PREFACE

The vast majority of our people (91.18 per cent in Assam as per 1971 Census) live in the countryside. Similarly, as many as 65.78 per cent of the workers in the State depend for their livelihood solely on agriculture. Despite, successive Five Year Plans since 1950-51, these agricultural people, living in the countryside, do not appear to have benefited much by planned programmes initiated so far, and are still in the midst of object poverty and unemployment. Apart from this, the fruits of economic development have so far been primarily localised in urban areas. There is also exploitation of the agriculturist by a long chain of middlemen and, as a consequence, the tillers of the soil do not get the actual price paid by the consumers for their produce. However, a viable agricultural sector alone can contribute considerably to the agriculturist by increasing the productivity of the producers and at the same time reduce the pressure on land in the rural areas and provide remunerative work to the increasing rural population.

The secret to solving all these economic problems of the rural people seems to lie in the promotion of agro-based industries and this conclusion also conforms to the Directive Principle of State Policy laid down in our Constitution.

From the point of view of economic organisation, cooperation offers our agricultural population the best form of organisation to derive full benefits out of their agro-
industrial development by co-operativising control and management. The Committee of Co-operative Processing set up by N.C.D.C. (1975) opined that 'the potential of agricultural processing industry cannot be fully exploited for the benefit of the growers unless they themselves own and control them and also participate in their management'.

In practice, co-operative processing industry has demonstrated its superiority, not only as an upholder of the farmer's interests, but also as an instrument in developing social culture.

All these factors inspired me to take up this study: "A Study of Agricultural Processing Co-operatives in Assam", as a subject for Ph.D. examination of the University of Gauhati, under the Faculty of Commerce.

As the Royal Commission on Agriculture has rightly remarked 'If cooperation fails, there fails the best hope of rural India'. This statement is so just and valid that the Rural Credit Survey Committee also remarked that 'Co-operation has failed, but cooperation must succeed'.

I, therefore, start with a hypothesis that Agricultural Processing Co-operatives in a situation of under-development like that in Assam have built-in weaknesses like lack of efficient managerial and entrepreneurial personnel which have made them unviable.
Even when we are aware of the existing constraints or weaknesses in our co-operative organisations, we cannot perhaps wait for that distant future when cooperation as a movement may succeed only when people feel that they are now unable to go on without other's help or cooperation. Our co-operatives could be definitely successful as these have been in highly advanced countries like Sweden, Japan, Switzerland etc. if the members are given the necessary education in the spirit of cooperation, the organisation is free from politics and the management of the co-operatives is improved and made business like. It appears to us that there is no other way than to depend on co-operatives for the very existence of our agricultural population and their emancipation from the present situation.

So far, our rural sector in this State has not been properly studied. The present study of 'A Study of Agricultural Processing Co-operatives in Assam', may be considered as a pioneering attempt in the field of the rural sector in our State's economy.

Hence, an effort has been made to make an extensive as well as analytical study of the existing Agricultural Processing Co-operatives in Assam. It is believed that the causes of failure of the Agricultural Processing Co-operatives in Assam that have been enumerated in the course of this study and the measures that have been suggested for revitalisation and renovation of the Agricultural Processing Co-operatives in the State will be found useful in enunciating a pragmatic
approach to rebuilding the State's fragile co-operative structure.

For the purpose of collection of data, it was decided not to get tied up with any single technique of data collection. Hence, the source material for the thesis have been collected, besides books, journals, from published documents, various reports of the Central and State governments and Annual Administrative Reports of the Department of Cooperation, Assam. These have been supplemented by physical survey of the Agricultural Processing Co-operatives in Assam conducted by the Researcher - particularly Sugar Mills, Jute Mills, Cotton Ginning Mills, Khansari Unit, Fruit-processing unit, Solvent Extraction Plant and a number of Rice and Oil Mills, under the Marketing and Processing Co-operatives through a structured questionnaire, unstructured interviews on the spot and observation of works done in the fields.

The thesis comprises fourteen chapters. The first chapter forms the introduction to the subject under study. The second chapter, 'Structure of Assam's Economy' deals with the basic economic features of the State, against the background of which the imperative need for the study of Agricultural Processing Co-operatives in Assam has been stressed. In another chapter, we have devoted ourselves to the writing of a brief history of the growth of co-operatives, in general, and Processing Co-operatives, in particular in Assam as a kind of background study relevant to the subject.
The individual processing units like Sugar Mills, Jute Mills, Cotton Ginning Mills, Solvent Extraction Plant, Tran unit have been studied separately in different chapters and the Processing Societies functioning as an adjunct to marketing have also been studied separately. The management strategy of Agricultural Processing Cooperatives in Assam from the point of view of the relevant Acts, Rules and bye-laws and the actual managerial weaknesses are studied in the last but one chapter. The concluding chapter deals with the findings and suggestions.

Despite the obvious difficulties arising from rather indifferent response to questionnaire, both structured and unstructured, adequate materials have been collected to illustrate and justify for an analytical study of the problems under study. And, it is hoped that the findings and suggestions made in this study of a pioneering nature will provide enough materials for those involved and associated with the co-operative sector in the interest of reorganisation and renovation of the existing Agricultural Processing Co-operatives in Assam which have vital bearing on the growth of rural economy in the State.

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