PREFAE

The present work comprises a critical study of Cooperative Marketing of raw cotton with special reference to South Gujarat. The importance of the subject is significantly brought out by the writings and opinions of several committees appointed by the Central Government and Government of the Bombay State. The Cotton Marketing Committee of 1949, appointed to study marketing of cotton in India under instructions from the Ministry of Food and Agriculture, stated in its report that, "The organisation of Cooperative cotton sale ginning and pressing societies in Surat and Broach Districts of Gujarat is a development of a great socio-economic importance ...... The cooperatives in Gujarat are the outcome of the people's efforts to solve their difficulties that stand in way of marketing their cotton profitably ..." In the context of this opinion it will be of great interest to note that the Surat Cotton Market which is the central market for South Gujarat is not a regulated market under the Bombay Agricultural Produce Market Act of 1939. The Government of Bombay instituted an enquiry into the regulated markets of the Bombay State in 1951. The body of experts conducting this enquiry made a study of marketing conditions at Surat and had nothing to condemn or criticize the market practices in this part of the state.

This prompted me to undertake the present research with a view to finding out how far the evolution of marketing cooperatives can help to rationalise the methods and technique of commodity marketing and further to what extent the working of the cotton cooperatives in this part of the state supports this proposition.

India is an important raw cotton producer in the world. She
stands second and next to the U.S.A. Marketing of Agricultural crops, has been studied several times in this country and the marketing of cotton has been given special importance by official as well as unofficial agencies. Economy and efficiency of commodity marketing has great significance for an agricultural country like ours, and therefore attempts have been often made to encourage such methods and systems as will lead to the economic advantage of the producer of primary commodities. Cooperation is one of such methods; but its inauguration in our country, especially for marketing is of recent origin. Methods of cooperative enterprise have their own principles and technique. History of cooperative marketing in this country is too short to provide sufficient data and an account of itself to prove its merit and therefore the subject of cooperative marketing of cotton has never been separately studied on scientific basis.

Now that about four decades have passed and abnormal conditions consequent upon the second world war, are also over, it was felt that the time had come to do a stock-taking of the cooperative system of cotton marketing and to assess how far it has proved its worth.

While examining the role of cooperation in the field of cotton trade my intention was not only to study the contribution of marketing cooperatives to the economic welfare of the cotton grower, but also to examine the structure of cooperative organisation and its membership, management and sales policies with a view to comparing its role vis-a-vis that of the cotton dealer, and to know the repercussions of this movement on the interests of the trading community in general and of the cotton dealers in particular.
I have selected the Southern part of Gujarat as the area for my study as this happens to be at present the most reputed cotton producing tract in India and the cooperative marketing has solely concentrated itself in this region. The old Bombay State covered approximately 25% of the total acreage under cotton in the whole of India; and according to the Annual Administration report on the working of the cooperative societies in the Bombay state the number of cotton sale societies happens to be the largest in Gujarat e.g. in 1952 the number of such societies in Gujarat was 56 whereas in Maharashtra the number of such societies was 24 and in Karnataka 7. In 1952 out of the total number of cotton sale societies of Gujarat the largest number i.e. 35 was in Surat District and 5 in Broach District. Therefore I could find the best environments for research in this part of the state as it is known both for the quality of cotton grown as well as for the progress of cooperative marketing of cotton. Another reason for limiting the field for research to this region was to leave an adequate scope for the intensive study particularly in the light of capacity of an individual investigation. As I was to study the cotton cooperative from the point of view of the cotton grower and the cotton dealer I had to approach three parties in main, viz. The cotton sale societies, the farmer and the trader.

South Gujarat is conventionally described as that part of Gujarat of the present Bombay State, which lies to the south of River Narmada. The Agricultural and Cooperative Departments of the Bombay State and the cotton dealers uniformly hold this definition as the most convenient and therefore acceptable. It consists of the entire Surat District and Seven talukas of Broach District, comprising an area of 5785.7 square miles and
consisting of 2815 villages (and 18 towns). Out of 18 talukas of the present Surat District, some do not grow cotton or grow very insignificant quantity e.g. Dharampur, Pardi, Bulsar, Gandevi, Songadh and Vasda. I excluded these talukas from my village surveys. Similarly Sagbara and Dediapada talukas of Broach District were eliminated. The rest of the talukas (13 of the Surat District and 5 of the Broach District) were treated in order of their acreage under cotton, and in that proportion, the selection of villages on the basis of random sampling was done. Out of 1380 villages of the 13 talukas of Surat District, 60 villages were visited, and out of 584 villages of 5 talukas of the Broach District 38 villages were visited. As Navapur Taluka of West Khandesh District grows Surti Cotton, a visit was paid to Navapur and 15 cotton growers were interviewed, but it is outside the limits of South Gujarat. One village selected from Chikhli taluka was found without any cotton grower. Thus in the scheme to visit 100 village out of total 1964 in South Gujarat 99 villages were surveyed. In each village surveyed the list of cotton growers alone was obtained and further they were classified in four categories according to their normal capacity for growing the crop. viz. Growing (i) less than one bhar of Kapas (one Bhar is equal to 12 Bengali Maunds) (ii) Between 1 to 5 bhars (iii) from 5 to 10 bhars and (iv) Above 10 bhars. In all 821 farmers were interviewed on the basis of random sampling.

As for the Cotton Sale Societies I visited all of them numbering to 45 upto the year of 1956 including Multipurpose Societies, undertaking the sale of members' cotton. One cotton firm of Bombay was visited and its representative was interviewed as it functioned on behalf of these cooperatives in the Bombay Marla.
Out of 48 dealers in cotton, registered as buyers with the Surat District Cotton Dealers' Association at the end of the year 1955, 29 were interviewed and out of 58, registered as sellers, 34 were interviewed, including 8 cooperatives examined separately. The Survey was conducted during March 1954 to July 1956 and the questionnaires were filled personally. The specimens of questionnaires are given in the Appendix.

The arrangement of chapters is as follows. In the introductory chapter an attempt has been made to elucidate a general significance of cooperative marketing by comparing the same with alternative methods of improving marketing. In this context a difference between the cooperative trading and trading under other economic systems has been pointed out. Although the cooperative system has been found as the best via-media in the present surroundings for solving the problem of agricultural marketing it is by no means easy to work. The Second Chapter therefore deals with the role of cooperation in agricultural marketing and points out various disabilities and limitations under which a small agriculturist has to work when he chooses to market his crop either individually or cooperatively. That explains why the marketing cooperatives have not made any appreciable progress in India. Despite the fact that the foreign rulers in this country were partial to Indian Cotton although hostile to Indian Cloth, and despite the state sponsored attempts through agricultural and cooperative departments to improve the quality and standard of cotton marketing cooperative marketing has not developed in the length and breadth of Indian Cotton tracts. Only in Gujarat and more particularly in South Gujarat the cooperative marketing of cotton is more concentrated.
New systems, like agricultural crops, grow in suitable surroundings. Third Chapter therefore presents the background for the traditions of cotton culture of this region and describes the evolution of South Gujarat cotton. As the quality of a produce, has much to do with the incentive for self-efforts in its marketing and as the seller should possess a full knowledge of the goods he sells, the progress in the quality of and seed distribution for South Gujarat cotton has been depicted rather elaborately with the relevant technical details. Fourth Chapter presents the survey of primary marketing stating how raw cotton in each taluka moves from farms to the gins, and points out the proportion of cotton growers selling through cooperative societies and of those selling through ordinary channels. The purpose of the fifth Chapter is to discuss the position of both these groups in Surat Cotton Market. It deals with the organisation and working of Surat Market which is the central market for South Gujarat cotton. It is regulated under the conventions codified by the Surat District Cotton Dealers' Association, and not under the state legislation. In this context, merits of regulated markets have been discussed and by comparing the role of cooperatively organised cotton grower with various other categories of sellers and buyers of cotton in Surat Market, it has been pointed out, how the growth of organised cooperation secures all the merits of regulation without requiring any state imposed regulation.

Sixth Chapter gives chronological aspect of the growth of cooperative cotton sale societies with a detailed consideration of varying tempo in their development in various talukas upto the present date. Subsequent chapters are devoted to the consideration
of their objects, constitution, and operating policies. In order to evaluate their organisational set-up and business efficiency, their bye-laws and policies are analysed in various aspects in the light of the commonly accepted principles of cooperative marketing. Accordingly Seventh Chapter gives an outline of the byelaws and deals with the present controversy whether a marketing cooperative should be single-purpose unit or multi-purpose, and whether the same should confine its activities to a single commodity or several commodities. Enlightened membership and impartial management being the main planks of a successful democratic organisation, the next two chapters are devoted to the consideration of membership and management policies respectively. The Tenth Chapter describes the routine work of a cotton sale society before, during, and after the season, and further points out its sources of finance and income. The Eleventh Chapter gives a critical estimate of sales policies of cotton cooperatives. It sets forth various aspects of a sales organisation and examines the sales policy of the Southern Gujarat Cooperative Cotton Marketing Union with a detailed reference to its dealings in the spot as well as hedge market. Possibilities of direct sales to outside markets and to spinners have been discussed and various suggestions are made to improve the sales efficiency of the Union as well as of its affiliated societies.

Finally in the concluding chapter the achievements of cotton cooperatives of South Gujarat are emphasised in the context of objectives that the marketing cooperatives are expected to serve. Some of their weaknesses are pointed out and remedies are suggested. As the cotton trade of this region is regulated by the Surat District Cotton Dealers' Association, a reference has been made to
the utility of this body and suggestions are offered to render it more serviceable. All Gujarat Onion, Cooperative manufacture of gin stores, Cooperative Spinning and such incidentally relevant topics are also touched upon.

The entire study is made in the light of the principles underlying the economics of cooperative marketing as well as of the cotton trade. Whereas references from the standard works on both the subjects have been liberally given, the actual discussion is based on the information, opinions, and views expressed by cotton growers, officials of cotton cooperatives and cotton dealers. I am deeply indebted to all of them for their hospitality in receiving me very cordially and offering the interviews with deep interest and patience. I have also to acknowledge my gratitude towards the authorities of the South Gujarat Cooperative Cotton Marketing Union as well as of the Surat District Cotton Dealers' Association with whom I have been in continuous touch during the course of this investigation. I am obliged to my colleague Prof. K. M. Talati, Professor of Advanced Statistics and Mathematics, for his assistance in selecting the villages surveyed, by the technique of random sampling. Similarly I am thankful to Shri G. B. Patel, the then Cotton Development Officer and Dr. N. R. Bhat, the then Cotton Botanist of the Bombay State for allowing me the use of their office library and for making useful suggestions. My thanks are also due to Prof. M. L. Dantwala, Professor of Agricultural Economics, University of School of Economics and Sociology, Bombay, for guiding me in preparation of the scheme of this work.
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Sir K. P. College of Commerce, Surat.
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