CHAPTER – 9

FINDINGS, CONCLUSIONS AND SUGGESTIONS

The present study titled “Working and Performance of Marketing Co-operatives in Punjab & Haryana: A Comparative Study of MARKFED and HAFED” has the following dimensions:

- It studies the growth of MARKFED and HAFED.
- It studies the supply and procurement activities of MARKFED and HAFED.
- It examines the marketing practices and processing activities of MARKFED and HAFED.
- It undertakes financial analysis of MARKFED and HAFED.
- It assesses the perception of farmers about working of the selected institutions.
- It analyses the opinion of employees regarding functioning of the respective federations.

For the purpose of this study, two sets of data have been collected, i.e., primary and secondary data. The secondary data for the study pertaining to the period from 2000-01 to 2011-12 has been compiled from the annual reports of the selected institutions, Statistical Abstracts of Punjab and Haryana and other government reports and publications. The growth of MARKFED and HAFED has been studied on the basis of various indicators like members, sales turnover, own funds, investments, long-term loans and total assets. These have been analyzed with the help of statistical tools, such as average, coefficient of variation, One-Sample Kolmogorov-Smirnov Test, exponential growth rate and T-test. The supply activities of MARKFED include the purchase procedure of inputs and sale of fertilizers by the federation, whereas those of HAFED include its purchase procedure, sale of pesticides, certified seeds and fertilizers.
The procurement activities of MARKFED examine the procurement, sale and profit related to foodgrains like wheat, paddy and cotton, whereas in the case of HAFED, procurement of wheat, paddy, bajra and mustard seeds has been analyzed. The warehousing activities of both the federations have been studied on the basis of their own storage capacity. Statistical tools like average, coefficient of variation, exponential growth rate and percentage have been applied for the purpose of analysis. The marketing practices of MARKFED and HAFED have been studied in terms of various P’s of marketing mix, viz. product, price, place, promotion, people, process and physical evidence and other activities performed by the respective federations. Further, the processing activities of the two federations have also been examined by analyzing the production, sale and profits of their plants. The financial analysis of MARKFED and HAFED has been done by analyzing the liquidity, solvency, turnover and profitability position of the federations. The research tools like ratios, Mootals comprehensive ranking test, correlation, regression and Z-score have been used for analysis.

The working of MARKFED and HAFED was assessed on the basis of perception of 200 farmers, taken as a sample, representing both these organizations in equal proportion. Similarly, the functioning of both these organizations was examined on the basis of perception of 160 employees, taken as a sample, with equal representation of 80 each. The respondents were taken on the basis of convenient sampling method. The relevant information has also been collected through personal observations and discussions with the farmers and employees of the federations.

The data collected from the farmers has been analyzed on the basis of certain demographic variables, such as gender, age, educational qualification, category, size of land holdings and annual household income. The perception of the farmers regarding membership of societies, procurement of agricultural produce,
products of the federation, additional services availed, problems faced and the overall satisfaction level has been studied. Similarly, the data collected from the employees has been analyzed on the basis of certain demographic variables, such as gender, educational qualification, experience and annual income. The aspects of functioning of the federations, achievement of the objectives of federations, human resource practices, procurement activity, plant activity, input activity and marketing activity, problems faced and the overall satisfaction level have been studied on the basis of perception of the employees of these organizations. Further, the primary data has been analyzed with the application of certain statistical tools like average, chi-square test, Mann-Whitney test, Kruskall Wallis test, Pearson bivariate correlation, regression analysis, etc.

The major findings of the study are summarized as hereunder:

**GROWTH OF MARKETING CO-OPERATIVES IN PUNJAB AND HARYANA**

- The analysis revealed that during the period 2000-01 to 2011-12 there was a nominal increase in the number of members (0.12%) and investments (3.20%) of MARKFED. However, own funds registered a negative growth (-3.48%) during the study period. The sales turnover (9.58%) and total assets (10.41%) have increased at a relatively higher growth rate during the study period. The long term loans showed a huge variation of 117.68 per cent during the study period.

- In HAFED, there was negative growth in the number of members (-0.81%) during the period 2000-01 to 2011-12. The sales turnover (8.13%), own funds (7.54%), investments (7.83%), long-term loans (26.75%) and total assets (8.55%) have recorded growth during the study period.

- The comparative growth analysis of MARKFED and HAFED on the basis of various selected indicators was made. The analysis showed
that there was significant difference in the growth of the two federations in terms of number of members, sales turnover, own funds, investments, long-term loans and total assets with significant T values (630.520, 2.599, 5.304, 12.553, 6.129 & 2.746 respectively) at 5 per cent level of significance. The mean value of number of members, sales turnover and total assets was higher in MARKFED (3048, Rs. 5130.64 crore, Rs. 5205.66 crore respectively) as compared to that in HAFED (76, Rs. 3361.98 crore & Rs. 2573.09 crore respectively) whereas the mean value of own funds, investments and long-term loans was higher in HAFED (Rs. 539.59 crore, Rs. 108.86 crore & Rs. 23.84 crore respectively) as compared to that in MARKFED (Rs. 291.71 crore, Rs. 8.36 crore & Rs. 1.29 crore respectively).

SUPPLY AND PROCUREMENT BY MARKFED AND HAFED

- It was found that both the federations are purchasing inputs from various sources at proper time. The distribution of fertilizer by MARKFED has increased (4.93% in quantity and 7.55% in value) whereas profits from the fertilizer activity (-2.89%) have declined during the study period. In HAFED, there was growth in sale of fertilizers (9.25 % in quantity and 12.69 % in value), seeds (15.44%) and pesticides (10.09%). But, there was lot of variations in the profits from distribution of fertilizers (52.99%) by MARKFED and sale of seeds (115.65%) by HAFED.

- The analysis of procurement of food-grains by MARKFED reveals that there was nominal increase (2.09% in quantity and 8.74% in value) in procurement of wheat during the period of study. The sale of wheat grew at a rate of 3.31 per cent in quantity and 9.31 per cent in value and profits from the wheat activity fluctuated (142.17%). The procurement of paddy grew at the rate of 5.52 per cent in quantity and 12.92 per cent in value whereas the sale of paddy grew at a nominal rate of 2.98 per cent in quantity and
11.69 per cent in value during the study period. The profit from the paddy activity varied widely with a variation of 228.60 per cent during the study period. There was growth in the procurement of cotton (10.90% in quantity and 18.20% in value) and the sale of cotton (12.86% in quantity and 19.62 % in value) whereas there was lot of variation among profits from cotton (92.65%) during the study period.

- In HAFED, there was nominal increase in the procurement of wheat (0.02%) but the federation has procured more than the share allocated to it. The procurement and sale of paddy increased at the rate of 6.27 per cent and 11.72 per cent respectively. The average percentage share of procurement of bajra by HAFED in the state was 35.26 per cent during the study period. It was further revealed that there was huge variation in the procurement of mustard seeds (182.61%) and the mean value of the quantity of mustard seeds procured under support price (180925.40 MTs) was more than the quantity purchased under own account (7609.63 MTs) by HAFED.

- The own storage capacity of MARKFED in Punjab decreased from 43.61 lac tonnes in 2000-01 to 39.81 lac tonnes in 2001-02, then increased to 55.20 lac tonnes in 2002-03, then declined to 35.57 lac tonnes in 2004-05, increased to 36.10 lac tonnes in 2005-06, declined to 19.13 lac tonnes in 2006-07, increased to 44.34 lac tonnes in 2010-11 and was 43.30 lac tonnes in 2011-12. Further, the share of own storage capacity of the MARKFED to total agencies in the state has increased from 17.33 per cent in 2000-01 to 18.50 per cent in 2011-12.

- The own storage capacity of HAFED in Haryana has increased from 4.25 lac tonnes in 2000-01 to 9.98 lac tonnes in 2003-04, then remained stable for next year and increased to 25.21 lac tonnes in 2009-10 and was 24.86 lac tonnes in 2011-12. The share of own storage capacity of the HAFED to the total capacity of all other
agencies in the state has increased from 14.50 per cent in 2000-01 to 43.10 per cent in 2011-12.

MARKETING AND PROCESSING ACTIVITIES OF MARKFED AND HAFED

- The product mix of both the federations includes various genres of products. Product mix of MARKFED consists of canned products, bottled products, agro-chemicals, edible/refined oils, animal feed and rice. The MARKFED markets its products under the brand name SOHNA. The product mix of HAFED consists of agri-inputs, consumer products including rice, oil, sugar, turmeric and cattle feed.

- The prices of the products of both the federations are fixed keeping in view the prices of the competitive products and cost structure. The two federations deliver their products through various distribution channels or combination of some of them depending upon the requirement of a particular market. The co-operative marketing societies, primary agricultural co-operative societies and federations’ retail shops are playing important role in this regard. The federations provide promotional support through various types of advertising and publicity as per the demand and the requirement. The people are significant element of the two federations. The federations promotes welfare of their employees by providing security of service through common cadre rules, incentive and welfare facilities to increase efficiency and improve productivity. Proper training facilities are also imparted to the employees. The head offices and the district offices of both the federations present good look but more infrastructural upgradation is required in the offices of MARKFED as compared to that of HAFED.

- MARKFED provides several other facilities like Agri export zone for crop, contact farming facilities, soil testing services, packaging testing laboratory etc. for the benefit of the farmers and the
consumers. MARKFED has emerged as a distinct export entity and exports products like basmati rice, processed food etc. HAFED provides other services like contract and organic farming and also undertakes exports of its consumer products like rice, mustard seed oil etc.

- MARKFED has 16 processing plants. It has 10 rice mills, 2 oil and cattle-feed complexes, 1 oil complex, 1 agro-chemical plant, 1 canneries plant and 1 sugar mill. The HAFED has 20 processing plants. It has 11 rice mills, 2 oil mills, 2 cattle feed plants, 1 sugar mill, 1 pesticide plant, 1 turmeric plant, 1 barley malt plant and 1 seed processing plant.

- The analysis of the rice mills of MARKFED showed that the average value of total paddy procured, total milling, sale, profit and losses by various mills was 89467.97 MTs, 82101.29 MTs, Rs. 77.60 crore, Rs. 1.83 crore and Rs. 3.52 crore with a variation of 53.65 per cent, 53.13 per cent, 34.01 per cent, 103.56 per cent, 120.15 per cent respectively during the period of the study.

- In case of other plants of MARKFED, on an average, production of Kapurthala Plant was highest (29255.84 MTs in cattle feed & 222.97 MTs in oil respectively) and lowest of agro plant at Mohali (232.39 KL in liquid, 65.26 MTs in wettable powder and 194.32 MTs in dust form respectively) during the period of study. On an average, the sale of Khanna Plant was highest (Rs. 105.88 crore) and lowest of Sugar mill, Mallout (Rs. 6.36 crore) during the period of study. On an average, the Khanna plant had the largest proportion of profits, i.e., Rs. 29.10 crore, while the Sugar Mill, Mallout incurred losses to the tune of Rs. 2.92 crore.

- In HAFED, the mean value of the quantity milled and profits of various rice mills was 66545.13 MTs and Rs. 3.05 crore with a variation of 23.96 per cent and 92.15 per cent during the period of 2004-05 to 2011-12.
• In case of other plants, on an average, the production of HAFED Pesticide Plant, Taraori was highest (173.88 MTs in powder, 115707.17 Ltrs in liquid); and lowest of Oil Mill, Narnaul (1491.27 MTs) during the period of study. It was further found that on an average, the sale of Cattle Feed Plant, Rohtak was highest (Rs.19.79 crore) and lowest of Pesticide Plant, Taraori (Rs. 3.16 crore) during the period of study.

FINANCIAL ANALYSIS OF MARKFED AND HAFED

• The liquidity analysis revealed that the liquidity position of both the federations has been declining since 2005-06. However, it was found that the position of HAFED was better than that of MARKFED during the period of the study.

• Solvency analysis of MARKFED depicts that the federation relies more on outsiders’ funds especially heavily on short-term funds. The federation was using long-term loans from time to time, but its usage was less and there was also variation in the usage of shareholders’ funds for financing working capital requirements of the federation. The mean value of debt-equity ratio, funded debt to total capitalization ratio, proprietary ratio, fixed-assets to net-worth ratio and fixed-assets ratio was 25.59, 0.45 per cent, 7.90 per cent, 54.49 per cent and 54.29 per cent respectively during the study period.

• The average value of debt-equity ratio, funded debt to total capitalization ratio, proprietary ratio, fixed-assets to net-worth ratio and fixed-assets ratio of HAFED was 3.70, 4.08 per cent, 25.52 per cent, 45.33 per cent and 43.42 per cent respectively during the study period. So, the analysis reveals that HAFED relies more on outsiders’ funds especially short-term funds, and shareholders’ funds and long term-loans are also being used to finance working capital requirements.
The turnover ratios indicate that the inventory, debtors and net working capital are being effectively turned into sales in both the federations but in the later years there has been low degree of efficiency in the management of working capital circulation. The problem relating to the turnover in MARKFED was excessive investment in the stock, whereas in HAFED it was federation’s inability to sell on credit in the later years and at the same time over investment in inventories.

The profitability analysis of both the federations indicates a decline in their profitability position in the later years of the study. But, the profitability of MARKFED was lesser as compared to that of HAFED.

In the case of MARKFED, there was positive correlation between net profits and current ratio, liquid ratio, absolute liquid ratio, funded debt to total capitalization ratio, proprietary ratio, inventory turnover ratio and debtor turnover ratio, whereas there is a highly negative and statistically significant relation between net profits and debt-equity ratio, fixed-assets to net-worth ratio, fixed-assets ratio and net working capital turnover ratio (0.987, 0.975, 0.976 & 0.980 respectively) at 5 per cent level of significance. The regression analysis reveals that in MARKFED, debt-equity ratio enters in the regression model in the first step and singularly explains 97.1 per cent variation in the net profits of the federation. So, in order to increase profits of the federation, long-term sources of finances and shareholders’ funds should be increased.

In the case of HAFED, there was moderate and significant positive association between net profit and liquid ratio, inventory turnover ratio and debtor turnover ratio. Further, there was significant and negative correlation between net profits and fixed-assets to net-worth ratio (0.701), fixed-assets ratio (0.698) and net working capital turnover ratio (0.718). Absolute liquid ratio, debt-equity ratio and funded debt to total capitalization ratio are negatively related to net profits whereas current ratio and proprietary ratio
are positively related. Further, inventory turnover ratio enters in the regression model in the first step and singularly explains 57.80 per cent variation in the net profit (Y). In the second step, net working capital turnover ratio enters in the regression model along with inventory turnover ratio and explains 85.30 per cent variation in net profits. Thus, in order to increase profits of HAFED, stock turnover should be increased and working capital should be managed properly.

- The mean value of Z-score of MARKFED during the period of study was 1.403 with the highest value of Z-score of 2.9166 in the year 2004-05 and lowest Z-score of 0.6231 in the year 2000-01. HAFED has the highest value of Z-score of 5.2108 in the year 2003-04 and lowest Z-score of 0.9445 in the year 2001-02, with an average Z score of 2.3841. The overall financial analysis brings out that the financial position of HAFED has been better than that of MARKFED.

WORKING OF MARKFED AND HAFED: AN OPINION SURVEY

Farmers’ Perception

Farmers’ perception regarding various aspects of the federations is:

Membership of Societies

- The majority of the respondents became members of the societies of both the federations due to their ‘own will’ (MARKFED = 89 per cent & HAFED = 55 per cent), followed by ‘influence of employees of the societies’ (MARKFED = 20 per cent & HAFED = 26 per cent), ‘influence of friends/relatives/neighbors’ (MARKFED = 11 per cent & HAFED = 20 per cent) and ‘influence of employees of the federation’ (MARKFED = 2 per cent & HAFED = 4 per cent).

- A very high majority of the respondents of MARKFED became members for ‘getting inputs’ (97 per cent), ‘consumer goods’ (94 per cent) and ‘cattle feed’ (93 per cent). Further, the respondents of HAFED became members for ‘getting inputs’ (91 per cent), ‘cattle
feed’ (69 per cent), ‘consumer goods’ (66 per cent) and ‘marketing of produce’ (55 per cent).

- In both the federations, majority of the respondents (164 per cent) are aware of the meetings of the societies but the level of awareness is significantly higher in case of MARKFED (90 per cent) as compared to that of the HAFED (74 per cent). Further, majority of the respondents in MARKFED (84 per cent) actively participated in the meetings of the societies while the percentage of such respondents is 50 per cent in the case of HAFED.

**Procurement of Agricultural Produce**

- As regarding the procurement of agricultural produce, analysis reveals that all the respondents of the societies of MARKFED and HAFED sell wheat (100 per cent) but there are significant differences in terms of other types of crops sold by the respondents of the respective societies. A vast majority of the respondents of the societies of MARKFED sell paddy (94 per cent) and in HAFED, 83 per cent of the respondents sell paddy. The respondents of HAFED also sell other types of crops like cotton (36 per cent), mustard seed (18 per cent), bajra (3 per cent), barley (14 per cent) and other crops including jowar, moong and vegetables (14 per cent).

- The respondents of MARKFED mostly favor ‘immediate payment’ (82 per cent) and ‘time saving’ (76 per cent) as a reason for sale through a particular mode whereas in HAFED, ‘immediate payment’ (80 per cent) is the main reason for sale through a mode. Other reasons highlighted by the respondents of MARKFED to sell through a particular mode are ‘right price’ (40 per cent) and ‘less chance of malpractices’ (18 per cent) whereas in HAFED are ‘time saving’ (46 per cent), ‘right price’ (38 per cent), ‘less chance of malpractices’ (36 per cent) and ‘other’ (8 per cent) like availability of advance payment against produce and the quality of services.
• A large proportion of the respondents of both the federations mentioned that they have to wait for ‘1 day’ to sell their agricultural produce.

• The majority of the respondents of both the federations (MARKFED = 83 per cent & HAFED = 85 per cent) agreed that the sheds provided are proper. But, a small proportion of the respondents feel that the shed facility provided is not proper (MARKFED = 17 per cent & HAFED = 15 per cent). When asked about the problems being faced relating to the shed facility, the respondents of MARKFED mentioned problems like less space, no sitting arrangement, no proper cleanliness, delayed sale and loss of crops due to rain as there are open sheds. The main problems expressed by the respondents of HAFED are less space, limited area, not proper care and less cleaning of crops.

• The majority of the respondents of MARKFED and HAFED (81 per cent & 83 per cent) sell their entire agricultural produce through the societies. But, still certain proportion of the respondents keep the produce mainly for household purposes, for cattle and to sell at a higher price in off seasons.

• The majority of the respondents of the federations have expressed their satisfaction with regard to the, ‘mode of collection of produce/crop’ (MARKFED = 99 per cent & HAFED = 99 per cent ), ‘mode of payment of produce’ (MARKFED = 93 per cent & HAFED = 91 per cent), ‘procedure of weighing of produce (MARKFED = 84 per cent & HAFED = 85 per cent) and ‘packing facility (bags) provided for produce’ (MARKFED = 56 per cent & HAFED = 67 per cent). A large proportion of the respondents of MARKFED (95 per cent) are satisfied with the ‘price paid for produce’ as compared to 79 per cent of the respondents of HAFED with Z value (2.625) significant at 5 per cent level of significance. The majority of the respondents of MARKFED (90 per cent) significantly agreed (Z value = 3.023
significant at 5 per cent level of significance) with the statement, ‘Time taken in selling produce’ than HAFED (74 per cent). Further, the mean value of average weighted scores corresponding to the satisfaction level of the respondents regarding various opinion statements relating to the ‘marketing of produce’ is highest in MARKFED (3.99) as compared to that in HAFED (3.87).

**Products of the Federation**

- The respondents of both the federation purchase all varieties of agro-chemical (MARKFED = 97 per cent & HAFED = 100 per cent), consumer goods (MARKFED = 96 per cent & HAFED = 86 per cent) and cattle feed (MARKFED = 95 per cent & HAFED = 92 per cent). The respondents of MARKFED also purchase bottled products (51 per cent) and canned products (36 per cent) provided by the federation.

- The majority of the respondents of MARKFED procure products from Primary Agriculture Co-operative Societies (PACS) (agro-chemicals = 88 per cent, consumer goods = 77 per cent & cattle-feed = 74 per cent) whereas in the case of HAFED from Co-operative Marketing Societies (CMS) (agro-chemicals = 82 per cent, consumer goods = 61 per cent & cattle feed = 74 per cent).

- A large proportion of the respondents of MARKFED favour PACS as a source of information relating to the products of the federations (agro-chemicals = 81 per cent, consumer goods = 74 per cent & cattle feed = 74 per cent) as compared to that of HAFED who favour CMS for the same (agro-chemicals = 86 per cent, consumer goods = 62 per cent & cattle-feed = 78 per cent).

- The majority of the respondents of MARKFED favoured all the reasons viz. ‘easy availability’ (90 per cent), ‘fair price’ (80 per cent), ‘good quality’ (72 per cent) and ‘exact quantity’ (51 per cent) for the purchase of the products of the federation as compared to the
respondents of the HAFED which supported reasons ‘good quality’ (83 per cent), ‘fair price’ (57 per cent) and ‘easy availability’ (57 per cent).

- All the respondents surveyed are found unaware (MARKFED = 100 per cent & HAFED = 97 per cent) about the system of queries and complaints of products except 3 per cent of the respondents in case of HAFED who have knowledge of helpline numbers and have used it to collect the information about the availability of products and to complain regarding quality and features of the products.

- The majority of the respondents have expressed their satisfaction with regard to, ‘timely availability of inputs’ (MARKFED = 85 per cent & HAFED = 85 per cent), ‘prices of inputs’ (MARKFED = 88 per cent & HAFED = 83 per cent), ‘packaging of inputs/feed’ (MARKFED = 59 per cent & HAFED = 73 per cent), ‘quality of consumer goods’ (MARKFED = 99 per cent & HAFED = 92 per cent) and ‘quality of animal feed’ (MARKFED = 90 per cent & HAFED = 78 per cent). But, 92 per cent of the respondents of MARKFED and 95 per cent of the respondents of HAFED are satisfied with the ‘quality of inputs’ of respective federations with Z value (3.215) significant at 5 per cent level of significance. ‘Weighing system of different inputs/feed’ is highly supported by the respondents of HAFED (78 per cent) as compared to that of MARKFED (57 per cent). 89 per cent of the respondents of the MARKFED and 72 per cent of the respondents of HAFED expressed their satisfaction with ‘price of consumer goods’ of respective federations with highest mean (3.94) in case of MARKFED and Z value (3.550) significant at 5 per cent level of significance. 89 per cent of the respondents of MARKFED are satisfied with the ‘price of animal/cattle feed’ as compared to 77 per cent of the respondents of HAFED. ‘Location of mode from where products were bought’ is favoured by 96 per cent of the respondents of MARKFED and 93 per cent of the respondents of HAFED. Further, the mean value of average weighted scores corresponding to the satisfaction level of the
respondents regarding various opinion statements relating to the ‘products of the federation’ is highest in MARKFED (3.91) as compared to that in HAFED (3.85).

**Additional Services Availed**

- Federation-wise analysis reveals that only a small proportion of respondents of MARKFED and HAFED availed the camp/training facilities arranged by the respective federations with the chi-square value (15.457) significant at 5 per cent level of significance. But, the proportion of such respondents is higher in MARKFED (23 per cent) as compared to that in HAFED (4 per cent). The respondents have attended camps with daily contact hours of 4-5 hours and benefitted in terms of information relating to crops, seeds, feed and rates of products.

- The proportion of the respondents who are engaged in contract farming is higher in HAFED (11 per cent) as compared to that in MARKFED (7 per cent). Further, 10 per cent of respondents of HAFED were involved in organic farming contracts as against nil in case of MARKFED.

- The majority of the respondents have given their consent with the opinion statements, ‘Federation always inform the farmers regarding doses and usage of inputs’ (MARKFED = 86 per cent and HAFED = 80 per cent), ‘Federation provide general information regarding trends and prices’ (MARKFED = 64 per cent and HAFED = 80 per cent) and ‘Federation arranges proper training camps regarding better cultivation of the existing and new crops’ (MARKFED = 41 per cent and HAFED = 58 per cent). Further, in case of opinion statement ‘Federation provide ready market to the farmers’ 90 per cent of the respondents of the MARKFED and 75 per cent of the respondents of HAFED favored the statement with Z value (2.273) significant at 5 per cent level of significance. The
respondents of MARKFED (39 per cent) and HAFED (81 per cent) favored the statement ‘Federation has helped in eliminating exploitation by private traders’. But a large proportion of the respondents of the MARKFED (26 per cent) also disagreed with the statement. 95 per cent of the respondents of MARKFED and 71 per cent of the respondents of HAFED supported the statement ‘Federation are playing multi-faceted role for you’ with highest mean value (4.08) in case of MARKFED and Z value (5.141) significant at 5 per cent level of significance. In case of the statement ‘Federation has proper grievance handling mechanism’ 29 per cent of the respondents of MARKFED and 59 per cent of the respondents of HAFED favored the statement. The respondents of MARKFED (96 per cent) and HAFED (85 per cent) favored statement ‘Federation has helped in improving crop production’.

Further, the mean value of average weighted scores corresponding to the agreement level of the respondents regarding various opinion statements are same in the both the federations (3.73).

**Overall Satisfaction Level**

- A high majority of the respondents of MARKFED (98 per cent) and HAFED (94 per cent) have expressed their satisfaction regarding the functioning of the federations and the societies.

- In MARKFED, there is moderately positive and statistically significant correlation between opinion of respondents regarding overall satisfaction level and the opinion of the respondents relating to the procurement activity, products of the federation and other opinion statements (0.600, 0.338 & 0.486 respectively) at 5 per cent level of significance. Procurement activity enters in the regression model in the first step and singularly explains 35.3 per cent variation in the opinion of the respondents regarding overall satisfaction level. So, one unit of increase in the ‘procurement activity’ will lead to 0.461 units increase in the overall satisfaction.
level. Thus, the opinion of the respondents regarding the procurement activity has a major impact on the opinion relating to the overall satisfaction level.

- In HAFED, there is moderate and significant association between opinion of the respondents relating to overall satisfaction level and the opinion of the respondents relating to the procurement activity (0.361), products of the federation (0.366) and other opinion statements (0.551). In HAFED, ‘other opinion statements’ enters in the regression model in the first step and singularly explains 29.6 per cent variation in the opinion of the respondents regarding overall satisfaction level. Thus, one unit of increase in the ‘other opinion statements’ will lead to 0.502 units increase in the overall satisfaction level. After first step, ‘procurement activity’ enters in the regression model and along with ‘other opinion statements’ explains 32.7 per cent variation in the opinion of the respondents regarding overall satisfaction level. Thus, one unit of increase in the ‘other opinion statements’ and the ‘procurement activity’ will lead to 0.442 units and 0.202 units increase in the overall satisfaction level. Thus, opinion relating to the overall satisfaction level is mostly affected by the opinion relating to ‘other opinion statements’ and ‘procurement activity’.

- The study reveals that the opinion of the respondents regarding various activities of the federations differs on the basis of categories of demographic variables. In MARKFED the opinion of the respondents regarding the ‘other opinion statements’ significantly differs on the basis of various educational qualification groups. In HAFED, the opinion of the respondents regarding the ‘procurement activity’ and the ‘products of the federation’ significantly varies in terms of educational qualification categories. Further, the categories of demographic variables have no significant effect on
the opinion of the respondents regarding overall satisfaction level except educational qualification group in the case of MARKFED.

**Employees’ Perception**

Employees’ perception regarding various aspects of the federations is:

**Achievement of Objectives**

- In order to check the performance of the selected federations with regard to the achievement of objectives, the respondents were asked to give their level of agreement on 17 statements. All the 160 respondents (80 each from the selected institutions) gave their responses on these statements.

- The responses of the respondents with regard to achievement of objectives of the federations reveals that the respondents of both the MARKFED and HAFED have given their consent with the all opinion statements regarding achievement of objectives of the federation like serving interest of the farmers, adoption of technology, adequacy of co-operative societies, co-ordination between federation & co-operative societies, proper maintenance of records, etc. But, on 6 statements out of the total 17, assent given by the respondents of HAFED is significantly stronger than the respondents of MARKFED. The level of agreement is higher in regard to ‘Federation adopts latest technology in its working’, ‘Co-operative societies give timely information to the federation regarding their requirements’, ‘Federation has sufficient funds for smooth conduct of various activities’, ‘Federation has helped farmers in reducing their dependence on intermediaries/private traders’ and ‘Federation business is increasing day by day’ among the employees of HAFED (AWS = 4.40, 4.08, 4.48, 4.38 & 4.43) as compared to that of MARKFED (AWS = 3.65, 3.78, 3.94, 3.95 & 4.06). A large number of the respondents also expressed disagreement with the statement, “Federation work is not affected
adversely under political influence’ (MARKFED = 36.2 per cent & HAFED = 16.3 per cent). Further, the mean value of average weighted scores corresponding to the agreement level of the respondents regarding various opinion statements relating to the ‘achievement of objectives of the federation’ is highest in HAFED (4.29) as compared to that in MARKFED (4.06).

**Human Resource Practices**

- In order to check the performance of the selected federations with regard to the human resource practices, the respondents were asked to give their level of agreement on 14 statements. All the 160 respondents (80 each from the selected institutions) gave their responses on these statements.

- The respondents of both the federations have given their assent with majority (13 statements, viz. 92.9 per cent statements) of the opinion statements regarding human resource practices like proper mode of recruitment & selection, proper training, promotional avenues, cordial relationship between management & employees etc. But, 69 (43.1 per cent) of the total respondents disagreed on the statement, ‘The total staff in the department is adequate’. Further, it is found that the large proportion of the respondents of HAFED are satisfied with working conditions, opportunity provided in decision making and higher motivation level (AWS = 3.79, 3.50 & 3.73) as compared to that of MARKFED (AWS = 3.48, 3.20 & 3.44).

In case of the statement, ‘Salary package of the federation is adequate’ the respondents of MARKFED showed higher satisfaction level (AWS = 3.93) as compared to that of HAFED (AWS = 3.43). Further, the mean value of average weighted scores corresponding to the agreement level of the respondents regarding various opinion statements relating to the ‘human resource practices’ is highest in HAFED (3.64) as compared to that in MARKFED (3.55).
Procurement and Warehousing Activity

- The respondents were asked to give their consent on 20 statements relating to the procurement and warehousing activities of the federations. Out of the total employees surveyed, 69 respondents of MARKFED and 68 respondents of HAFED gave their opinion regarding the procurement and warehousing activity of the federations.

- The respondents of both MARKFED and HAFED expressed their assent with all the opinion statements regarding procurement and warehousing activities of the federation like fair allotment of mandis, timely procurement of food-grains, procurement of food-grains at minimum support price (MSP), efficient support by co-operative marketing societies, important role of commission agents, utilization of godown capacity etc. But on 7 statements assent given by the employees of HAFED are more significantly strong than that of the employees of MARKFED. The level of agreement is higher in regard to ‘Federations also indulges in commercial purchases of food-grains in its own account whenever necessary’, ‘Federation has adequate number of godowns’, ‘Condition of godowns is satisfactory’, ‘Federation charges fair price for commercial warehousing’ ‘Scientific storage facilities are provided in godowns’, ‘Godowns are inspected properly’ and The procurement and warehousing activities of the federation are efficient and effective’ among the employees of HAFED (AWS = 4.07, 3.76, 3.88, 4.04, 3.94, 4.10 & 4.12 respectively) as compared to that of MARKFED (AWS = 3.72, 3.17, 3.32, 3.71, 3.39, 3.83 & 3.83 respectively). Further, the mean value of average weighted scores corresponding to the agreement level of the respondents regarding various opinion statements relating to the ‘procurement and warehousing activity’ is highest in HAFED (4.01) as compared to that in MARKFED (3.81).
Plant Activity

- In order to check the performance of the selected federations with regard to the plant activity, the respondents were asked to give their level of agreement on 18 statements. Out of the total employees surveyed, 59 respondents of MARKFED and 61 respondents of HAFED gave their opinion regarding plant activity of the federations.

- The responses of the respondents with regard to plant activity reveals that all the respondents of both the federations MARKFED and HAFED have expressed their assent with the opinion statements regarding plant activity of the federations like sufficient numbers of processing plant, appointment of trained and competent personnel at various plants, full utilization of plant capacity, adherence to environmental standards etc. In case of opinion statement ‘Processing plants adopt latest technology in operation’, 54.3 per cent of the respondents of MARKFED and 77 per cent of the respondents of HAFED favored the statement. The respondents of MARKFED (89.8 per cent, AWS = 4.07) more significantly expressed their consent with the statement, ‘Plant location is appropriate’ than the respondents of HAFED (75.4 per cent, AWS = 3.80). Further, the mean value of average weighted scores corresponding to the agreement level of the respondents regarding various opinion statements relating to the ‘plant activity’ is almost same in HAFED (3.89) and MARKFED (3.88).

Input Activity

- The respondents were asked to give their consent on 12 statements related to the input activity of the federations. Out of the total employees surveyed, 62 respondents of MARKFED and 68 respondents of HAFED gave their opinion regarding input activity of the federations.

- The majority of the respondents have given their assent on opinion statements regarding input activity like adequate procedure for
purchase of inputs, price of inputs, proper distributional channel for inputs, effective promotional techniques for inputs, etc. But significant difference is found between both the federations on 2 statements viz., ‘Federation procures inputs at proper time’, 83.8 per cent of the respondents of MARKFED and 95.6 per cent of the respondents of HAFED favored the statement with significant Z value (2.572) at 5 per cent level of significance. The HAFED respondents (94.1 per cent, AWS = 4.24) more significantly agreed with the statement, ‘Inputs are easily available for farmers’ than the MARKFED respondents (79.1 per cent, AWS = 3.92). Further, the mean value of average weighted scores corresponding to the agreement level of the respondents regarding various opinion statements relating to the ‘input activity’ is highest in HAFED (4.22) as compared to that in MARKFED (4.06).

Marketing Activity

- In order to check the performance of the selected federations with regard to the marketing activity, the respondents were asked to give their level of agreement on 17 statements. Out of the total employees surveyed, 66 respondents of MARKFED and 68 respondents of HAFED gave their opinion regarding marketing activity of the federations.

- The respondents of both the federations MARKFED and HAFED have expressed their assent with the opinion statements regarding marketing activity of the federations like conducts market survey, quality products, appropriate price of products, effective promotional techniques, easy availability of products etc. Further, significant difference is found in regard with the opinion statement ‘Billing system of products at various outlets is computerized’ with Z value (5.103) significant at 5 per cent level of significance which indicates that, 31.9 per cent of the respondents of MARKFED agreed with the statement whereas 77.9 per cent of the
respondents of HAFED favored the statement. Further, the mean value of average weighted scores corresponding to the agreement level of the respondents regarding various opinion statements relating to the ‘marketing of produce’ is highest in HAFED (3.91) as compared to that in MARKFED (3.82).

**Problems Faced**

- Federation-wise analysis reveals that a large proportion of the respondents in both the federations have shown positive response and faced no problems while working in the respective federations (MARKFED = 86.2 per cent & HAFED = 83.8 per cent). But, still a small proportion of respondents faced problems in both the federations.

- When asked about the type of the problems being faced, the respondents of MARKFED mentioned problems like huge burden of work due to shortage of staff, lack of professionalism, too much file work for simple decision, no proper sitting system for its employees in the district offices as well as in branches, lack of proper working conditions, lack of computers and other stationery items, problems regarding milling policy and storage activity and with Food Corporation of India (FCI) norms, dissatisfaction with promotional hierarchy, unfair distribution of work, unequal treatment to lower rank people and improper work culture.

- The main problems expressed by the respondents of HAFED, are shortage of staff, work load, allotment of multi-purpose work, less preference to specialisation of work, less freedom in marketing of products and decision making, improper location of office, less powers and more duties, problems with FCI in wheat dispatch and key responsible area (KRA) was not defined properly.

**Overall Satisfaction Level**

- A majority of the respondents of both the federations have expressed their satisfaction regarding the functioning of the
federations. (MARKFED = 82.4 per cent & HAFED = 92.5 per cent). The Z value (2.045) is significant at 5 per cent level of significance with higher AWS (4.16) in the case of HAFED as compared to that of MARKFED (3.96) which indicates that the overall satisfaction level of the employees is higher in HAFED as compared to that in MARKFED.

- In the case of both the federations there is moderately positive and statistically significant correlation between opinion of the respondents regarding overall satisfaction level relating to the functioning of the federation and the opinion of the respondents relating to the achievement of objectives of the federation, human resource practices, procurement and warehousing activity, plant activity, input activity and marketing activity (MARKFED = 0.452, 0.480, 0.474, 0.327, 0.395 & 0.314 respectively and HAFED = 0.306, 0.455, 0.430, 0.364, 0.378 & 0.296 respectively).

- In MARKFED, the opinion of the respondents relating to the achievement of objectives of the federation, human resource practices, procurement and warehousing activity, plant activity, input activity and marketing activity explains 19.4 per cent, 22.1 per cent, 21.3 per cent, 9.1 per cent, 14.2 per cent and 8.4 per cent variation in the opinion of the respondents relating to overall satisfaction level. Thus, one unit of increase in the objectives of the federation, human resource practices, procurement and warehousing activity, plant activity, input activity and marketing activity leads to 0.705, 0.565, 0.692, 0.407, 0.488 and 0.393 units increase in the overall satisfaction level. In the case of HAFED, opinion of the respondents regarding the achievement of objectives of the federation, human resource practices, procurement and warehousing activity, plant activity, input activity and marketing activity explains 8.2 per cent, 19.7 per cent, 17.3 per cent, 11.8 per cent, 13 per cent and 7.4 per cent variation in the opinion of the
respondents relating to the overall satisfaction level of the respondents. Thus, one unit of increase in the objectives of the federation, human resource practices, procurement and warehousing activity, plant activity, input activity and marketing activity leads to 0.419, 0.409, 0.682, 0.470, 0.510 and 0.332 units increase in the overall satisfaction level. Thus, in both the federations the opinion relating to overall satisfaction level was mostly affected by the opinion of the respondents regarding the human resource practices.

- In both the federations the opinion of the respondents relating to the various aspects of the federation significantly varies in terms of specific demographic variables. In MARKFED, the opinion regarding human resource practices significantly differs on the basis of various income groups, the opinion regarding procurement and warehousing activities varies on the basis of gender categories, educational qualification sub-groups and annual income sub-groups, the opinion relating to the plant activity varies on the basis gender and annual income group and the views of the respondents relating to marketing activity differs on the basis of annual income group. In HAFED, the opinion regarding achievement of objectives of federation significantly differs on the basis of experience groups, the views relating to human resource practices varies on the basis of gender group and educational qualification groups, regarding the procurement and warehousing activities varies on the basis of gender and experience, relating to the plant activity differs on the basis of gender group and experience group and in case of the inputs activity educational qualification category affects the opinion of the respondents. Further, the categories of demographic variables have no significant effect on the overall satisfaction level of the respondents except experience group in the case of MARKFED.
CONCLUSIONS

Thus, the following basic conclusions emerge from the study:

GROWTH OF MARKETING CO-OPERATIVES IN PUNJAB AND HARYANA

The analysis of the growth variables reveal that the selected variables have their respective separate identities in both the federations. The variables like sales turnover and total assets have increased at relatively higher pace in MARKFED whereas in HAFED variables like turnover, investments, own funds, long term loans and total assets have recorded growth during the study period. Further, it was found that in MARKFED there was nominal increase in the number of members and investments and decrease in the own funds whereas in HAFED there was decrease in the number of members during the period 2000-01 to 2011-12. The comparative study reveals that there was significant difference in the growth of the two federations in terms of all the selected variables. MARKFED has high level of members, turnover and total assets than that of HAFED whereas HAFED has more amount of investments, own funds and long-term loans than that of MARKFED. So, the business of both federations has increased during the period of the study but in MARKFED reliance on outsiders’ funds in the form of short-term funds was more as compared to that in HAFED.

SUPPLY AND PROCUREMENT BY MARKFED AND HAFED

The two federations are playing an important role in the distribution of agri-inputs to the farmers which indicate growth in the business of the federations. But, in the case of MARKFED the profits from distribution of fertilizers and in HAFED sale of seeds vary in the study period. The procurement activities of MARKFED and HAFED have improved in the later years both in quantity and value but still more stability is required in the operations of the federations to
conduct activities smoothly and with profits. Further, the analysis reveals increase in the level of storage capacity of both the federations thereby indicating increase in its business activities.

**MARKETING AND PROCESSING ACTIVITIES OF MARKFED AND HAFED**

The analysis reveals that the federations are introducing more and more innovative products to satisfy the farmers and the consumers and to build a sound products mix. However, in the case of processed food MARKFED is ahead of HAFED. Both the federations set the prices of their products by keeping an eye on their cost structure and competitors. The distribution channels are being used in the federations depending upon the needs of a particular market. The co-operative marketing societies, primary agricultural co-operative societies and federations’ retail shops are playing important role in this regard. The ratio of media used for the promotion in both the federation changes as per the demand and the requirement. The people of both the federations are provided safety and security in the employment. The federations are taking steps to provide products of the federation to the consumer and the farmers at appropriate time through various distribution channels. The appearance of the head office and the district offices of the federations is sound but more infrastructural upgradation is required in the offices of MARKFED as compared to that of the HAFED. Both the federations also export their products to foreign countries. MARKFED is providing several other facilities like agri-export zone, contract farming, organic farming, various services through laboratories like soil testing, food testing etc. to the farmers as compared to the services of contract farming and organic farming provided by HAFED.

Both the federation have a large network of processing units in the respective state covering diversified needs. But, there is lot of variation in the sales and profits & losses of various plants.
FINANCIAL ANALYSIS OF MARKFED AND HAFED

The liquidity analysis of both the federations reveals that both have current assets to pay its current obligations but the declining level of liquidity in the later years in both the federations was an area of concern. The solvency analysis reveals that the two federations rely on outsiders’ funds especially heavily on short-term sources of finance but the level of short-term funds are more in MARKFED as compared to HAFED. The amount of long-term loans used as a source of finance was more in the HAFED then MARKFED. The turnover analysis indicates that the inventory, debtors and net working capital are being effectively turned into sales in both the federations but in the later years there has been lower degree of efficiency in the management of working capital circulation. The problem relating to turnover in MARKFED was excessive investment in stock whereas in HAFED it was federation’s inability to sell on credit in recent years and at the same time over investment in inventories. The profitability analysis of both the federations indicates towards the declining profitability of the federations in later years of the study. But, MARKFED has recorded less profitability as compared to HAFED. In the MARKFED, profits were related with the increase of long-term sources of finances and shareholders’ funds while in HAFED profits are related with increase of shareholders’ funds and proper working capital management.

The overall financial analysis brings out that the financial position of HAFED has been better than that of MARKFED. But both the federations need to pay more attention on improving their financial position.

WORKING OF MARKFED AND HAFED: AN OPINION SURVEY

Farmers’ Perception

Farmers’ perception regarding various aspects of the federations is:
Membership of Societies

The majority of the respondents became members of the societies of both the federations due to their ‘own will’, followed by ‘influence of employees of the societies’, ‘influence of friends/relatives/neighbors’ and ‘influence of employees of the federation’. The main reasons for the respondents of MARKFED to become members of the societies are for ‘getting inputs’, ‘consumer goods’ and ‘cattle feed’ whereas of HAFED are for ‘getting inputs’, ‘cattle feed’, ‘consumer goods’ and ‘marketing of produce’.

Procurement of Agricultural Produce

As regarding the procurement of agricultural produce, it is found that all the respondents of the societies of MARKFED and HAFED sell wheat crop. A vast majority of the respondents of the societies of MARKFED and HAFED also sell paddy. Moreover, the respondents of HAFED also sell other types of crops like cotton, mustard seed, bajra, barley and other crops including jowar, moong and vegetables.

The respondents of MARKFED mostly favor ‘immediate payment’ and ‘time saving’ as a reason for sale through a particular mode whereas in HAFED, ‘immediate payment’ is the main reason for sale through a mode. Further, a large proportion of the respondents of both the federations mentioned that they have to wait for ‘1 day’ to sell their agricultural produce and also agreed that the sheds provided are proper. But, a small proportion of the respondents of both the federations feel that the shed facility provided is not proper. The respondents of MARKFED mentioned problems like less space, no sitting arrangement, no proper cleanliness, delayed sale and loss of crops due to rain as there are open sheds. The main problems expressed by the respondents of HAFED are less space, limited area, not proper care and less cleaning of crops.
The majority of respondents of both the federation have expressed their satisfaction regarding the procurement of produce by the federations through the respective societies. The satisfaction level of the respondents of MARKFED is more regarding mode of payment, price paid and time taken in the sale of produce as compared to that of HAFED. The respondents of HAFED are more satisfied with the procedure of weighing of produce and packing facility provided for the produce as compared to the respondents of MARKFED. Overall the respondents of MARKFED are more satisfied with the procurement of the produce than the respondents of HAFED.

**Products of the Federation**

The respondents of both the federation purchase all varieties of agro-chemical, consumer goods and cattle feed. But the bottled products and canned products are purchased only by the respondents of MARKFED. Further, the majority of the respondents of MARKFED favour Primary Agriculture Co-operative Societies (PACS) for purchasing products and also as a source of information relating to the products of the federations whereas in case of HAFED, Co-operative Marketing Societies (CMS) are preferred by the respondents. The majority of the respondents of MARKFED favoured all the reasons viz. ‘easy availability’, ‘fair price’, ‘good quality’ and ‘exact quantity’ for the purchase of the products of the federation as compared to the respondents of HAFED which supported reasons ‘good quality’, ‘fair price’ and ‘easy availability’.

Overall the respondents of MARKFED are more satisfied with the products of their federation as compared to the respondents of HAFED. The respondents of MARKFED are more satisfied with the prices of various products, quality of consumer products and cattle-feed and location of mode from where products are brought as compared to that of HAFED whereas in the case of weighing system, quality of inputs and packaging of inputs a large proportion of the respondents of HAFED expressed their satisfaction.
Additional Services Availed

Federation-wise analysis reveals that only a small proportion of respondents of MARKFED and HAFED availed the camp/training facilities arranged by the respective federations. But, the proportion of such respondents is higher in MARKFED as compared to that in the HAFED. The proportion of the respondents who are engaged in contract farming is higher in HAFED as compared to that in MARKFED. Further, the respondents of HAFED are also involved in organic farming contracts.

The majority of the respondents of MARKFED as compared to HAFED appreciated the work of their federation but at the same time felt that there is lesser information regarding trends and prices, lesser camps arranged, presence of private traders and improper grievance handling mechanism.

Overall Satisfaction Level

A high majority of the respondents of MARKFED and HAFED have expressed their satisfaction regarding the functioning of the federations and the societies.

In MARKFED, the opinion of the respondents regarding the ‘procurement activity’ has a major impact on the opinion relating to the overall satisfaction level whereas in HAFED, the opinion relating to the overall satisfaction level is mostly affected by the opinion relating to ‘other opinion statements’ and ‘procurement activity’.

Employees’ Perception

Employees’ perception regarding various aspects of the federations is:

Achievement of Objectives

It has been found that the employees of HAFED more strongly agree with all the opinion statements regarding achievement of objectives of the federation than that of MARKFED. In MARKFED, there is more political inference, interference of intermediaries, lesser funds, less technology, no timely information from co-operative societies and lesser growth in business as compared to HAFED.
**Human Resource Practices**

Overall the employees of HAFED more strongly agreed with the all opinion statements regarding human resource practices of the federation than that of MARKFED. A large proportion of the respondents of HAFED are satisfied with the working conditions, opportunity provided in decision making and motivation level as compared to MARKFED. The respondents of MARKFED are more highly satisfied with the salary package as compared to that of HAFED.

**Procurement and Warehousing Activity**

The opinion of the employees of HAFED can be placed at a higher level as compared to that of MARKFED in terms of procurement and warehousing activity. The majority of the respondents of HAFED strongly agreed that there federation is more actively involved in commercial purchases of food grains, has large amount and better quality godowns and better procurement and warehousing activities than that of the respondents of MARKFED.

**Plant Activity**

The respondents of both the federations are performing well in its plant activity but the federations should constantly involve in modernizing their plants. A large proportion of the respondents of MARKFED feel use of lesser technology and better location of its plant as compared to the respondents of HAFED.

**Input Activity**

Overall, both the federations are working satisfactorily in providing inputs but the employees of HAFED more strongly agreed with the all the opinion statements regarding input activity of the federation than that of MARKFED. It has been found that the respondents of MARKFED felt that there is need for timely procurement and proper distribution of inputs than that of HAFED.
Marketing Activity

The respondents of both the federations MARKFED and HAFED have expressed their assent with the opinion statements regarding marketing activity of the federations. But, the agreement level of the respondents regarding various opinion statements relating to the ‘marketing activity’ is highest in HAFED as compared to that in MARKFED. HAFED adopts more computerized billing system than MARKFED and both the federation require proper system for consumer complaints and enquiry.

Problems Faced

Federation-wise analysis reveals that a small proportion of respondents faced problems in both the federations. When asked about the type of the problems being faced, the respondents of MARKFED mentioned problems like huge burden of work due to shortage of staff, lack of professionalism, no proper sitting system for its employees in the district offices as well as in branches, lack of proper working conditions, etc. whereas the main problems expressed by the respondents of HAFED are shortage of staff, work load, allotment of multi-purpose work, less preference to specialization of work, less freedom in marketing of products and decision making, improper location of office etc.

Overall Satisfaction Level

A majority of the respondents of both the federations have expressed their satisfaction regarding the functioning of the federations. But, the overall satisfaction level of the employees of HAFED is higher as compared to that of MARKFED.

In both the federations the opinion of the respondents regarding overall satisfaction level of the functioning of the federation is affected by the opinion of the respondents relating to various aspects of the federations. But, mainly opinion of the respondents regarding the human resource practices affects the opinion of the respondents regarding overall satisfaction level.
SUGGESTIONS

The conclusions drawn from the study can be of great significance for improving the working and performance of both MARKFED and HAFED. On the basis of findings of the study, some important suggestions have been made which are as under:

1. The level of co-ordination between the federations and the co-operative societies should be increased further; and there should be more transparency in the functioning of these societies. The political interference in the business activities of the federations under study need to be stopped. The government role should be limited to providing necessary support to the federations.

2. The size of membership is an important determinant of growth. It has been observed that the membership of the societies of these two federations has not been increasing. Therefore, the federations should increase the awareness among the members and non-members to increase their membership. There should be a system of holding seminars for the members of the society in order to advocate the philosophy and benefits of marketing co-operatives. The members should be imparted training regarding input usage, products available, and new crops. This can be done by organizing camps at various levels of the organizations.

3. It has been observed that the commission agents act as an intermediary in the procurement activities. The role of commission agents should be minimized; and suitable steps should be taken to link credit with marketing.

4. The quality of the products should be improved further, and for this, there is a need to introduce the latest production technologies especially in MARKFED for a healthy competition. The federations under study should build up the requisite marketing skill and competence in supplying of agri-inputs at the right time and at the right place. The MARKFED should attempt to bring down the prices
of its products especially inputs and edible products to capture the market more successfully. Further, the quality of feed and Diammonium Phosphate (DAP) should be improved to attract more customers. The HAFED needs to take appropriate steps to improve further the quality of its products especially oils.

5. The promotional activities must be enhanced further by both the federations by imparting proper training and offering attractive incentives for distributors and sales staff. A proper monitoring system for the delivery channels of the products should be developed.

6. The technology used in terms of billing system, plants, etc. demands further upgradation in both the federations. Further, a proper system of product enquiry and complaints is required to be set up in both the federations.

7. It has been observed that there are lesser number of godowns and their condition is not proper especially in MARKFED. So, there is a need to increase the number of godowns and to improve the condition of existing godowns.

8. It has been observed that there is shortage of staff in both the federations. The employees feel overburdened with work; and also face the problem of allotting the multifarious duties. Therefore, there is a need to make proper human resource policy regarding the recruitment, training, promotion, assigning duties in a defined way, etc. Further, recruit more staff in both the federations especially at the operational levels.

9. It has been noticed that the working conditions in both the federations are not conducive to the interests of their employees. The district offices of MARKFED demand immediate improvement. This can be done by providing better infrastructural facilities such as strengthening the computerization process, granting more executive powers to these offices, improving ambience, etc.
10. The federations under study can perform efficiently and effectively only if their financial position is strong. At present, both the federations need to pay attention towards improving their financial position especially MARKFED. Therefore, both the federations should bring efficiency in the management of working capital circulation. In MARKFED, profits are related with the increase of long-term sources of finance and shareholders’ funds, while in HAFED, these are concerned with the increase of shareholders’ funds and proper working capital management. Therefore, there is a need to build a strong capital base in both the federations to improve their profitability.

The suggestions given above are based on the conclusions drawn from the study which fall within its limited scope. The emerging conclusions suggest the areas in which both the MARKFED and HAFED need to focus their attention. These suggestions may help the two federations in improving their working and performance. The above findings can be taken as tentative hypothesis for conducting further studies on such supply and marketing federations in other states, the national federation and its linkages with the state federations, supply and procurement activities of the federations, marketing practices of the federations, financial management in the federations, human resource management in the federations, etc.