component matrix. It is evident that the relative correlation between factors varies interchangeably. Through this analysis interrelated variables are grouped into one factor. The table 7 clearly indicates the details regarding the grouping of Factor.

Table No. 7 Classification of components in to factor

Sl. No	Factors	Value
Factor 1: Administration		
1	Contact with co-operative management committee	.601
2	Active in election procedure	.729
3	Attending general body meeting	.816
Factor 2: Business operation		
4	Participation in the auction market operations	.828
5	Procuring goods from society	.527
6	Disposing entire products to marketing society	.094
7	Disposing agricultural inputs to society	.011
8	Purchasing agricultural inputs from society	.861
Factor 3: Investment scheme		
9	Participating chitti operations	.613
Factor 4 :Feed back collection		
10	Express members views to the society at the right time	.897

Source: Survey data

From the above table it can be identified that the factors like contact with co-operative management committee, active in election procedure and attending general body meeting are grouped in to the administration factor. The factors like participation in the auction market operations, procuring goods from society, disposing entire products to marketing society, disposing agricultural

inputs to society and purchasing agricultural inputs from society are grouped in to business operation factor. Other factors like participating chitti operations and express members views to the society at the right time are grouped in to investment scheme factor and feedback collection factor respectively.

Characteristics		Mean	S.D	F	Sig.
Age	Below 20	591.98	402.61	15.234	0.000
	21-40	726.38	765.73		
	41-60	188.67	198.91		
	Above 60	502.98	618.99		
Gender	Male	295.97	343.68	2.931	0.000
	Female	215.73	336.80		
Membership duration	Below 10 Years	353.82	397.55	3.412	0.037
	11-20 Years	347.86	485.49		
	21-30 Years	347.86	485.49		
	31-40 Years	227.81	308.33		
	Above 40 Years	533.98	670.35		

Source: Survey data

It is observed from the above table that members come under above 60 age group are actively participating general co-operative marketing societies and members come under 41-60 age group are inactively participating general co-operative marketing societies. The male participation is highest as compared to

females. Members have below 10 years of experience with the society shows high participation with the society and members have 31-40 years of experience shows low participation with the society. In order to identify variations

Findings of the Study

The study clearly indicated that large number of members preferred to sell their produce through non- co-operative marketing societies because they could dispose all kinds of products throughout the year, which they could not obtain from co-operative marketing societies. Local traders are the major disposal agency where all respondents sold a considerable portion of agricultural output, followed by marketing society and agents. There are few quality services provided by the general co-operative marketing societies to the farmers but they do not provide enough incentive to the farmer to come to co-operatives for business.

Suggestions of the Study

Suggestions for rectifying present weaknesses of general co-operative marketing societies are given below:

1. General co-operative marketing society should be self reliant for satisfying member's needs and wants.
2. Society should have willingness to purchase entire products produced by members.

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3. Society should procure products from members as per the price higher than open market price.

4. Society should offer quality services. Through this way society can compete with private business successfully.

Conclusion

This study was conducted to evaluate member's patronage towards general co-operative marketing societies. Because, members are the key element of general co-operative marketing societies. But failure to provide expected benefits to members is a major limitation of general co-operative marketing society that paved the way to depend on other marketing outlets. As a result liquidation and dormancy of general co-operative marketing societies will aggregate. The study revealed that there are few quality services provided by the general co-operative marketing societies to the farmers but they do not provide enough incentive to the farmer to come to co-operatives for business.

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