CHAPTER - 2

REVIEW OF LITERATURE

This chapter relates to the survey of literature. It reviews important studies relating to the working and performance of marketing co-operatives and other co-operatives, and also the role of co-operative sector in India. The studies review the performance of these co-operatives from different perspectives like supply of agricultural inputs, procurement of foodgrains, storage, processing, marketing of products, growth, financial aspects, etc.

Reddy (1970), in his research article, studied the role and importance of agricultural co-operative marketing in India during the period 1960-61 to 1966-67. The study revealed that the marketing co-operatives play an important role in an agrarian economy like India and in saving the farmers from the clutches of the money-lenders or the money-lender-cum-traders. The study provided that the marketing co-operatives performed satisfactorily in terms of indicators like membership, processing activities, affiliation of credit societies to marketing societies, training, etc. but still the marketing co-operatives had not made much impact on the farmers as most of them were illiterate and sold their produce to the nearest trader or money-lender-cum-trader. It was suggested that the members should take co-operatives as their own institutions and sell their produce through them. Further, he emphasized that co-operative marketing societies can help them in their expansion and growth.

Ramachandran and Krishna (1974), in their research paper, studied the progress made by the Gujarat State Cooperative Marketing Society (GSCMS) in the marketing of fertilizers during the period 1960-61 to 1971-72. It was found that the co-operative marketing system in Gujarat was very effective. Performance of GSCMS showed a steady growth and also met the increase in the demand of fertilizers
during the period of study. The future trend indicated that in the coming years GSCMS would be successful in meeting the demands by expanding its distribution network.

Arora and Prasad (1978), in their paper titled, “Problems and Prospects of Cooperative Fruits and Vegetables Marketing Society in Kumaon Hills”, evaluated the performance of the society for a period of ten years, i.e., from 1960-61 to 1970-71 on the variables such as membership, share capital, working capital, market transactions, borrowings, recovery of loans, profit or loss, etc. by fitting linear trend equations on these variables. It was revealed that the society made a satisfactory progress with regard to its main activities like the participation of members, amount of products marketed, and goodwill earned among the members and the credit agencies, but it required to pay attention towards increasing its membership, developing transportation facilities, providing more efficient services to the producers and improving its activities in recovering loans from the members.

Kharche (1978), in his research paper titled, “Procurement of Raw Material from Members by Agricultural Processing Cooperatives” examined the concept of pooling of raw material, processing it, selling and distributing residue among the members in proportion to the material supplied by them, by taking an example of co-operative sugar factories and the other co-operative processing units. The study favoured in procurement of raw material from members as it is assured and less costlier way than procuring from non-members. It further highlighted the problems in procurement of raw materials from members like bad treatment by the management towards members, less price for produce due to inefficiency of the organizations, lack of effective steps for maximizing production, etc. The study also explained the effective procurement policy which included legal approach including laws or bye-laws of co-operatives societies and
loyalty development approach including a) developing better member relations like involving members actively in general meetings, good treatment towards them, etc.; b) making proper arrangements for procurement like arranging for harvesting and transportation of raw material to processing units, etc.; c) source development, i.e., taking effective steps for improvement in the yield of crops in terms of quantity and quality; and d) providing socio-economic benefits like building schools, hospitals in the area of operation, providing price incentives for better quality material, etc.

Dubhashi (1978), in his article, studied the importance and weaknesses of agricultural marketing through co-operatives. The study favoured co-operative institutions for agricultural marketing but the co-operative marketing was still found at the preparatory stage in terms of quantum and range of commodities marketed. The study also highlighted the weaknesses in the system of co-operative marketing like unevenness in the performance of primary marketing societies, absence of linkage between primary marketing societies at the tehsil level and the state level, and between state marketing federation and the national agricultural marketing federation, and charging of commission by co-operatives at the various levels without discharging any genuine marketing function. The study suggested co-operatives to overcome their weaknesses and to produce long range programme of agricultural marketing of principal commodities, and also to build a linkage between co-operative marketing institutions and consumer co-operatives.

Bhushan (1981), in his doctoral work, studied the organization and working of the Haryana State Co-operative Supply and Marketing Federation Limited (Hafed) to identify the factors affecting the organization, its administration and working. The study was based on both primary and secondary data, and various tools of management like activity analysis, organizational charting, etc. and suitable statistical techniques were used for the analysis. The federation faced
certain problems like wider span of control, overstaffing and understaffing in some departments, favouritism in appointments and promotions, less co-ordination between headquarter and field offices, political pressure, lack of proper training plans, inefficient marketing practices etc. The analysis of financial data presented a gloomy picture as lesser amount of share capital had been raised and return to members in the form of dividends was also negligible. But in spite of these problems, the Hafed managed to maintain a high working capital and low debt-equity ratio, which indicated good performance. The study suggested various measures like judicious selection of members of general body, appropriate personnel policy, elimination of government interference in federation matters, optimum utilization of existing resources, etc. for improving the performance of federation.

Kamra (1983), in his Ph.D. thesis, “Management of a Complex Organization with Special Reference to Punjab State Co-operative Supply and Marketing Federation Limited” examined various management aspects of the Markfed such as policy-making, organizational structure, human resources management and also substantive operations like marketing, processing and distribution during the period 1975-81. The study was based on both primary and secondary data. The study revealed that the policy making and implementation was performed jointly by general body, board of directors, chief executive and other senior officials, but inefficiency in their working was found. The structure of Markfed faced difficulties such as wider span of control at the top management level, duplication of activities, long chain of command etc. The human resources management was not proper and suffered from problems like lack of comprehensive policy on human resources management, limited promotional avenues, lack of training, etc. Further, the procurement, distribution, processing and financial operations of the federation faced problems due to delay in announcement of procurement prices, lack of transportation facilities, lack of proper storage facilities, price hike of fertilizers at frequent intervals, lack of
optimum utilization of plant capacity, lack of proper planning, losses, etc. The study emphasized on widening the board membership by including scholars, proper manpower planning, development of good monitoring system, optimum utilization of plant capacity, etc.

Rayudu (1985), in his paper titled, “Ratio Analysis and Financial Performance” examined the financial performance and the financial operations of industrial co-operatives with reference to six co-operative spinning mills located in the state of Andhra Pradesh through tool of ratio analysis, and by studying financial structure and asset structure pattern during the period 1977-78 to 1981-82. The study found that the government contributed the bulk of share capital, liquidity position of the mills was not satisfactory as the mills were unable to meet all current obligations immediately, and heavy dependence on outsiders’ funds and losses in mills.

Das et al. (1986), in their research paper titled, “Working of ‘Markfed’ in Andhra Pradesh – A Case Study” examined the working of Andhra Pradesh MARKFED at a micro level on the basis of agro inputs, i.e., fertilizers marketed by Konda branch of MARKFED during the period 1981 to 1984. The indicators used were organisational framework, purchase and sale procedure, channels of distribution and sales trends; and the tools like mean, mean deviation, monthly averages and ratio to moving average method were used for analysis. The study revealed that the sale performance of the branch was satisfactory, but the overall financial performance was not satisfactory due to lower margins of profits. It was found that the branch faced problems like lack of adequate storage facilities, losses in transit, lack of proper incentives to staff, etc. The study suggested the MARKFED branch to expand its business activities in off seasons too; and further improve its sales performance by selling seeds and pesticides along with fertilizers.

Ghuman and Monga (1987), in their research paper, examined the performance of co-operative sugar mills in Punjab through issues
related to management, finance and physical activities. The study was based on both primary and secondary data. The period of study was 1969-70 to 1983-84; and nine cooperatives affiliated to SUGARFED were selected. The indicators selected for physical performance were sugarcane crushed per unit, sugar produced in quantity per unit, sugar produced in value per unit, whereas financial performance was evaluated through profit and loss account, and capital structure. The study revealed that the co-operative sugar mills were running into losses due to internal and external factors; and physical performance of mills was also erratic. The study suggested certain measures to improve performance like reduction of political interference in location of mills, locating new mills in the areas having sufficient quantity of sugarcane, enhancing the installed capacity of the mills, minimizing inventories, etc.

Moorti and Thakur (1987), in their research paper titled “Role of Cooperatives in Marketing of Seed Potato in Lahaul–Spiti District of Himachal Pradesh” examined the marketing channels and the price spread in seed potato and the progress of Potato Growers Cooperative Societies of Lahaul and Spiti in relation to marketing and distribution of goods and inputs during the period from 1970-71 to 1983-84. The study was based on both primary and secondary sources of information. For collection of primary data, the technique of two-stage stratified random sampling with villages as the first stage and the total landholdings as the second stage, and the sample of 100 farmers including 43 marginal farmers, 31 small farmers, 26 large farmers from Lahaul district and 50 from Spiti comprising 29 marginal farmers, 10 small farmers, 11 large farmers were selected for the study. It was found that the two main marketing channels in Lahaul were co-operatives and commission agents, whereas in Spiti were local traders and co-operatives although state government was an important agency involved in marketing of seed potato, but it is not a permanent agency due to changes in the policies of the state from time to time. In Lahaul, the producers’ share was lower in the case of
co-operative channel as compared to commission agents due to high price announced by agents and in Spiti producer share was lower in case of local traders channel. It was also found that Potato Growers Cooperative Societies of Lahaul and Spiti performed well, but the overall business of Lahaul Potato Growers Cooperative Society was greater than the turnover of Spiti Potato Growers Cooperative Society. The study suggested the formation of primary potato growers’ societies to cater the needs of widely scattered producers.

Mahalingam (1987), in his paper examined the performance of 13 Large-sized Agricultural Multipurpose Cooperative Societies (LAMPS) in tribal areas in Tamil Nadu on the basis of indicators like coverage and services provided in terms of financial assistance, marketing of agricultural and minor forest produce, supply of agricultural requisites and distribution of consumer goods during the period 1976-77 to 1985-86. It was revealed that the LAMPS achieved hundred per cent coverage in the state; and it was recognized as an important agency by tribals in solving their socio-economic problems. There was an upward trend in the financial assistance provided for production and consumption purposes in terms of short loans, medium loans and consumption loans and the recovery rate was more in the case of medium-term loans. It was also found that marketing of agricultural produce through LAMPS was not much due to the lesser agricultural activity by the tribals, whereas minor forest produce marketed was high. The supply of inputs by the society was limited due to drought conditions and poor knowledge of modern methods, but the condition was improving since 1981 onwards. The distribution of consumer goods showed an upward trend. The LAMPS faced problems like inability to provide services in time due to its wide area of operation, limited resources to provide consumption loan, non-repayment of dues, non-availability of trained staff, poor support from marketing societies, problem of same rules being followed in sanction of term loans as in plains, and problems in transportation and distribution of essential consumer goods. The study suggested
measures like having flexibility in rules and procedures of LAMPS for being effective in the field of production and consumption credit, support from other marketing co-operatives and state level co-operative federations, linking of credit with marketing of agricultural and minor forest produce, organization of tribal development state level co-operative federation to support LAMPS, organizing of field trips, method of demonstrations, etc. The study emphasized on the need to strengthen the co-operative movement for the development of tribal community.

Shankaraiah et al. (1988), in their research paper titled, “Working of Primary Coop. Marketing Societies in Andhra Pradesh – A Case Study” studied the performance of Bhongir Taluka Cooperative Marketing Society during the period 1970-71 to 1983-84. The study analyzed a) the progress of the society on the basis of indicators like turnover, working capital, profits and losses, b) impact of the society on the price level of the market in terms of price variations, c) advantages and inconveniences caused to consumers, and d) the problems faced by the society in its functioning. It was found that there was growth in turnover, gross profit, total profit, working capital, but growth rate was not steady; and there was a negative correlation between growth in turnover and profits. Further, it was found that the society was influencing the market especially in the sale of paddy, fertilizers and liquors, and was providing benefits to consumers particularly when non-standardized and duplicate goods were available in the market at a relatively higher price. The society was facing problems like limited capacity, shortage of goods, etc. The study suggested measures like proper support from government and other financial institutions, liberalized tax system, development of business skills, etc.

Bedi (1989), in his research paper titled, “Marketing as Directional Strength to Cooperatives: An Empirical Study Covering MILKFED Punjab” investigated dairy development situation from the
marketing angle. For the purpose of this study, two milk sheds functioning under MILKFED Punjab and 200 respondents including 50 landless labourers, 60 marginal farmers, 50 small farmers and 40 other farmers who were granted loans and subsidies, were chosen. The data was collected in the year 1985; and Likert scale was used to find the satisfaction level. For analysis, satisfaction level index by Karlinger and ANOVA were used. The results indicated that MILKFED was failing in its task of maintaining marketing perspective, and was not effective and efficient in serving its market at milk-producing levels.

Thomas (1990), in his paper titled, “Institutional Development in Cooperative Marketing: A Glimpse of MARKETFED” analyzed Kerala State Cooperative Marketing Federation (MARKETFED) from two angles, i) MARKETFED as a co-operative trading enterprise, and ii) MARKETFED as a co-operative institution during the period 1979-80 to 1983-84. The study was based on both primary and secondary sources of information. The study indicated that MARKETFED had not succeeded in both these aspects. It was not able to procure a fair portion of marketable surplus of agricultural commodities in the state, so it could not have a control on prices and was also unable to contribute to the development of its member societies.

Rao (1990), examined the role of co-operatives, i.e., Large-sized Agricultural Multipurpose Cooperative Societies (LAMPS) in the development of tribal areas. It focused on studying a) various problems encountered by the tribal people and different measures undertaken by the government and other agencies, and b) performance of the LAMPS with specific reference to the state of Orissa and difficulties faced by them in their task. It was found that the tribals faced lot of problems due to absence of proper and adequate arrangements for providing credit and for marketing of agricultural and minor forest produce, supply of agricultural inputs and domestic consumer goods, and exploitation by money-lenders,
middlemen, etc. The government took measures like educating tribals, tribal development through five years plans and various schemes, etc. but the tribals were still facing problems due to multiplicity of organizations and confusion in choosing them. So, the government organized LAMPS at the primary level in tribal areas to provide a package of services such as credit, supply of seeds, inputs, consumer goods, etc. But the LAMPS also faced problems of paucity of funds, poor loan recovery, etc. The study suggested measures like funding to be received from central, state government and also to build own funds, including tribal people in management, creating adequate storage capacity, paying attention towards social activities, developing poultry farms, dairying and piggeries, etc.

Murthy and Nagabhushanam (1990), in their research paper titled, “Performance of Markfed, Karnataka - An Economic Analysis” evaluated the performance of Markfed for a period of 25 years, i.e., 1960-61 to 1984-85 by dividing the total period into four sub-periods, i.e., Pre-Green Revolution Period (PRE-GRP 1960-61 to 1966-67), Green Revolution Period (GRP 1967-68 to 1972-73), Post-Green Revolution Period (POST-GRP 1973-74 to 1978-79), Extended Post-Green Revolution Period (E-POST-GRP 1979-80 to 1984-85). Physical indicators (membership, depots and recruitment) and financial indicators (share capital, owned funds, total assets, fixed assets, long-term investments, working capital, total liabilities, sales, etc.) were selected. Financial ratio analysis was used to test solvency, liquidity, profitability, turnover, efficiency and strength of the federation. The study revealed substantial increase in both the physical and financial indicators and had a better margin of solvency during the period. But the operational efficiency of the federation was found unsatisfactory; the gross ratio was fluctuating; and there was an increasing trend in the expenses. The study viewed that the federation was adhering to the service motto.
Murthy et al. (1990), in their research paper titled, “Performance of Marketing/Business Activities of Markfed, Karnataka-An Economic Analysis” evaluated the performance of MARKFED during the period of 12 years from 1973-74 to 1984-85 which was divided into two sub-periods, i.e., Post–Green Revolution Period (Post-GRP 1973-74 to 1978-79) and Extended Post-Green Revolution Period (E-Post-GRP 1979-80 to 1984-85). The business activities were grouped as marketing activities (including input marketing activities and output marketing activities), manufacturing activities and non-marketing activities. The study revealed that the performance of fertilizer business was satisfactory, but that of pesticide business was not good; and agricultural commodities’ business was also fluctuating. The study suggested to strengthen input marketing and output marketing by adopting measures like increasing market share of inputs by penetrating further in served markets, advance planning by federation with regard to input requirements, avoiding excessive storage of agricultural commodities, additional services to member farmers with respect to transportation and sale of produce.

Anand (1991), in his paper titled, “Pepper Marketing by Cooperatives: A Case Study” studied the efficiency of the Santanpara Cardamom Marketing Cooperative Society (SCMS) in the field of pepper marketing in the first part of the study and also analyzed the factors affecting the net returns of the society in the second part of the study. The period of the study was from 1983-84 to 1986-87; and Bisnovally area of Kerala was selected. In the first part, efficiency of marketing operations was judged from two angles, i.e., Technical (operational) and Economic (pricing) efficiency and analyzed using statistical tools like seasonal indices, correlation coefficient and regression co-efficient. Both the procurement and the selling policy were also studied. For analyzing the second part of the study, profitability ratios like gross profit margin, net profit margin and operating ratios were used. The study revealed that the procurement policy (procuring during peak production period when the market prices are low) was sound but selling policy (selling within one or two
months of procurement instead of during off seasons when the prices are high) was not at all impressive; and increasing operational expenses were affecting the financial soundness of the society. It was advised that the society should reduce its dependence on the borrowed funds and strengthen its own funds; and also make a proper efficient selling policy in order to earn more profits and to pay producers remunerative prices.

Vigneshwara (1991), in his research paper, studied the role and performance of The Central Areca-nut and Cocoa Marketing and Processing Cooperative Limited (CAMPCO) in the marketing of areca-nut and cocoa during the period 1973-74 to 1986-87. The indicators selected were membership, share capital, deposits, purchases, sales and profits. The study found that the institution was performing well, but there were variations in profits on areca-nut and cocoa. It was also found that the institution suffered from problems like capital deficiency, inefficient management, fluctuations in prices of areca-nut, competition from other institutions in marketing of cocoa, difficulties in marketing of areca-nut and cocoa due to poor treatment given to growers by workers, lack of basic amenities in purchasing centres, lack of information support provided to growers, etc. The study emphasized that the functioning of the institution and the marketing activities should be improved by having efficient management and proper supervision, increasing internal and external market for areca-nut, proper promotion, providing training to growers, increasing basic amenities like shelter, godown at purchase centres, etc.

Ahuja et al. (1991), in their research paper, studied the economic viability of milk plants of Haryana Dairy Development Cooperative Federation (HDDCF) and Rajasthan Cooperative Dairy Federation (RCDF) during the period 1970-71 to 1983-84. Ten milk plants, five from each federation were selected and analyzed through the technique of benefit cost ratios and sensitivity analysis. It was found that on the whole both the federations showed unsatisfactory results, but when compared with each other, individual milk plants of
RCDF showed better results than those of HDDCF as none of the milk plants of HDDCF were found economically viable, whereas in the case of RCDF three plants were found economically viable. The study suggested plants to augment revenues and reduce cost to become economically viable.

Puri (1991), in his paper titled, “Cooperative Sector in India: Directions of Change” studied the co-operative sector on the basis of seven aspects, i.e., quantitative changes, qualitative changes, major directions of change, interstate co-operative relationship, state aid and state interference, depoliticisation and managerial culture. It was revealed that there was quantitative growth of co-operative institutions and the proportion of non-credit co-operatives increased due to reduction in number of primary agricultural co-operatives, growth of non-credit co-operatives in non-agricultural areas and promotion of non-credit co-operatives in agricultural sector. It was also found that the credit and non-credit co-operatives in the agricultural sector operated in isolation; there was lot of state interference along with enlarged state aid; and management was being run by committees of management. The study suggested reducing politicization in the co-operatives and to change management culture by making proper distinction between democratic control which lied with board of directors and day-to-day management which should vest with chief executive and other personnel’s below him.

Padmanabhan (1991), analyzed the performance efficiency of cane jaggery marketing in North Arcot district and also examined the scope for co-operative marketing. With the help of multistage random sampling, a sample of 120 producers of cane jaggery and 50 traders consisting of wholesalers, commission agents and retailers of Tirupattur and Vellore markets were selected. The sale of cane jaggery through regulated markets was also analyzed; and the performance of the market was studied by analyzing the pricing efficiency (evaluated through seasonal price variations and marketing margins), operational efficiency (on the basis of market control losses and wastages) and the
price spread. The study revealed that the performance efficiency of marketing of cane jaggery was not favourable to the producer seller. Majority of the sales were during flush season due to poor holding capacity. The market margin in the markets was also high. The operational efficiency of most of the firms was poor due to higher market control, losses and wastages; and there was a wide price spread in the sale of cane jaggery through different channels and the channel with regulated market succeeded in securing better and largest returns for the farmers, but it was not popular among the farmers. The study favoured creating awareness about co-operative marketing societies and setting them up due to various facilities like financial, storage, processing, etc.

Selvam (1991), in his article titled, “Agricultural Marketing : Strengthening The Cooperatives” highlighted the need for strengthening co-operative marketing. The study discussed marketing co-operatives on the basis of a) evolution, b) structure, c) functions performed, and d) achievements. It was revealed that the marketing co-operatives play an important role and had developed with the establishment of two main institutions, i.e., The National Agricultural Cooperative Marketing Federation of India (NAFED) and National Co-operative Development Corporation (NCDC). The marketing co-operatives have both two-tier and three-tier structure; and the main functions performed by them are arranging sale of produce, outright purchase of produce especially from small farmers, advancing loans to members on the security of produce, processing of produce, supply of inputs, etc. The marketing co-operatives performed well in the marketing of agricultural produce as well as in the supply of agricultural inputs. The study recommended strengthening co-operative marketing by measures like linking marketing societies with credit societies and consumer co-operatives, increasing outright purchase of produce, employing professionals, broadening base by operating full-fledged consumer products division, etc.
Puri (1992), in his paper, discussed the co-operative marketing from three main aspects; first, structure of marketing co-operatives and their inter-cooperative relationship; second, management of marketing co-operatives; and third, state partnership in marketing co-operatives. The author observed that the co-operative marketing structure at the grass roots level required to deepen its foundation and to develop direct contacts with primary agricultural producers. There was no adequate relationship between primary marketing and state marketing federations. The co-operatives were also facing problems at the management level like confusion about management objectives, lack of professionalism and excessive state interference. The study recommended redesigning of relation between government and marketing co-operatives by restricting government participation in equity and selection of directors, introduction of redeemable government share capital and having similar relationship as government has with private companies.

Gajanana (1993), studied the co-operatives and Indian agriculture in three parts; a) the Indian agricultural scenario in terms of share of agriculture in net domestic product (NDP), movement in terms of trade and employment situation, b) investment and trend in agriculture investment, and c) suggestions for development of agriculture especially through co-operatives during the period 1960-61 to 1990-91. The study found a decline in NDP due to declining productivity of inputs in agriculture, low marginal productivity of labour and disguised unemployment; and also there were unfavourable movements in terms of trade. Further, there was a decline in investment in the agriculture; and also the share of agricultural exports in the total exports decreased due to lack of value addition processes. The study favoured the role of co-operatives in the development of agriculture by activities like reaching at grass roots levels, transferring modern technology to rural areas at least cost, pooling, processing and marketing of agricultural produce, providing remunerative and stable prices to their members, etc. The study further suggested the rejuvenation of existing co-operatives and
setting up of multi-functional marketing-oriented co-operatives with major thrust on integration.

Chahal and Singh (1993), in their research paper titled, “An Economic Analysis of Activities of MILKFED in Production and Marketing of Milk” examined the growth of major components of co-operative milk societies and The Punjab State Cooperative Milk Producers Federation Limited (MILKFED) in the Punjab state. The study was based on secondary source of information and covered a period of four years from 1976-77 to 1989-90. The data was analyzed using tabular and functional analysis including technique of compound growth rate. The study found growth in co-operative milk plants, societies and co-operative chilling centres. The quantity of milk procured increased, but amount procured was less than the total production of the milk. The study further revealed an increase in the manufacturing of value added products, supply of dairy inputs and the number of societies distributing bonus to its members, but only few societies could provide this facility. The study suggested the MILKFED to further strengthen and expand its activities to improve the condition of milk producers.

Dubhashi (1994), in his paper titled, “Agricultural Cooperative Marketing in India” explained the importance of agricultural marketing in changing economic environment and discussed the issues relating to marketing co-operatives like autonomous role, competitive marketing, market survey, long-term scenario, information service, organization, financial management, infrastructural development, agricultural processing, efficient personnel and enlightened farmer members. The study found that the co-operatives play an important role in the agricultural marketing and suggested marketing co-operatives to be independent in their working, building up competitive capabilities, proper survey for export of agricultural commodities within states and interstate, building organization and personnel in context of long-term scenario, proper infrastructural development, having efficient information network,
strengthening co-ordination between national, state and primary level co-operatives, providing maximum benefits to the members, proper connection between co-operative processing enterprises and marketing co-operatives, improving technical operations of marketing, employing qualified, trained and efficient personnel, providing proper training to the farmers, etc. It was also recommended that the general statement of agricultural policy of the government must be supplemented by a detailed policy statement on each major aspect of agriculture including marketing also.

Garg (1994), analyzed working capital management of the Rajasthan State Cooperative Marketing Federation Ltd. (RAJFED) during the period 1985-86 to 1991-92. The elements analyzed were liquidity position, components of working capital, circulation of working capital, financing of working capital and relationship between gross working capital and sales. The techniques like ratio analysis, percentage, linear regression equation and correlation were used. The study concluded that the management of working capital in the RAJFED had a big scope for improvement. The problem of working capital in the organization was related to surplus investment in current assets especially receivables and cash components than of inadequacies and in financing working capital mostly long-term sources of funds were used. Turnover ratios revealed that circulation of working capital was also not efficient. The federation required a sound and effective system of managing the working capital.

Chauhan et al. (1995), in their research paper, studied the growth in milk procurement and marketing by Himachal Pradesh State Cooperative Milk Producers’ Federation of Kangra unit during the period 1973-74 to 1991-92. The study was based on both primary and secondary sources of information; and techniques used for analysis were exponential trend equations and compound growth rates. It was found that there was increase in the milk procurement, but plant capacity was not fully utilized, low average milk yields of milk animals, rearing of indigenous breeds of milk animals by
majority of the farmers and due to lack of infrastructure. Further, the unit followed a particular channel of milk marketing and retailer earned margin in the marketing of milk to final consumer, but the margin of the federation was nil. The study suggested for enhancing of milk production by educating farmers on scientific management.

Ravi et al. (1995), in their paper titled, “Marketing Cooperatives in Karnataka – Trends and Performance” analyzed the role and functional efficiency of primary marketing co-operatives in Karnataka during the period 1976-77 to 1990-91. The study was based on secondary data and the indicators selected for evaluating functional efficiency were membership, composition of funds, advances and overdues, linkage of credit with marketing, business activities, and profit and loss. The technique of tabular analysis involving simple averages and ratios were used for the analysis. The study found increase in membership, dependence on external sources of finance, increase in the amount of loan advanced for agricultural production, but low advancement of loan for market credit, satisfactory recovery position, inadequate linkage between credit with marketing and less attention was paid by co-operatives on selling of agricultural produce of members at remunerative prices thereby decreasing the share of agricultural produce but share of consumer goods increased. It was also found that most of the societies were not performing marketing functions and incurred losses. Further, the sales turnover ratios were low but the increasing trend of turnover ratios showed a sign of marginal progress in the business turnover. The study suggested several measures like re-orienting functioning of marketing co-operatives, concentrating on selling of agricultural produce, indulging in outright purchase, skill in input distribution, widening of capital base by collecting increased share capital and increasing of volume of business, having competent management, proper linkage between marketing and credit societies and co-ordination between primary marketing societies, state marketing federations and national level federations.
Parmar et al. (1995), in their research paper titled, “Role and Performance of Cooperatives in Marketing of Vegetables : A Case of South Gujarat” evaluated the performance of co-operative societies and private agencies in vegetable marketing in the two districts (Surat and Valsad) of South Gujarat on the basis of five major vegetables (i.e. brinjal, tomato, cabbage, okra and clusterbean) and two major marketing channels (channel 1: producer- co-operative societies-retailer-consumer; and channel 2: producer- private trader- retailer-consumer). A sample of 40 growers for each vegetable crop irrespective of district were selected and the data for marketing cost, marketing margins, etc. was collected on the basis of interviews with 6 co-operative societies, 16 wholesalers and 30 retailers. For calculating the marketing efficiency and producers’ share in consumers’ rupee Shephard formula for Marketing Efficiency (M.E.) i.e., M.E.= \( \frac{V}{I} - 1 \), where \( V \) is Value of Goods Sold at Retail Price, \( I \) is Total Marketing Cost and Producers’ Share in Consumers’ Rupee (PS), i.e., \( PS = \frac{\text{Price Received by Producer}}{\text{Retail Price}} \times 100 \) were used. It was found that co-operatives played a dominant role in vegetable marketing and provided services at a cheaper rate but the net price received by the growers was highest when sold through private traders; and both the channels especially channel 1 provided high proportion of margins to the retailers which affected the producer’s share in consumer rupee and raised total marketing cost. It was also found that the marketing efficiency index was higher for channel 2 when compared to channel 1, but difference between the two was not much. The study suggested involvement of marketing co-operatives in retail marketing of vegetables to provide benefits to the growers rather than to intermediaries and to improve marketing efficiency.

Ahmad (1995), in his article titled, “Cooperatives and Agricultural Marketing” examined the historical perspective, need, structure, objectives, problems and challenges in the working of agricultural marketing co-operatives. The study found agricultural co-operative marketing as an important tool for the prosperity of poor farmers and in safeguarding their interests. The structure of co-
operatives in India is both two-tier with the primary marketing societies at taluka level and the state marketing federation as an apex body at the state level, and three-tier structure with district marketing society in the middle and the National Agricultural Cooperative Marketing Federation of India (NAFED) and the National Cooperative Development Corporation (NCDC) at the national level for the promotion of co-operative agricultural marketing. The co-operative marketing societies also suffered from problems like government interference, competition from private players in export, inadequate storage capacity, lack of professionalism, old marketing practices, etc. The study proposed that marketing co-operative societies should play an autonomous role than agency role, elimination of government interference, have better planning, effective organization, holding seminars for farmers to explain them co-operative philosophy and principles, improvement in infrastructure, professionalism in management, improvement in marketing practices, proper information system, etc.

Sudha and Subrahmanyam (1996), in their research paper, studied the organizational, business aspects and the performance of Farmers Rural Extension Service in Horticulture (FRESH) Marketing Cooperative Society (Hyderabad) during the period 1986-87 to 1991-92. The indicators selected for studying organizational aspects were membership, share capital, management, objectives and business aspects were procurement and sales of fruits and vegetables. The performance of the society was studied in two parts- part one dealt with the growth of the society based on factors like share capital, membership, sales turnover, and society’s policies on procurement, price fixation, mode of sale; and part two analyzed financial soundness of the society with the help of trading accounts, balance-sheets and financial ratios. It was found that the society performed well on the organizational aspects, business aspects and on the growth indicators, but it was dependent more on market purchases rather than procurement from agricultural growers, incurred heavy transportation charges, mostly higher sales occurred through retail
outlets called farms or mandies and sales in packed form were not favoured by the consumers. The financial analysis revealed that the present financial standing of the society was not satisfactory. It was suggested to reduce overhead expenses, restricting borrowings, understanding consumer preferences and proper procurement policies.

Narasaiah and Jayachandra (1996) studied cash management in Kovur Cooperative Sugar Factory Limited, Nellore, Andhra Pradesh during the period of 5 years from 1987-88 to 1991-92. The study analyzed cash and bank balances as percentage to current assets, current ratio, liquid ratio and net cash flow coverage ratio. The study was based on secondary source of information. It revealed that the factory maintained current ratio below the standard norm; and cash and bank balance when compared to current assets were low. The net cash flow coverage ratio was also negative due to inconsistent and insufficient maintenance of liquidity. The study recommended increasing its liquid assets and proper cash planning.

Abraham and Ajjan (1996) studied the performance of Tamil Nadu Cooperative Marketing Federation (TANFED) during 1982-83 to 1991-92 and also projected its performance to 2000 A.D. The variables selected to analyze the performance were total share capital, working capital, value of agricultural product transacted, value of fertilizers sold and value of other agricultural inputs transacted, viz. seeds, pesticides and agricultural implements and profits earned through these transactions and analyzed through tools like growth rate and trend analysis. The study found increase in the working capital, fertilizers sold, value of agricultural implements, seeds, pesticides and profits of the federation. The growth rate figures indicated that in the coming years TANFED would emerge as a major supplier of agricultural inputs and implements; and the study suggested strengthening its activities in above mentioned areas.

Chakravarty and Baig (1996), in their paper, studied the role of Orissa State Co-operative Marketing Federation (OSCMF) along with
the role of other agencies like State Seeds Corporation and M/s Koromandal Fertilizers in input marketing during the period 1985-86 to 1991-92. The study revealed a close relationship between demand for inputs like fertilizers, pesticides, etc. and degree of transformation of traditional agriculture through change in cropping pattern and increase in cropping intensity. It was further revealed that the OSCMF had not entered the seed market and the achievements of the State Seed Corporation were far from satisfactory. There was scope for further improvement in the field of input marketing in the state. The study suggested establishing of Directorate of Agricultural Marketing attached to the Department of Agriculture so that all needed inputs could be supplied to the farmers at a minimum cost under one roof.

Naithani (1998), discussed the co-operative movement in India during the period 1904 to 1994. It studied a) pre-independence evolution of the co-operative movement, b) post-independence evolution, and c) the statistics of co-operative movement on the basis of quantitative and qualitative indicators. Quantitative indicators (number of societies, number of members, working capital) and qualitative indicators like measures of human resources (including number of members per society) and measures of financial strength (including working capital per society, working capital per member) were selected. The study revealed that the co-operative movement started with installation of Co-operative Credit Societies Act, 1904 by the government which was amended later in 1912. Various provinces passed legislations on co-operatives and several committees were set up. After independence, five year plans played an important role in the development of co-operatives. It was found that the co-operative movement expanded from agricultural co-operative credit societies to non-credit societies, non-agricultural credit societies; and there was formation of various co-operative organizations in the field of training, consumer co-operatives, etc. It was also found that co-operative movement showed increasing trend on quantitative indicators, but showed a fluctuating trend on qualitative variables. The study recommended that in order to get true view of co-operative movement
in India further study with regard to examining the problems of various types of co-operatives and state-wise analysis of co-operative movement, recovery of overdues, revitalization of dormant and poor state societies, etc. must be done.

Rengaswamy and Alagar (1998), analyzed the performance of ten co-operative sugar mills in Tamil Nadu to mobilize funds from operation during the period 1982-83 to 1993-94. The study was based on secondary sources of information; and statistical technique, analysis of variance (ANOVA) was used to test the hypothesis, i.e., Ho: There is homogeneity in the flow of funds from operations among the various co-operative sugar mills in Tamil Nadu. It was revealed that funds had flown from operations from all the co-operative sugar mills, but there were differences among mills regarding the flow of funds from operations, thereby hypothesis was rejected.

Alagumani and Anjugam (1998), in their research paper titled, “Temporal Analysis of Agricultural Producers’ Cooperative Marketing Society in Madurai- A Case Study” assessed the performance of Melur Agricultural Cooperative Marketing Society during the period 1975-76 to 1994-95 in terms of growth in membership, profit/loss, audit classification, and value of procurement and sale of commodities. It was found that membership in society increased, but the society incurred losses, while the value of purchase and sale of commodities and audit classification showed a fluctuating trend. The society was not performing well due to political interference, high establishment charges, government policies, non-involvement of members and fewer efforts taken by officials. The study suggested measures to improve performance of the society like management by elected body to take decision at society level, non-interference of government, politicians and by providing motivation to the officials through incentives.

Meetei (1999), in his research paper titled, studied the role and the problems faced by Bihar State Cooperative Lac Marketing Federation Ltd. (BISCOLAMF) during the period 1991-92 to 1995-96. The study found that the BISCOLAMF played a positive role in the
marketing of different items of lac products. But the federation also faced problems like deficient marketing link, poor infrastructural facility, lack of strategic planning, irregular flow of exports, inadequate finance, etc. The study suggested the federation for proper planning and restructuring the present system of networking.

Kainth (1999), in his research paper titled, “Dynamics of Cooperatives in Punjab” examined the growth of co-operative movement in Punjab. The study was based on secondary data; and time period of the study was 26 years from 1970-71 to 1995-96, divided into three periods, i.e., 1970-71 to 1979-80 (‘70s), 1980-81 to 1989-90 (‘80s) and 1990-91 to 1995-96 (first-half of ’90s). For the purpose of analysis, tools like Kendall coefficient of concordance ranks, percentage share and annual growth rate were used. The study further discussed the performance of primary agricultural credit societies, non-agricultural credit societies, primary marketing-cum-processing societies, marketing federation, agro-processing and other co-operatives individually. It was revealed that co-operatives were playing an important role in the growth of Punjab. The growth rate on variables, i.e., number of societies, membership, share capital, owned funds, working capital reflects sound financial position of all co-operatives in Punjab. It was found that there were not many variations in pattern of different types of co-operative societies during the period 1980-81, 1990-91 and 1995-96. The proportion of milk supply societies, weavers’ societies and women societies increased over the study period. Problems like unevenness in performance amongst different types of co-operatives, government interference, inefficient management, etc. were revealed. It was suggested to remove such problems and bringing a set of reforms by the government for making co-operatives vibrant and productive.

Singh (2000), in his paper titled, “Procurement Management by Commodity Cooperatives” studied the management practices followed by different commodity co-operatives for procurement of crop produce from members and non-members and its implications. The study was
based on discussions with knowledgeable persons and observations on working of co-operatives visited. It was found that the procurement by co-operatives depend on various factors, such as nature of co-operatives, form of organization, functions undertaken, processing technology, role of primaries, member loyalty, nature of commodity and other incentives provided to growers. It was also revealed that the co-operative content and performance in procurement may not go together like co-operative content was found low in the case of Markfed’s procuring from regulated markets without involving members, monopoly cotton procurement and also in limited processing capacity where the member participation was found poor. The study suggested for encouraging member participation and working towards development of growers.

Devaraja (2000), in his paper titled, “Performance of HOPCOMS, Karnataka – An Economic Evaluation” analyzed the growth and performance of activities of the Horticultural Producers Cooperative Marketing and Processing Society Limited (HOPCOMS) during the period 1958-59 to 1995-96, divided into four phases, i.e., establishment phase (1958-59 to 1964-65), take-off phase (1965-66 to 1974-75), prosperity phase (1975-76 to 1981-82), and consolidation phase (1982-83 to 1995-96) on the basis of four physical indicators like membership, employees, etc.; and twenty-three financial indicators like working capital, fixed assets, share capital, owned funds, profits, etc. The financial performance of the society was also analysed through the technique of ratio analysis by calculating solvency, liquidity, profitability and turnover ratios. The study found that there was substantial increase in both physical and financial indicators of the society. The financial analysis further revealed that the financial structure of the society was far from satisfactory in take off period as liabilities increased in this stage, but in later stages fixed assets to own funds ratio improved which indicated building of desirable financial structure. The overall liquidity position though less in take-off phase was satisfactory, but profitability suffered. The society had increased its activities by acquiring more fixed assets.
during take-off period and liquid assets in consolidation phase. It was suggested that the society should further increase activities of procurement and sales of fruits and vegetables to build own funds.

Pathania and Sharma (2001) analyzed the working capital management of the Himachal Pradesh State Cooperative Marketing Federation (HIMFED) during the period 1990-91 to 1998-99. The study was based on both primary and secondary data; and techniques like ratio analysis, linear regression equation and correlation were used. The elements analyzed were liquidity position, components of working capital, composition of short and long-term sources of funds and relationship between gross working capital and sales. The study concluded that the management of working capital in the HIMFED had large scope for improvement. The problem of working capital in the organization was related to surplus investment in current assets than of inadequacies and in financing the working capital mostly long-term sources of funds were used which was not a healthy sign. The circulation of the working capital was also not efficient. The financial position of the federation was satisfactory, but it required a sound and effective system of managing the working capital.

Singh et al. (2001), in their paper, assessed the performance of agricultural co-operative service societies in Punjab in 1997-98. The study was conducted in four district, viz. Ludhiana, Patiala, Nawanshahr and Amritsar; and twenty co-operative agricultural societies were selected (five from each district). It was revealed that most of the societies were earning profits and committee members were found involved in day-to-day functioning of the societies, but the societies also expressed dissatisfaction with supply of materials by other government federations and political interference. The study suggested measures to improve functioning of co-operative societies like removing unnecessary restrictions relating to purchase of fertilizers and other materials, reconsidering linkage of societies with other agencies, reducing political interference, tackling corruption, providing security to employees, etc.
Goel (2001), in his paper titled, “Role of Cooperatives in Rural Development (With special reference to Marketing Cooperatives)” highlighted the important role of co-operatives in rural development especially marketing co-operatives and various issues confronting them. The study found that the marketing co-operatives play an important role and mostly all other co-operatives depend on them, but they are also facing issues like weak primary societies, uneven distribution, financial dependence on state, sickness, competition from other public sector agencies, political interference and outdated business techniques. The study suggested measures to improve the working of the marketing co-operatives like liquidation of dormant primary societies, less dependence on state, co-ordination between marketing co-operatives and other public sector agencies, proper government policies to increase profitability of the marketing co-operatives, etc.

Deepshika (2001), in her doctoral thesis, studied the performance of marketing co-operative societies of Himachal Pradesh during the period of 6 years from 1992-93 to 1997-98. The performance of the societies at all the three levels was analyzed and the HIMFED, three district federations, thirteen societies at tehsil level were selected for the study. Both primary and secondary data was analyzed with the help of different tools. It was revealed that all the societies at the district as well as tehsil level were not financially sound. The HIMFED’s liquidity and profitability position was found good, but that of Mandi district federation was not well. The societies suffered from problems like lack of government support, people losing faith in them, no proper promotion policy, etc. The study also suggested certain measures like making proper promotion policy, welfare policies and to have adequate government support to tackle the above problems and improve the position of societies.

Dodkey and Hanamashetti (2002), in their research paper titled, “Role of Co-operative Marketing in India with Special Reference to Fruits and Vegetables Marketing Co-operatives” studied the co-
operative marketing, its structure in India and trends in the business of all types of marketing societies and in the value of fruits and vegetables along with state-wise value of fruits and vegetables marketed by the co-operatives. The study discussed the important functions of co-operative marketing societies and the structure of co-operative marketing which is two-tier (i.e. primary marketing societies at taluka level and state marketing federation as apex body) or three-tier (with district marketing society in middle). The business of all types of marketing societies increased in terms of distribution of consumer goods and agricultural produce whereas declined in the supply of inputs. It was also found that the value of fruits and vegetables handled by the co-operatives increased; and the highest value of fruits and vegetables were marketed by Gujarat co-operatives followed by Karnataka and Himachal Pradesh. The study concluded that the government is playing an important role in the development of agricultural marketing system and in encouraging formation of fruits and vegetables marketing co-operative societies by providing physical and financial support.

Vasanta and Kaushik (2002), in their research paper titled, “Export of Agro Products – Need to Strengthen the Cooperative Marketing” studied the need of strengthening the co-operative marketing for boosting export of agro products and discussed the progress of co-operative marketing and processing societies in India during 1960-61, 1970-71, 1980-91 and mid-nineties. The study revealed that both the single-commodity and the multi-commodity co-operative marketing societies play an important role in agro-product export. The co-operative sector had shown mixed performance in terms of increased number of primary agricultural co-operative societies, and agro processing units, but reduced growth rate in the value of agricultural products distributed, number of co-operative sugar factories and number of cotton co-operatives societies. The organisations like the National Cooperative Development Corporation (NCDC), the National Agricultural Cooperative Marketing Federation of India (NAFED) are playing a significant role in the development of co-
operatives. The study discussed the strengths and weaknesses of co-operatives which were to be considered while framing effective action plan for enhancing agro exports. The study suggested effective policies to strengthen co-operative societies in becoming a good medium to export agro products like improvement in credit facilities, adequate storage facilities, diversification in schemes by the NAFED, support by the government, broadening base of the exports as well as the product line of the agro products to be exported, etc.

Raman (2003), in his paper titled, “Mode of Financing in Cooperative Marketing Society: A Case Study from Tamil Nadu” analysed Tiruchengodu Agricultural Producers Cooperative Marketing Society (TCMS) on the basis of its business performance, capital structure and internal generation of resources, financing of business from internal sources and uses of finance. It was found that the society played an important role in co-operative marketing by involving in outright purchase operations, marketing of agricultural produce especially cotton and provided significant services to the growers. The society followed a sound financial policy of building reserves at a greater rate than share capital and relied on internal resources for development and surviving price fluctuations. It was also found that the society witnessed an increase in administrative and establishment cost which reduced the net profit but it was not at the cost of developing own funds; and substantial amount of money was invested in current assets, in development needs of the society; and the idle money was invested in other securities.

Vimala (2004), in her paper’ evaluated the customer service of co-operatives of Thrissur district in Kerala in terms of behaviour of staff, guidance and promptness in service and present facilities of co-operatives. The study was based on the primary data collected from the customers of the co-operatives by conducting a survey using structured interview schedule. The study framed a hypothesis, i.e., Ho- customers are homogeneous with respect to satisfaction in behaviour of staff, guidance and promptness in service and present
facilities of co-operatives, which was tested with the technique of chi-square test. It was found that the co-operatives held a prominent place among all the age groups, male, females and in all sections of population. The lending policies of the co-operatives were found more attractive as most of the customers approached the co-operatives for availing loans and mostly all the customers dealing with co-operatives were literate. It was also found that most of the customers were mostly highly satisfied with the co-operatives on all the variables and were homogeneous with respect to all variables.

Baluswami and Balavenkatesh (2004), in their research paper, assessed the marketing efficiency of the marketing co-operatives in the Erode district during the period of ten years from 1989-90 to 1998-99. The study evaluated the working performance, marketing efficiency and the extent of member participation and member centrality of the marketing co-operatives. The study was based on both primary and secondary data. The primary data was collected by selecting two Agricultural Producers Cooperative Marketing Societies out of total six societies (one from small-size category and one from large-size category) with the technique of simple random sampling. A sample of 100 members including 50 from small-sized society covering 25 each from two nearby villages and 25 each from two far-off villages, and 50 from large-sized society covering 25 each from two nearby villages and 25 each from two far-off villages were selected; and two schedules, one for the institutions and another for the members’ were used. The study found increase in share capital, capital employed, loan issued, sale of agricultural produce, sale of agricultural inputs, sale of consumer goods, sale of seeds, whereas the profit and loss were evenly distributed. The performance of all the societies varied. The marketing efficiency of the societies was found correlated with membership, value of agricultural produce, total turnover and net profit which varied in different societies. It was further revealed that the farmers favoured marketing society due to its efficient system of sale and good price. The study suggested for increasing share of farmers in the share capital, improvement of outright purchase
system, increasing business of input sale, building expertise in the sale of one or two principal crops of their respective area, controlling administrated expenses, increasing investment in marketing logistics, providing better price to members, organizing activities relevant to members and be successful for achieving member satisfaction.

Ahmad and Ghufran (2004), in their article titled, “Agricultural Marketing Cooperatives of UP State - An Overview” studied the progress and performance of co-operative marketing in Uttar Pradesh during various five year plans. It was found that lot of steps were taken in the state to give important place to co-operative form of organizations in many branches of economic activity especially in co-operative marketing and consolidating, and strengthening agricultural marketing during third, fourth and fifth plans. It was also revealed that at the end of seventh plan the business share of marketing co-operatives at the state, district and primary level to that of total country was not satisfactory due to less attention paid toward them especially primary marketing co-operatives. The performance of marketing co-operatives improved on indicators like membership, paid up share capital, working capital, agricultural produce marketed, etc. It was suggested to restructure the business activities of marketing co-operatives so that they could survive in the changing global environment and work in the interest of member farmers.

Ruparel (2004), in her paper, studied the role of Gujarat State Cooperative Marketing Federation (Gujcomasol) in the marketing of agriculture related products with special emphasis on its logistics management activities related to fertilizers during the period 1961-92 to 2001-02. It was found that Gujcomasol procured different types of fertilizers from various manufacturers especially urea as per allotted quantity from the government, maintained inventory levels after considering previous year demand, monsoon forecasts and the requirement of farmers, distributed fertilizers as per the allotment system of the government, provided maximum benefits to the primary societies in terms of supplying fertilizers on credit and providing
maximum margin to the channel members. The federation uses different medium of promotion like establishing a sales promotion department, opening own depots where distribution network is weak, appointing marketing supervisors and liaison officers to keep track of requirements of the members and storage related problems and conducting programmes to educate and train farmers in modern farming methods. It was further revealed that the distribution of fertilizers by the federation was fluctuating due to drought conditions in certain years and stiff competition from private traders and the single commodity federations. The federation faced problems like lack of adequate training to employees, competition from private traders and the single commodity federations, non-maintenance of co-operative discipline by primary societies, government interference especially in the case of urea, no scientific method for inventory management, transportation problems and improper scientific methods for demand estimation and sales forecasting. The study recommended measures in terms of a) logistics management like establishing task force for negotiating with concerned government department and fertilizers manufacturing companies to increase margin in favour of the federation, proper methods for demand forecasting and inventory management; b) marketing activities like establishing market intelligence systems for getting timely and updated information from the market, establishing of an advertising cell for advertising, more sales promotion techniques, etc.; and c) developmental activities like training to staff members of the federation, adoption of computerized system and conducting executive development programmes for bringing awareness in employees.

Rao et al. (2004), in their research paper titled, “Predicting Corporate Failures: A Study of Selected Sugar Mills in Tamil Nadu” analyzed the financial performance of sugar mills under public, private and co-operative sectors in Tamil Nadu. The study was based on secondary data covering a period of ten years from 1993-94 to 2002-03. The data was examined through multiple discriminant analysis, namely, Altman Z-score analysis. It was found that the
public sector sugar mill showed a more consistent financial health as compared to sugar mills of other two sectors, whereas the private sector mill showed a consistent lesser financial health compared to other two sectors. The sugar mill under co-operative sector was very weak and subject to huge fluctuations in spite of the highest average Z-score.

Jayachandra (2005), in his paper titled, “Financial Management in Cooperative Sugar Industry - A Case Study” studied the financial management of sugar industry by selecting Kovur Cooperative Sugar Factory Ltd., Nellore, Andhra Pradesh during the period of five years from 1999-00 to 2003-04. The study examined fixed assets management, inventory management, cash management and profitability of the factory. The study was based on both primary and secondary data; and the techniques like ratio analysis, fund flow analysis, averages and percentages were used for data analysis. It was revealed that the amount of fixed assets increased, but was not properly utilized; inventory formed a major part in current assets; there were small proportions of cash and bank balances; liquidity position was not good; and the society was not in a position to meet its obligation out of cash flows. It was also found that the cost of production and selling, and administrative expenses increased but in the last two years operating expenses were controlled. Thus, net operating profits were very high. It was recommended that the society should do proper evaluation of investment proposals on fixed assets, proper cash planning, set up a purchase committee for decisions on inventory, adopt an appropriate inventory control system, raise funds through long-term sources to reduce interest charges and for controlling cost of production and operating expenses etc.

Kaushik (2005), in his doctoral work titled, “Management of Human Resources: A Study of Punjab State Cooperative Supply and Marketing Federation Limited (MARKFED)” analyzed the aspects of human resource management in Markfed. The study was based on
primary and secondary sources of information. The hypothesis developed for the study was that organization structure evolved in an unstructured way, human resource planning and career planning is systematic, and recruitment policy, training process and performance appraisal is efficient, methodical and based on performance. It was found that the hypothesis related to organizational structure holds good. The management of the Markfed restructured its organizational structure to meet the challenges of changed requirements. New structure was more systematic, organized and rational. Hypothesis relating to human resource planning and career planning was disapproved as there was no process of job analysis, human resource inventory and slow career planning. The recruitment policy and training policy in the Markfed was also not efficient and lacked professionalism. The federation mostly depended on advertisements as a main source of recruitment; and training process was found to be unscientific. No linkage was there between the performance of the employees and the reward mechanism. The study suggested proper human resource planning, proper recruitment source mix, scientific approach in training, career advancement workshops, open appraisal system, etc.

Khader (2008), in his research paper titled, “MILMA – A Success Story of Cooperative Marketing” studied Kerala Co-operative Milk Marketing Federation (KCMMF) on the basis of its objectives, network, associates, organization, structure, performance and marketing aspects. The study revealed that the main objective of the federation was to carry activities for promoting production, procurement, processing and marketing of milk and milk products for economic development of the farming community and to build a viable dairy industry in the state. The federation has a three-tier system with village milk co-operative societies at the village level, regional co-operative milk producers unions at the regional level and the federation as an apex body at the state level. The federation is associated with number of organizations like the National Dairy
Development Board (NDDB), the Government of Kerala, etc. The KCMMF was found to be performing well in terms of milk procurement and obtained ISO certifications. Further, the federation had a well-planned marketing strategy with strong distribution network comprising wholesale and retail dealers, broad product range and MILMA as its brand name. The study concluded that the marketing of milk through co-operative societies is helpful as it will remove all the inherent defects of traditional marketing and ensure fair price to the producers.

Chandramohan and Periyasami (2008), evaluated the financial performance of Thanjavur District Cooperative Milk Producers’ Union Limited (TDCMPU Limited) operating in Thanjavur, Thiruvarur and Nagapattinam districts of Tamil Nadu during the period 1992-93 to 2003-04. The study was based on secondary sources of information; and ratios like liquidity ratios, profitability ratios and activity ratios were used for analysis. The study found fluctuating liquidity, profitability and efficiency position due to increase in current liabilities, losses, establishment expenses, administrative expenses, interest payments, improper utilization of fixed assets in generating sales, etc. It was recommended to increase milk procurement and sale with the efforts of employees to reduce the effect of expenses and to form a new union with adequate number of employees for procuring surplus milk from Thiruvarur and Nagapattinam districts so that TDCMPU Limited could concentrate more on Thanjavur district.

Dheenadhayalan and Devianbarasi (2009a), in their research paper titled, “Financial Health of Cooperative Sugar Mills – A Case Study of NPKRR Cooperative Sugar Mill Ltd.” examined the financial health of Nadippisai Pulavar K.R. Ramasamy Cooperative Sugar Mill Ltd. (NPKRRCMSL) in Tamil Nadu during the period of ten years from 1997-98 to 2006-07. The study was based on secondary sources of information; and statistical tools like ratios and Altman’s Z-score were used for analysis. The study found that the financial health of the sugar mill was very weak and was subject to huge fluctuations.
The study suggested sugar mill to put efforts to improve the financial condition so as to avoid financial distress and bankruptcy in the future.

Dheenadhayalan and Devianbarasi (2009b) in their research paper, examined the relationship between liquidity and profitability of Nadippisai Pulavar K.R. Ramasamy Co-operative Sugar Mill Ltd. (NPKRRCSML) in Tamil Nadu during the period of ten years from 1997-98 to 2006-07. The study was based on secondary sources of information; and statistical tools such as ratios, Mootals Comprehensive test, Spearman rank correlation and t-test were used for data analysis. The study found that the degree of influence of liquidity on profitability was low and there was no significant correlation between the liquidity and profitability of the mill. The study recommended enhancing owners’ equity, proper utilization of fixed assets, proper management of inventories, reducing production cost by reducing raw material cost, administrative expenses, overheads, interest charges, etc.

Rajarajan and Vijayarani (2009), studied the purchase, sales and the financial performance of consumers’ co-operative wholesale stores in Tamil Nadu. The study was based on secondary data covering a period of ten years from 1995-96 to 2004-05. The study revealed that there was increase in number of stores, number of members, share capital, reserves, working capital and number of stores earning profits but purchases and sales fluctuated and a large number of stores though reduced, but still suffered losses during the study period. The study suggested measures for improvement of consumer co-operatives wholesale stores like improvement in quality of products, further increase in membership, proper budgetary control system to reduce operational expenses, providing monetary incentives to employees to motivate them, proper government financial support, training programmes for staff and members, etc.
Rajage (2009), in his paper titled, “An Economic Analysis of Co-operative Milk Union in Sangli District: A Case Study” analysed the progress of the Rajarambapu Patil Co-operative Milk Union, Isalampur in Sangli district of Maharashtra during the period of five years from 2001-02 to 2005-06 on the basis of indicators like milk collection, milk distribution, cattle-feed production and sale, share capital, membership, assets, borrowings, income and net profit using tools like simple growth rate and percentages. The study found increase in milk collection with the highest share of cow milk followed by buffalo milk, whereas union distributed much of milk to Sion Dairy, Mumbai and local consumers; and milk sold to government was decreasing. The cattle-feed produced was sold out in the respective years under study. The study further found growth in share capital, membership with the highest growth in personal members than primary milk co-operative society members, and income with the highest share of income received from sale of milk and dairy product, whereas nominal and fluctuating growth was registered in fixed assets, borrowings and profits. The union position was successful; and sound principles of management were being followed in its functioning.

Deswal et al. (2009), in their article, examined the financial health of co-operative sugar mills in Tamil Nadu for the period 2002-03 to 2006-07. The study was based on secondary data; and two sugar mills in the state of Tamil Nadu, namely, MRK Co-operative Sugar Mill Ltd. and NPKRR Co-operative Sugar Mill Ltd. were selected for the purpose of study. Techniques used for analyzing the data were Z-score model, mean, standard deviation, co-efficient of variation and graphs. The study concluded that the financial condition of both the firms was not satisfactory. However, when compared with each other the performance of MRK Co-operative Sugar Mill Ltd. was better than that of NPKRR Co-operative Sugar Mill Ltd.

Pillai and Johnson (2010), in their case study, examined the marketing practices adopted by the Chirakkara Handloom Weavers Industrial Co-operative Society Ltd. The period of study was five years
from 2004-05 to 2008-09; and the data was based on secondary sources of information which was coded, tabulated and analysed in terms of percentages and averages. The variables selected for examining the marketing practices of the society were annual average sales effected through apex body Hantex, through sales depots, exhibition, mobile vans and during the rebate period. It was revealed that the sale effected through Hantex was the single largest marketing channel of the society and other major channels of marketing of products of the society in order of percentage contribution were sales depots, exhibition, mobile van and rebate period sales. The study also made suggestions for improving the current marketing practices of the society like regular advertisements through local dailies, providing information in advertisements regarding availability of products through all marketing channels and establishing new sales depots by considering feasibility of marketing of the handloom products, etc.

Bhaskaran (2010), in his paper, studied the physical and financial performance of industrial co-operative societies in Tamil Nadu during the period 1991-92 to 2008-09 on the basis of performance variables like number of societies, number of members, employment, production, sales turnover and wages. The study was based on secondary sources of information; and statistical tools used for analysis were compound growth rate, graphs, correlation, multiple linear regression models and trend equations. The physical performance variables revealed that the number of societies working on profits, total number of members and employment increased, whereas the total number of societies, number of societies in loss, number of societies facing dormancy and the number of new societies decreased during the study period. The number of coir societies was the highest followed by auto and taxi societies, special societies and societies related to labour contract, printing, tailoring etc. The financial performance variables including production, sales turnover and wages showed an upward trend except wages which remained more or less equal. It was further found that there existed a high degree of positive relationship between production and sales turnover.
as compared to negative relation between wages and sales turnover. The industrial co-operatives performed well, but there was low growth pattern in wages and employment grew at a negative rate. The study suggested a proper national and state level policy for industrial co-operative societies and proper policy interventions based on infrastructure, technical, marketing, information and subsidy support.

Pillai and Johnson (2012), analyzed the financial performance of Weavers’ Co-operative Society Ltd., Kanhirode, Kerala in terms of both liquidity and solvency during the period 2007-08 to 2010-11. The technique of ratios and averages was used for analysis. The study found fluctuating liquidity and solvency position of the society. The study recommended enhancing liquidity position of the society by improving status of its current assets and improving solvency position by increasing the share capital by attracting more members within the jurisdiction of the society.

Moharir (2012), in his paper titled, “Role of Co-operative Societies in Agriculture Product Marketing in Maharashtra” studied co-operative movement, co-operative marketing structure and the role of co-operative societies in agricultural marketing in Maharashtra. The study found that the co-operative movement in Maharashtra has spread to areas other than agricultural credit like non-agricultural credit, housing, agro-processing, marketing industries, labour, etc. The study favoured co-operative marketing in Maharashtra as these societies ensure better returns to the farmers, save from exploitation of money-lenders, provide storage facilities, transportation facilities, etc. The co-operative marketing societies have made progress in the state. The study suggested following the basic principle of co-operation, i.e., each for all and all for each, integration of agricultural processing credit and marketing activities, diversification of activities of marketing co-operative societies with the help of financial and technical assistance by the state government, etc.
Soni and Singh (2013), in their research paper titled, “A Study on Cooperative Marketing with reference to Chhattisgarh MARKFED Limited” studied the structure and the role of co-operative marketing in Chhattisgarh and the performance of Chhattisgarh MARKFED during the period of two years, i.e., 2009-10 to 2010-11 on the basis of key performance indicators including share capital, funds and reserves, deposits, borrowings from banks, fixed assets, investment, advances, paddy procurement in quantity and value, fertilizer distribution, turnover, expenses and profits. The study was based on both the primary and secondary sources of information. For the purpose of the study, 100 respondents from the 10 PAMS of Kabirdham district on the basis of simple random sampling were selected. The study found satisfactory performance of Chhattisgarh MARKFED on key performance indicators; and maximum number of respondents were satisfied with the functioning of MARKFED. The federation also suffered from problems like shortage of funds, insufficient godowns, lack of transportation facilities, untrained personnel, poor management of marketing societies, etc. The study gave suggestions for improvement like diversification of the activities of marketing co-operative societies with the help of financial and technical assistance by the state government, having proper storage facilities, effective management, providing efficient training facilities, etc.
REFERENCES


